



## Cafés, Bars and Restaurants Sector Skills Summary



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# Hinonga Kōkiri / Head Start Project

**The Hinonga Kōkiri / Head Start Project is an initiative from ServicelQ that brings together service sector stakeholders from industry, employers, schools, tertiary education providers, and iwi throughout Aotearoa New Zealand to reflect on the impacts of COVID-19.**

The purpose of the project is to hear stakeholder perspectives on:

- ▶ how COVID-19 has reshaped vocational pathways and business, and
- ▶ what people and skills, training, and learning pathways are needed to get a head start to COVID-19 recovery.

The stakeholder consultation began in October 2020 and concluded in January 2021. In total, 321 sector representatives attended 41 focus group sessions in 10 regions throughout New Zealand. Their perspectives shaped the creation of online surveys, resulting in 488 responses that provided further views on how COVID-19 impacted the service sectors, and what support is needed for recovery.

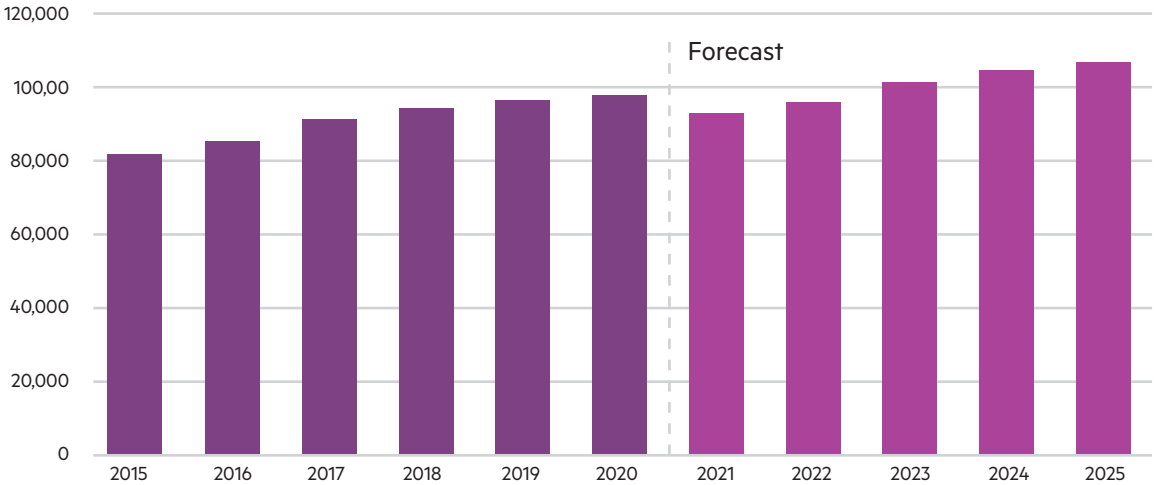
The consultation results have been combined with industry insights, data and forecasting to produce nine sector skills summaries, one for each sector represented by ServicelQ in our capacity as a Transitional Industry Training Organisation for the Services Workforce Development Council. This skills summary is for the cafés, bars and restaurants sector. There are eight other summaries for the aviation; accommodation; catering; clubs; quick service restaurants; retail and retail supply chain; travel; and tourism sectors.

From this research ServicelQ will produce a workforce strategy for the Services Workforce Development Council Establishment Board. The strategy will include industry, employer, schools, provider, and iwi voices. In this way the project gives service sector stakeholders an opportunity to shape vocational education in Aotearoa New Zealand.

The report is structured into five main areas to show what impacts COVID-19 has had on the sector; the sector response to COVID-19; key drivers of future success; skills needed to support sector recovery; and skills initiatives and strategies.

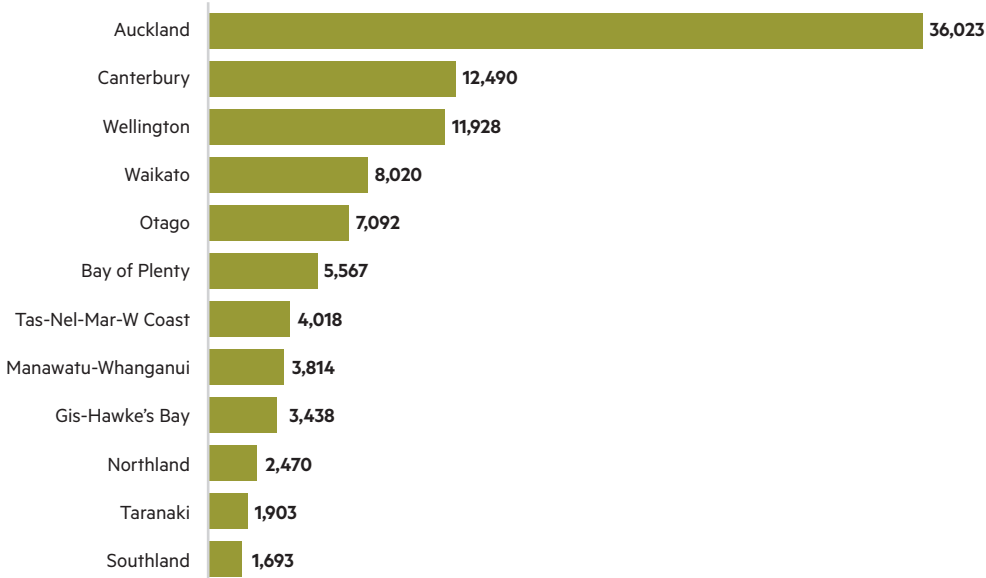
# Cafés, Bars and Restaurants Sector Snapshot<sup>1</sup>

## Cafés, bars and restaurants sector jobs



- ▶ Prior to COVID-19 there were 98,456 cafés, bars and restaurants sector jobs and the sector was forecast to grow 12.9% between 2020 and 2025. Infometrics now forecasts job losses of 4,724 or 4.8% of the sector workforce in the year to March 2021, then 3.3% growth (3,117 jobs) in the year to March 2022 and 5.6% growth (5,461 jobs) the following year. The cafés, bars and restaurants sector is forecast to reach pre COVID-19 levels in 2022 and grow to 107,782 jobs by 2025.

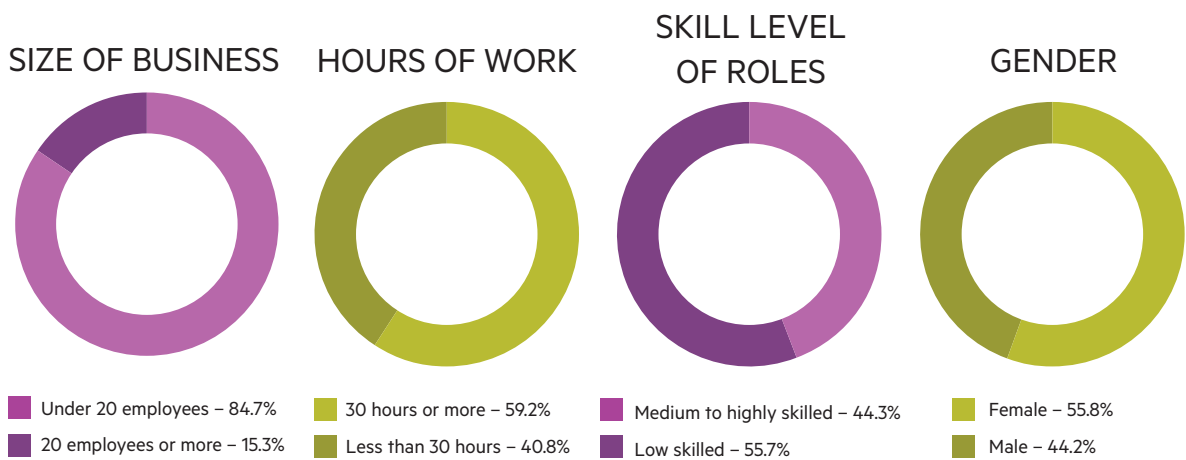
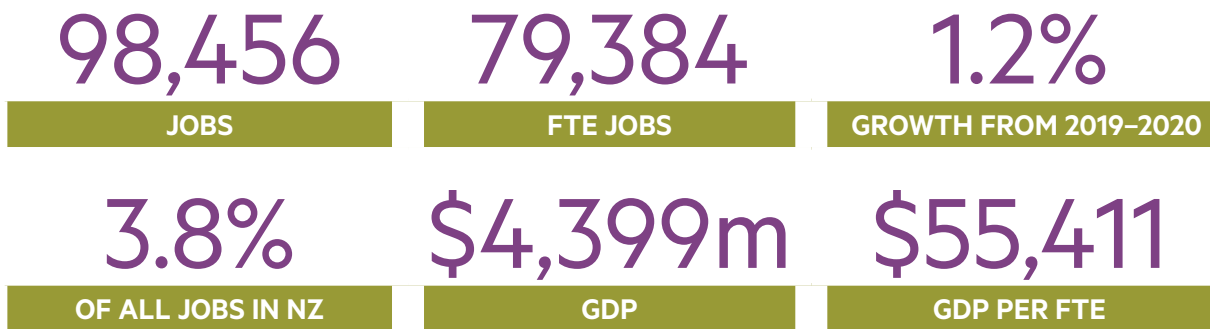
## 2020 Regional employment



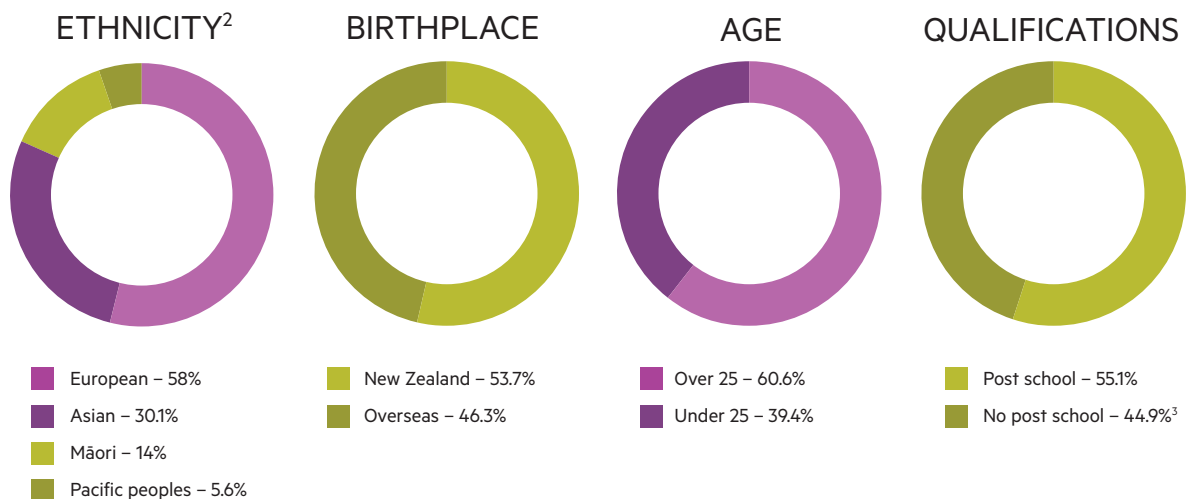
- ▶ There were 8,343 business units employing one or more people, with an average of 7.4 people per business unit.
- ▶ Main occupations are chefs, waiters, café or restaurant managers, café workers, sales assistants, kitchenhands and baristas.
- ▶ The self-employment rate in the cafés, bars and restaurants sector is 9.6%

<sup>1</sup>Sector data and forecasts supplied by Infometrics February 2021. N.B. 2020 sector data is as at end of March 2020

2020 Sector data



Sector demographic data from 2018 Census



- ▶ In the 2018 Census, 26.4% of the cafés bars and restaurants sector workforce was born in Asia. In Auckland 61.3% of those working in the sector were born overseas with 43.4% born in Asia.
- ▶ 55% of the sector is under 30 years old compared to 25.9% of the overall workforce.

<sup>2</sup> Employees may identify with more than one ethnicity.

<sup>3</sup> In part this is due to the percentage of young people working in the sector, with 18.4% aged 15-19 years.

# Sector Consultation Insights



## 1. The impacts of COVID-19 on the cafés, bars and restaurants sector

### Customers

Businesses have needed to be flexible as alert levels and customer needs changed. Generally, the bounce back has been better than expected but this varies regionally and across cities. The uptake of work from home has helped the suburbs but impacted the central city. Central city cafés, bars and restaurants are facing more competition for fewer customers, with people continuing to work from home and a lack of international tourists.

Post lockdown consumer behaviour changed, with people still buying coffees but not eating out as often. At Alert Level 2 some customers were unhappy when staff enforced alert level restrictions.

Some people were scared to be in restaurants and conservative discretionary spending has affected restaurant revenue.

There is still a lot of lumpiness, with peaks and troughs. Weekends and holidays are busy, weekdays are quieter. There is a focus on existing customers for revenue through repeat business and word of mouth. Deliveries and click and collect were introduced during Alert Level 3, and this has continued in some cases.

### Staff

While the wage subsidy helped, there have been redundancies, restructures and business closures in the sector. This has resulted in a loss of skills, capability and experience. There has been a mix of attrition and strategic restructuring. In tourism hotspots there have been large reductions in staff numbers. Some staff were happy to be at home during higher alert levels and there was some reluctance to return when restaurants reopened.

There are higher and broader expectations of staff to multitask in streamlined operations. Front of house staff have been retained where possible. Repurposing is a common theme. Some staff have been redeployed to other locations or within restaurants to where there is demand. Upskilling and multiskilling has created efficiencies and has brought teams together, with strengthened teamwork.

People are grateful to have work, but tiredness and the effects of uncertainty is taking its toll. Staff are feeling insecure; many are earning less so are in survival mode, saving up their annual leave. Fatigue is setting in and there is concern that this could lead to more accidents and injuries. Mental health issues are emerging. Employee engagement is harder in a quiet restaurant, as employees often thrive in a high energy atmosphere and the second lockdown in Auckland was more demoralising for staff.

Smaller business owners and operators in particular are stressed due to uncertainty, reduced income, needing to reinvent their business, and operating with reduced staff, and this is leading to mental health pressure.

Skills shortages are emerging, as there is reliance on migrants to do jobs that New Zealanders are not willing to do (or do not have the hospitality skills and knowledge needed). There are



more applications than previously when cookery roles are advertised but many are unsuitable. Immigration rules are creating skills shortages and pushing up wages. Visa extensions have been helpful, but some employees are overseas and cannot return, and some of the migrant workforce including backpackers on working holidays have headed home (with none arriving to replace them). There are fewer skilled migrant workers available (with the impact of this varying across regions).

Chef shortages prior to COVID-19 have increased due to immigration and visa issues.

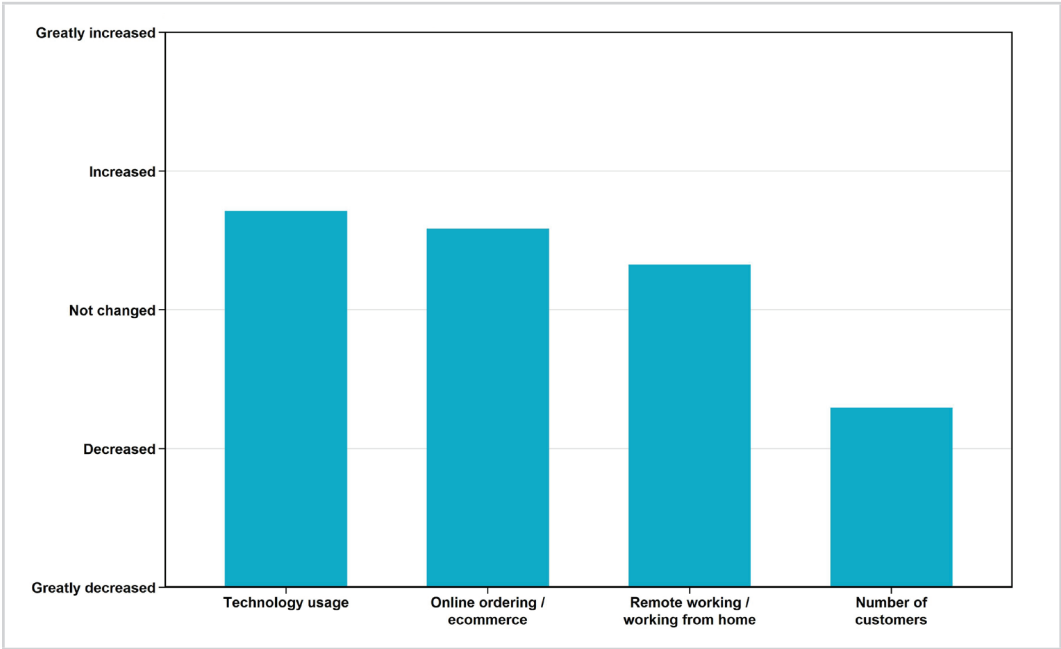
Perceptions have changed, with hospitality now seen as a risky career choice, with poor job security due to the number of displaced workers and uncertainty of hours. Some unhelpful media coverage has contributed to these perceptions. There has been some leakage of staff from cafés, bars and restaurants into the catering sector (e.g. aged care) as it is seen as offering better job security and hours.

### Communication / Technology

Regular, clear and open communication has been needed. A sense of community and connection is important as staff have felt vulnerable. Regular management meetings have taken place.

There has been more sector collaboration. Associations such as Restaurant Association, HospitalityNZ, and NZ Chefs Association have all been providing support to the sector. This has included advocacy, member updates, webinars, professional development, surveys and a lot of member support. There have been restructure conversations, advice around alert level guidelines and help with navigating the wage subsidy. Some conversations have been very emotional.

There has been an increase in use of technology. Working remotely was used as an option where possible. WhatsApp, Zoom and Teams have been used for online communication. There has been significant growth in use of online services, which has generated cashflow to help restaurants retain staff.



**Figure 1.** The extent to which COVID-19 influenced behaviour in the CBR sector.\*

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Cafés, Bars and Restaurants sector respondents

## Operational / Process

Going up and down between alert levels was challenging and new operational processes were needed. At Alert Level 2, changes had to be implemented to accommodate operating restrictions where customers needed to be seated, spaced and served by a single server. This increased costs and reduced revenue.

At Alert Level 1 businesses could return to full operations but have needed to focus on managing costs and working smarter to make up for lost income during Alert Levels 3 and 4.

Owners and managers who had no previous experience in restructuring did not always follow employment processes correctly and had to quickly build their knowledge and understanding in this area.

## Training providers and schools

Hospitality training providers experienced a significant decline in international student numbers. There was also some loss of students to other industries and some left study to go into employment. Conversely, some people who have lost jobs are taking the opportunity to study. It was harder to do industry work experience and practicum placements. With the changes in delivery of training, students feel they missed the practical learning of restaurant service to be able to pathway on to the next level of restaurant management.

Secondary school hospitality students faced barriers to learning during lockdown including access to online learning and ingredients to use for cookery at home. Many hospitality teachers did not find sufficient opportunities for meaningful practical assessment.

There was more student anxiety from the change in routine, looking after family/whānau, working in essential roles and future career and employability concerns. Some students left school for job opportunities, to support their families or because they were disengaged.

Education providers saw a positive impact of COVID-19 being the need for people to learn how to cook and families enjoying cooking at home.

# 2. The response to date as a result of COVID-19

## Customers / Products / Services

Good customer service practises and valuing customers has been very important. Businesses focusing on what they do well and providing a unique offering has been key.

Although the bounce back has been better than expected there have been some closures and many restaurant and bars reduced staff. Customers are supporting local e.g. supporting stallholders at night markets, but some small businesses have ceased trading. There have been business closures at airport locations due to reduced traveller numbers.

There has been more innovation and many good ideas as businesses have had to reinvent themselves. There are examples of businesses expanding, with new larger premises.

New retail products have been developed and sold, packaging changed and cookery books written. One restaurateur launched an online book sold on a pay what you can basis. Another started a supper club once at Alert Level 1, to create a sense of community. Smaller menus

have been developed where diners pay a set cost for a two or three course meal (which decreases food costs). Chefs took the time while restaurants were closed to understand plant-based foods to be able to add vegan options to their menus.

Commercial kitchens have been used to cook for the community. There were MSD projects during lockdown which involved food preparation for delivery to those in need.

There are examples of centralised chefs and centralised products e.g. onion sauce, for cost savings and consistency across multiple restaurants. There has been more collaboration amongst restaurant groups, finding other economies of scale e.g. group advertising.

Many cafés and restaurants introduced food order takeaway and delivery services at Alert Level 3, often through an app, and this has continued to be offered where it was successful. Community delivery businesses were set up with staff becoming drivers. Introducing restaurant and takeaway deliveries has helped to increase revenue in the regions, especially once customers become aware of this service. At Alert Level 2 some restaurants offered table service for the first time and staff training/workshops were needed to help develop this capability in staff to learn new ways to provide services.

Social media is enabling businesses to stay in touch with customers. An example is customers being asked via Instagram about their preferences of products and opening hours.

## Staff

In response to the need for multitasking due to reduced staff, many new staff have broader, more general job descriptions. For existing staff, widening roles and more multitasking is by mutual agreement, with more of a conversation around how the business needs flexibility for its survival. Staff working across roles may not be so well trained, so the combination of unfamiliar tasks and fatigue can lead to more accidents. Some staff working across roles/sites are feeling very stretched. It was harder for staff to step up when things got busier as they had gotten used to the slower pace.

It can be hard for front of house staff to work in kitchens, as it is very different work. It has helped in educating front of house staff about handling food queries e.g. customers' food allergy needs. Managers have been mucking in and function teams trained up for bar and restaurant work. The hospitality sector is competing with other sectors for labour (with some other sectors more supported e.g. with subsidised training).

The ability to work from home efficiently has been demonstrated. It provides valuable reflection time for managers who can return clearheaded to their restaurant. There are examples of businesses surveying workers on management response to ensure they are meeting the needs of their employees.

When recruiting it has been best to be honest about the job e.g. kitchenhands – it is hot, intense work with long hours, but has great opportunities.

Delivering excellent service has become even more of a priority. Customer service and sales training has been undertaken with staff.

There are concerns that the minimum wage increase will lead to cafés, bars and restaurants operating with lower staff numbers, placing additional pressure on remaining staff.

## Communication / Technology

Regular clear communication helps to retain the culture of the business. Communication has included Email, Facebook groups, Zoom, Teams, phone calls, with businesses finding effective ways to communicate with different age groups.

Managers have used phone trees and it has been an expectation to keep in touch with staff to keep them informed and check on wellbeing. A mixture of online and face to face seems to work best.

There has been a greater focus on staff wellbeing and support, being understanding about leave and more open discussion about mental health.

Clear communication around the wage subsidy and management ideas and changes was important. Restructures have worked best where employers have engaged staff throughout the process.

There is now greater remote working flexibility, with the ability to remain connected e.g. through Zoom. Work from home readiness has also been developed in case of future lockdowns. Zoom and Teams has replaced videoconferencing in a specific location. It has been used for both internal meetings and connecting with clients. Online courses during lockdown made training accessible to staff working from home and helped to enhance capability.

Websites have been reviewed and upgraded, as businesses need good visibility online. Businesses with a good online presence and that are savvy with online tools have been more resilient. There has been stress on those developing e-commerce platforms and businesses (particularly in the regions) with no knowledge on how to set up or collaborate with online vendors. Once developed, digital platforms have become a key business tool and are now continuing to be used.

More businesses have introduced mobile ordering and payment systems.

## Suppliers

There is a greater focus on supporting local food and beverage suppliers. Cafés, bars and restaurants have strengthened supplier relationships and there are more preferred supplier agreements. Businesses have had to work more closely with their bank and provide them with more reporting on changes in cashflow and business plans.

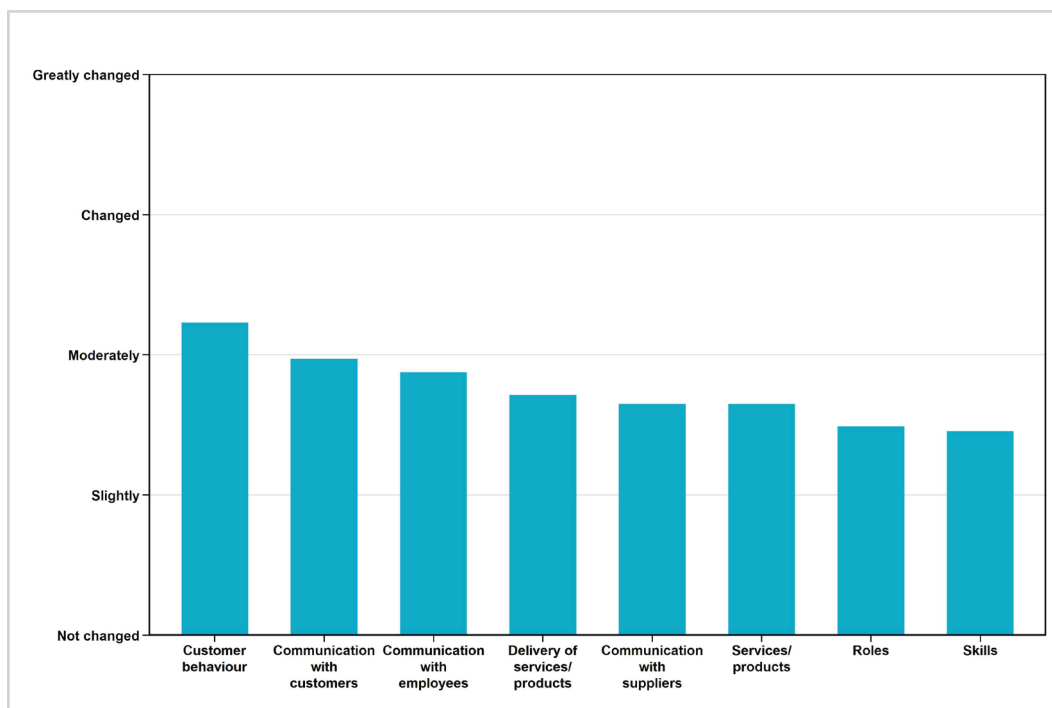
## Operational/ Process

New ideas have been generated, new ways of operating, moving to a more agile model. People and processes have been streamlined. Alert level changes necessitated more agile, faster decision making.

Cost reviews were needed looking at all expenses. Operating hours were reviewed, with changes of opening hours/days, some reduced and some extended.

Wages are a large expense, despite remuneration being quite low in the sector. It is likely that pricing will need to go up when the minimum wage goes up; the public will need to value the costs of providing good food and service.

New health and safety processes have been developed. Systems have been reviewed and infection control measures put in place. Businesses are more prepared for alert level changes should they be needed in the future.



**Figure 2.** The extent of change the CBR sector has felt since the arrival of COVID-19.\*

## Training Providers / Schools

Hospitality training providers developed online learning so that training could continue, although technology resource and internet access was a barrier for some students. Practical components were rescheduled. Learners are more motivated and enjoy class interaction on-campus, but aspects of online learning that worked well have been integrated into on-campus delivery.

Over lockdown there was a high amount of sharing of free resources through the hospitality industry, including online training opportunities offered from all over the world. e.g. bar courses and mixology.

During lockdown students needed more pastoral care for wellbeing and extra support for online learning. Post lockdown there has been increased support needed for students and staff due to mental health issues, job uncertainty and family pressures.

In secondary schools the COVID-19 lockdown created a need for parallel online learning plans, that sit alongside existing class-based plans. Hospitality teachers adapted teaching styles, working to the needs of students. They used online and blended learning material, although different resources used different learning platforms which made this challenging.

Where ingredients were a barrier, teachers responded by keeping learning skills-based rather than ingredient based or developed 'food box' delivery systems. There was more of a 'back to basics' focus on food preparation. There was more pastoral care and checking in with students.

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Cafés, Bars and Restaurants sector respondents

### 3. Key drivers of future success for the cafés, bars and restaurants sector

#### Industry

Key drivers for industry include:

- ▶ Attracting people into the hospitality industry as a rewarding career, with progression pathways and the support of industry. Promote hospitality so New Zealanders see it as a career opportunity where they can develop valuable transferable skills. Improve public perceptions of hospitality, so it is seen as a way of developing “skillsets for the future”. Address the barriers of pay and weekend trade. There are more positives than negatives and it is a great steppingstone, that can lead to a broad range of roles and leadership opportunities.
- ▶ Attract more New Zealand workers into the hospitality sector and retain them. The sector needs people with a great attitude and personality that is a good fit for the sector; the rest can be trained. The sector needs “good employees”.
- ▶ A commercially competent pipeline. Schools and hospitality training providers are not currently producing this. Conversely hospitality businesses need to be realistic about students’ abilities.
- ▶ Cross skilled and multiskilled staff who understand this as an expectation. This will create agility so that the business can shrink and grow.
- ▶ Better communication and care of staff, including utilisation of mental health platforms for hospitality health in the workplace.
- ▶ Value staff with good remuneration and benefits and investing in them through training. There is some concern that training up staff will give them an incentive to find a job elsewhere, so retention strategies are important.
- ▶ Strong collaborative relationships with unions.
- ▶ Getting the balance right between valuing and rewarding staff while keeping pricing competitive and being financially sustainable.
- ▶ Greater development and use of technology, (e.g. customer journey apps, online options, one app for all restaurants/venues?) but also value person to person contact.
- ▶ Encourage an entrepreneurial outlook. Embrace trends such plant-based cooking, offering vegan options in restaurants and creating vegan products.
- ▶ Hero New Zealand food by using New Zealand products and showcasing them with the story of provenance and cooking techniques. Finding ways to cook with our unique ingredients and sharing knowledge of these with staff and customers. E.g. powder, foam. Support local tourism initiatives, especially food and beverage tourism.
- ▶ Raise prices with confidence, value your product/offer. People still want a dining experience, with a good front of house experience. Customers are loyal to restaurants they love. They are attracted to brands they know and who know who they are.
- ▶ Value and support hospitality competitions e.g. Torque d’Or, Salon Culinaire, National Secondary Schools Culinary Competition.

- ▶ Hospitality industry sustainability through:
  - ▶ Waste minimisation of food and packaging.
  - ▶ Increase use of plant-based food.
  - ▶ Maximise use of the whole animal (nose to tail).
  - ▶ Fish, ocean to plate with full traceability.
  - ▶ Use of plant-based plastics.
  - ▶ Social enterprises who support their own people and give back to the community.
  - ▶ Logistics to get back to a local grain economy.
  - ▶ Carbon offsets.

## Government

A national workforce strategy is needed, with promotion of vocational education including hospitality apprenticeships. Ministry of Education can support this by ensuring schools and careers advisors are informed about training options at training providers and on the job.

The pipeline of workers needed for cafés, bars and restaurants can be filled through training, apprenticeships and immigration settings. In the short term there is a need for skilled migrant workers (either by extending visas or allowing new skilled workers to enter). The key to shifting away from reliance on a migrant workforce is understanding what New Zealanders need to want to work in the hospitality sector. Funding for shorter courses should be considered. The sector is having difficulty finding good managers so a recruitment pipeline for managers is needed.

Destination management and regional tourism and hospitality initiatives can all help cafés, bars and restaurants remain viable while border restrictions are in place. Some traditional tourism hotspots could be marketed as OE working holiday alternatives.

Due to the seasonality of the sector employment legislation needs to be more flexible in recognising the need to adjust hours worked to meet the needs of the business.

## On-job training

Developing an educated professional workforce is key to the sustainability of the cafés, bars and restaurants sector. Staff development and a focus on wellbeing both help in retaining staff. They feel valued as people and see value in their work, making them happier and more likely to stay.

Having great people who are skilled and capable is important. In some cases, capital spending has been deferred so great food and service is key to providing a great experience and encouraging customers to return.

Employers embracing the earn while you learn philosophy will grow the overall capability of the cafés, bars and restaurants sector, as many people need an income while gaining a qualification. It benefits both the employee and the business.

On job training that will support the sector includes:

- ▶ Hospitality apprenticeships (with employer support through Apprentice Boost).
- ▶ Cross training/multiskilling.
- ▶ Development of transferable/soft skills e.g. communication skills.
- ▶ Management skills: helping people learn how to manage and lead, especially young managers.
- ▶ Shorter courses that develop core job skills.
- ▶ Robust health and safety training and courses that help hospitality workers meet regulatory requirements.
- ▶ Training that fits within visa timeframes.

The journey of apprentices and trainees needs to be a smooth one throughout the ROVE (Reform of Vocational Education) transition period, so that learners are not displaced from the industry because of changes e.g. programme changes.

## Training providers

Training providers need help to understand how the expectations of an employer have changed since the arrival of COVID-19 and ensure they are supporting industry sustainability. Communication between providers and industry is vital to ensure hospitality programmes meet the needs of industry, with awareness of industry standards and expectations, so there are no training gaps and providers are producing industry ready graduates.

To help achieve this, training providers would like industry representatives to visit campuses as guest speakers, as this strengthens course content and makes it real for learners. Visits to industry on field trips adds huge value. Work experience, practicum placements and internships all add value and realism to students and can help bridge students directly from their courses into industry. Learners are looking for flexibility to combine study with work and this gives them time 'in the service' to put their skills into practise.

Hospitality training providers aim to train both vocational and employability skills. Blended learning includes practical skills and people skills. Soft skills are embedded to prepare students to be adaptable and resilient, with problem solving and critical thinking skills and a good work ethic. More focus is needed on fostering innovation and entrepreneurship in education programmes and more formalised working groups to include hospitality education providers, the industry training organisation and industry employers.

## Schools

Perceptions of hospitality are a barrier to entry. There is a need for schools to better promote hospitality as a career and for careers advisors to improve their understanding of the sector and help youth (and parents) understand the career opportunities beyond entry-level or seasonal work. The lack of visibility/understanding of pathways, transferable skills, and opportunities are all contributing factors in putting young people off studying in hospitality and schools vary in their approach to encouraging students into hospitality tertiary study or work.



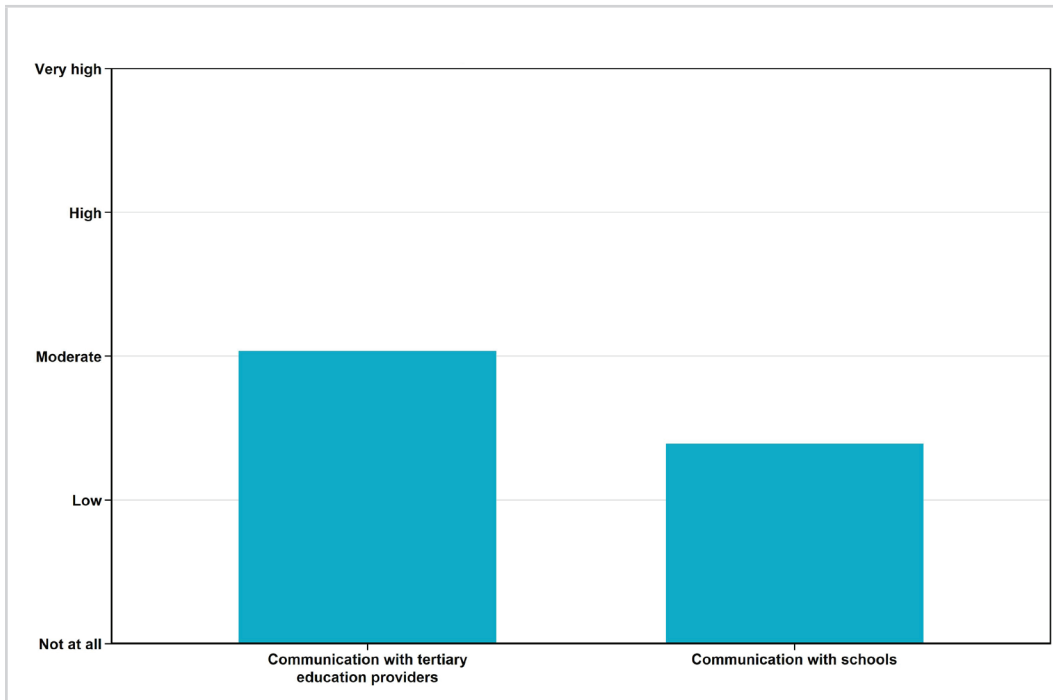
Good connections are needed between schools and the hospitality industry, including collaboration with industry where employers discuss and demonstrate the skills they are looking for and teachers can develop those skills in students. Regular professional development opportunities for hospitality teachers from industry will help them refresh and learn new skills, and keep teaching industry relevant so students are learning specific industry requirements.

Students studying hospitality at secondary school need to understand the commercial reality of working in cafés, bars and restaurants and generally lack both life skills and work experience. They need realistic career progression and remuneration expectations, plus the work ethic expected by employers. Secondary school hospitality students visiting local workplaces and gaining work experience (e.g. through Gateway programmes) can address this. Perceptions could be improved through marketing campaigns, success stories, industry advocacy, clear roles, expectations and progression, and demonstrating the value of food preparation and care.

Accessibility is an issue, some schools do not have the systems, processes or resources to provide high quality hospitality courses. These schools would benefit from support in connecting with industry and training providers.

Unit standards need to be fit for purpose with unit plans and teaching resources that are engaging and helpful for students. Currently there is a lot of assessment needed to gain credits.

Better education is needed in food and nutrition throughout schooling including cooking as a life skill. More examples of hospitality success are needed in School Careers module in Level 1.



**Figure 3.** The communication level the CBR sector has with tertiary education providers and schools.\*

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Cafés, Bars and Restaurants sector respondents

## 4. Skills needed to support the cafés, bars and restaurants sector recovery

### Changes in skills and roles

Greater flexibility has been needed from staff and there is now a need for more generalist roles. There has been upskilling, multiskilling and cross training in cafés, bars and restaurants. Staff are being retrained and developed to meet the needs of the business and roles right sized. Transferable skills are needed so that people can work across roles in leaner teams. Staff are needing to work harder and longer. Ideally, the sector needs people who like a fast paced, customer focused environment and adherence to standards, while adding some flair and personality.

### Changes in the importance of skills

Skills that have increased in importance include:

- ▶ Adaptability and resilience.
- ▶ Communication and cultural skills.
- ▶ Customer service skills.
- ▶ Sales skills – every hospitality role is about sales.
- ▶ Business acumen, understanding all areas of the business. Incentives for staff if they think like a business, not just managers, i.e. if a business loses money that can impact jobs and people.
- ▶ Financial literacy/ financial skills. More focus on finance/costs at all levels.
- ▶ English language skills and literacy skills.
- ▶ Recruitment skills – SMEs are doing it themselves. Filtering CVs, behavioural interviewing, probing.
- ▶ Staffing/rostering skills e.g. do not want to over-hire staff in summer in case of a long slow winter (this is usually covered by people on working holiday visas).
- ▶ Management skills including supporting staff wellbeing and effective communication skills, especially when explaining reasons for changes.
- ▶ Training and upskilling staff.

## New skills needed

- ▶ Digital capability including email, social media, websites, online visibility. Skills in setting up online services such as delivery services and developing other revenue generating solutions.
- ▶ Staff at all levels understanding technology and cyber security.
- ▶ Resilience skills training, working through adversity and accepting some trial and error. Adaptability to future change e.g. shifting business hours or operational procedures.
- ▶ Risk taking – trying new things, it is OK to fail.
- ▶ Multicultural awareness through education around racism and diversity in the workplace.
- ▶ Sustainable business practices.
- ▶ The hospitality industry may need to be more accommodating of students' skillsets and help them to develop skills on the job.
- ▶ Budgeting for upskilling and skill development.

## Skills shortages

- ▶ Skilled and trained chefs (qualified chefs with two to three years' experience). This shortage is prevalent throughout the hospitality sector in New Zealand.
- ▶ Restaurant managers.
- ▶ Grill chefs.
- ▶ Bar and wait staff (including senior skilled wait staff).
- ▶ Front of house staff.
- ▶ Kitchen hands.
- ▶ Café customer service.
- ▶ Fish processors.
- ▶ High end restaurant skillset.
- ▶ Entry level hospitality and restaurant work in the regions. Some regions report accommodation, travel, lack of training facilities and motivation to work as contributing to this e.g. Northland, Tairāwhiti and Hawke's Bay. More promotion of available roles in these regions is needed.

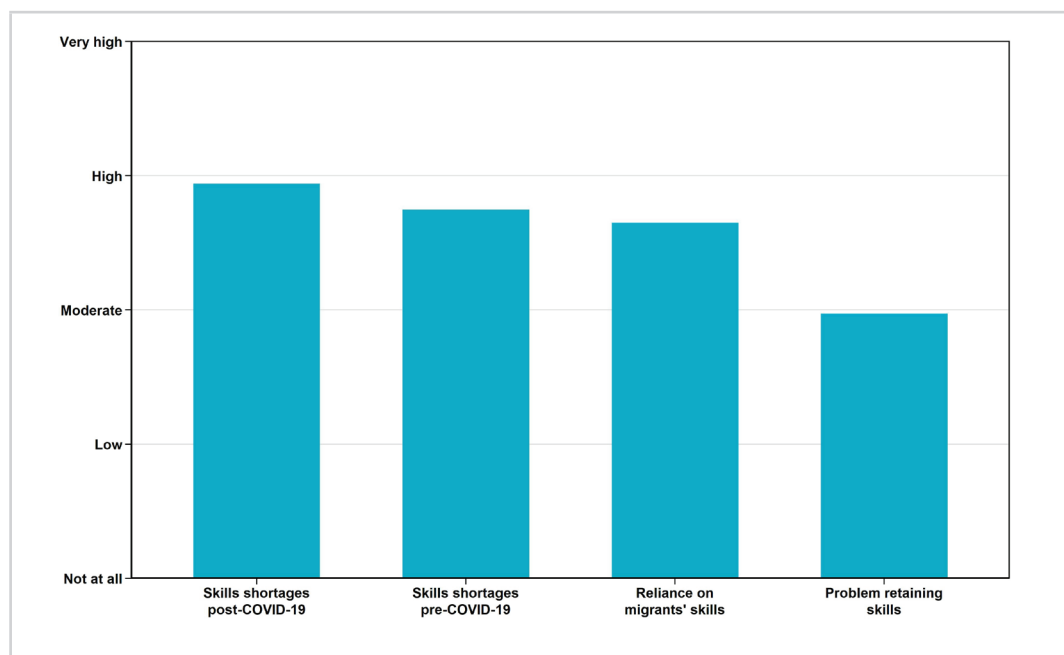
Staff shortages are leading to some businesses having to change their business model. There are general skill shortages across all roles:

- ▶ Work readiness skills (hospitality in schools helps students develop these skills)
  - ▶ Employability.
  - ▶ Time management.
  - ▶ Teamwork.
- ▶ Soft skills which are very important in the hospitality industry and need to be integrated into vocational training.
  - ▶ Transferable people skills.
  - ▶ Patience, genuine care factor and empathy.
  - ▶ Good communication.
  - ▶ Adaptability, resilience, proactivity, flexibility/versatility (hours and activity).
  - ▶ Recognising the transferable skills of displaced people e.g. flight attendants, may improve the standards/quality of service in the sector.

- ▶ Management skills
  - ▶ People management.
  - ▶ New skills to support staff moving into management roles including multitasking, communicating well to staff to help them understand the business, transparency and inclusivity.
  - ▶ Chefs have a high-pressure role and need to be trained on leadership in the kitchen.
  - ▶ Management skills for owners and managers including clear articulation, confirming understanding, leadership language, problem solving, and staff focus.
  - ▶ Communication is key, including body language. Communicating passion creates staff passion and motivation. Helping employees enjoy their workday and set a positive vibe. Communicate the “story” of the business to employees to help them connect to and find value in the work they do.
  - ▶ Understand the value of people.
  - ▶ Confidence and trust in managing a remote team.
  - ▶ Managing wellbeing:
    - Ongoing support of staff.
    - Developing skills to recognise early signs of stress.
    - Team building.
  - ▶ HR skills, knowledge and support.

## Reliance on migrants

This sector is being impacted by border closures and immigration settings meaning no new overseas workers arriving, including those on working holiday and student visas. Cafés, bars and restaurants are reliant on migrant workers and are struggling to attract locals due to perception of the sector and those who do apply often lack the skills. Chef and restaurant manager roles are particularly hard to fill due to immigration settings and shortages are a long-term issue for these roles.



**Figure 4.** Rating of major skills shortages identified in CBR sector focus groups.\*

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Cafés, Bars and Restaurants sector respondents

## 5. Skills initiatives and solutions to support the sector over the next two years

### How to get the skills

- ▶ Hospitality qualifications.
- ▶ Flexible learning on the job. Training new staff and upskilling existing staff in a more structured manner, through inhouse training.
- ▶ Cross training and upskilling to keep staff employed and build workforce capability.
- ▶ Connecting with hospitality schools to obtain skilled graduates. Industry could offer placements that may lead to seasonal or permanent employment. Have industry practical component as part of the courses. Students to gain experience on quieter shifts to so they can ask questions and experience working in the restaurant. Real life restaurant training, practical experience, so students can deal with time and customer pressures.
- ▶ Create a pipeline with industry linking with schools. E.g. Chefs and other staff present to students, talk about the career opportunities. Competitions (cookery and static displays, include front of house) judged by industry, workplace experiences, mentoring, access to apprenticeship opportunities, job opportunities, virtual or live demonstrations of how a kitchen works, what the job looks like. School students visit industry for skills demonstration, linking classwork to 'real work', career stories, careers and job seeking advice, learning employer expectations, and making connections. School students gain credits through hospitality work experience e.g. Gateway placements (placements must match the skills taught in schools), which gives students visibility as well as gaining skills.
- ▶ More professional development by industry for hospitality teachers.
- ▶ Promote the hospitality sector so people see the value in it, highlight the good parts/ benefits but also be honest about the reality. Selling the right story. Understanding hospitality as an industry, showcasing hospitality careers and highlighting the opportunities and excitement. Hospitality needs to be seen as a career, a valued and reputable sector, to encourage New Zealanders into the industry.
- ▶ Change parents' perceptions of careers in hospitality.
- ▶ Education providers develop employability and fundamental hospitality skills for entry level roles.
- ▶ Expand secondary school hospitality courses to include front of house rather than just cookery skills.
- ▶ A skills initiative that could be portable for all hospitality work, agile enough to transfer into the workplace.
- ▶ Hospitality Savvy Award is a great short-term option (which can lead to longer term options).
- ▶ Evidence based assessment, validation. Chef verification, it's important that it is not just a box ticking exercise.
- ▶ Level 4 cookery could be taught across locations e.g. if a café does not cover all the requirements (or if a workplace kitchen does not do it, a block course at a training provider).
- ▶ Streamline/ align chef training across different providers and on-job.
- ▶ Tailor food and beverage apprenticeships so they are more suitable for smaller hospitality businesses.

- ▶ Training organisations help with increasing employability through shorter/specific learning courses e.g. LCQ, barista, driving licence, computer skills (Excel etc).
- ▶ More hospitality skills training for high class service.
- ▶ Customer service skills training for hospitality, e.g. KiwiHost.
- ▶ More bite sized modules when working towards a duty manager’s licence would help young people feel like progress is being made.

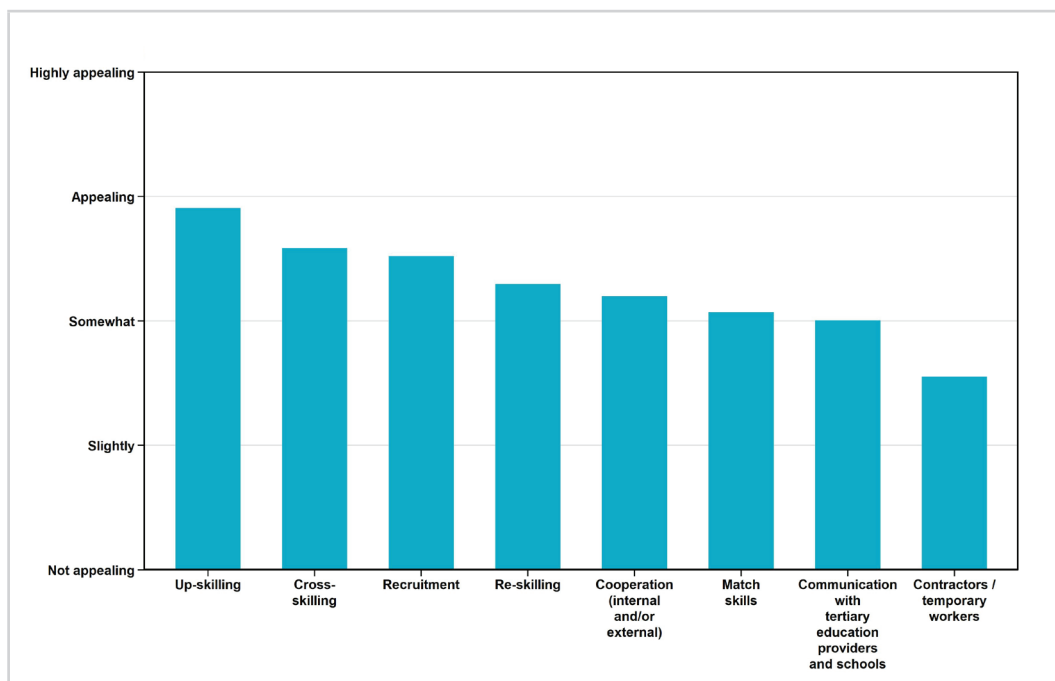


Figure 5.1. COVID-19 recovery strategies that will be considered by the CBR sector.\*

## Support needed

- ▶ Workforce Development Council to provide skills leadership through industry, provider and schools connection. Ensure industry and tertiary providers work closely together and support more in-work learning. Seek direct input from those working in the industry, with experience and insights and innovative ideas, from different sized businesses.
- ▶ Regular or annual regional hospitality conferences or hui, supported by a professional body, industry association or the industry training organisation.
- ▶ Flexible learning, distance learning, block courses and on-job training can offer qualifications targeted to certain areas geographically, focusing on skills shortage in geographical locations and offering up solutions.
- ▶ Specific skill training in smaller towns and regions e.g. Barista training, so it is accessible.
- ▶ On job assessments, with roving assessors and more workplace support.
- ▶ Online training for service skill development.
- ▶ More LCQ and manager certificates are needed. The experience needed (New Zealand or Australia) and the fees are prohibitive. Council could subsidise costs.
- ▶ Affordable management apprenticeships, with support for the employer and employee.

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Cafés, Bars and Restaurants sector respondents

- ▶ Immigration support to retain staff (especially while there are no new overseas arrivals). There are roles that are not considered skilled enough, but there are still skills shortages. Flexibility is needed e.g. visa length versus qualification length, more flexibility including visa renewals for skilled, professional hospitality staff; trained, experienced front of house staff and chefs (commis chefs, chef de parties).
- ▶ While borders are closed reduced rates, fees and visitor levies would help businesses while revenue is down.
- ▶ Promote affected regions e.g. Queenstown, as a destination to attract a talent pipeline of workers as well as domestic visitors.
- ▶ Job connectors to connect potential employees with employers. This could include supporting school and tertiary students into work in the regions where there are shortages.
- ▶ Career fairs e.g. Go with Tourism expos.
- ▶ Students at training providers can become more employable by practice and refining skills with product in class, simulated training restaurants, simulated use of industry systems i.e. GDS (global distribution system), PMS (property management system) and POS (point of sale system) then gaining real life experience in the workplace.
- ▶ Paid work experience to develop both technical skills and soft skills (especially communication skills).
- ▶ More support from ServiceIQ to provide assessment opportunities within commercial kitchens for school students (if the school doesn't meet the commercial kitchen requirements).
- ▶ Workplace mentors who support wellbeing and resilience.
- ▶ Employers could give perks e.g. rural NZ restaurants or expensive cities provide accommodation and meals.
- ▶ There is a suggestion to develop a pool of trained, commercially competent casual staff in hospitality that can step into a business when needed and contribute rather increased pressure on the existing team and potentially compromising service.

## Training needs

- ▶ Train the ability to work across different departments and roles, more flexibility for the learner and the business. Remove the front of house/back of house stigma.
- ▶ More Microcredentials, modularised bite sized learning to fill the skills gaps.
- ▶ Make training quick and relevant – what and why.
- ▶ Find the right balance of broad and narrow focused culinary technical skills.
- ▶ Flexible food options e.g. vegan cookery; currently a cookery apprentice must cook with chicken.
- ▶ Cookery for specific dietary requirements, food allergy training.
- ▶ Cultural cooking awareness.
- ▶ Training on what food tourism is and how to offer a unique food experience.
- ▶ Hospitality qualifications need to be broader to better meet the needs of industry, roles, and regions. A broader role may now include food preparation, front of house and cookery. Some programmes have very rigid wording. Effective collaboration is needed to make changes to current qualifications and examine any limitations.
- ▶ Training that recognises different learning styles.

- ▶ Build industry experience and ‘vocational training at the workplace’ into future hospitality programmes in secondary school.
- ▶ There is value in practical skills as good foundations to support CV building e.g. A broad service unit such as US167 Practise food safety methods in a food business under supervision bridges across multiple jobs as does customer service training.
- ▶ Digital marketing training (possibly through regional support networks).
- ▶ Resilience training to be adaptable to change, especially when balancing work and study.

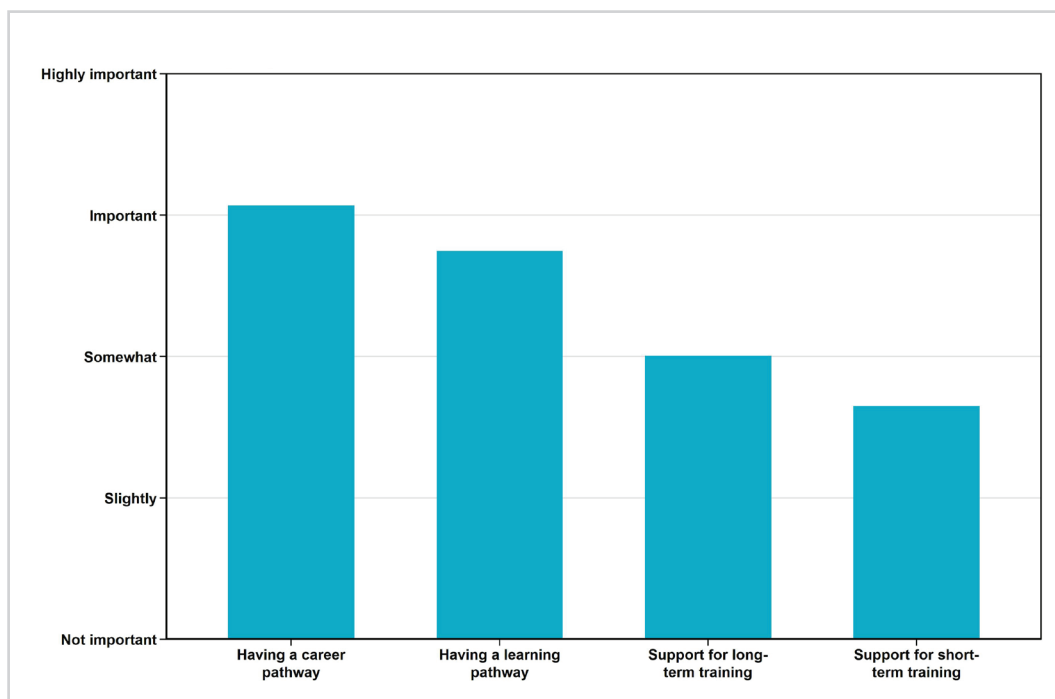


Figure 5.2. The importance of training and pathways.\*

## Learning pathways

- ▶ Career advisors, education providers and associations working together to promote hospitality as a career with clear learning and career pathways. Skills leadership so that hospitality is seen as a career of choice.
- ▶ The sector could be promoted with a ‘skills for life’ promotion.
- ▶ Pay and career progression play an important part in encouraging students to be part of the hospitality industry. Exposure and promotion of hospitality as an exciting rewarding careers option. Use of social media, incentives, examples of key players, and offering cooking competitions at an early level.
- ▶ Education about the hospitality sector including the range of jobs available within industry and how to get there.
- ▶ Degrees and diplomas in tourism, hospitality and hotel management are as valued as business qualifications.
- ▶ Promotion of chef apprenticeships including “where are they now?” profiles.
- ▶ Increase hospitality training engagement with more online learning material, gamifying the sector.
- ▶ MSD and industry collaborate to support training for those on a benefit (e.g. FlexiWage, Mana in Mahi).

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Cafés, Bars and Restaurants sector respondents



- ▶ Real work experience: get out in the world, e.g. school students and MSD clients. DineAid is an example of pre-employment training. Another example is a restaurant group's six-week hospitality work readiness course for MSD clients.
- ▶ Internships.
- ▶ Apprenticeship Boost subsidising employers with apprentices. Some employers are passing a portion on to employees as they complete unit standards.
- ▶ Offer practical learning and career development pathways.
- ▶ Educating employers on pathway progression and engaging in workplace training for their staff.
- ▶ A useful model would be an in-work model where learners are employed and learning on the job but are assessed externally at a tertiary institution, so industry does not have to be concerned with assessment, just on-job training. Assessment skills need to cover both vocational and core employability skills.

### Under-served groups

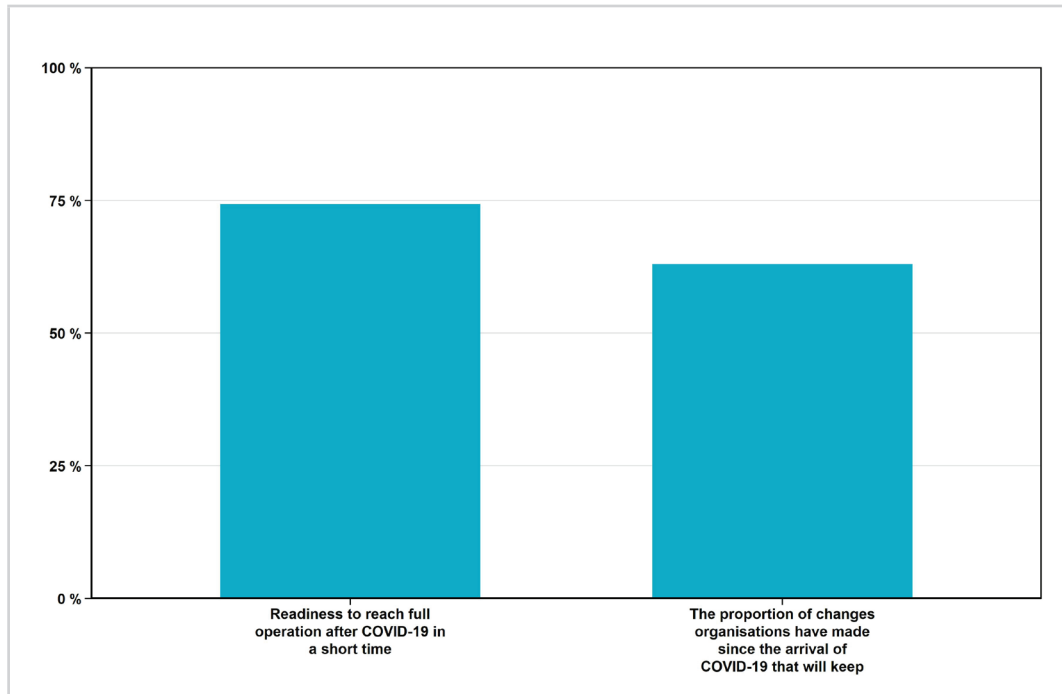
- ▶ Support at-risk youth, especially where they are good with people.
- ▶ Diversity is important in any learning material, so that a diverse range of people can relate to it.
- ▶ More sharing of knowledge between iwi, school, and training providers. Marae catering helps with engagement and transferable skills development. The skills gained in a wharekai setting need to be valued more as they can lay a great foundation for hospitality training. Qualifications and marae operate in different spheres and there is work to do to bring these two learning approaches into a space of trust and collaboration.
- ▶ During lockdown at-risk students did not have as much success with online learning as other students and could not access resources (online and cookery ingredients) as readily. Students facing hardship need support to access resources e.g. food boxes with cookery ingredients. Schools would benefit from a liaison outside agencies, to understand what help is available.

### Wider strategies

- ▶ A Minister of Hospitality supporting:
  - ▶ Sustainability in hospitality.
  - ▶ Sustainability in food (e.g. whole animal).
  - ▶ Emerging food preferences and cooking plant-based foods.
  - ▶ Innovation and adaptability in hospitality.
- ▶ A national food strategy, Aotearoa circle (being developed with by end of 2021) with the aims of:
  - ▶ Environment revitalisation.
  - ▶ Aspire to the Sustainable Development Goals (SDG's).
  - ▶ Transform food system guide for health equity.
  - ▶ Economic gain.
- ▶ Reopening of the borders for international visitors, workers and students.
- ▶ Once borders have reopened hospitality and tourism international reciprocal exchange programmes are suggested to develop Kiwi hospitality and tourism professionals.

## Post COVID-19

Staffing and skills shortages are expected to be a major issue when the borders reopen and could be a barrier to cafés, bars and restaurant scaling back up to full operation. Businesses are intending to upskill existing staff in their roles and employ new staff when international tourists can enter New Zealand.



**Figure 5.3.** Operational stability and agility of the CBR sector when COVID-19 border restrictions end.\*

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Cafés, Bars and Restaurants sector respondents



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