

SKILLS AND THE LOCAL TOURISM AND VISITOR ECONOMY IN LINCOLNSHIRE



Intelligence Report : April 2012

Taking the temperature on barriers and opportunities to employment and skills development in Greater Lincolnshire with a review of local employer perspectives

FROM THE DESK

Expert-led intelligence reports identifying local and regional issues from the employer perspective

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INTELLIGENCE REPORT APRIL 2012

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OUR BRIEF

To understand from local employers' perspective what barriers and opportunities, including investment opportunities, exist in respect of employment and skills development in the local Tourism and Visitor Economy

METHOD

- Commissioned by the Lincolnshire & Rutland Employment and Skills Board (ESB) on behalf of the Greater Lincolnshire Local Enterprise Partnership (GLLEP)
- 18 face to face interviews with a geographically spread panel of businesses across the GLLEP area and with a focus upon the Visitor Economy hubs of Lincoln City and the East Coast
- Background desk research, and interface with representatives from People1st, the Sector Skills Council for Hospitality, Leisure, Travel and Tourism (HLTT)
- The panel composed a great diversity of employers across different types / sizes of Visitor Economy reliant hospitality and tourist attraction businesses
- These included large national employers, Owner operators, Hotels, Bed and Breakfasts, a nationally-recognised restaurant, a farm diversification business, heritage attractions
- Testing out prevailing stereotypes and published trends in sector employment and skills investment
- The report is not designed to reflect a formal research exercise, but rather 'here and now' intelligence provided by employers 'at the sharp end', analysed and presented by training specialists with sector and local experience

THE KEY QUESTION?

Are Skills Gaps substantially hindering the local Visitor Economy?

THE SHORT ANSWER

Yes, in respect of the Lincolnshire Coastal strip. Its general reliance on an acutely seasonal Visitor Economy, with few alternative opportunities combined with the full-on intensity of the peak periods provide unique challenges in respect of business, individual and economic development.

For the rest of the area, there remain considerable skills challenges, although recruitment, retention and development of staff is not seen as a 'deal-breaker' in respect of business investment plans. Other barriers to investment such as general business/consumer confidence and finance availability are viewed as more significant.

OVERVIEW

Skills gaps are not a major hindrance to growth prospects across the whole, local Visitor Economy. There were many examples of innovative, adaptive, dynamic businesses, responding to market-changes positively. For example, creative ways of responding to the reduction in public sector conference business.

The main mood music was not necessarily of expansion, but rather positive, continuing evolution, sustaining current levels of business.

Skills were not typically seen as a major barrier. Other than the Lincolnshire Coast, businesses were generally confident about their ability to attract and retain staff of the right quality. In particular, the part-time casual nature of much employment meant that local University / FE College students were providing a suitably flexible and skilled source of staff.

In respect of the 'micro-labour market' of the East Lindsey seaside strip, which lacks a large student population, skills gaps provide a significant barrier to growth for individual businesses and the wider economy. The seasonal stop-start nature of a high proportion of employment puts especial pressures on businesses and makes structured career routes and skills planning very difficult. In particular, businesses describe challenges in recruiting and retaining trained Chefs / Professional Cooks. Since the seaside Visitor Economy is so significant to Greater Lincolnshire, consideration needs to be given to new approaches and additional investment opportunities in employment and skills development.

Although not necessarily being viewed as a barrier to economic growth, regular disappointment and frustrations were expressed across the whole area about the work-readiness of young people to take up front-line positions. Businesses are almost always prepared to 'hire the attitude, train the skill'; but they are finding it difficult to source young people with the work-attitudes needed for the critical customer-service posts that are the contemporary engine-room of business.

The employment profile of the hospitality / visitor economy sector should not be under-estimated, however with many local establishments employing in excess of 50 staff. Additionally, organisations such as Lincoln Cathedral, Stately Homes have literally hundreds of Volunteers. The impact on the local economy, especially in the tourism 'hubs' of the Lincolnshire Coast and City of Lincoln, is major and increasing.

Skills gaps

A skills gap is a continuing:

- Recruitment / Retention challenge or
- Workforce Development challenge

What are the main Recruitment / Retention challenges?

Young people, entering the sector into front-line, customer service roles. This is not about a shortage of applicants, but rather the work-readiness of those young people, either identified by interview or in the very early stages of employment or an Apprenticeship.

Chefs / Skilled Kitchen Staff, as expressed most acutely on the Coast, although businesses across the area identified some challenges in sourcing local people and had sometimes developed approaches to recruit nationally in order to recruit the skills needed, offering live-in accommodation as part of the salary package.

What do we mean by Chef Skills?

- Knife Skills
- Using original ingredients
 - Prepare stocks / sauces
 - Prepare and cook poultry and meat dishes
 - Prepare fruit, vegetables and salads
 - Prepare desserts
- Presentation of dishes
- Team working
- Communication skills
- Staff motivation and development

Senior Chefs

- Leadership
- Costing and Budgets
- Sourcing
- Food safety management
- Financial management

General Management / Higher Specialist Skills: Expressed most acutely on the Coast, with senior / specialist professional vacancies being difficult to recruit to, even in this labour market. Examples included positions such as Operations Manager, Finance Manager and Sommelier.

Other than the Coast, it is likely that recruitment / retention challenges have lessened through the current economic downturn, with skilled staff less likely to seek alternative employment and the competition for front-line jobs far greater.

The shortage of skilled staff is likely however to discourage smaller owner-operators to invest and expand into 'managed businesses' which employ key staff such as Chefs and Managers.

What are the Workforce Development Challenges?

Customer Service skills, especially in Young People, although seen as more about attitude and work-readiness

What do we mean by Customer Service skills?

- Understanding the importance of excellent service
- Demonstrating the right attitudes and behaviours
- Identifying and responding to customer needs
- Clear communication
- Developing customer loyalty / repeat business
- Complaint handling
- Product knowledge and up selling

Owner Operator training and business support, across a range of areas, including legislative requirements, employment of people, marketing, technology, and customer-service management. Particularly, although not exclusively on the Coast, individuals often invest in Visitor Economy businesses such as Bed and Breakfasts with limited personal experience and without easy access to training and business support. Larger national businesses heavily emphasise front-line, ‘sharp-end’ experience for successful management; something which many new Owner Operators do not possess.

RESULTS

The results of the informal exercise set out below sought to test out the applicability of some prevailing skills stereotypes through our panel of 18 Visitor Economy businesses

Testing out prevailing skills stereotypes for employment in the Visitor Economy with a Panel of 18 Businesses			
	East Lindsey Coastal Strip	Rest of GLLEP / ESB areas	TOTAL GLLEP / ESB area
AGREE?			
A high proportion of the sector workforce is short-term / casual employees	100%	33%	55%
Young People (16 – 24) are generally not ‘work-ready’ for the sector	100%	83%	88%
Majority of employees want a job rather than a career	100%	58%	72%
There are continued challenges in recruiting and retaining trained Chefs	83%	41%	55%
Attitude, rather than skills, is of prime importance in customer service	83%	58%	66%
Management qualifications are generally not valued	100%	58%	72%
Businesses don’t understand the employment and skills funding system	100%	58%	72%
Stereotype tested		Analysis	
<i>A high proportion of the sector workforce is short-term / casual employees</i>	<p>Career routes into the sector are often established through short-term casual employment opportunities where individuals initially have no long-term intentions of building a career in that field</p> <p>As expected, structured career routes are evident in the larger national businesses. Career development is more informal and less predictable in locally-owned, independent businesses</p> <p>The Lincoln area Hotels employ full-time, permanent staff to ensure continuity and sustainability</p> <p>The importance of informal community-resourcing of casual staff for businesses based in rural areas cannot be underestimated</p> <p>Short-term casual employment meets the needs of much of the labour market across the County – for example the University Student population in Lincoln City.</p> <p>This situation does provide employment and upskilling barriers for young people seeking permanent long-term career opportunities</p>		
<i>Young People (16 – 24) are generally not ‘work-ready’ for the sector</i>	<p>All employers were keen to cite positive examples of work-ready young people joining their business to great effect.</p> <p>In general through they have been disappointed and frustrated with young applicants, citing many examples where Apprenticeships have not worked out or where young people have presented themselves very poorly at interview. Issues such as personal presentation, interpersonal skills, enthusiasm, reliability, drive, politeness, and basic customer –interaction were mentioned in almost every meeting with panel members.</p>		

<i>Majority of employees want a job rather than a career</i>	A number of businesses, for example in Uphill Lincoln and the national employers, have established career structures e.g. Trainee Management. In general, however, it is very difficult for people to identify career paths and progression within the sector. An emphasis on short-term work rather than long-term careers is clearly a barrier and probably reflected in the attitudes and aspirations expressed by many applicants.
<i>There are continued challenges in recruiting and retaining trained Chefs</i>	Particularly expressed on the Coast and clearly a barrier to investment. The increasing consumer trends towards fresh original ingredients rather than pre-prepared food are likely to exacerbate this situation. The Coast situation is different to the rest of the GLEP area; where establishments, especially those involved in 'fine-dining' were more likely to have strong CVs on file awaiting vacancies
<i>Attitude, rather than skills, is of prime importance in customer service</i>	Heavily emphasised by almost all employers. In many businesses, basic numeracy and literacy are seen as less important than a positive attitude. Employers were universally confident that they could train in-house people with the right attitude, and were less concerned about formal qualifications as a pre-requisite to entry.
<i>Management qualifications are generally not valued</i>	There was a major emphasis upon front-line experience and working up from front-line roles, up-skilling as the jobs progressed. Management qualifications without front-line sector experience were not valued.
<i>Businesses don't understand the employment and skills funding system</i>	There was a surprisingly low participation in and value given to publicly-funded skills investment such as Apprenticeships. Some employers cited poor experiences and others were quite perplexed by the range of training and employment service providers cold-contacting them with funding offers.
General Comments	The stereotypes tested were highly prevalent on the Lincolnshire Coast, where the labour market dynamics are quite unique, compared to the rest of the GLEP area. Such stereotyping in itself provides barriers: <ul style="list-style-type: none"> To people considering a career or job in the sector To businesses seeking to recruit motivated, high-potential employees

FROM THE DESK: LOCAL VERSUS NATIONAL PICTURE

National / Regional Facts and Figures supplied by People 1st	Confirmed?	Our View
Less than 1% of sector businesses employ more than 250 people and over 25% employ no staff at all	YES	Both general business support and skills investment support are critical to support the sector
Between 2009 and 2010, total employment in HLTT fell by 5%	NO	No signs of businesses reducing numbers, suggesting a locally resilient and optimistic Visitor Economy
High Labour turnover in Restaurant Industry at 36%	YES	Retention a greater issue for bar / waiting staff with recruitment a greater challenge in respect of Chefs
Projected reduction in demand for Chefs	NO	Recruitment and retention of Chefs remains an issue,

of 1,100 between 2007 and 2017 in East Midlands.		particularly on Coast
Economic Downturn has increased retention rates, reduced recruitment challenges 2008 0.54 people looking for a job in the sector per vacancy December 2010, 1.52 people looking for a job in the sector per vacancy	YES (other than Coast)	There remain significant recruitment challenges for employees in peak season on the Coast, although these challenges are based not on the numbers of applicants, but rather the quality of applicants in terms of work-readiness
Increase in demand for sector Managers of 6,500 between 2007 and 2017 in East Midlands	NO	Manager / Professional recruitment only expressed as a challenge on the Coast, and not a major barrier
Proportion of Employers with vacancies 13.7% in sector compared to 10.8% (All industries) Proportion with hard-to-fill vacancies 4.6% compared to 2.9% Proportion with skills shortage vacancies 2.8% compared to 2.2% Proportion with skills gaps 13.2% compared to 7.2%	YES	The sector has particular challenges relating to turnover and skills shortages, although this was only heavily emphasised on the Lincolnshire Coast
'The sector continues to employ a much younger workforce. 44% are under 30 compared to a national average of 24% (Waiting and Bar Staff: 78% under 30)'	YES	The youth unemployment challenge and the continuing opportunities for young people in the Visitor Economy mean that there must be opportunities for better connections between Employers and Young People on a 'win-win' basis
'Nearly half of the sector's workforce is part-time – much higher than the 28% across the UK economy as a whole. Waiting and Bar Staff' c70% part-time'	YES	The route into higher level, full-time professional opportunities in the sector is often via part-time, seasonal employment, making career routes difficult to understand and predict, decreasing demand for sector careers
'Skilled Chefs are repeatedly mentioned by employers as the most difficult occupation for which to recruit.'	YES	Chef recruitment challenges could be a barrier to small businesses / owner operators expanding hospitality-based businesses
'The reliance on a short-term or transient workforce and the acceptance of high levels of labour turnover has resulted in persistent skills gaps and the clear perception that the sector provides casual jobs, but does not offer long-term career opportunities'	YES	Across the area, businesses spoke of the negative stereotypes which are a barrier in terms of young people's perceptions of the sector as a career opportunity rather a source of a casual job
'The HLTT sector already has the highest training investment per learner of any sector. (This reflects the high turnover of the sector).'	NO	Some of the statutory requirements for the sector such as Food Hygiene plus the heavy investment in Induction due to high turnover may explain this, although this was not heavily emphasised as a challenge. Businesses typically set and maintained high standards and were prepared to invest time in training to support staff to meet those standards, although such training often does not align with public funding available.

Source of facts and figures: People 1st Sector Skills Council for the hospitality, leisure, travel and tourism sector, sourced via www.people1st.co.uk/research especially 'State of the Nation, 2011

ACTION POINTS

Challenges

- **Seasonality:** The employment and skills patterns of the acutely seasonal hospitality sector on the Lincolnshire Coast are proving major obstacles to both businesses and local residents benefitting from skills investment and longer-term employment planning. There is a mismatch between the priority skills needs of the seaside economy and the skills aspirations and investment patterns of the local community
- **Intensity of Job Roles:** The sector itself, irrespective of locality is particularly challenging from an employment and skills perspective due to its intensity. New entrants are very quickly and necessarily involved in pressurised situations, at the heart of customer interactions and therefore the heart of business success. This inherent intensity is compounded by acute seasonality in certain areas which increases the business pressures and makes skills investment for the long-term very difficult. Many businesses respond to this environment with robust, professional in-house standards, requiring multi-skilled front-line employees; roles for which many young people appear unprepared
- **Work Readiness, especially Young People:** Many employer concerns expressed about the work-readiness of Young People for the sector; an issue which is not necessarily preventing business investment at this time, but which will cause longer-term economic and community-based challenges if not tackled. These issues are combined with employer concerns about provision such as Work Experience not providing proper insights for young people, and frustrations with their Apprenticeship experiences. Businesses mainly emphasise attitude rather than skill when recruiting, and there is a need to find better ways for young people particularly to understand and develop to those requirements
- **Mutual, negative perceptions:** Stereotypes about employment and skills prevail in relation to this sector – both for individuals in respect of the potential of the sector to offer identifiable, fulfilling career routes and from businesses in respect of the work-readiness of young people and the benefits of public skills investment in areas such as Apprenticeships to support their business
- **Chefs:** The Lincolnshire Coast employers in particular express concerns about the ability to recruit and retain Chefs and Trainee Chefs from the local area. Especially emphasised was the skills to prepare from fresh ingredients rather than ‘snip and ping’ approaches based upon preparing and presenting ready-made meals
- **Owner operator support:** The need for better business support for Owner Operators, micro-businesses to support their own skills developments in areas such as technology, managing the customer experience, marketing, staff management, environmental issues, legislation etc. This has become more acute following the demise of local Business Link Advisers.
- **The publicly-funded skills system:** It is often not understood, never mind owned by sector employers, leading to missed opportunities. A demand-led system will not support skills investment where low aspiration for skills development exists in both local employers and communities

Opportunities

- **Opportunities for young people:** The Visitor Economy and wider Hospitality sector continues to provide ground-level opportunities for people with relatively low levels of formal qualifications. This is particularly important in the current economic climate. There are opportunities for greater investment in ‘work-preparation training’ for young people, perhaps with a blend of key sector skills and qualifications such as Food Hygiene plus a focus upon work-readiness through ‘real’ work-experience, employer connections. There is certainly scope to boost participation in Apprenticeships by both businesses and individuals. *‘A recovery in retail, hotels and restaurants is particularly important for young people as this is where they are most likely to find work’*. Brendan Barber, TUC, April 2012, as reported by CIPD
- **Centre of Excellence:** To turn a challenge in to a strength by developing and promoting the Lincolnshire Coast as a Centre of Excellence for Tourism and Hospitality related skills development; aligning the high aspirations of local stakeholders with customised local skills investment supported by funding streams such as the BIS Growth and Innovation Fund, Employer Ownership of Skills Pilot or Coastal Communities Fund
- **Seasonal Skills Hub:** The development of a virtual / actual employment and skills hub for the Lincolnshire seaside strip that could seek to:
 - Align with employer/stakeholder groups such as the DMOs and SECWHA to ensure local employer leadership and collaboration on skills
 - Plan, co-ordinate and promote customised upskilling and employment opportunities for local residents in areas of continuing employer demand such as Chefs
 - Support local employers to recruit and develop the skills they need to support business success and growth
 - Support local residents to benefit from local up-skilling and employment opportunities
 - Recognise and work within the opportunities and constraints of an acutely seasonal, intensive economy : perhaps with the ‘off-season’ becoming the ‘peak-season’ for skills and business development
 - Explore opportunities for a local Coastal Skills Passport owned by local employers
 - Develop creative approaches to Apprenticeships to ensure that young people and businesses are not marginalised from these opportunities due to a seasonal, weather-related economy
 - Support Owner Operators, especially new investors, with integrated skills investment and business support
- **Local Skills Initiatives in the Tourism Hubs:** Customised customer service initiatives such as the Olympics-inspired World Host to provide business-focused skills opportunities, for those already working in the sector and also ‘future workforce’ currently in education, training or unemployment
- **Volunteering:** The Visitor Economy often provides Volunteering opportunities on a major scale. For example, the Cathedral of Lincoln, Stately Homes, Zoos, Nature Reserves etc. These opportunities are often dominated by people who have retired. There may be opportunities to better connect such volunteering opportunities with those young people and adults in need of structured work experience and training to help them find employment within the Visitor Economy. There are early signs that this is already happening with some switch of emphasis for Volunteers from the early-retired to disadvantaged groups

ACKNOWLEDGEMENTS

Thank you to all the Employer Panel members who gave their time and contributed so thoughtfully to this report. SkillsReach is also greatly indebted to the highly-valued professional support and sector insights of our Associate Gail Dunn. We also thank Faye Chua and Simon Kitto of People1st, the Sector Skills Council for Hospitality, Leisure, Transport and Tourism.

BACKGROUND TO SKILLSREACH

SkillsReach is a Lincolnshire-based business that specialises in providing insight, intelligence and strategies in response to employment and skills challenges.

Web connections: www.SkillsReach.co.uk