



2018

ISPA SPA WORKFORCE STUDY






TABLE OF CONTENTS

2	Intro
4	Overarching Workforce Themes
8	Management
17	Service Providers
23	Appendix I: Management Engagement
27	Appendix II: Service Provider Engagement
31	Participants
35	Survey Methodology





The ISPA U.S. Spa 2017 Industry Study identified more than 30,000 vacant positions in the U.S. spa industry. To address this challenge head on, the International SPA Association (ISPA) Foundation commissioned PricewaterhouseCoopers (PwC) to conduct the inaugural ISPA Spa Workforce Study to further investigate the factors behind these open positions, as well as what attracts members of the workforce to open positions, and what makes them want to stay at organizations for an extended period.

ISPA would like to extend a special thank you to the sponsors of this study, AccorHotels and ResortSuite, for helping bring this study to life. Their commitment will help spa professionals dig deeper into employee perceptions and motivations that significantly impact recruitment, retention and engagement within the spa workforce.

For the purposes of this study, “management” includes individuals holding a management responsibility within a spa (i.e. owners, directors, managers, assistant managers, etc.). The term “service provider” includes all individuals holding service-related positions within a spa (i.e. massage therapist, esthetician, nail technician, etc.).





**IF KNOWLEDGE
IS POWER,
GET READY TO
LIGHT THINGS UP.**



OVERARCHING WORKFORCE THEMES



In terms of attracting talent, those working in the industry are key advocates for organizations.



Poor management is a top reason for service providers leaving their jobs.



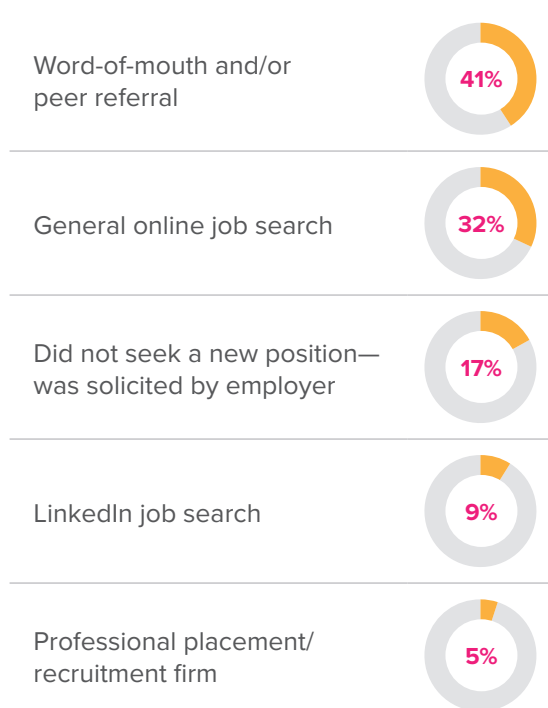
Loyalty to current employers is high and a positive culture/working environment is important to all roles.

***‘Word-of-mouth and/or peer referral’
was the dominant method used when
searching for their current job for both
management and service providers.***

*This approach was used by almost half
of service providers for their current role.*



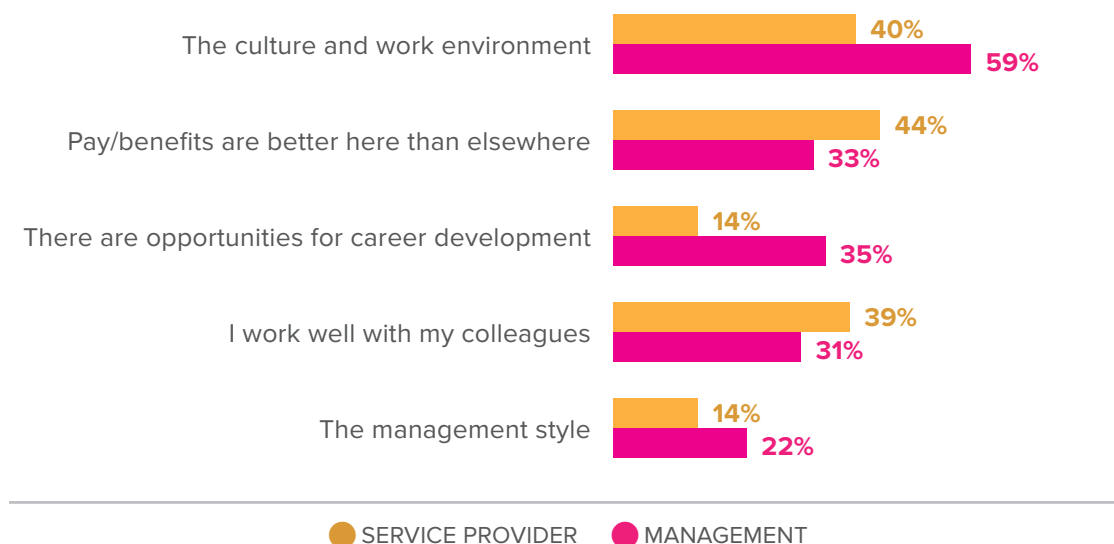
ALL RESPONDENTS



- After word-of-mouth, general online job searches were the most common approach utilized by both management and service providers.
- Management were more likely to be solicited by an employer (23%) and to use a LinkedIn job search (17%).

Commitment to current employers is high across all roles.

TOP REASONS FOR STAYING



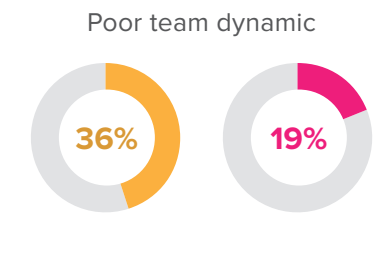
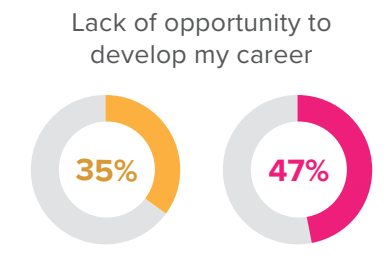
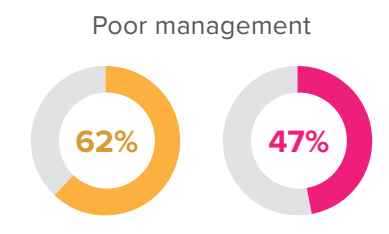
78% of respondents **12 months**
EXPECT TO BE WORKING FROM NOW
in their current organization

*This is consistent for both management and service providers.
However, the top reasons motivating them to stay differ.*

- Culture and work environment (59%) is the main reason for management intending to stay with their current organization, followed by career development opportunities (35%).
- Among service providers, pay/benefits (44%) is the top reason, closely followed by culture and working environment (40%) and a good working relationship with colleagues (39%).
- Administrative staff also feel a sense of team is important when considering their future with their current employer, identifying culture and work environment (48%) and working well with colleagues (44%) as the top reasons to stay.

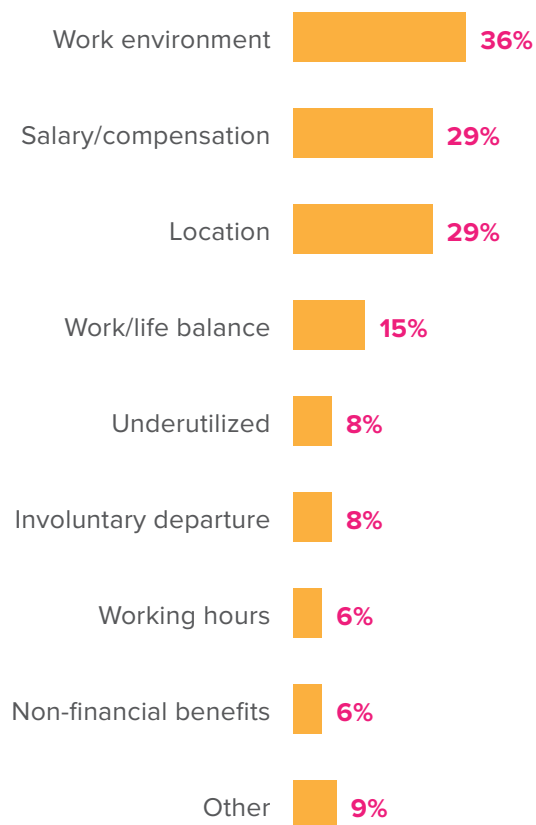
Poor work environment was the top reason for both management (35%) and service providers (38%) leaving their previous job.

TOP THREE WORK ENVIRONMENT ISSUES



● SERVICE PROVIDER ● MANAGEMENT

REASONS FOR LEAVING PREVIOUS EMPLOYMENT



- Of those who left due to a poor working environment, a notable proportion (62%) of service providers felt this was caused by poor management.
- A lack of career development was also a notable trigger for management respondents (47%).



MANAGEMENT

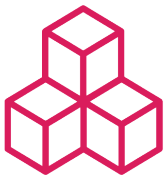
*The training/education
of high quality staff is
management's biggest challenge
for the spa of the future.*



OVERARCHING MANAGEMENT THEMES



The majority of management do not hold a service provider license, with over two thirds receiving 'on the job' training.



Management respondents would like a long-term career in the spa industry and are motivated by career development opportunities.

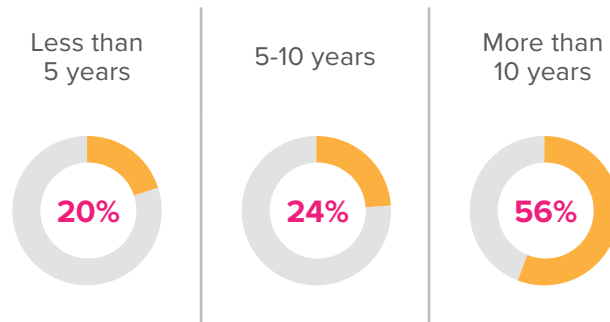


The long-hours culture in the spa industry is evidenced with the average management respondent working more than 44 hours per week.

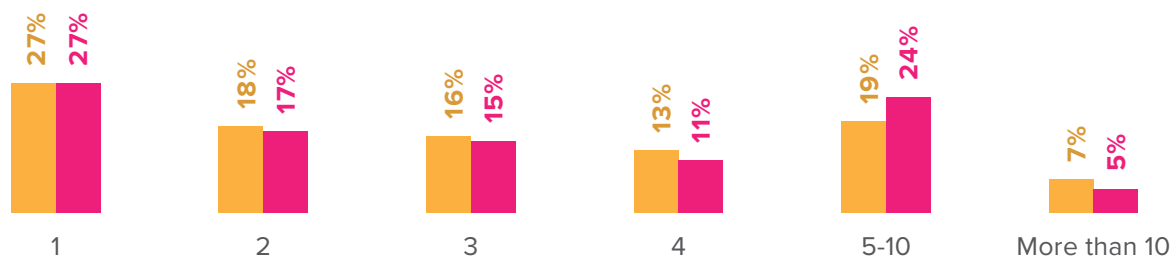
A total of 362 spa managers participated.

- An overwhelming majority were female (84%), North American based (80%) and employed full-time (96%).
- Almost two thirds of management respondents (64%) are currently employed by resort/hotel spas and a further 23% by a day spa.
- Just over half (56%) have worked in the spa industry for over 10 years and a similar proportion (53%) have worked in management for five years or more.
- Almost three quarters (74%) have worked for less than five organizations during their career in the spa industry, with 70% working in under five locations. This suggests that many management respondents have largely stayed with the same spa in an organization.

LENGTH OF SERVICE IN THE SPA INDUSTRY FOR MANAGERS



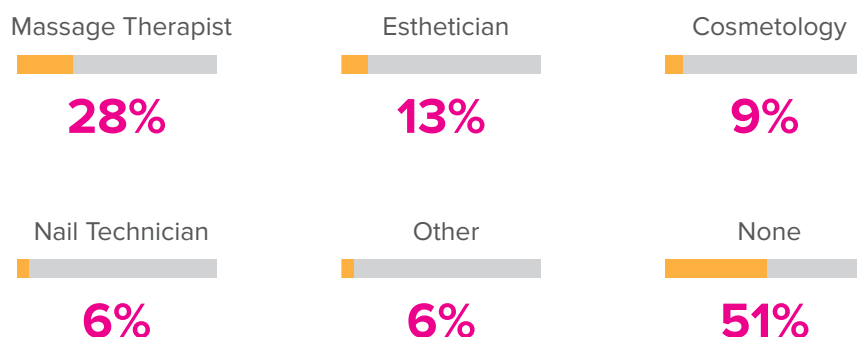
LOCATIONS WORKED IN VS. ORGANIZATIONS WORKED FOR (MANAGERS ONLY)



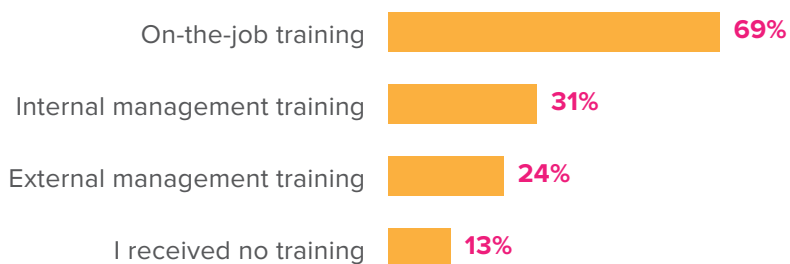
● ORGANIZATIONS ● LOCATIONS

Preparation for a spa management role varies across the industry and candidates are equally likely to have held a spa service provider role as not.

LICENSES HELD BY MANAGERS



TRAINING RECEIVED BY MANAGERS



- Over half of spa management respondents (51%) do not hold a service provider license. Among millennial managers there is a higher proportion who don't hold a license (64%).
- Relevant to progression to a management role, administrative staff highlight 'opportunities for career development' (33%) as a key influencer for them to stay in their current employment. Forty-four percent of respondents in this role want to see 'greater opportunities to progress to management' in the spa industry of the future.
- Most management respondents received training within their organization to prepare them for their first spa management role, with only 24% having undertaken external training outside their organization. The proportion among millennial managers falls below that at 16%.

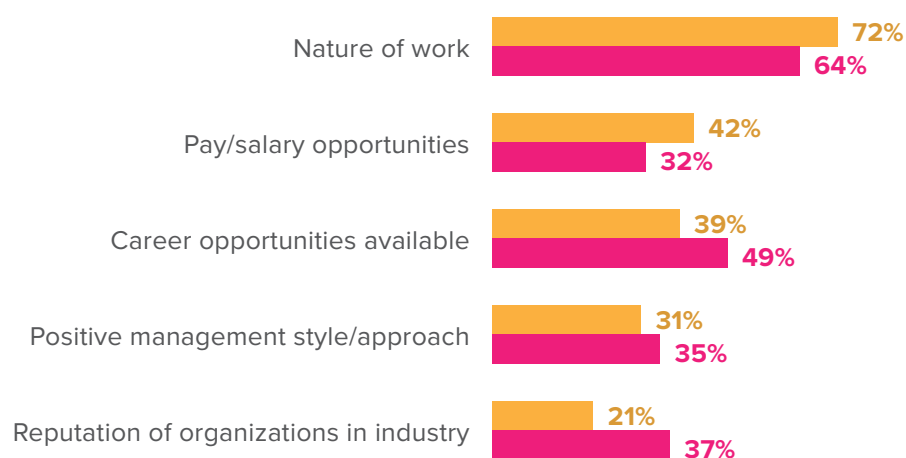
Aside from the nature of the work, career development opportunities were a key factor in attracting management respondents to the industry, particularly for those that don't hold a service provider license.

TOP ASPECTS FOR ATTRACTING MANAGERS TO THE SPA INDUSTRY

Nature of the work	68%
Career opportunities available	45%
Pay/salary opportunities	37%
Positive management style/approach	33%
Reputation of organizations in the industry	30%

- 'Nature of the work' is the highest ranking aspect which attracted all management respondents to the spa industry (68% ranked aspect in their top 3), followed by 'career opportunities available,' ranked by 45% of management respondents.
- 'Career opportunities available' was more important for those that do not hold a service provider license (49% versus 39%).
- Pay/salary opportunities ranked more highly among managers who hold a service provider license (42% versus 32%).

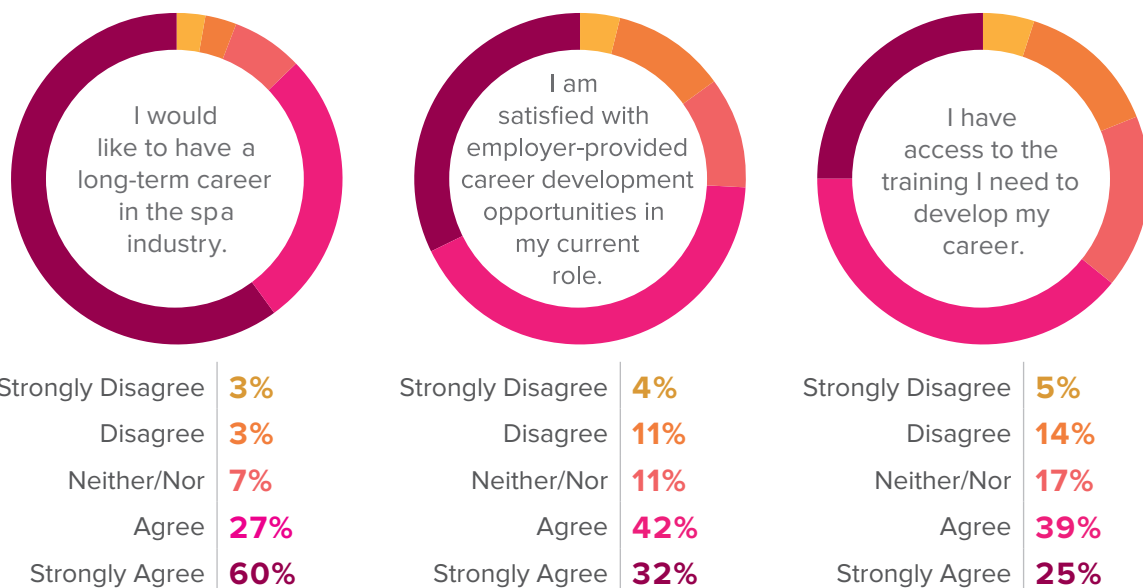
ASPECTS WHICH ATTRACTED MANAGERS TO THE SPA INDUSTRY BY THOSE WHO HOLD A SERVICE PROVIDER LICENSE AND THOSE WHO DON'T



● LICENSE ● NO LICENSE

Most management respondents would like a long-term career in the spa industry (87%), but perhaps could be more confident that they will be able to develop their career with their current employer.

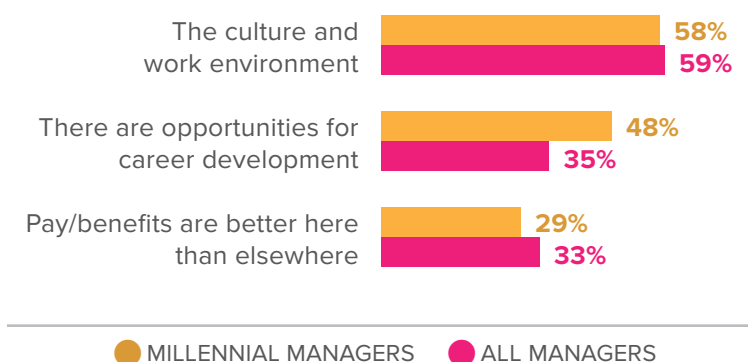
CAREER DEVELOPMENT OPPORTUNITIES



- 87% of spa management would like to have a long-term career in the spa industry, with 60% strongly agreeing with this statement.
- Approximately one third (32%) strongly agree that they are satisfied with the opportunities their current employer provides to develop their career and one quarter strongly agree they have access to the training they need to develop their career.
- 'Lack of opportunity to develop career' (47%) and 'poor management' (47%) were the top reasons that management respondents left their previous job.

Career development opportunities are a key factor for millennial managers staying with their current organizations.

TOP THREE FACTORS INFLUENCING MANAGERS TO STAY WITH CURRENT ORGANIZATION (ALL MANAGERS VS. MILLENNIAL MANAGERS)



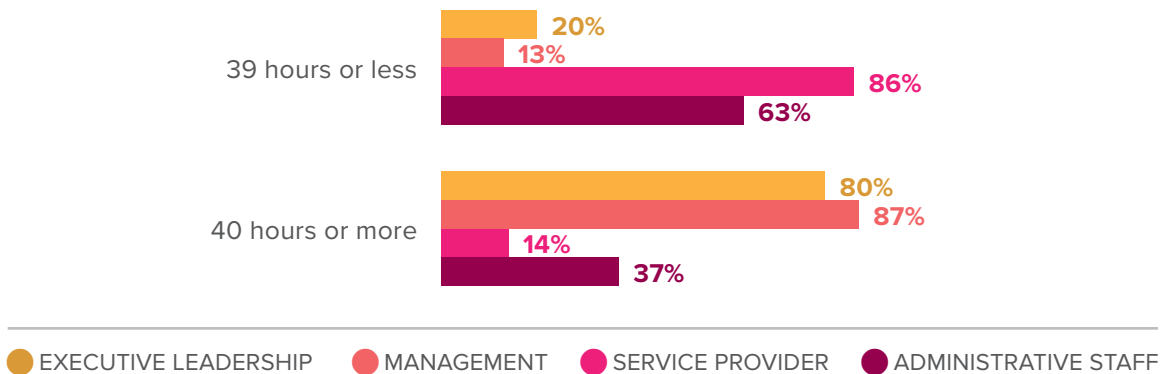
- 78% of spa management respondents expect to be working in their current organization in 12 months and of that, 35% are staying because of career development opportunities. The proportion influenced by career development opportunities was higher among millennial managers (48%).
- Greater opportunities to progress to management roles internally (24%) topped the list of changes management respondents would most like to see in the spa industry of the future.
- A high proportion of millennials in administrative roles are keen to progress to a management role more so than their service provider counterparts (57% vs 26%).

ONE CHANGE MANAGEMENT WOULD MOST LIKE TO SEE IN THE FUTURE SPA INDUSTRY

Greater opportunities to progress to management roles internally	24%
I would like to see the spas diversify in the type of services they provide	21%
More opportunities to travel between one spa and another within the same franchise	19%
I would like the option to be trained in another spa-related field	16%
I would like to see greater flexibility in setting schedules	11%

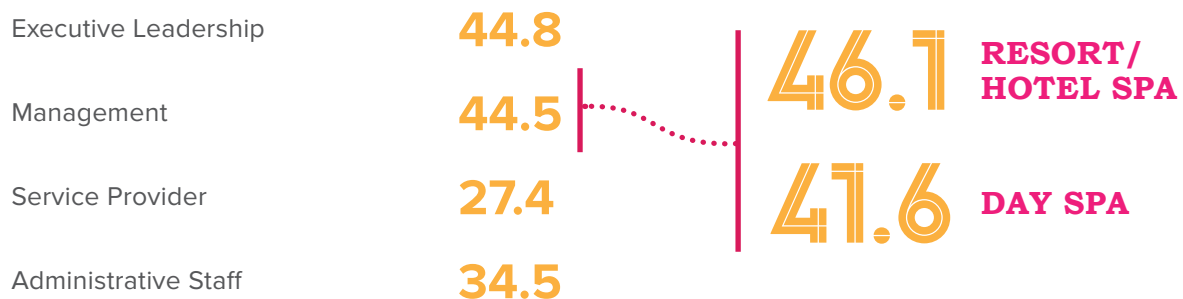
The average number of hours worked per week is notably higher among management respondents than those currently working in service roles.

NUMBER OF HOURS WORKED PER JOB ROLE



AVERAGE NUMBER OF HOURS BY JOB ROLE

HOURS WORKED BY MANAGEMENT BY SPA TYPE



- 87% of management respondents work more than 40 hours per week. This trend is higher among management respondents from resort/hotel spas (92%) compared to those currently employed by day spas (76%).
- On average, respondents in management positions work 44.5 hours a week. This is similar for those in executive leadership (44.8); however, is higher when compared to service providers (27.4) and administrative staff (34.5).
- When looking between spa types, management in resort/hotel spas worked on average 46.1 hours a week compared to 41.6 hours in day spas.

There appears to be a broad level of agreement from management that the hours worked are an accepted part of the role.

- Whilst 70% are generally satisfied with the hours they currently work, a relatively low proportion of respondents (19%) felt able to strongly agree with this statement.
- Sixty-four percent of millennial managers are satisfied with the hours they currently work, with 59% being confident they can maintain a reasonable balance between their personal and work life priorities regardless of the long hours.
- Just over half of management (54%) were able to agree that their total compensation package fairly recognizes their contribution in their current role, with only 15% strongly agreeing with this statement.
- While over half of management feel that their current role offers flexible working patterns and that they can maintain a reasonable balance between personal and work priorities, just 13% felt able to strongly agree with these statements.

CAREER DEVELOPMENT OPPORTUNITIES

My total compensation package fairly recognizes my contributions in my current role.



My current role offers opportunities for flexible working patterns.



I can maintain a reasonable balance between my personal life and work life priorities in my current role.



My weekly hours worked/pay is too unpredictable.



I am satisfied with the hours I work.



● STRONGLY DISAGREE ● DISAGREE ● NEITHER/NOR ● AGREE ● STRONGLY AGREE

A female service provider with blonde hair tied back, wearing a white uniform with pink trim, is performing a facial treatment on a client. The client is lying down, and the provider is gently holding her face. The background shows a blurred spa or salon environment with shelves of products.

SERVICE PROVIDER

*Service providers see client
and employee retention as a big
challenge of the future.*



OVERARCHING SERVICE PROVIDER THEMES



Service providers are passionate about providing exceptional client service and the majority would like a long-term career in the industry.



Flexible scheduling and ability to balance work and home life are important to service providers.

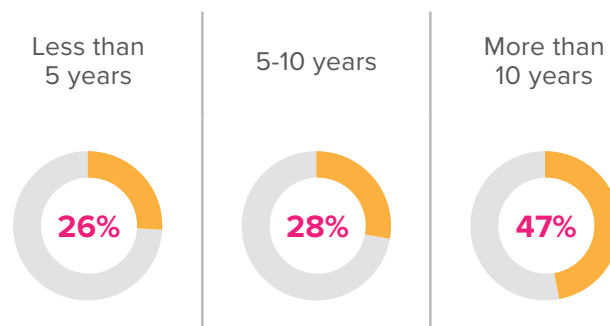


Service providers perceive that issues surrounding their compensation package and the up-selling of retail products causes divide among service providers and management.

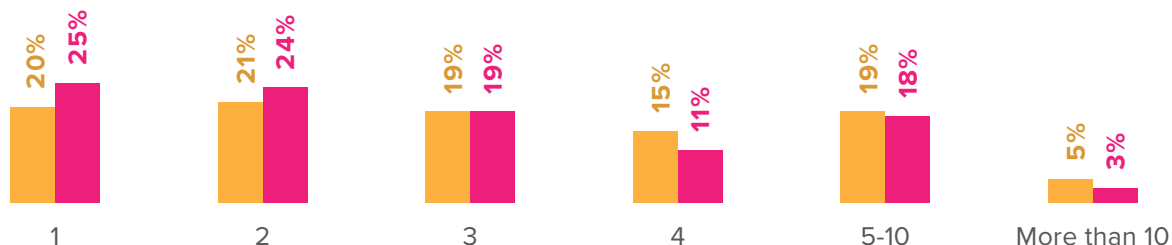
A total of 566 service providers took part, nearly three-quarters of whom have worked in the industry for five or more years.

- An overwhelming majority of respondents are female (92%) and less than 50% are employed full-time (48%).
- Almost half of service provider respondents (47%) are currently employed by resort/hotel spas and further 36% by a day spa.
- Almost 75% have worked in the spa industry for over five years with almost 50% having worked in the industry for more than 10 years.
- 75% have worked for fewer than five organizations during their career in spa industry, with almost 80% having worked in fewer than five locations. The data suggests that as locations are bought or sold to another franchise, staff tend to stay at the same location.

LENGTH OF SERVICE FOR SERVICE PROVIDERS



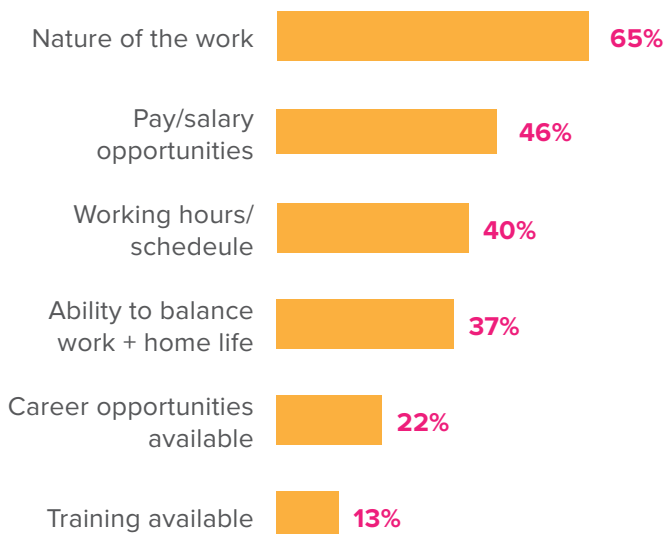
LOCATIONS WORKED IN VS. ORGANIZATIONS WORKED FOR (SERVICE PROVIDERS ONLY)



● ORGANIZATIONS ● LOCATIONS

Service providers were primarily attracted to the industry by the nature of the work. The balance of flexibility alongside potential compensation were also motivating factors.

WHAT ATTRACTED SERVICE PROVIDERS TO THE SPA INDUSTRY?



97%
are passionate
ABOUT PROVIDING
exceptional
CLIENT SERVICE
80%
WOULD LIKE A
long-term career
IN THE SPA INDUSTRY

- Aside from the nature of the work, which is the biggest attraction for service providers (65%), service providers find that 'pay/salary opportunities' (46%), 'working hours/schedule' (40%) and 'ability to balance work and home life' (37%) are what attracted them to the industry.
- Compared to their management colleagues, service providers are less motivated by career opportunities (22% vs 45%) and the reputation of the industry (19% vs 30%).
- Training isn't what attracted service providers to the industry, 13% vs 65% for the nature of the work.
- 44% of service providers stated 'pay/benefits' as the main factor influencing them to stay with their current employer, with 'culture and work environment' coming in second at 40%.

Flexibility and work/life balance are important to service providers.

- 55% of service providers ranked flexible schedules as a ‘top three’ important benefit, with over a quarter (26%) ranking this as the single most important benefit to them.
- Consistently balancing home and work life (40% ranked in top three aspects) is also considered one the most important aspects in the work environment.
- Effective management (38%) and good morale among colleagues (37%) are also important to service providers.
- Over a fifth of service providers do not feel inspired by the leaders in their organization with 68% having left their previous role due to poor management.

IMPORTANT BENEFITS FOR SERVICE PROVIDERS		IMPORTANT ASPECTS OF THE WORK ENVIRONMENT	
Flexible schedules	55%	Being able to balance home and work life	40%
Health insurance	50%	Effective management	38%
Competitive reward and recognition	41%	Good morale among my colleagues	37%
Access to high-quality professional development	30%	Job satisfaction	33%
Retirement plan	27%	A physical working environment that is comfortable and well-maintained.	28%

Pay/salary ranks high among the factors attracting service providers to the industry.

- Fewer than half (46%) of service providers agree their total compensation package fairly recognizes their contributions, with just 13% strongly agreeing.
- Just over half (57%) of service providers are satisfied with how their organization handles gratuities/tips and less than half believe their compensation package is competitive with similar jobs elsewhere. Pay/salary ranks high (46%) among the factors attracting service providers to the industry and these findings may suggest a gap with actual experience.
- 46% of service providers do not believe they should have a responsibility to upsell retail products as part of their role. In contrast almost 90% of management believe service providers should have this responsibility.
- Millennial service providers (62%) are more willing to accept 'upselling' as part of their role compared to non-millennial colleagues (54%).

WORKING ENVIRONMENT

My total compensation package fairly recognizes my contributions in my current role.



I am satisfied with how my organization handles gratuities/tips and service fees.



The order in which therapists are assigned to treatments/appointments is fair at my spa.



I feel service providers have a responsibility to upsell retail products as part of their job role.



● STRONGLY DISAGREE ● DISAGREE ● NEITHER/NOR ● AGREE ● STRONGLY AGREE

A woman with dark hair tied back, wearing a white button-down shirt, stands with her arms crossed and a warm smile. She is positioned in front of a large window that looks out onto a cityscape. The lighting is soft and natural, coming from the window.

APPENDIX I

MANAGEMENT ENGAGEMENT

*Learn more about
perceptions and motivations
from today's spa leaders.*

This section outlines the agreement levels among management respondents to a series of statements.

I am satisfied with the opportunities my employer provides to develop my career in my current role.



I have access to the training I need to develop my career.



I would like to have a long-term career in the spa industry.



My current role makes use of my skills and abilities.



● STRONGLY DISAGREE / DISAGREE ● NEITHER AGREE NOR DISAGREE ● STRONGLY AGREE / AGREE

My total compensation package fairly recognizes my contributions in my current role.



26% · 20% · 54%

My total compensation package is competitive with similar jobs I might find elsewhere.



24% · 24% · 52%

I am satisfied with how my organization handles gratuities/tips and service fees.



7% · 20% · 74%

● STRONGLY DISAGREE / DISAGREE ● NEITHER AGREE NOR DISAGREE ● STRONGLY AGREE / AGREE

I am satisfied with my current organization as it is a great place to work.



Overall, my workload is reasonable.



I feel that I am part of a team.



I would recommend my current organization to my friends and family as a great place to work.



My organization cares about my overall health and well-being.



The order in which therapists are assigned to treatments/appointments is fair at my spa.



● STRONGLY DISAGREE / DISAGREE ● NEITHER AGREE NOR DISAGREE ● STRONGLY AGREE / AGREE

Managers in my organization are equipped with the skills needed to perform the role effectively.



13% · 12% · 75%

I am inspired by the leaders of my organization.



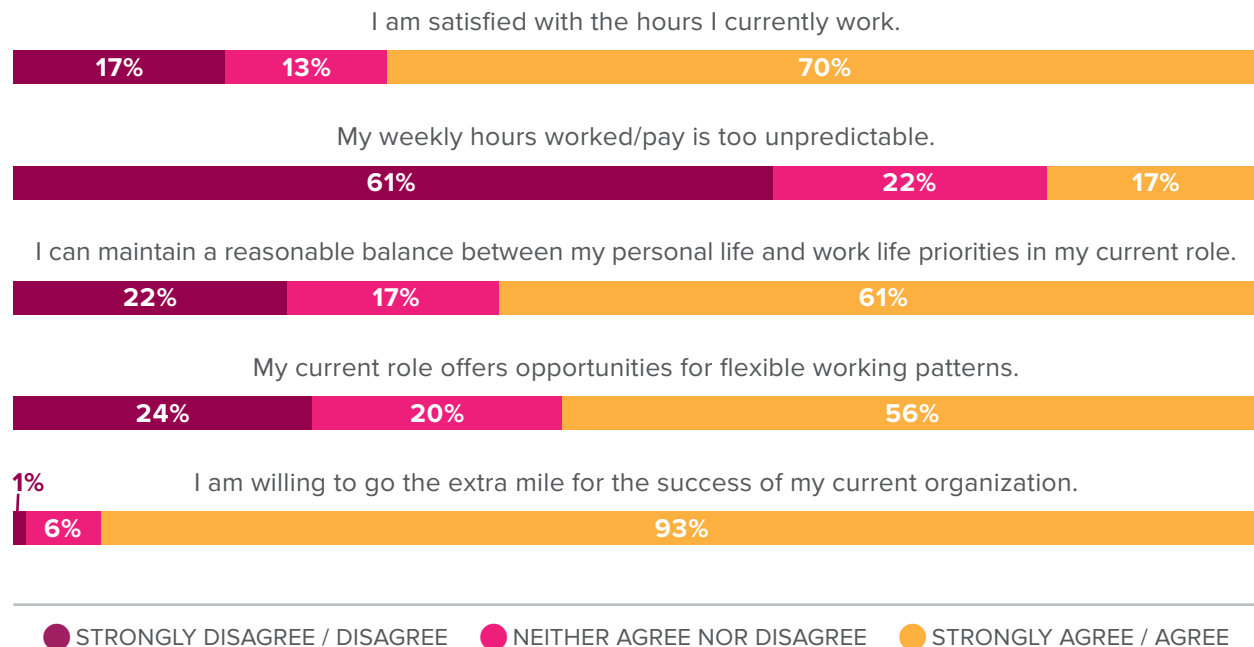
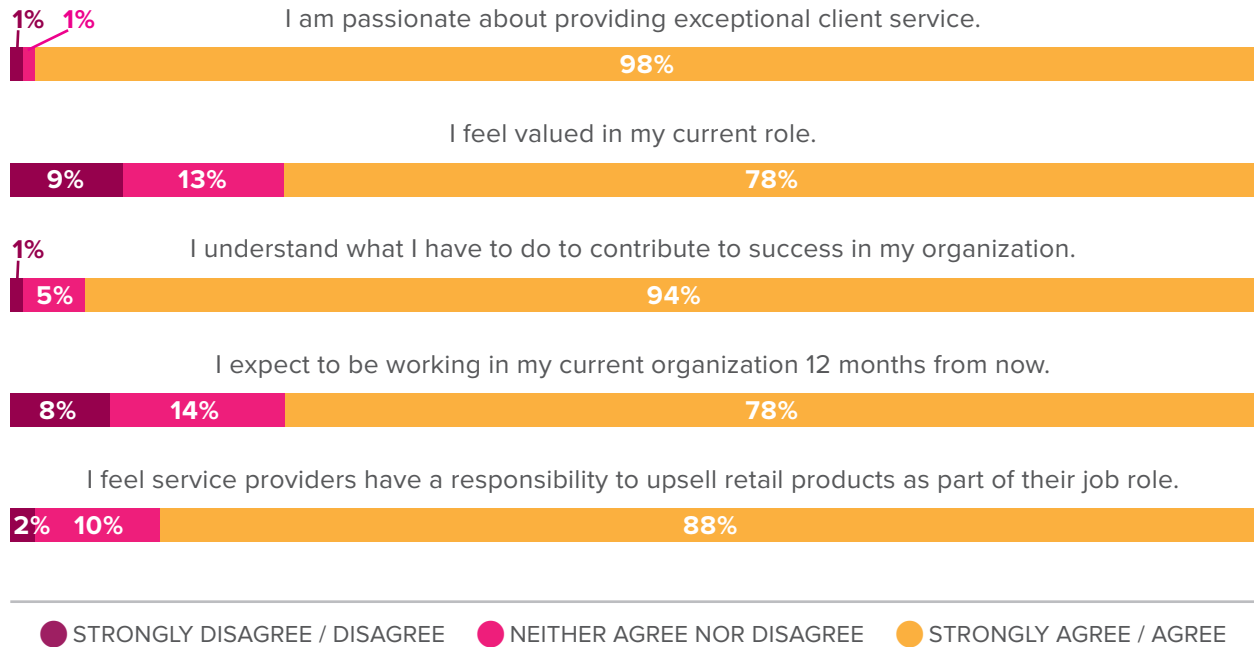
14% · 17% · 70%

I am proud to work in my organization.



4% · 13% · 83%

● STRONGLY DISAGREE / DISAGREE ● NEITHER AGREE NOR DISAGREE ● STRONGLY AGREE / AGREE





APPENDIX II

SERVICE PROVIDER ENGAGEMENT

*Explore key insights and
perceptions from a service
provider's point-of-view.*

This section outlines the agreement levels among service provider respondents to a series of statements.

I am satisfied with the opportunities my employer provides to develop my career in my current role.



I have access to the training I need to develop my career.



I would like to have a long-term career in the spa industry.



My current role makes use of my skills and abilities.



● STRONGLY DISAGREE / DISAGREE ● NEITHER AGREE NOR DISAGREE ● STRONGLY AGREE / AGREE

My total compensation package fairly recognizes my contributions in my current role.



32% · 22% · 46%

My total compensation package is competitive with similar jobs I might find elsewhere.



25% · 28% · 47%

I am satisfied with how my organization handles gratuities/tips and service fees.



24% · 19% · 58%

● STRONGLY DISAGREE / DISAGREE ● NEITHER AGREE NOR DISAGREE ● STRONGLY AGREE / AGREE

I am satisfied with my current organization as it is a great place to work.



Overall, my workload is reasonable.



I feel that I am part of a team.



I would recommend my current organization to my friends and family as a great place to work.



My organization cares about my overall health and well-being.



The order in which therapists are assigned to treatments/appointments is fair at my spa.



● STRONGLY DISAGREE / DISAGREE ● NEITHER AGREE NOR DISAGREE ● STRONGLY AGREE / AGREE

Managers in my organization are equipped with the skills needed to perform the role effectively.



19% • 19% • 62%

I am inspired by the leaders of my organization.



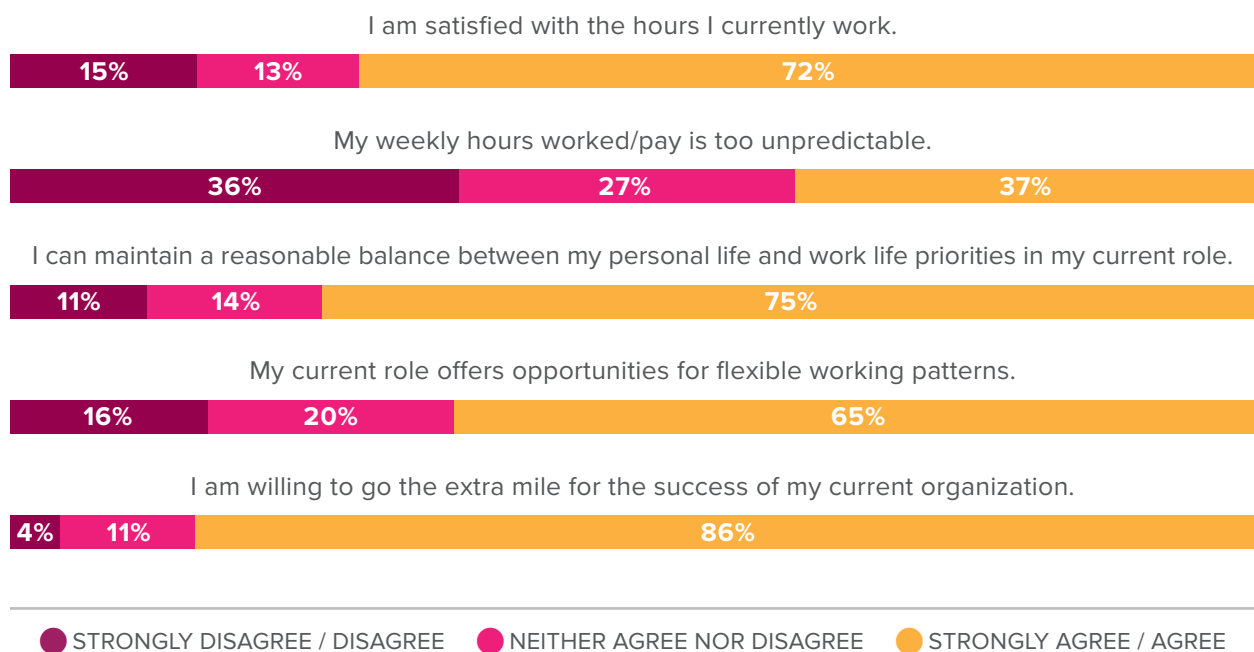
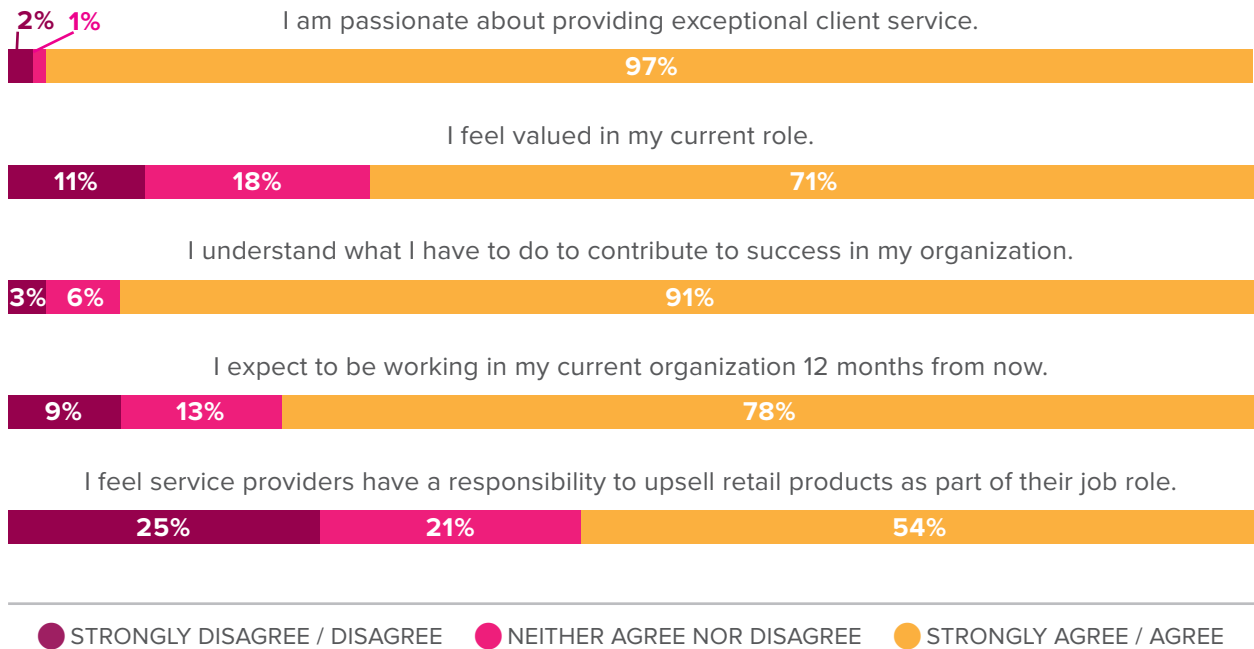
21% • 28% • 51%

I am proud to work in my organization.



8% • 17% • 75%

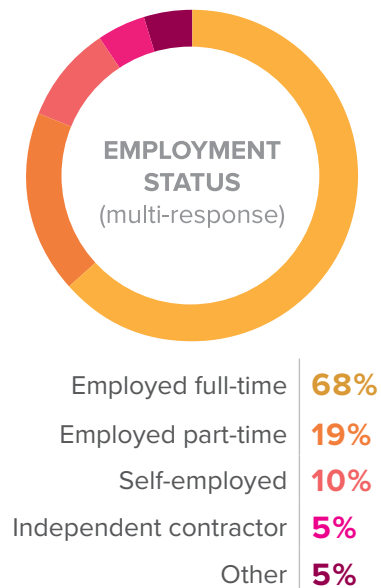
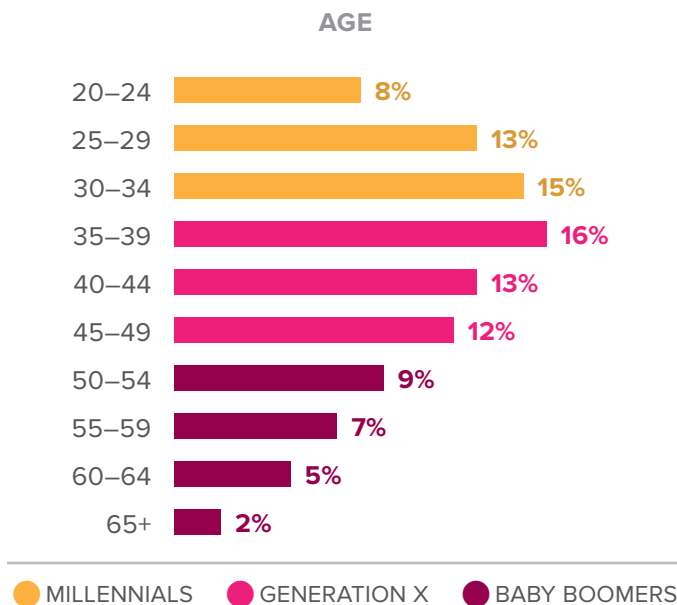
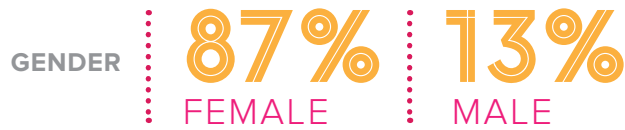
● STRONGLY DISAGREE / DISAGREE ● NEITHER AGREE NOR DISAGREE ● STRONGLY AGREE / AGREE



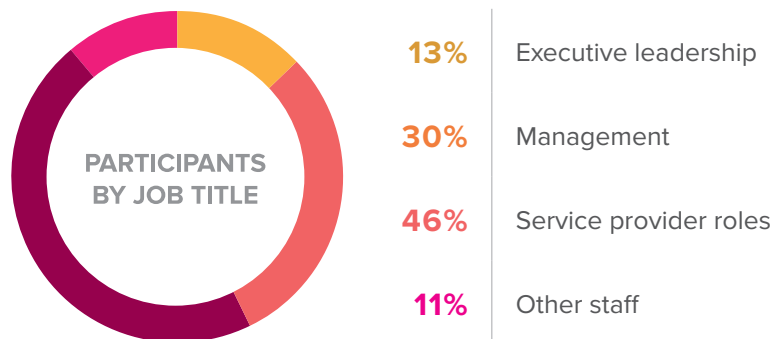
A young woman with long, wavy brown hair and a bright smile is wearing a white lab coat. She is standing in what appears to be a pharmacy or a laboratory, with shelves of various bottles and containers visible in the background. The word "PARTICIPANTS" is overlaid in large, bold, red capital letters across the center of the image.

PARTICIPANTS

1,226 respondents took part with representation across a range of generations.

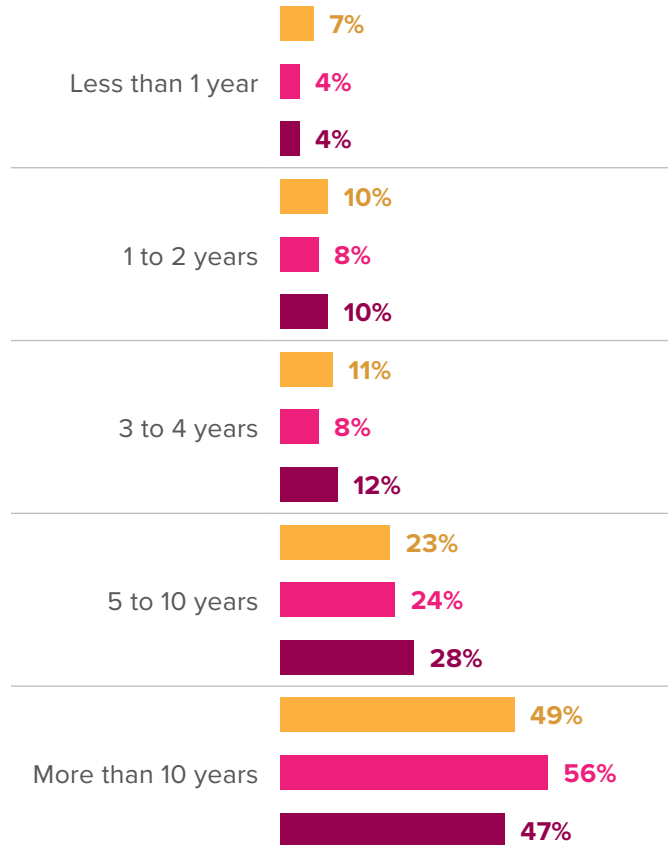


Service providers made up almost half of the respondent population (46%).

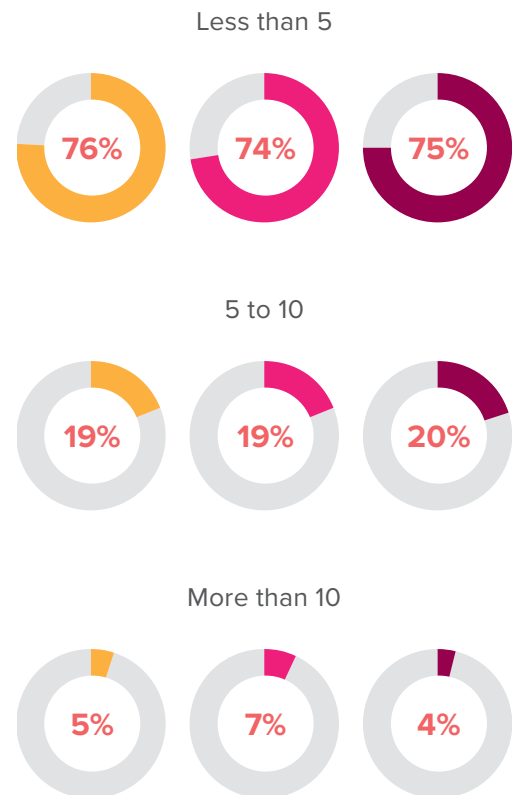


Almost half of all respondents (49%) have worked in the spa industry for more than a decade.

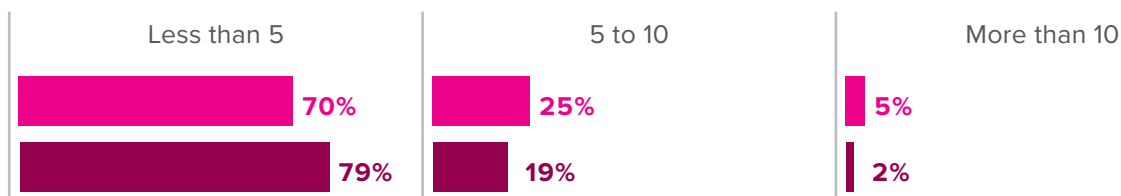
LENGTH OF TIME WORKING IN THE INDUSTRY



NUMBER OF EMPLOYERS/
ORGANIZATIONS WORKED FOR



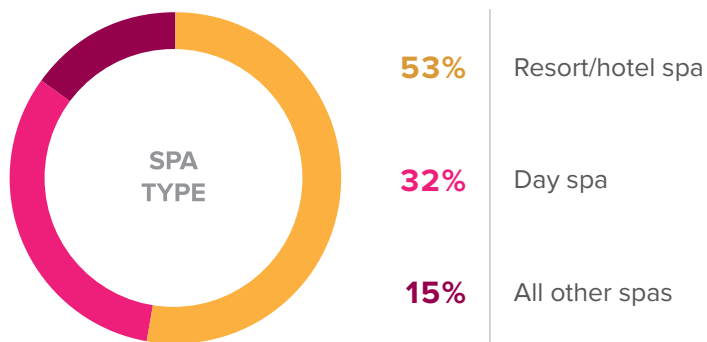
SPA LOCATIONS
WORKED IN TO-DATE



● OVERALL ● MANAGEMENT ● SERVICE PROVIDER

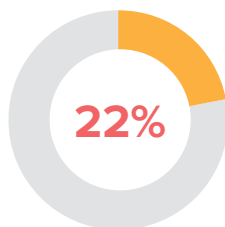
Base: Overall (1226), Management (362), Service Provider (566)

Over half of respondents currently work in resort/hotel spas (53%) and a similar proportion (49%) held a second job.

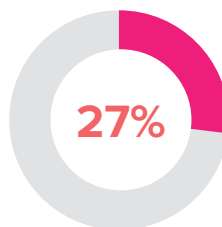


HOLD A SECOND JOB

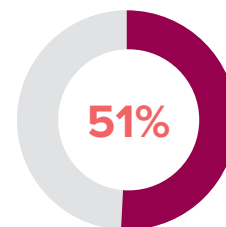
Yes—in another industry



Yes—in the spa industry



No



Q9) Do you currently hold a second job? (Base: 326)

Q10) Which of the following best describes the type of spa you currently work in? (Base: 1,143)

A man with dark hair, wearing a light-colored shirt with thin vertical stripes, is looking down at a tablet computer he is holding with both hands. He is in a bright, modern office environment. In the background, there is a large window with arched panes and a desk lamp with a white shade. The overall lighting is warm and bright.

SURVEY METHODOLOGY

Inspired by findings from the annual ISPA U.S. Spa Industry Study surrounding the number of vacancies in the industry, the ISPA Foundation commissioned PricewaterhouseCoopers (PwC) to conduct a study examining the workforce's motivations for entering the industry and the reasons employees then decide to either leave or stay and develop their careers. This survey for the inaugural ISPA Workforce Study gathered opinions from 1,226 respondents based across six continents. The survey employed a registration site approach and the respondent population comprised executive leadership, management, service providers and administrative staff. The survey did not impose specific demographic or spa-specific quotas, instead focusing on the natural fall-out, and was in-field from mid-October until December 2017. The results were statistically analyzed and segmented according to a range of criteria, including gender, age, location, role, seniority and type of spa.

COPYRIGHT This document contains proprietary information of the International SPA Association. No disclosure or use of any portion of the contents of this material may be made without the express written consent of ISPA. For permission to reproduce any material contained in this publication, please call ISPA at 1.888.651.4772. If consent is granted, attribution to ISPA and other sources specified in the document should be made. All rights reserved. ©2018

PWC This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No republication or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers LLP, its consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

©2018 PricewaterhouseCoopers LLP. All rights reserved. 'PricewaterhouseCoopers' refers to PricewaterhouseCoopers LLP (a limited liability partnership in the United Kingdom) or, as the context requires the PricewaterhouseCoopers global network or other member firms of the network, each of which is a separate and independent legal entity.

ABOUT THE FOUNDATION

The ISPA Foundation is the 501(c)3 arm of ISPA and was created in 1999 to serve the educational and research needs of the industry. The ISPA Foundation's mission is to improve and enhance the value of the spa experience. Their vision is to advance spa culture to sustain health and well-being.

The ISPA Foundation's objectives include being the educational source for the spa industry, establishing definitive research that validates spa industry-related topics and creating an endowment that sustains the ISPA Foundation in perpetuity.

The ISPA Foundation also wishes to thank the individuals and companies who have given generously over the years including those from the Charter Club Members (found on the ISPA website) who continue to make these research projects and the work of the Foundation possible.

A special thank you is extended to the following supporters who made generous donations which helped make this research possible:



