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TRAINING NEEDS OF THE HOSPITALITY INDUSTRY

Abstract

This report documents a multi-perspective investigation into the training needs of the hospitality and tourism industry in Australia.

Research on training needs is important, especially in the hospitality industry, which is known for its traditional approach in terms of human resource management. The following report aims to develop an understanding of the current situation concerning hospitality graduates’ as well as hospitality managers’ skills and competencies and career development. Primary research was undertaken via a series of four consolidated focus groups in Sydney, Brisbane and the Gold Coast, with hospitality industry professionals. A comparative analysis was then completed to compare the findings in order to identify issues or gaps.

Firstly, the results show that there is a general acceptance that changes have to occur in the provision of training in the hospitality industry. However, these changes are often recommended by academics and not necessarily accepted by the industry. All focus group participants recognised that higher and general skills have to be added to the crafted curriculum as employees need to be more responsive to the changing environments. In essence, a balance needs to be found between practice and theory. The second main concern emerging from the research is that the industry is not very attractive to the new generation of graduates, who favour a better work/life balance than that offered by the hospitality industry. For these reasons, the industry should also focus on developing a more attractive image in terms of role, wages and career development.

Furthermore, the Working Holiday Visa Program, the Commonwealth Government’s Mature Age Workers program and the extensive Vocational Education (VE – TAFE) sector can provide a significant cohort of capable workers for the industry.
SUMMARY

This report details a four-phase investigation into a variety of aspects about the training needs of the hospitality and tourism industry. Each phase has a particular set of objectives, which are detailed below.

Objectives of Study

To provide:
- a state of the industry report consisting of an analysis of the training needs of the hospitality and tourism industry, and the provision of training and education services to meet those needs
- an extensive literature review on the opportunities and issues related to the employment of employees in the hospitality industry
- an analysis of the performance of the Working Holiday Maker Visa Scheme
- a comprehensive analysis of the skills, characteristics and attributes needed to succeed in the hospitality and tourism industry.

Methodology

The study employed four key methodologies:
- an extensive review of the literature on the hospitality industry’s need for hospitality graduates, the skills of hospitality graduates and the skills needed to succeed in the hospitality industry
- a series of focus groups conducted with leading managers in the hospitality industry
- a desk based survey of various labour provisioning programs, especially the Working Holiday Visa Program, and programs to encourage older workers into the industry
- the compilation of a database of training providers.

Key Findings

- Whilst there is enduring demand for front line service staff in hospitality, and this demand is met by a raft of training providers, there is a considerable disjuncture between educational institutions and industry on the skills required of managers in a dynamic economy.
- This disjuncture is exacerbated by the diverging focus of educational institutions on the development of higher order conceptual skills amongst university students.
- The industry may well find itself challenged to provide meaningful careers for well-educated ambitious university graduates.

Future Action

The research suggests that both the industry and educational institutions need to engage in more dialogue to gain a greater appreciation of the benefits of recruiting well-educated ambitious university graduates.
Chapter 1

CHARACTERISTICS OF HOSPITALITY MANAGEMENT

The chapter aims to define the skills, characteristics and attributes that make a manager successful, focusing explicitly on the hospitality industry. The discussion will start by analysing skills and competencies expected from hospitality graduates. It will also address the competencies for managerial positions and career progression.

The industry has certain characteristics that will influence the qualities needed by managers at all levels and thus the curriculum for hospitality graduates. Some of these features are:

- Production and delivery are *inseparable*, which implies high pressure (Dienhart, Geregorie and Downey, 1990) (Susskind, Borchgrevink, Brymer and Kacmar, 1990; Larsen and Bastiansen 1992; Susskind, Borchgrevink, Brymer and Kacmar, 2000);
- Customers are seen as *guest*, which involves a particular relationship (White and Rudall 1999; Yuan 1999; Susskind, Borchgrevink et al. 2000);
- It is a 24/7 business, which makes personal relationship difficult for employees (Brymer 1982; Krone, Tabacchi and Faber, 1989; Ross 1995);
- It involves ethnic, cultural and religious *diversity* of both guests and staff, which require high communication and interpersonal skills (Fritz 1988; Mallinson and Weiler 2000; Testa 2004; Baum 2006);
- Occupational and public *health and safety* issues exist which require specific skills (Johns 1993; Tranter 2002);
- *It involves discretionary expenditure*, which implies fluctuations in demand (Bull and Alcock 1993; Shi 1997; Hwang and Wilkins 2002);
- The *industry has high fixed capital costs and highly volatile variable operating costs* requiring diligence and prudence in the management (Abouzid 1988; Kim 1995; Nilsson, Harris et al. 2001; Mitchell 2002);
- The *industry has low barriers to entry* for capital and labour (Sciarini 1993; Shaban 1993; Kim 1995; Powell and Wood 1999; Nilsson, Harris et al. 2001; Christensen Hughes 2002; Mitchell 2002).

It is not until the mid 1960s that hotel and hospitality management received significant research attention. Studies firstly focused on managerial activities (Nailon 1968) as well as on the personal profile of the hospitality manager, although still only in a conversational style (Bernstein 1982; Lefever and Schroeder 1986; Bentivenger and Sluder 1989; Nebel 1991; Cichy and Schmidgall 1997; Petrick 1998; Woods, Rutherford, Schmidgall and Sciarini, 1998; Dube 1999; Dube and Renaghan 1999a; Dube and Renaghan 1999b; Dube and Renaghan 1999c). More recently the personal profile has been linked to the corporate profile providing a key insight into the individual and thus the business’ success (Enz 2000; Enz and Sigauw 2000).

Hospitality Graduates’ Skills and Competencies

To reflect the need of the industry, it is important to define the skills and competencies expected from any hospitality graduate. There is indeed a clear shift in hospitality education where general management skills are introduced to complement the practical components.

Several studies have been undertaken to determine the importance of hotel management competencies. Ineson and Kempa (1996) identified four main skills, namely: oral and written communication skills, supervising skills (staff motivation and training), ability to engender customer satisfaction and service skills. In addition to these skills, other studies have identified other skills such as problem solving, maintaining professional and ethical standards, professionalism and leadership qualities to achieve operational objectives (Tas 1988; Baum 1990; Kay and Russette 2000; Christou and Sigala 2001). Public and staff safety obligations such as; the management of hygiene and safety conditions and legal responsibilities (Baum 1990); identifying operational problems (Christou and Sigala 2001) and effectively managing life-threatening situations such as fire, bomb threat and serious illness (Kay and Russette 2000) have also been identified. Another interesting point is the absence of some of the ‘strategic management skills’ for the benefit of ‘hotel specific operational skills’. For Kay and Russette (2000) ‘leadership’ and communication skills are still seen as of major importance at the expense of the Administration and Technical and Conceptual/Creative domains.
Because hospitality is deeply rooted in action management, the industry does require maintaining certain requisite skills in the curriculum (Mayo 1997). Although academics tend to promote the insertion of general management skills in the curriculum, the industry does not show particular interest in the development of high order cognitive skills (Baum 1990). However, more recently Baum (2006) has noted some changes in this perspective. As such, changes or at least evolutions occur. All studies do not use similar subject area names, which make comparisons more difficult but a comparison of studies made over the time demonstrates some discrepancies in their highest mean score (3.39 in comparison to 4.80 or 4.81 in Tas’ and Baum’s studies) or in some nomenclature such as ‘Food Safety and Sanitation’ (2.75 in comparison to 4.53 in Kay and Russette’s study) which are much lower (Gursoy and Swanger 2004).

Such results prove that skills determined as important change and are not clear and obvious anymore. Expectations also vary according to the area of the hospitality industry respondents work in but there are some universal skills like ‘ethics, leadership, preparation for industry employment, internships/industry experience, and hospitality management organisation’ becoming apparent (Gursoy and Swanger 2004, p. 142).

The traditional technical, operating and craft skills will always be of prime importance, but both the industry and the educators agree on the fact that more emphasis should be given to critical thinking, problem solving, strategic planning and visionary leadership skills as part of the program (Casado 1991). But awareness does not mean action and it sometimes failed to be addressed (Dansers and Keeling 1995; Johns and McKehnie 1995; Li and Kivela 1998). It is however commonly accepted that food and beverage (F&B) management and rooms management are basic skills required for hospitality; education should then focus on providing students the competencies and skills that will give them added value. A survey of general managers suggests that four important subjects to be taught in Hospitality Management should be marketing, management, HR, finance and accounting (Su 1996).

Rimmington (1999) argues for a national hospitality curriculum that will be set up for a particular constituency such as region or industry. In this curriculum, hospitality course will provide foundation, generic and transferable skills whilst the industry will provide the practice part of the studies, which is, according to Rimmington (1999) doubly important as it gives students the chance to learn in real life and a period of time to reflect upon the reality of their studies. The greatest challenge there is to find the right balance in terms of emphasis to place on different skill sets. Indeed, too much emphasis on theory could leave students confused on the relevance of their studies whereas too much focus on the practical side will leave them without the necessary skills to understand the industry (Baum and Nickson 1998).

External factors such as globalisation or technological development will impact the industry by giving it an international dimension and thus will require the development of special skills such as problem solving and critical thinking (Go 1990). Indeed, in such circumstances, a successful manager should not only know the competency but also be able to evaluate and integrate the broader issues involved in the decision-making process and show cognitive capacity to apply knowledge in the operational settings (Jones 1990). Globalisation, culture diversity and experience needs to be addressed as well as appropriate learning and reflection tools to develop intercultural competencies (Seymour and Constani 2002). This is supported by the call to include the introduction of emotional intelligence in the curriculum as suggested at the EuroCHRIE conference in 2000.

Inui, Wheeler and Lankford (2006), reflecting the four state models of Tribe (2002), propose developing a curriculum that would have as its main objective employability skills and would include philosophical and sociological foundation to support decision-making strategies. The argument is that students need to understand their industry, society and themselves to work successfully and independently in complex and changing environments, Critical thinking and a learning styles approach teach students how to learn and use experience and knowledge in the learning process (Lashley 1999; Lashley 1999; Lashley 2002; Lashley 2002; Lashley 2002; Lashley 2002; Lashley 2002). The point is not to erase all forms of traditional practical learning but instead to review them in terms of type and role (Go 1990; Breiter 1992; Zapalska, Rudd and Flanegin 2002).

Additional skills such as accounting and numeracy are found to be necessary, as is information technology, especially its use as a mean for effective strategies (Morrison and Laffin 1995; Kandampully and Duddy 2000). Computer literacy actually becomes a key employment skill for food service managers and should be critically used to support decision-making (Breiter and Hoart 2000). Small business management, marketing and entrepreneurship are also becoming part of some curricula, topics for which students show strong interest.
although few of them actually plan to become self-employed (Kelly 1998). However these subjects seem to have little emphasis on innovation or risk taking.

To conclude, it appears that views are moving away from the traditional craft foundation. It seems that there is a common movement to recognise that graduates should continue to develop their communication and operational skills through a solid foundation in practices. Furthermore, in response to environmental and market changes, graduates should now also be able to demonstrate the higher and cognitive skills that will help them to identify problems and develop proper remedial strategies.

**Hospitality Managers’ Skills and Competencies**

Understanding the specific industry characteristics and requirements for managers needs to be the basis for the curriculum. Defining and understanding them will provide materials for academics to better design appropriate curriculum. Educators more than the industry are driving these skills towards more generic, business and analytical ones (Guerrier and Lockwood 1991; Ladkin 1999).

Several studies have been undertaken in order to analyse what make a manager successful. Ley (1978; 1980) states that most successful managers tend to focus on entrepreneurship and work the longest hours. They would also prefer rational logic rather than people in their decision-making (Downey 1978). Similarly, Guerrier and Lockwood (1991) and Ladkin (1999) define hospitality managers as entrepreneurial, hard working and constantly distracted so that they do not have time to focus on long term strategic management, but also more assertive, autocratic, ambitious, pragmatic, optimistic, cheerful and extroverted than managers in other areas. As an example, Holiday Inns Worldwide core competencies are inter- and intra-personal and communication skills with staff and customers rather than higher and cognitive skills (Teare 1997).

Tas, LaBrecque and Clayton (1996) identify five main competencies in hotel property management. These competencies are, in order of importance:

- interpersonal (skills for effective interaction with others)
- leadership (the ability to turn ideas into productive action)
- conceptual-creative (the cognitive skills needed for the job)
- administrative (personnel and financial management of the business)
- technical (the knowledge and skills essential to producing the product or service).

Baum (1989), who analysed Irish hotel managers, found that they have an undue focus on:

- operational issues, as opposed to management issues;
- the mine host concept, as opposed to the profit concept;
- the hospitality apprenticeship irrespective of educational background; and
- the ‘uniqueness’ of hospitality and therefore the ‘irrelevance’ of general management principles.

Although they recognise that there is a need to improve their skills, there is little done to actually acquire them.

In several studies that define core competencies and skills there is a clear tendency toward general characteristics at the expense of industry-specific ones. The central tenet is definitely people management (Mullins and Davies 1991), although this also implies additional skills are needed. Among communication skills, listening is seen as the most important, as having such ability does impact on the organisational culture and employee behaviour (Brownell 1987; Brownell 1992; Brownell 1994).

Chung-Herrera, Enz and Lankau (2003) developed a hospitality management competency model. It appears that none of the competency was explicitly linked to a specific lodging situation but the list rather mentions general competencies, which imply that the model is applicable beyond the hospitality scope. Although some criticism can be made, this work shows the importance of choosing identifiable competencies in terms of behaviour, which can be extended by incorporating psychosocial characteristics. Wilson, Murray and Black (2000) investigated the particular case of contract catering managers who predominately have a hotel background. The skills for these contract catering managers that were found to be essential are mainly generic and can be gathered into three main groups that reflect the industry: the concern for health and safety, which reflects legislation; and marketing and financial skills, reflecting the fragility of the catering operations.
Koppel (1978) identified the important roles for food service managers with results showing that even though some of the roles were specifically related to food service functions, most of them were part of generic management responsibilities. What is interesting is that this shift can be explained by intense competition that faces the industry, which led to a reduction of the middle management position (Nebel, Braunlich and Zhang, 1994). According to Nebel, Braunlich and Zhang, in such circumstances, F&B managers need to possess strong operational as well as high strategic skills. These two skills are fundamental and should not be compromised by an undue focus on general management at the expense of the operational skills. The importance of skills also depends on the different food service sectors. Quick Service and mid-scale sectors require very similar skills, which are mainly focused on general management competencies, whilst the up-scale sector emphasis is more towards personality, leadership and interpersonal skills (Emmenheiser, Clay and Palakurthi, 1998).

D’Annunzio-Green (1997) explains that internationalisation and push for more HRM strategies require general managers and managers to understand the worldwide ramifications and the impacts it has on the industry. Antil (1984) refers to two aspects of international management competence: the doing (action) and the being (feeling) competences whilst Iles (1997) identifies five key competences for the international hospitality manager:

1. cultural awareness: understanding the difference;
2. communicative competence: communicating across the differences;
3. cognitive competence: acknowledging stereotypes;
4. valuing difference; and
5. gaining synergy from difference.

Surprisingly, cultural differences are linked to organisational structures and stereotypes rather than actual clash of cultures (D’Annunzio-Green 1997).

The work of Hayes, Rose-Quirie and Allison (2000) made an interesting contribution to the discussion by suggesting that all management jobs are similar at the highest conceptual level but differ at the operational level. The meta-competencies that are then of prime importance for managers are the ability to use and develop their competencies when any changes (different roles or different environment) occur.

**Career Development**

The previous paragraphs focused on trying to determine the skills and competencies that are required for hospitality managerial positions. However, they are not static in the timeframe and need to be adjusted according to change in roles or change in the broader environment.

There is a significant evolution concerning the interest in career development. Indeed, when in the late 1980s only 8% of hotel managers and employees respondents rated it as a key priority, in 1997 this rate rose up to 45% (Storey, Mabey and Thomson cited in Burgess, 2000). Although it is still not a clear majority, there is recognition in the industry for professional development. This professional development should be supported by improving the ‘life skills employment’ as defined by the Hotel, Catering and Institutional Management Association (HCIMA):

- communication—which includes written and spoken English
- use of numbers
- information technology;
- analysing and solving problems
- personal skills
- team skills.

(Anon. 1998, p. 10)

Career progression depends on personal characteristics and orientation, personal needs, a planned career path and diversity of experience. Career paths do show difference between males and females (Guerrier and Lockwood 1991; Ladkin 1999). It takes between eight and eleven years to reach the position of General Manager within which the aspiring General Manager has to undertake a three to five year apprenticeship as an Executive Assistant General Manager. F&B operations are also considered an essential path for career development unlike HR and S&M managements that are seen to have inadequately trained or incompetent people (Guerrier and Lockwood 1991; Ladkin 1999).
Mai-Dalton, Latham and Fiedler (1978) also mention that the ability to serve and help people is an obvious requirement for a successful career in food service. Rather than formal qualification, an adequate level of training is seen as being more useful. Training is proven to increase efficiency and motivation of the workers. However, the lack of an identifiable career prospect tends to impair the commitment of the labour force. To support this idea, Goodman (1978) pinpoints the fact that managers should equally use their communication skills and their techniques of dealing with people with guests and employees in order to maintain good relationships and working conditions.

In terms of career success, the higher ranked skills according to Ladkin and Juwaheer (2000) are communication, using initiative, human relations, food and beverage management skills, the ability to prepare budgets and to delegate. These skills should be supported by appropriate staff development programs such as:

- technical skills: those required to perform the routine tasks associated with the position,
- interpersonal skills: how the employee interacts with staff members and guests on either a written or oral basis, and
- supervisory or self-management skills: how well the employee organises his or her time, acts responsibly and/or leads others.

(Beckert and Walsh 1991, p. 74)

This discussion clearly indicates that whilst the academy is advancing an argument for the development of higher order skills such as critical thinking, management and strategy development, the industry, in contrast, places a higher emphasis on technical skills, front line supervisory skills and interpersonal skills. The research now moves to the conduct of the focus groups to assess the views of the industry in Australia.
Chapter 2

CONSOLIDATED FOCUS GROUPS

As part of the project about training needs, consolidated focus groups were undertaken with senior hospitality industry managers on the Gold Coast, Cairns, Brisbane and Sydney during mid-2007. The conversations were organised around five main topics:

- Generic skills: what are the skills expected from employees?
- Skills shortages: how hard is it to obtain the right and skilled employees?
- Recruitment: is it difficult to recruit staff, and if yes why?
- Training: does training could overcome staff shortages and are there any gaps in the current training programs?
- Industrial relations: could federal IR help to overcome staff shortages?

Such information will complete the overall discussion as it will provide some insight from the industry itself and its expectation when it comes to employees’ skills and abilities. The following paragraphs will then summarise the outcomes of these focus groups.

Generic Skills

Feedback shows that employers require from their employees a good understanding of the industry and business operations including up-to-date trends. Beside the traditional service and customer relations skills, which include initiative, courtesy, teamwork, communication, personal orientation and attitude, the industry also requires some higher skills such as problem solving. Concerning specific skills, employers would recommend technical skills specific to a certain role, financial skills and obligation to OHS. Surprisingly, they would also accept to give up some technical skills in order to secure other generic skills when needed.

As one of the respondents mentioned, personal skills and motivation are still very much favoured in terms of recruitment criteria at the expense of proven skills. Indeed, one of the answers was that you can teach anyone to carry a plate but you need to have the person with the right attitude. Trying to train the right people is important, as it might assist in motivation to help retain employees. Loyalty to the company does not exist anymore in Generation Y who will pursue the highest pay.

Skills Shortages

The focus groups argued that recruitment for most of the positions, managerial or operational, is difficult, especially the recruitment of quality staff in general. F&B staff are also found to be under-skilled. Such positions are often filled with applicants who cannot find a job elsewhere. It is difficult to recruit members of staff with the appropriate skills but also with a sense of flexibility, willingness and presentation. Skills shortages are even more of an issue in regional areas and for entry level positions such as F&B attendant, room attendant, porter and guest service agent. Another focus group member encountered difficulty in recruiting a qualified career orientated restaurant manager and banquet supervisor even after three months of searching for the applicants.

Recruitment

The reasons given by the focus group participants for this situation are that the unemployment rate was very low at the time of the focus groups and thus created a more competitive environment for recruiters. People tend to be more attracted by other industries with higher wages and more family friendly work hours. The industry also suffers from a poor image and a perception of little prestige where career progression is also sometimes slow. This conflicts with the ambition of the new generation of graduates who want to achieve higher positions faster. Hours, commitment and shift work are also constraints for these young graduates who want to enjoy their time outside work. In fact, people are becoming more aware about having a certain work/life balance, which is hard to achieve in this particular industry. Emerging trends can be summarised in a couple of points:
Migrants/new Australians are taking blue collar and lower-skilled jobs.
Short-term migrants are being used to fill bottom end positions.
There is a trend towards a better work/life balance.
There is a lack of career prospects.
There is a lack of loyalty to, and from, the company.
Perceptions exist of hospitality jobs being a middle course before getting a ‘real’ job.
There is competition among industries for skilled staff.

These points suggest that there is a need to change the industry’s image and create, as one of the respondents stated, a ‘career culture’, which could also encourage the new generation to exhibit loyalty to the industry, and ideally, to one company within the industry.

Training

Although the industry recognises that educational institutions are doing well, there are several concerns. There are apparently too many providers who offer poor and inconsistent training and who train the wrong people just to get a training subsidy. Moreover, even if industry training could improve the quality of the employees and, in turn, professionalise the industry, it would still not resolve the problem of recruitment and skills shortages. Training needs to be coupled with additional retention strategies. InterContinental Hotels Group, for instance, developed such strategies as regional succession planning, building capability within the hotels, consistency in marketing collateral and networking with territory institutions. Whilst acknowledging that such initiatives help to some extent, one respondent argued that an environment of low unemployment will always give rise to difficulties in recruiting and retaining good staff.

Irrespective of the wider economic circumstances, it is important to develop a form of career structure and career progression by which the industry can modernise the recruitment and training process. As such, the industry should give staff the opportunity to develop professionally through studies and training, apprenticeships and traineeships. The hope of the focus group participants is that such initiatives would develop more qualified, motivated and hence more loyal staff members.

There seems to be a gap between graduates and the reality of the market. Indeed, this new generation does not have the patience to wait for promotion. In addition, even if training and education provide them with the right skills, the requisite behaviours do not necessarily follow and they often seem to lack a work ethic, attitude, motivation, willingness, passion and, as said before, realistic expectations. This disillusion explains the low conversion rate of the number of graduates who actually enter or remain within the industry.

Other downsides of current training are that most of the trainers are not from the industry and they do not properly assess the students who pass with lower standards. The teaching material is also too old and needs updating and training modules are too generic. Finally, the members of the focus groups opined that priorities, particularly in the selection and recruitment of students, can become confused in a ‘for profit’ education institution. As a consequence, without appropriate selection criteria, unsuitable people can be inducted, trained and graduated into the industry.

According to one respondent, some training issues that should be addressed are: update programs, extend cookery classes from Classical French through to Thai or Italian (etc.), and include business and economics subjects at a vocational level in order to increase the confidence of the students and thus make them more ‘job ready’ applicants.

One suggestion was to introduce recorded role plays so as to simulate ‘moment of truth encounters’ and to improve service recovery. Potential staff should also be given an understanding of state and federal legislation on public liability, OH&S, HAACP, basic first aid, general hygiene standards covering food preparation, food and beverage service and WorkCover compliance.
Industrial Relations

According to the respondents, the overall industrial relations environment suggest that:

- It is easier to hire and fire staff.
- There is the possibility to remove penalty rates but this reduces the attractiveness of the industry even more.
- There was more flexibility in embracing individual or collective AWA bargaining.
- The unfair dismissal laws affects mainly SMEs.
- There is an increased use of EBA/collective agreements.

Apparently, it seems that these changes will not have much impact on the employer and that they will not help reducing skills shortages. The award system was also seen as too inflexible and systematic. The point of view of one respondent is that:

‘No, the IR changes allow business to be more flexible in the way it staffs itself to meet volume demands, and generally provide an easier exit for staff who may not be the right fit for an organisation, but they do not attract staff to hospitality over any other industry, nor do they provide an incentive to remain in one industry over time. They also do not provide any base incentive for a business to invest in upfront skills development, for example a rebate to Work Cover Insurance costs based on training spend’.

(Anonymous, 2006).
Chapter 3

SOURCING HOSPITALITY EMPLOYEES

This part of the report addresses the provision of hospitality employees. For the purposes of this report, three key sources of employees were identified.

- mature aged workers
- international visitors
- training providers

In the 2004–2005 budget, the Commonwealth Government established the Mature Age Employment and Workplace Strategy with a $12.1 million, four-year budget. Whilst a broad economic program, the strategy provided resources for the hospitality industry although to date no formal projects or programs have been developed for the hospitality industry. Many resources for both employers and potential employees were provided via the JobWise website (www.jobwise.gov.au) including case studies, recruitment programs and specific training and development resources.

International visitors have been encouraged to seek employment in a variety of industries (especially hospitality and tourism) by way of the Working Holiday Visa Program (Subclass 417). This program was established in 1995 and in the 10-year period to 2006, more than 200,000 international visitors have secured employment as part of this scheme. A detailed analysis of the scheme and 417 visa holders follows in Chapter 4.

Finally, Australia has an extensive array of public and private providers of front line hospitality training and management education. As at 2006, there were 51 TAFEs, 44 university campuses, and 65 Registered Training Providers (RTO) who provided some form of hospitality and tourism education in Australia.
Chapter 4

THE WORKING HOLIDAY VISA SCHEME

For this research project the records of the 213,120 people who held 417 visas from 1996 to 2006 were obtained from the Department of Immigration and analysed and their names and details were removed to enable anonymity. The key findings from that analysis are presented below.

Simple Frequencies

Total gender

- Over the 9-year period (1996–2005) the number of arrivals of each gender has been extremely balanced, with 104,782 males and 108,338 females, making up 49.17% and 50.83% of arrivals respectively.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>104782</td>
<td>49.17%</td>
</tr>
<tr>
<td>Female</td>
<td>108338</td>
<td>50.83%</td>
</tr>
<tr>
<td>Total</td>
<td>213120</td>
<td>100%</td>
</tr>
</tbody>
</table>

Gender over years (not useful)

- As mentioned above, gender balance over the total period has been very balanced. Evidently, this balance exists over each of the 9 year periods, with the biggest variance in gender being 1,575 occurring in 2002–2003.

<table>
<thead>
<tr>
<th>Year</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996–1997</td>
<td>5387</td>
<td>5378</td>
<td>10765</td>
</tr>
<tr>
<td>1997–1998</td>
<td>6045</td>
<td>5996</td>
<td>12041</td>
</tr>
<tr>
<td>1998–1999</td>
<td>4889</td>
<td>4743</td>
<td>9632</td>
</tr>
<tr>
<td>1999–2000</td>
<td>5115</td>
<td>5093</td>
<td>10208</td>
</tr>
<tr>
<td>2000–2001</td>
<td>5981</td>
<td>6003</td>
<td>11984</td>
</tr>
<tr>
<td>2001–2002</td>
<td>20125</td>
<td>21471</td>
<td>41596</td>
</tr>
<tr>
<td>2002–2003</td>
<td>22162</td>
<td>23737</td>
<td>45899</td>
</tr>
<tr>
<td>2003–2004</td>
<td>25890</td>
<td>26695</td>
<td>52585</td>
</tr>
<tr>
<td>2004–2005</td>
<td>9188</td>
<td>9222</td>
<td>18410</td>
</tr>
<tr>
<td>Total</td>
<td>104782</td>
<td>108338</td>
<td>213120</td>
</tr>
</tbody>
</table>
Total age
* 258 or 0.12% of age data was missing.

- Over the total 9 year period, the largest number of arrivals has been in the 20–24 year group, with 89,763 or 42.12% of arrivals falling into this category.
- The second most frequent was those from the 25–29 year group, with 75,641 or 35.49% of total arrivals categorised as such.
- 47,458 or 22.27% of arrivals were in the remaining categories, 15–19 years and 30–34 years, with 25,858 (12.13%) and 21,600 (10.14%) respectively.

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>15–19 years</td>
<td>25858</td>
<td>12.13</td>
</tr>
<tr>
<td>20–24 years</td>
<td>89763</td>
<td>42.12</td>
</tr>
<tr>
<td>25–29 years</td>
<td>75641</td>
<td>35.49</td>
</tr>
<tr>
<td>30–34 years</td>
<td>21600</td>
<td>10.14</td>
</tr>
<tr>
<td>Total</td>
<td>212862</td>
<td>99.88</td>
</tr>
<tr>
<td>Missing</td>
<td>258</td>
<td>0.12</td>
</tr>
<tr>
<td>Total</td>
<td>213120</td>
<td>100</td>
</tr>
</tbody>
</table>
Age over years

- The most significant change in arrivals by age group over the years is the 30–34 year group, which has varied by 28.36% over the 9-year period.
- The lowest changes are in the 25–29 and 20–24 groups, which have varied by 19.02% and 19.11% respectively.
- There has been relatively little change in the level of 15–19 year old and 25–29 year group arrivals over the 9-year period. However, there has been a reduction in the number of 20–24 year olds (1996–1997 49.85% and 2004–2005 41.21%) and an increase in the number of 30–34 year olds (1996–1997 2.99% and 2004–2005 11.36%).

<table>
<thead>
<tr>
<th>Year</th>
<th>15–19 years</th>
<th>20–24 years</th>
<th>25–29 years</th>
<th>30–34 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996–1997</td>
<td>1179</td>
<td>5341</td>
<td>3875</td>
<td>320</td>
<td>10715</td>
</tr>
<tr>
<td>1997–1998</td>
<td>1307</td>
<td>5600</td>
<td>4556</td>
<td>509</td>
<td>11972</td>
</tr>
<tr>
<td>1998–1999</td>
<td>1185</td>
<td>4366</td>
<td>3557</td>
<td>499</td>
<td>9607</td>
</tr>
<tr>
<td>1999–2000</td>
<td>1167</td>
<td>4599</td>
<td>3790</td>
<td>640</td>
<td>10196</td>
</tr>
<tr>
<td>2000–2001</td>
<td>1358</td>
<td>5054</td>
<td>4490</td>
<td>1069</td>
<td>11971</td>
</tr>
<tr>
<td>2001–2002</td>
<td>5296</td>
<td>16982</td>
<td>14763</td>
<td>4528</td>
<td>41569</td>
</tr>
<tr>
<td>2002–2003</td>
<td>5622</td>
<td>18716</td>
<td>16068</td>
<td>5448</td>
<td>45854</td>
</tr>
<tr>
<td>2003–2004</td>
<td>6663</td>
<td>21518</td>
<td>17942</td>
<td>6446</td>
<td>52569</td>
</tr>
<tr>
<td>2004–2005</td>
<td>2081</td>
<td>7587</td>
<td>6600</td>
<td>2141</td>
<td>18409</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25858</strong></td>
<td><strong>89763</strong></td>
<td><strong>75641</strong></td>
<td><strong>21600</strong></td>
<td><strong>212862</strong></td>
</tr>
</tbody>
</table>
Total numbers over time

- In the last 9 years (period 1996–2005) a total of 213,120 Working Holiday Visa Holders (WHV) have arrived.
- In the last four years (period 2001–2005) 74.37% of WHV have arrived.
- Peak arrivals occurred in 2003–2004 with 52,585 arrivals, 24.67% of the total arrivals in the total 9-year period 1996-2005. The lowest number of arrivals is at the third year of data (1998–1999) when there were 9,632 arrivals, 4.52% of the total number over 9 years.
- A significant jump in arrivals occurred in 2001-2002 when arrivals rose from 11,984 in the previous year, to 41,596, an increase of 29,612 arrivals. This increase can also be compared to an average of 10,926 arrivals over the previous 5-year period.
- Over the next 2 years, arrivals continued to rise, by 4,303 and 6,686 respectively.
- However, after the peak arrivals in 2003-2004, arrival numbers dropped significantly, from 52,585 to 18,410, a drop of 34,175 arrivals.

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996–1997</td>
<td>10765</td>
<td>5.05</td>
</tr>
<tr>
<td>1997–1998</td>
<td>12041</td>
<td>5.65</td>
</tr>
<tr>
<td>1998–1999</td>
<td>9632</td>
<td>4.52</td>
</tr>
<tr>
<td>1999–2000</td>
<td>10208</td>
<td>4.79</td>
</tr>
<tr>
<td>2000–2001</td>
<td>11984</td>
<td>5.62</td>
</tr>
<tr>
<td>2001–2002</td>
<td>41596</td>
<td>19.52</td>
</tr>
<tr>
<td>2002–2003</td>
<td>45899</td>
<td>21.54</td>
</tr>
<tr>
<td>2003–2004</td>
<td>52585</td>
<td>24.67</td>
</tr>
<tr>
<td>2004–2005</td>
<td>18410</td>
<td>8.64</td>
</tr>
<tr>
<td>Total</td>
<td>213120</td>
<td>100.00</td>
</tr>
</tbody>
</table>
Total numbers by country

- Of the total 213,120 arrivals over the 9-year period, a very significant 88,687 or 41.61% of these have been citizens of the United Kingdom.
- Irish citizens are the next significant numbers, with 30,050 or 14.10% of arrivals over the total period.
- Norway, Denmark, Sweden, South Korea, Japan, Germany, the Netherlands and Canada each record citizen arrivals of more than 1% of the total arrivals, while the remaining 55 countries listed constituted less than 1% each of total citizen arrivals.

<table>
<thead>
<tr>
<th>Country</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>1589</td>
<td>0.75</td>
</tr>
<tr>
<td>France</td>
<td>1905</td>
<td>0.89</td>
</tr>
<tr>
<td>Norway</td>
<td>2339</td>
<td>1.10</td>
</tr>
<tr>
<td>Denmark</td>
<td>4243</td>
<td>1.99</td>
</tr>
<tr>
<td>Sweden</td>
<td>7002</td>
<td>3.29</td>
</tr>
<tr>
<td>Korea, Republic of (South)</td>
<td>8022</td>
<td>3.76</td>
</tr>
<tr>
<td>Japan</td>
<td>16003</td>
<td>7.51</td>
</tr>
<tr>
<td>Germany</td>
<td>16161</td>
<td>7.58</td>
</tr>
<tr>
<td>Netherlands</td>
<td>16201</td>
<td>7.60</td>
</tr>
<tr>
<td>Canada</td>
<td>16712</td>
<td>7.84</td>
</tr>
<tr>
<td>Ireland</td>
<td>30050</td>
<td>14.10</td>
</tr>
<tr>
<td>United Kingdom, nfd</td>
<td>88687</td>
<td>41.61</td>
</tr>
<tr>
<td>Total</td>
<td>213120</td>
<td>100</td>
</tr>
</tbody>
</table>
**Region of birth versus citizenship versus residence**

- General rise in arrivals of European natives and citizens matched by an overall fall in arrivals of UK natives and citizens between 2000–2005.
Chapter 5

DISCUSSION

Much of the literature review refers to relatively old papers, most of them before the year 2000, suggesting that for academics the debate about the required skills of hospitality managers is somewhat resolved. However, the results of the focus groups suggest that this viewpoint has not been fully adopted by industry. Nonetheless, it appears that both discussions generally complement each other with industry and academics recognising similar issues and trends towards skills and competencies.

The literature review raised several themes that can be summarised as:

- There is a need for higher level and generic skills
- There is a need to emphasis critical thinking, problem solving, strategic planning and leadership
- The industry has to deal with complex and changing environments delivered by the phenomenon like globalisation, technological developments and cultural diversity
- There is a need to find a right balance between practice and theory
- Beside the traditional skills, employees should have some general knowledge in marketing, management, HR, accounting, numeracy and computer/information technology
- Curriculum do not include innovation and risk taking and assessing subjects.
- Teaching should take a ‘learning styles’ approach.

Findings of the consolidated focus groups consistently reiterated these themes. Indeed professional managers are well aware that the industry has to deal with additional and external factors such as globalisation, technological development and cultural diversity. The industry is moving away from the traditional reactive approach to a more proactive engaging perspective. Furthermore, because it depends more on complex and changing environments, employees are required to develop some higher skills (problem solving, critical thinking and so on). However, both the literature review and the focus group findings concur that the industry is very much rooted in a traditional approach and needs to put a greater emphasis on communication skills, attitude and motivation before any higher skills.

The literature review also acknowledges a trend toward an increased interest in career development but also recognises that it is a long process, which again respects some traditional paths such as a bottom-up approach where, in F&B for example, it is still requisite. The new generation of graduates are ambitious and do not have the patience to go through the traditional the steps of a career path. Additionally, they favour a better work/life balance, which is not always compatible with the hospitality industry. As a consequence, these new graduates tend to leave the industry for more attractive hours and pay. These are some of the reasons why professionals mentioned an important skills shortages and strong difficulties in recruitment. Mai-Dalton, Latham and Fiedler (1978) argue that in some cases adequate training would be more useful than academic qualification. However, respondents in the focus groups pinpointed the fact that training was often provided by unskilled trainers who do not have any knowledge of the industry and provide inadequate and inconsistent training. Furthermore, this training is highly commercialised, meaning that it is available to anyone who can pay without any regards to the real potential and appropriateness of the individual.

One point that was mentioned in the literature that was not reflected in the focus groups was the international character of the industry. This imposes on managers, additional competencies such as the ability to deal with cultural and value differences, and the need for language skills and employee mobility.

To conclude, this research suggests that industry representatives and practising academics are aware that there is a need for change. Firstly, the industry needs to develop a more attractive image so as to ensure a certain level of employee recruitment and retention. Secondly, it is important to define a clear portable nationally recognised educational and skills scheme in terms of qualification, training and practice. Such actions should go hand in hand with a strong promotional work to change the image of the industry and thus attract adequate and professional employees.
REFERENCES


TRAINING NEEDS OF THE HOSPITALITY INDUSTRY


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Email: info@crctourism.com.au
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Introduction

STCRC has grown to be the largest dedicated tourism research organisation in the world, with $187 million invested in tourism research programs, commercialisation and education since 1997.

STCRC was established in July 2003 under the Commonwealth Government’s CRC program and is an extension of the previous Tourism CRC, which operated from 1997 to 2003.

Role and responsibilities

The Commonwealth CRC program aims to turn research outcomes into successful new products, services and technologies. This enables Australian industries to be more efficient, productive and competitive.

The program emphasises collaboration between businesses and researchers to maximise the benefits of research through utilisation, commercialisation and technology transfer.

An education component focuses on producing graduates with skills relevant to industry needs.

STCRC’s objectives are to enhance:

- the contribution of long-term scientific and technological research and innovation to Australia’s sustainable economic and social development;
- the transfer of research outputs into outcomes of economic, environmental or social benefit to Australia;
- the value of graduate researchers to Australia;
- collaboration among researchers, between searchers and industry or other users; and
- efficiency in the use of intellectual and other research outcomes.