

FUTURE SKILLS ISSUES AFFECTING
INDUSTRY SECTORS IN WALES



**Tourism, Hospitality
and Leisure Sector**

Future*skills*
Wales

Executive Summary

Introduction

This document is one of a series commissioned by the Future Skills Wales Research Forum. The overall project aims to extend and complement the work begun by the original Future Skills Wales project, which forecast future generic skills needs across Wales using forecasting and survey data. The current project adds studies of future vocational skills needs within key sectors in Wales. Each sector study is based on desk research and qualitative interviews with practitioners and employers, and aims to provide an overview of the sector, the skills issues, and current and potential actions to further strengthen the sector.

Businesses and employees in each of the sectors studied have achieved great successes; that is why these sectors have become important for Wales. Our focus on current skills issues should not obscure these achievements or the determination of all concerned to meet current and future challenges.

Sector Profile

The Tourism sector, supported by hospitality and leisure, is important to the current and future economy of Wales but at the same time it is extremely complex with:

- over 7,500 businesses;
- over 70,000 employees;
- 85% of businesses employing less than 10 employees;
- businesses spread across the country, with many in rural isolated areas.

As can be seen, businesses in the sector are typically small enterprises and face many of the issues common to small companies, particularly in relation to management, e.g. business planning and marketing, and retention of staff.

Skills Issues

Future employment in the sector is forecast to increase, with approximately 15,000 new jobs anticipated by the year 2003 and up to 20,000 by 2010. However, with decreasing numbers on related FE courses, compounded by premature leaving from those courses and high drop-out rates for new entrants into the sector, it will be crucial to ensure that this increased demand can be met.

There are a number of issues that have been identified that may hinder this forecast growth:

- the identity of the Welsh brand and the overall poor image of the tourism sector;
- a lack of comprehensive, accessible data about the skills needs of the sector;
- a relatively low skills base of the existing workforce, with 18% having no qualifications and a further 25% having lower level qualifications;
- specific skills shortages are apparent for chefs, other kitchen staff and housekeeping staff;
- deficiencies exist in sales, management and entrepreneurial skills;
- there is a growing importance for ICT skills;
- there is a need to strengthen customer facing skills for new entrants;

- the lack of financial, management and entrepreneurial skills of a large proportion of owner/ managers can constrict growth;
- the apparent lack of structured career routes, particularly into management positions, can cause drop out from the sector and impact negatively on potential new entrants into it.

Action on Skills

There are 5 key themes which encompass the recommendations for potential action, these are outlined as follows:

- **Theme 1:** there are a number of **strategic issues relating to the infrastructure** of the sector, which will need to be addressed if the skills issues identified are to be tackled effectively;
- **Theme 2:** there are a number of problems for the sector in relation to the **skills shortages**, which have been on-going for a number of years and that need to be addressed as a priority;
- **Theme 3:** many of the issues for the existing workforce relate to the size of the businesses involved and **innovative ways to support** them must be developed;
- **Theme 4:** a specific issue, which can hinder the development of micro businesses, is the **skills of the owner/manager**;
- **Theme 5:** there is a general lack of interest in the sector by current and potential employees, and **finding new labour** to meet future needs will be increasingly difficult.

These are further expanded by means of more detailed recommendations. The table below summarises these. A number of recommendations in relation to information and further research are also made, in part following existing national and regional strategies:

- dissemination of the Phase 1 Hospitality Training Foundation (HtF) Forecast (Autumn 2000);
- further research into the level of skills required in the sector;
- research on the impact of new legislation;
- development of methods for engaging micro businesses in training and development;
- investigation of poor take up of, and drop out from, relevant provision;
- exploration of business profiles, ownership and employer background;
- research into business start up and failure rates;
- a review of employee retention.

Themes & Recommendations Matrix

Theme No:	Rec. No:	Action	Timescale	Key Partners
1	1a	Defining the Welsh brand	Ongoing	WA/WTB/RTB's
	1b	Development of a Registration Scheme	April 2002	WA/WTB/RTB's TQS
	1c	Development of a Welsh Centre of Expertise for Tourism and Hospitality	April 2001 and ongoing	WA/CETW/ TTFW/UWIC
	1d	Define the sector for the purposes of data collection/ comparison etc	April 2001	WTB and other key partners
	1e	Undertake more detailed research into sector characteristics	April 2001	TTFW/Impact
	1f	Develop systematic monitoring of skills gaps/ shortages	April 2001	TTFW/Impact/ FSW Unit
	1g	Develop a comprehensive system for data collection	April 2001	TTFW/Impact/ WTB/RTB's/ CETW/ES
	1h	Strategic support for TTFW's Education and Training Strategy	Aug 2000	NAfW/CETW
	1i	Support for Impact Wales esp. Strategic Priority C	Aug 2000	NAfW
2	2a	Map existing industry qualifications in relation to shortages and develop as appropriate	Ongoing	CETW/Impact
	2b	Explore collaborative approaches to skills shortages	Ongoing	Impact
	2c	Target information on progression routes e.g. HtF, consider developing similar information where this doesn't exist	April 2001	Impact/ Springboard
	2d	Consider developing a qualification to meet the needs of business tourism	September 2001	ESITO/QCA/ FEFCW/HEFCW/ CETW
3	3a	Look at increasing the take up of distance learning opportunities	Ongoing	TTFW/Impact
	3b	Look at targeting resources where collaborative approaches especially in relation to skills gaps/ shortages	Ongoing	TTFW/Impact/ CETW
	3c	Consider further flexibility in the design and delivery of training	Ongoing	TTFW/Impact/ CETW
	3d	Consider the development of an 'agency' to provide supply cover to micro businesses	April 2001	CETW/TTFW/ Impact/Employer
	3e	Developing businesses to provide better work based assessment	Ongoing	CETW/Impact/ Employer
	3f	Better promotion of progression routes to those in the sector already	Ongoing	TTFW/Impact/ CETW
4	4a	Look at developing a qualification for individual operators	April 2001	CETW/Impact/ TTFW
5	5a	Look at more effectively targeting the potential workforce	ongoing	CETW/ES/ Springboard/ TTFW
	5b	Consider the development of a new entrant mentoring programme	April 2001	Impact/ Springboard/ EBP's
	5c	Maximise the opportunities from the new Education Business Link structure	April 2001	CETW/Impact/ TTFW/EBP's

