



Tasmanian Hospitality Industry Skills Plan

June 2012

SUPPORTED BY

SKILLS
Tasmania



Contents

Foreword	3
Skills Plan Overview	4
Background & Consultation	6
Hospitality Industry Skills Plan	9
Focus Area #1 Recruitment Induction & Retention	10
Focus Area #2 Customer Service	11
Focus Area #3 Career Pathways	12
Focus Area #4 Fostering a Training Culture	13
Detailed Action Plan	

Definitions

THA	Tasmanian Hospitality Association
VET	Vocational Education and Training
RTOs	Registered Training Organisations
AACs	Australian Apprenticeship Centres

Foreword

The hospitality industry employs approximately 20 000 people¹ is equal to approximately 11% of the Tasmanian workforce. The Tasmanian Hospitality industry is heavily reliant on casual labour with part-time and casual employees making up almost three quarters of the hospitality workforce in Tasmania². The role and contribution of the industry to both the economy and community has gone largely unrecognised which is reflected in the fact that only a small proportion of employees perceive hospitality as a long term career choice.

Given that hospitality is a service based industry, a skilled workforce is a key requirement to ensure quality service delivery to both local and visitor markets. In order to provide quality service employees require access to training which delivers the essential skills and knowledge. Access to training is only one element of the equation, which includes venue owners and operators placing more value on the benefits of training as well as engaging more effectively with training providers to ensure training meets the needs of both the business and the employees.

The hospitality industry is comprised of a broad range of business types delivering vastly different products and levels of service to customers. Tasmania's hospitality industry is made up of almost 2000 businesses³ with approximately 50% of those employing less than 5 staff. This Industry Skills Plan will identify strategies to assist hospitality business owners and operators to access quality training for themselves and/or their employees regardless of business size.

This Skills Plan identifies priority training areas for Skills Tasmania to support in future funding initiatives.

¹ ABS, Labour Force, Detailed, Quarterly, Catalogue No. 6291

² Hospitality Futures, The Hospitality Industry Skill Development Initiative 2011

³ ABS, Counts of Australian Businesses 2012

Skills Plan Overview

The Tasmanian Hospitality Association (THA) is the peak employer body for hospitality businesses in Tasmania. The Association is responsible for representing member interests in a range of areas including workforce development.

The recently completed Hospitality Industry Strategic Plan identifies access to skilled labour as being an ongoing issue for many business operators with regional areas suffering greater shortages than the cities. This Skills Plan seeks to identify strategies to assist industry in ensuring access to sufficient numbers of skilled people in order to function at its full potential.

Given that the vast majority of those employed in the hospitality industry are employed on a casual basis combined with the fact that many of these employees do not perceive hospitality as a long term career choice, the industry suffers from relatively high staff turnover.

This Skills Plan will provide a strategic framework to address issues in a holistic manner. Not only will strategies focus on improving perceptions of a career in hospitality but will also seek to mitigate the issues that develop as a result of high staff turnover.

The nature of the industry dictates that there will always be a need for casual employees due to unpredictable trade and the requirements of the Industrial Award. Casualisation and some level of staff turnover will continue to be a factor affecting most hospitality businesses. The Skills Plan will seek to provide hospitality owners and operators with the tools to improve recruitment, selection and induction processes to facilitate more effective recruiting decisions and in house training.

Specifically this Skills Plan supports;

- Promotion of hospitality career pathways to both traditional (students) and alternative sources of labour (migrants and parents returning to work).
- Improving the quality and consistency of training outcomes through collaboration with Skills Tasmania, key industry stakeholders and RTOs.
- Maximise profitability of hospitality businesses by equipping employees with the skills to ensure customer interactions are converted to optimal revenue.
- Improve service standards through sourcing or developing a customer service program which equips hospitality employees with the skills and knowledge required to meet the needs of existing and potential customer groups.
- Facilitate quality recruitment processes and comprehensive induction and in house training programmes.
- Re-establishing Tasmania's reputation for producing internationally recognised hospitality graduates.

The Industry Skills Plan Action Plan outlines the specific actions that have been identified for each theme as well as key stakeholders involved in achieving each action. The Skills Plan will recognise current initiatives underway in addition to recommended initiatives that have not yet been commenced.

Background and Consultation

This Skills Plan has been developed by the THA on behalf of the Hospitality Industry in Tasmania. The THA has been undertaking workforce development projects for the past 18 months beginning with the Hospitality Futures project in 2010.

Consultation with industry has occurred as part of the workforce development program, the strategic planning process and through an industry skills survey which has provided comprehensive qualitative and quantitative data on the labour market issues being faced by business owners and operators in this industry.

The hospitality industry in Tasmania is characterised by;

- High levels of casual staff (approximately 70%)
- Transient workforce (students and short term employees)
- Relatively high number of new entrants with few barriers to establishing new businesses
- Broad range of business sizes from micro to multi-national companies such as ALH Group (a subsidiary of Woolworths)
- Range of business types offering various levels of service and products
- Traditionally low investment in staff training and development and low perceived value of formal training options for staff
- Informal recruitment and induction processes
- Poor perceptions of hospitality careers by community

The THA as part of the workforce development program are focussed on developing strategic solutions to labour market issues being faced by hospitality business owners and operators. The Industry Skills Survey results highlighted the following;

- Almost two thirds of respondents employ less than 20 people.
- Over half of the respondents use word of mouth advertising to fill employment vacancies.
- 70% of respondents offer some form of in house training.
- 50% of respondents offer only a verbal induction with no supporting information for new employees.
- Over 60% of respondents agree that having an employee trained to support induction processes and in house training would be of benefit, with the caveat that they lack the resources to support this.
- 93% of respondents support promotion of hospitality careers in schools and 78% would participate in such a program.

- Key labour shortage areas have been identified in the following roles;
 - Commercial Chefs 43.5%
 - Food and beverage attendants 27.4%
 - Managers 27.4%
 - Trainee/apprentice (front of house) 21%
 - Supervisors 19%

The survey results support key assumptions that the industry is experiencing shortages across many job roles. The survey results can be found in Appendix I. Previous work completed as part of the workforce development program has highlighted the imperative for an industry wide focus on retention of hospitality employees. An action plan focussing on retention strategies has been developed and can be found in Appendix II.

The following actions have been identified as priority areas for consideration as part of this Skills Plan;

- Attracting, recruiting and retaining employees through workforce development strategies.
- Developing and communicating comprehensive and effective induction and in house training programs for hospitality business owners and operators.
- Promoting career pathways within the hospitality industry to traditional target markets (secondary students) and alternative sources of labour (migrant workers and parents returning to the workforce).
- Identifying opportunities for the industry to source funding for training employees to increase the skills base within the industry and to meet the identified needs of employers.
- Implementing innovative solutions to workforce issues such as an employment portal to advertise job vacancies.
- Facilitating collaboration between industry and training providers to improve the quality and consistency of training provision.

The focus areas identified in this Skills Plan, as one initiative under the Workforce Development Program for the Tasmanian Hospitality Industry, are consistent with work being conducted at a National level by Service Skills Australia (SSA). This is the industry skills council responsible for tourism and hospitality industries in Australia. The *Tourism and Hospitality Workforce Development Strategy* developed by SSA identified five goals for the strategy;

1. Enough people to do the work required, to the standard required, to consistently deliver a world class experience
2. People employed in the hospitality and tourism industries have the appropriate skills and attributes to deliver a quality experience.

3. People with experience and expertise are retained within the industry because they have the opportunity to grow and build satisfying careers.
4. Businesses in the industry have the right information, management systems and processes in place to maximise the contribution of their people
5. The hospitality and tourism industries have structures and mechanisms in place to address future workforce and skill needs on an ongoing basis.

Hospitality Industry Skills Plan

Industry consultation and complementary research highlights the key issues currently being faced in terms of workforce development. The vast majority of employees in the hospitality industry are employed on a casual basis and have little desire to pursue a career in the industry. Employment is generally purely a source of income whilst studying, as a second job or whilst looking for another job in a more desirable field.

Employers are understandably reluctant to invest in such employees and as such the industry suffers from a lack of skilled people. The few dedicated hospitality professionals are generally employed by businesses that are large enough to offer above average remuneration or benefits.

Whilst promoting hospitality careers to potential employees is a vital component of the Skills Plan it would be naïve to believe that this would solve this issue. Community perception of hospitality jobs is that they are low value careers and students are encouraged to use hospitality employment as a means to an end i.e. do it to pay their way through university. It is essential to accept the fact that the hospitality industry will continue to appeal to transient workers and to put in place strategies to assist operators to deal with this issue.

Industry consultation has revealed that many hospitality operators are dissatisfied with the quality and consistency of training delivery by RTOs. Several initiatives have been undertaken to overcome this issue and these are ongoing (Training System Project and Industry and RTO round table discussions). A study into regaining the International Reputation for Hospitality Graduates is also being prepared to investigate what aspects make hospitality training effective.

This Skills Plan will focus on four main strategies including:

- Improving recruitment, induction and retention strategies,
- Building skills to meet the needs of customers (including emerging tourism markets),
- More effective promotion of hospitality career and education pathways into schools,
- Development of a training culture within the hospitality industry

Focus Area #1 Recruitment Induction & Retention

It is recognised that the hospitality industry will always require some degree of transient labour as part of its workforce. The unpredictable nature of service industries requires that some employees work on a casual basis. Additionally, those who use hospitality as a source of income while studying will continue to require such employment options.

In order to address this issue there needs to be dual focus on building the capacity of businesses to adopt comprehensive in house training combined with more formalised recruitment processes.

Survey results showed that many businesses conduct recruiting via word of mouth advertising with few utilising Job Services Australia (JSA) Providers or Recruitment Companies. Cost of Recruitment Companies is one barrier to accessing this service however, a quality Recruitment Company should be worth the cost to businesses. Ad hoc recruitment practices can result in poor recruitment decisions which in turn drive turnover. Additionally informal recruitment can result in unsuitable individuals performing service roles, which has broader effects on both local and visitor experiences.

New employees are also informally inducted into organisations in many cases, with a lesser number of businesses utilising a structured and documented induction process. Not only does this create issues in demonstrating compliance it creates role ambiguity for new employees who must rely on memory to understand company policies, practices and procedures. This in turn drives staff turnover and sometimes substandard service delivery.

A comprehensive program which promotes the benefits of effective recruitment and induction processes combined with the tools to develop these within businesses would be a logical starting point for industry to address this common concern.

Attrition rates from Commercial Cookery trainees has been an ongoing concern for industry for some time with Commercial Cookery apprentices having the highest attrition rate with 39% of apprenticeships being cancelled within the first twelve months. The THA is supporting Jobnet in applying for DEEWR funding to provide mentoring support specifically to first year apprentices. Additionally the THA will investigate the feasibility of establishing a pilot program for School Based Apprenticeships to improve attrition rates by completing the first and second year requirements whilst still at secondary school.

Focus Area #2 Customer Service

All employees working in the hospitality industry are required under the Liquor Licensing Act 1990 to hold a Responsible Service of Alcohol certificate. Whilst this is a necessity given Duty of Care requirements, the actual concept of customer service is forgotten amongst the compliance issues. A holistic approach to training requirements for those working in the hospitality industry would be justified particularly in terms of building “soft” skills such as customer service.

Consultation revealed that a large number of business operators struggle to find and keep individuals with a customer service focus. The recent push into Asia to attract the Chinese and Indian visitor market to Tasmania is likely to exacerbate this issue.

Industry are seeking a basic customer service program such as the From the Outside Looking In (FTOLI) program or the Aussie Host program that ran successfully for many years. The issue facing the vast majority of the industry is declining revenue and a less than ideal economic climate is severely affecting their ability to pay for staff training.

The THA believes that as the peak body it is part of our role to source or develop a program that meets both current and future industry needs around customer service delivery. In order to develop a professionalism and service culture within the industry, employees need to be given the opportunity to learn such skills in a supportive environment. The benefits of such a program are improved standards of product and service delivery which will improve profitability of hospitality businesses through positive word of mouth advertising and return patronage. Additionally skilled staff will be more productive and will have the capacity to generate increased revenue through more effective interactions with customers.

Focus Area #3 Career Pathways

Hospitality employers are acutely aware of the lack of people who perceive the industry as a valid and long term career choice. Community perceptions of working in a service industry also contribute to the issue. A key target market for hospitality employees has been and will continue to be secondary school students.

The primary influence on students' career pathway decisions are based on background factors such as social class, personal interests and their own self efficacy, so much so that the opportunities to make rational decisions can be limited by such factors⁴. In order to overcome this, efforts need to be made to provide greater support and more positive experiences and information to potential employees. The THA is currently working closely with partnership brokers to develop frameworks for ongoing communication between industry and schools in order to facilitate this.

Currently the hospitality industry in Tasmania lacks any formal materials which can be used to promote hospitality careers. This makes it challenging for an industry who have demonstrated a willingness to speak to students about hospitality careers when there is a lack of consistent and accurate resources available.

Development of current, appealing and informative resources to provide to students is a strategy to educate parents about the career options available to their child if hospitality is the industry they wish to work in. In particular the pathway between VET and tertiary education or articulation is an important tool to encourage parents to support students in pursuing hospitality careers.

⁴ Theorising Occupational Decision Making, A Longitudinal Study of Hospitality Training in Schools, Dr Terri Simpkin, 2011

Focus Area #4 Fostering a Training Culture

In order to both attract and retain a highly skilled hospitality workforce there needs to be a focus on fostering a culture that values training and development of employees. The provision of training and development opportunities to hospitality employees is essential if the industry is to be perceived as a quality, long term career.

In order to foster a training culture there are several barriers that need to be overcome;

- Perceived lack of quality and consistency of training outcomes
- Communication and demonstration of the benefits of quality training provision both accredited and non-accredited (external or in house) training programs
- Understanding by industry that training is an investment not a cost and should result in a return by having more productive employees delivering higher quality products and services

In order to overcome the above barriers the industry will need to take ownership of training within their venue. Formal and consistent inductions are critical to ensure all employees are aware of the expectations of the business and its customer requirements.

Development of a skill set that includes recruitment, induction and staff training would be of benefit to businesses by equipping employer nominated employees with the skills and knowledge required to create a training culture. It is envisioned that many businesses would offer this training to an existing employee who would become the Training Champion. This individual would need to be equipped with intimate knowledge of the business and this role could be used as a career development and retention initiative. Depending on business size the individual would undertake this function as part of their existing role or may be a role in itself.

It is widely acknowledged and has been identified through consultation for the Hospitality Industry Strategic Plan that due to the small size of many businesses, owners and operators lack the time and resources to effectively induct new staff or to support trainees and apprentices. This has quite serious consequences in terms of Workplace Health and Safety issues. Additionally the quality and consistency of training outcomes can be improved through greater engagement from workplaces in terms of supporting on the job training. Often this lack of engagement in on the job training is due to insufficient understanding from managers and supervisors of their role in training provision.

The Training System Project acknowledged this issue and through workshops and the development of a Best Practice Guide for training in hospitality the THA and Skills Tasmania have been working to address this gap. To enhance the effectiveness of this project it would be suggested that as part of the proposed skill set some selected training and assessment units are delivered from the Training and Assessment Package.

Further to this project round table discussions have been held with industry and RTOs to discuss the common issues and to develop strategic responses to overcome these. This group will form the basis of an industry reference group which will hold regular meetings to discuss progress on dealing with current issues as well as to communicate any other issues as they may arise.

A suitably skilled individual within an organisation would also be capable of conducting organisational training needs analyses to determine skills gaps and to source appropriate training solutions to these gaps. This function could also become a service offered by the Industry Body to micro businesses that lack the volume of staff to warrant a Training Champion.

Much of the frustration around competency of hospitality graduates can be attributed to the flexibility in the units which make up a qualification. For example a person holding a Certificate IV in Hospitality may not have completed any food and beverage units as part of their qualification but the employer has an expectation that an individual holding a hospitality qualification would have these competencies. Undertaking a training needs analysis as part of the induction process would prevent employers making assumptions about an individual's skills based on their qualification alone.

Detailed Action Plan

Action	Focus Area Addressed	Stakeholders	Priority	Timeframe	Requires funding (or resourced from current project)?
Feasibility study into regaining Tasmania's reputation for internationally recognised hospitality graduates Determine characteristics of effective training providers Outline key focus areas according to industry consultation	2, 3 & 4	THA DEDTA Skills Tasmania Tasmanian Polytechnic The Skills Institute	High	July 2012 <i>(Currently undertaking)</i>	Possibly Could be included in marketing budget for new TasTafe entity
Industry Reference Group for VET and RTO discussions Continuous improvement for RTO and industry Overcome barriers to training Ensure training delivered is meeting industry needs	4	THA RTO Industry representatives Skills Tasmania AACs	High	Ongoing <i>(Currently undertaking)</i>	No
Hospitality Industry Employment Portal Information on hospitality careers Training requirements and pathways Positions vacant Individuals seeking employment (through JSAs)	1 & 3	THA DEDTA JSA Recruitment Agencies	High	July 2012 <i>(Currently undertaking)</i>	Resourced from current project

Action	Focus Area Addressed	Stakeholders	Priority	Timeframe	Requires funding (or resourced from current project)?
Design, develop and deliver induction and in house training tools Templates for induction handbook Training needs analysis New employee training checklist and timeframe	1, 2 & 4	THA Skills Tasmania RTOs	Medium	July 2013	Some additional funding for printing and distribution
Design and develop skill set for Training Champion Recruitment & Induction including Workplace Health and Safety VET system including training delivery and assessment knowledge	1, 2 & 4	THA Industry representatives Skills Tasmania Service Skills Australia	Medium	December 2013	Yes will require additional funding