

EGFSN STUDY: Assessing the Future Skills Requirements of the Hospitality Sector in Ireland 2015-2020

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An Roinn Post, Fiontar agus Nuálaíochta
Department of Jobs, Enterprise and Innovation



- The focus of the study is on assessing the skills demand arising within the Hospitality Sector – (Hotels, Restaurants & Bars, Canteens & Catering) over the period to 2020.
- Aim is to ensure that there will be the right supply of skills to sustain and help drive Hospitality sector business and employment growth in Ireland.
- The Hospitality sector as defined in the study, covers a major part of the Tourism Industry (e.g Accommodation and Food & Beverages Services).
- The study also takes into account demand within other sectors for hospitality related occupations—chefs, kitchen & catering, bar & waiting, restaurant & catering managers etc.
- The study assesses skills demand at all NFQ levels – with a particular focus on career progression opportunities at lower skilled levels to help meet anticipated job openings.



Steering Group For the study



Chairperson Frank Mulvihill, EGFSN
Stephen Mc Nally, Irish Hotel Federation
Tim Fenn, Irish Hotel Federation
Natasha Kinsella, Irish Hospitality Institute
Adrian Cummins, Restaurant Association of Ireland
Anne Trebett, The Fitzwilliam Hotel, Dublin
Breda Miley, Noel Recruitment – Hospitality
John Mulcahy Fáilte Ireland
Alan Nuzum, Skillnets
Bryan Fields, SOLAS
John Mc Grath, SOLAS
John Kearney, Cavan / Monaghan ETB
Alan Mc Grath, Higher Education Authority
Ralf Burbach, Dublin Institute of Technology
Mary-Rose Stafford, Irish Academy of Hospitality & Tourism
John Kelly, Department of Transport, Tourism and Sport
Gerard Walker, Department of Jobs, Enterprise & Innovation
Marie Bourke, Department of Jobs, Enterprise & Innovation

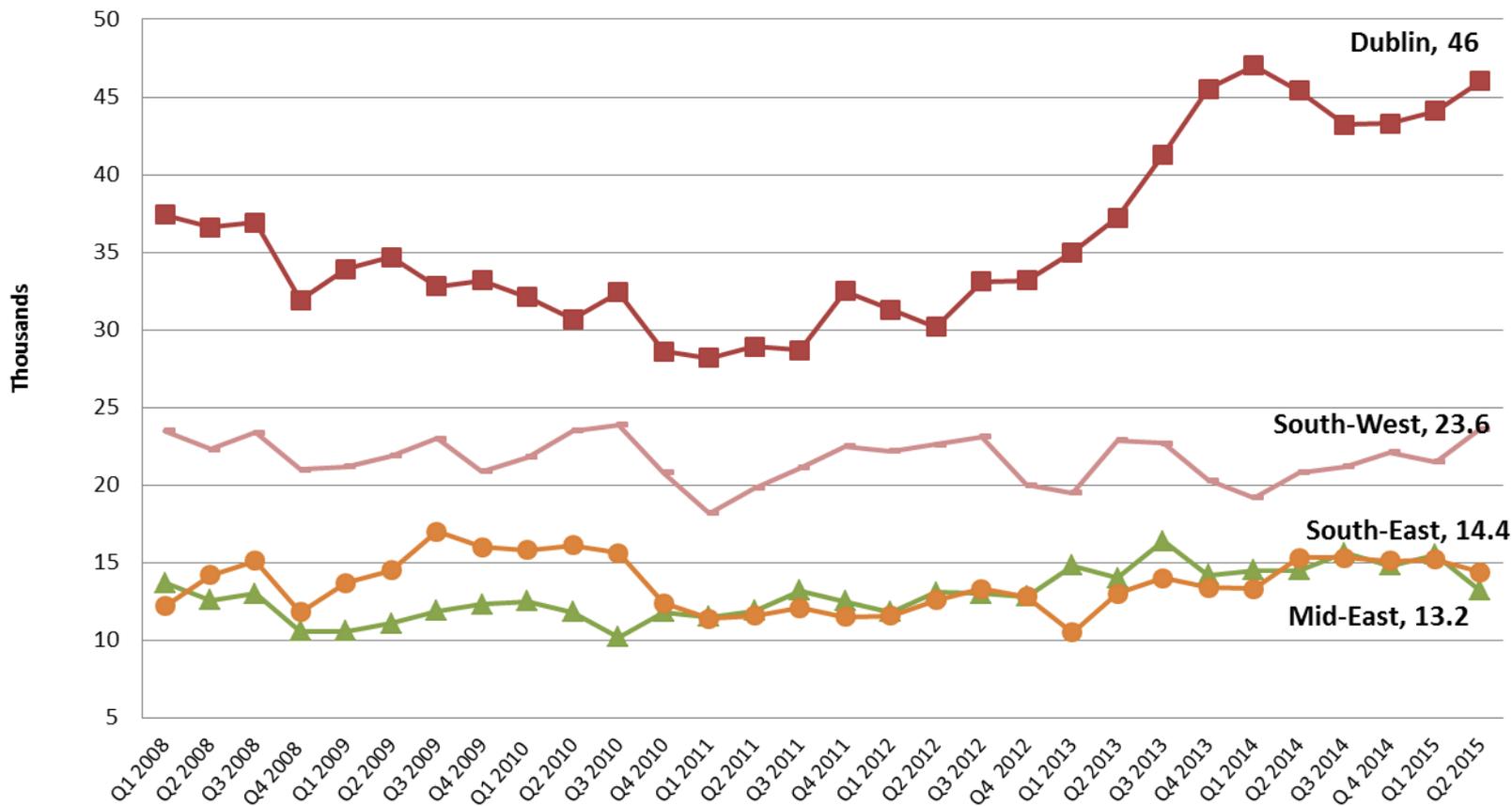


- Hospitality sector plays an important role in the Irish economy. Estimated 160,000 persons are employed – representing 8% of economy-wide employment.
- Sector accounts for €3 billion or nearly 2% of total gross value added in the economy.
- Over 16,000 enterprises in the sector – Of these hotels and other accommodation (16%), restaurants / food service activities (40%), Bars / Beverage serving activities (40%) and catering / other service providers (4%)
- High extent of seasonal/casual and part-time employment (40%) in the Hospitality sector. Thirty-Percent non-national staff.
- The sector is a significant contributor to regional employment.

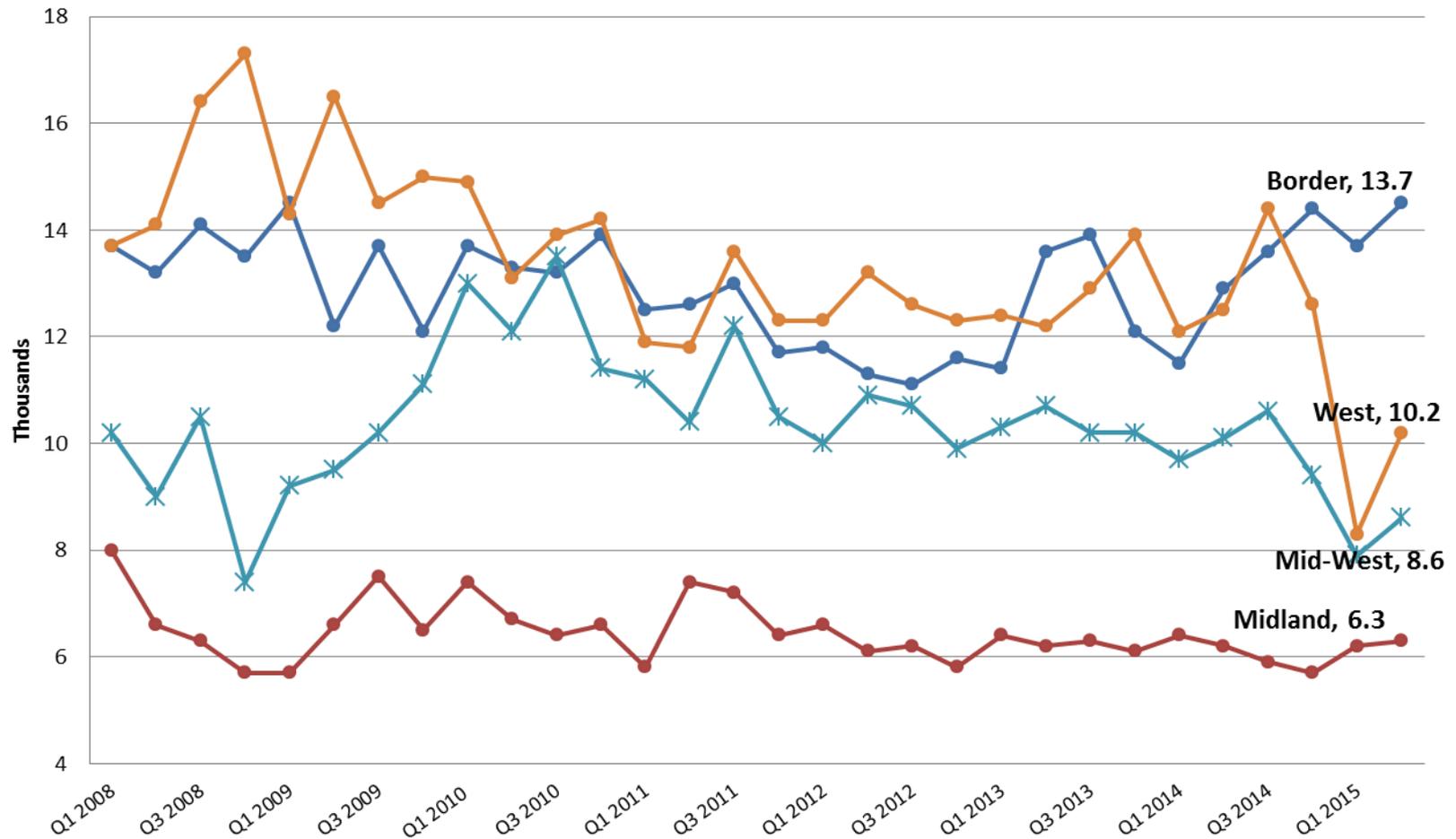


- **Changing Consumer Demand**
- **Value Competitiveness**
- **Technological Change**
- **Growth of new Hospitality Products and Services**
- **Domestic Consumer Spending**
- **Number of Overseas Visitors and length of stay**
- **Seasonal nature of Demand**

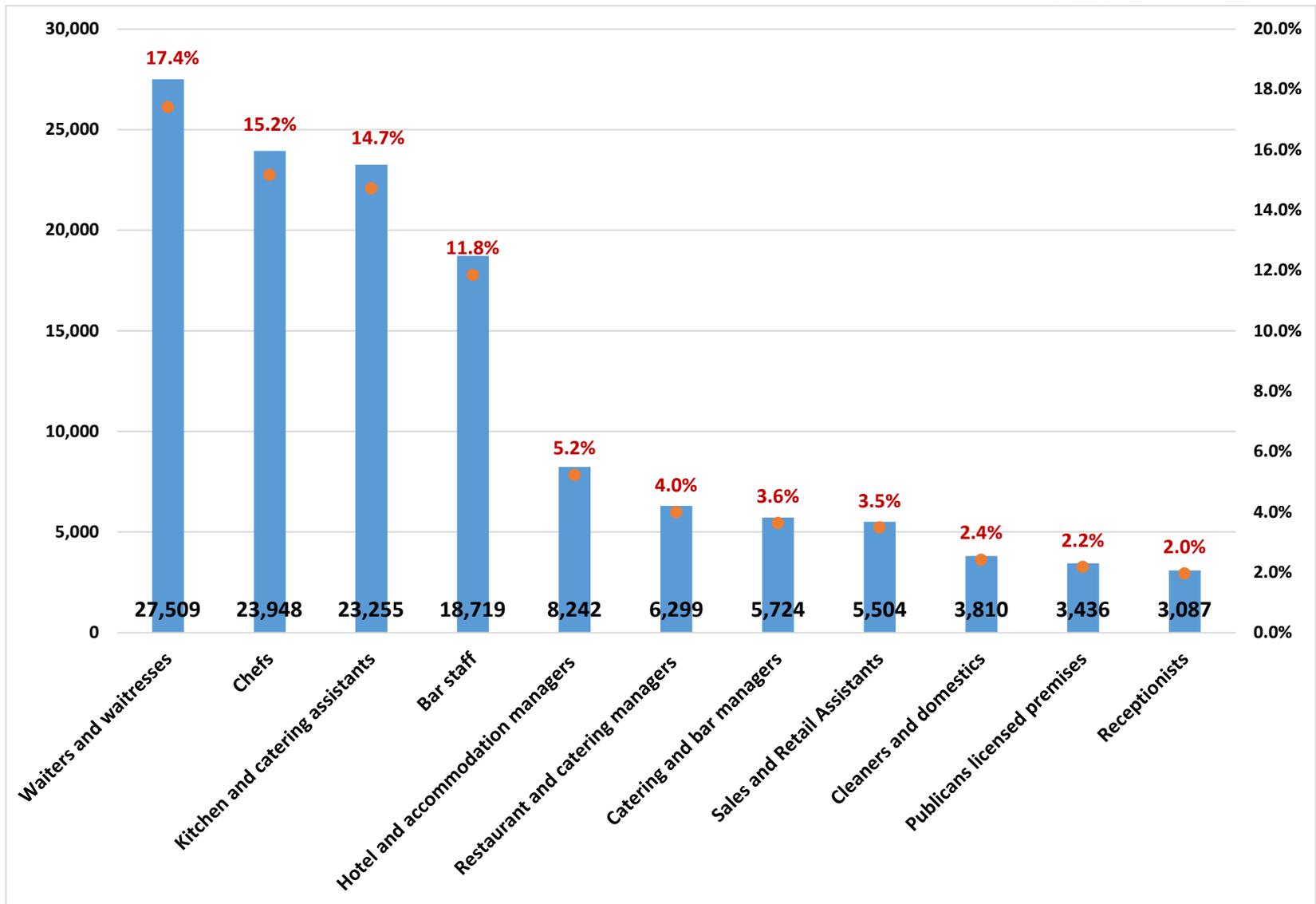
Employment in Accommodation & Food Services Activities – Dublin, South-West, Mid-East, and South-East Regions



Employment in Accommodation and Food Services Activities – Border, West, Mid-West and Midlands Regions



Baseline Employment analysis



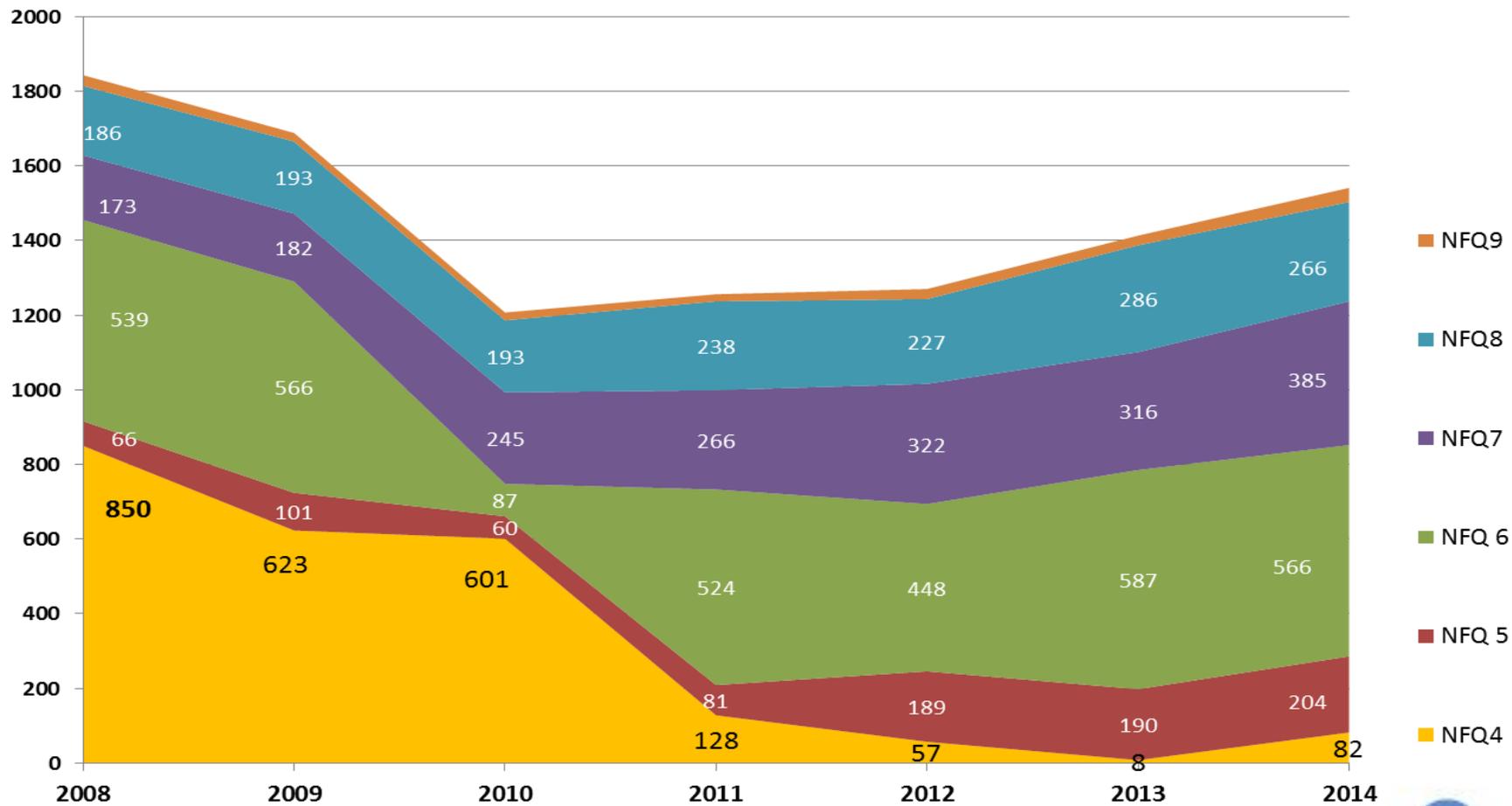
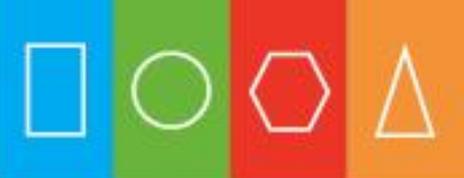


- ❑ Main skill recruitment difficulties seen as being amongst chefs
 - Shortages of commis chefs feeding into shortages at higher and specialist levels (demi chef, chef de partie, pastry chefs).

- ❑ Other skill gaps identified:
 - Basic skills missing in all departments at entry / junior level;
 - Revenue management, Pricing, HR, General management skills for SME owners;
 - Specialised reception and front-of-house skills;
 - Practical Bar staff with waiting skills for food service and modern drink skills;
 - Customer service skills, cultural awareness; numeracy, digital skills, social media;
 - Specialist knowledge: employment, licensing and consumer law, pricing, allergens; calorie counts.

- ❑ Some variance in skill shortages area – not just in rural locations but also in terms of availability of rental accommodation and access to public transport in urban areas.

Trends in Hospitality related NFQ Awards 2008-2014





Scenario 1: (Based on Tourism Policy Review Targets)

- Employment in the Hospitality sector projected to reach 179,500 jobs by 2020
= 13.6% increase from 2014

Scenario 2: (Based on ESRI Medium-Term Review Economic Recovery Scenario)

- Employment in the Hospitality sector to reach 168,000 jobs by 2020
= 6.3% increase from 2014



Replacement Rates for Hospitality-Related Occupations

	2012	2013	2014
Waiters and waitresses	26%	19%	25%
Bar staff	33%	18%	20%
Kitchen and catering assistants	12%	17%	17%
Catering and bar managers	*	*	16%
Receptionists	18%	10%	15%
Restaurant managers	*	*	15%
Sales assistants	16%	15%	13%
Housekeepers & caretakers etc.	*	8%	13%
Elementary cleaning occupations	8%	12%	11%
Publicans	*	*	10%
Hotel and accommodation managers	*	*	7%
Chefs and cooks	8%	*	4%

Source: National Skills Bulletin 2013, 2014 and 2015

Note: The replacement rate is calculated by SLMRU based on the number of identified transitions from employment to inactivity (e.g. retirement, home duties, study, etc.) and net exits due to inter-occupational movements. As such, replacement rates exclude casual staff who exit and re-enter employment on a seasonal basis.

*Denotes instances where the number of observations is too small to report.

Example Demand – Supply Gap for Chefs & Cooks



Employment 2014 = 24,000

Expansion demand up to 2020 = 4,030

Replacement demand up to 2020 = 10,600

Total Skills demand up to 2020 = 14,630

➤ Potential domestic education & training output up to 2020 = 5,450

➤ Potential retraining of Unemployed = 1,900 to 2,500

➤ Reduction in Replacement Rates

(a) Reduction in Replacement rate by 15% = 1,600

(b) Reduction in Replacement rate by 30% = 3,180

Balance of Skills Demand Shortfall up to 2020 = (a) 5,580 (b) 4,000



Main challenges to addressing current and future skills needs within the sector include:

- ❖ Need for a more structured approach to meet the Hospitality sector skills requirements.
 - ❖ Need to promote hospitality career opportunities from entry levels to management;
 - ❖ Addressing projected skill demand shortfalls – quantity and quality - including chefs;
 - ❖ Increasing FET related NFQ Level 4/5 provision for kitchen/catering, bar staff and waiting staff;
 - ❖ Developing career progression pathways including Apprenticeships and Traineeships;
 - ❖ Supporting unemployed hospitality workers to re enter the Hospitality workforce;
 - ❖ Introduction of recognised occupational standards and portable skills “passports”;
 - ❖ Provision of flexible accredited CPD to accommodate working patterns; and
 - ❖ improving the attraction and retention of hospitality staff.
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- Recommendations address the skills requirements of the sector up to 2020 and to contribute towards achieving employment creation targets under the *‘Action Plan for Jobs’* and *Tourism Policy Statement*.
 - Lead Bodies and timelines are indicated for the implementation.



- 1) **Establish a National Oversight and Advisory Group for the Hospitality Sector.**
- 2) **Address projected skills shortfalls - chefs and other hospitality occupations.**
- 3) **Align education & training provision with the skills demand of hospitality business.**
- 4) **Greater investment by business in staff training, appraisal & skills progression.**
- 5) **Promote the Hospitality sector as a professional long-term career choice.**
- 6) **Tap into Irish Hospitality Diaspora and encourage take up among “grey” workforce.**
- 7) **Support portability of qualifications and skills with flexible accreditation and CPD.**
- 8) **Assist unemployed former Hospitality sector workers to return to employment.**
- 9) **Enhance measures for the attraction of qualified chefs from the EU/EEA area.**



Full report and slides can be viewed at
www.egfsn