



# Accommodation Sector Skills Summary

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# Contents

<b>Hinonga Kōkiri Head Start Project</b>	<b>1</b>
<b>Accommodation Sector Snapshot</b>	<b>2</b>
<b>Sector Consultation Insights</b>	<b>4</b>
1. The impacts of COVID-19 on the accommodation sector	4
2. The response to date as a result of COVID-19	7
3. Key drivers of future success for the accommodation sector	10
4. Skills needed to support the accommodation sector recovery	13
5. Skills initiatives and solutions to support the sector over the next two years	17

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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.

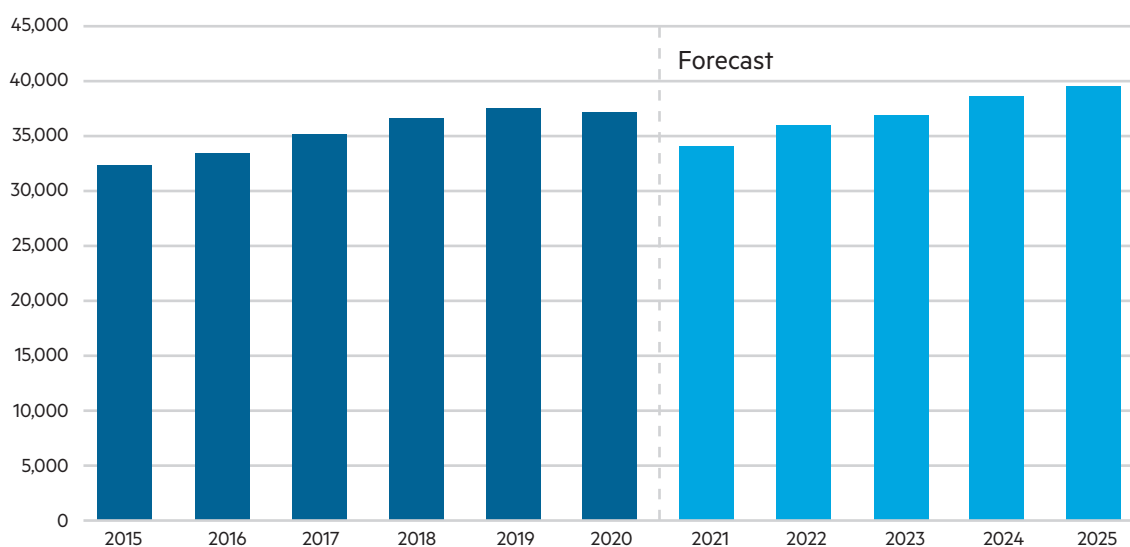
The consultation results have been combined with industry insights, data and forecasting to produce nine sector skills summaries, one for each sector represented by ServicelQ in our capacity as a Transitional Industry Training Organisation for the Services Workforce Development Council. This skills summary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

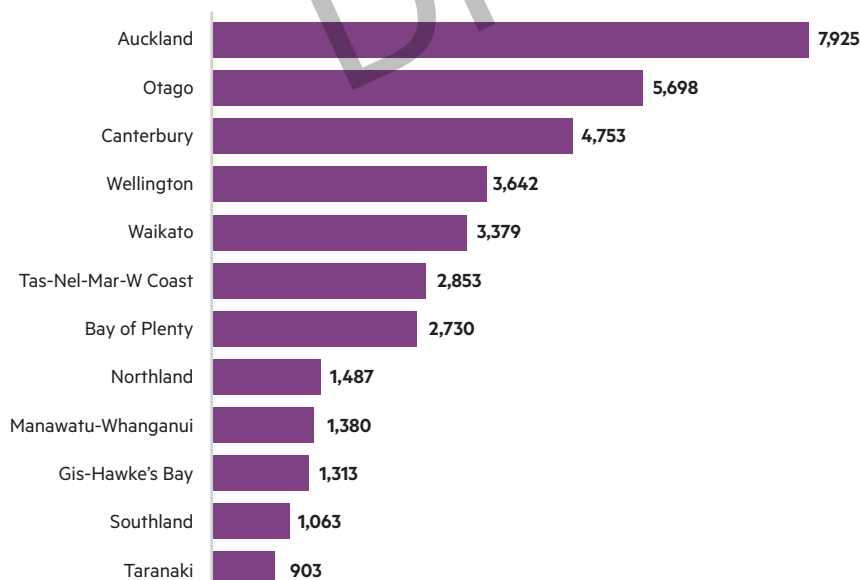
# Accommodation Sector Snapshot<sup>1</sup>

## Accommodation sector jobs



- ▶ Prior to COVID-19 the accommodation sector workforce was forecast to grow 4.1% between 2020 and 2025. By end of March 2020 the sector had fallen one percent to 37,127 and Infometrics now forecasts job losses of 3,090 or 8.3% of the sector workforce in the year to March 2021, growth of 5.6% (1,916 jobs) in the year to March 2022 and 2.4% growth (874 jobs) the following year. The accommodation sector workforce is forecast to reach pre COVID-19 levels by 2024, and to have a workforce of 39,536 by 2025.

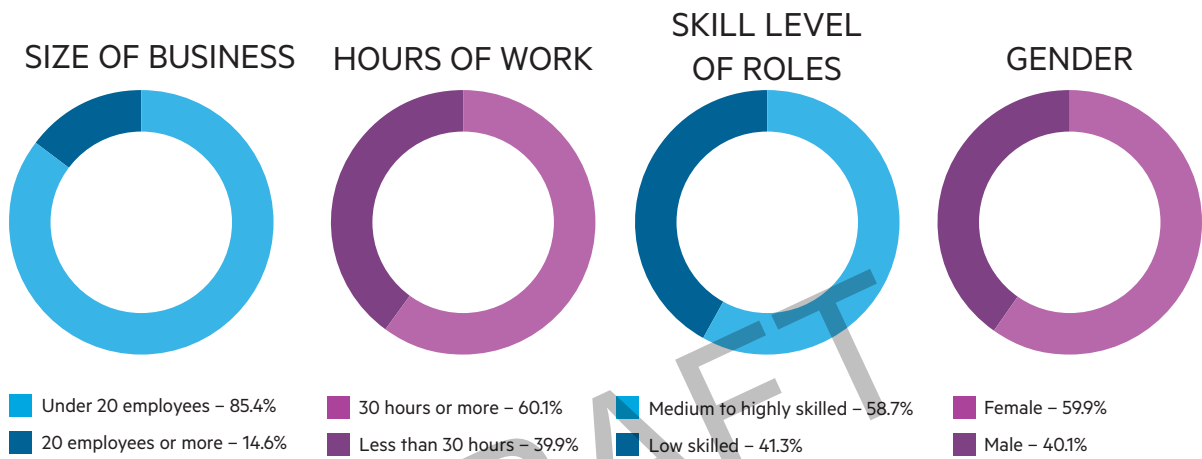
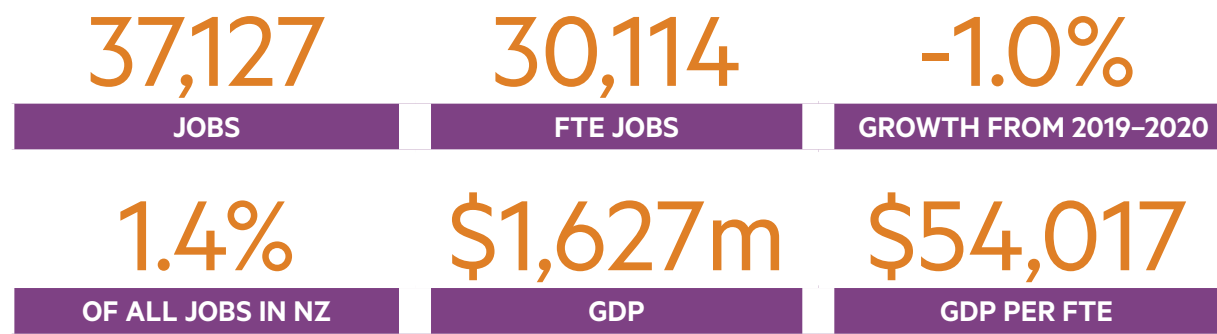
## 2020 Regional employment



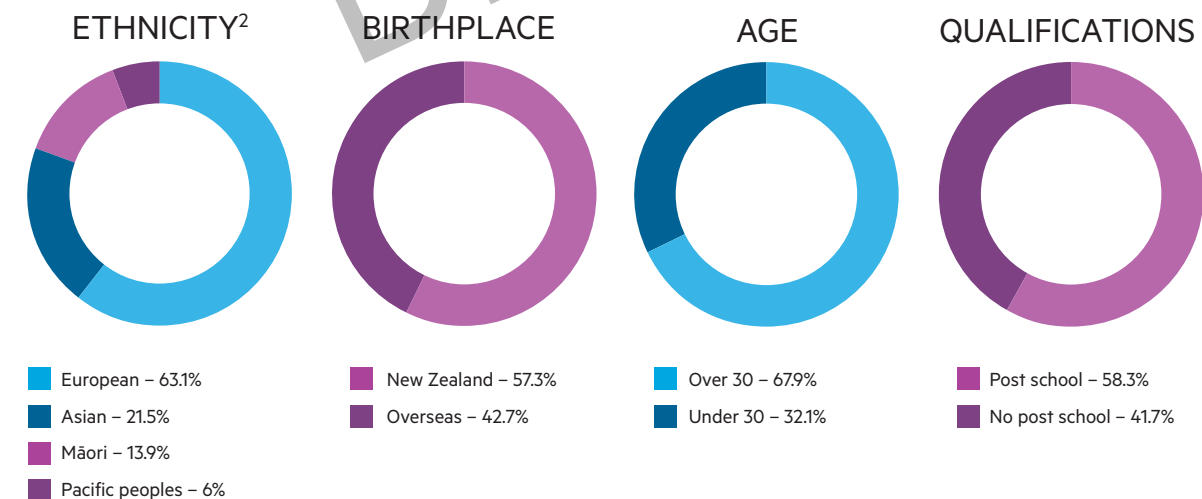
- ▶ There were 3,011 accommodation businesses employing one or more people, with an average of five jobs per business.
- ▶ Main occupations include hotel or motel managers, commercial cleaners and commercial housekeepers, receptionists, chefs and waiters.

<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



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

# Sector Consultation Insights



## 1. The impacts of COVID-19 on the accommodation sector

### Customers

It has been an uncertain time for the accommodation sector. There are large regional variations but generally, accommodation providers are reporting reduced occupancy and much lower revenue. Uncertainty continues, especially around the reopening of the border and when international tourism can recommence.

Post lockdown some international tourism hotspots dropped to very low occupancy. There was more domestic demand once domestic travel restrictions lifted but domestic travellers are a different type of traveller. They often do not book in advance or give very short notice and domestic leisure visitors do seem to be more demanding.

The corporate accommodation market is still down, with less corporate travel and fewer meetings and events. Events could not take place at Alert Levels 3 and 4 and are limited due to social distancing requirements at Alert Level 2. There is reluctance to plan ahead, and although deferred conferences and events are now happening, revenue from this part of accommodation businesses is still well down.

Many holiday parks have done well due to increased domestic visitation. They have encouraged membership signups and partnerships were developed e.g. motorhomes were set up in regional campgrounds. Schools continue to be risk averse regarding school group activities which has affected camp accommodation providers.

Motels have struggled and emergency housing is helping with occupancy and revenue. There are hotels now operating as Managed Isolation and Quarantine (MIQ) facilities. Hotels being repurposed as MIQ facilities has helped the occupancy of other hotels who can target those visitors who cannot stay at their usual hotel.

There are examples of visitor accommodation shortages due to repurposing of accommodation and better than expected domestic visitor demand e.g. in Gisborne, although campervan companies are helping to meet this demand. Use of hotels as MIQ facilities e.g. in Rotorua and Hamilton, is impacting accommodation availability for tourism and events in those cities.



## Staff

COVID-19 has led to restructures across the sector, especially in large hotels affected by the loss of international tourists and fewer business travellers. There have been redundancies, reduced hours, job cuts, variation of hours, job merging and redeployment. There is increased use of casual contracts and outsourcing of housekeeping has occurred where individual hotels cannot guarantee work. Many accommodation businesses are much smaller operations than they were pre-COVID-19. Some staff have returned overseas and some have been lost to other sectors.

Many accommodation providers have done better than initially expected post-lockdown, and some are rehiring, but more redundancies are also likely. The wage subsidy helped to retain staff, and provided breathing space for accommodation providers, but it is still a tough operating environment. Staff needed help to understand the wage subsidy, especially when they were required to work during Alert Levels 3 and 4.

Accommodation providers have retained talent by cross skilling and upskilling staff. Utilisation of multiskilled employees, with transferable skills, has allowed staff to work across departments as needed and this flexibility has been a way to retain know how and build capability. Employees have displayed a willingness to learn new parts of the business and increased teamwork has been a positive outcome.

Alternative uses for accommodation such as government contracts for emergency housing and MIQ facilities have helped to keep people employed. Hotels that are operating as managed isolation facilities have found it more of a challenge keeping staff engaged and some existing staff have left as they miss interaction with guests.

There has been immigration uncertainty and cases of inflexibility. Businesses need to offer a minimum 30 hours of work to staff on work visas, which in some cases has meant combination roles e.g. housekeeping and food and beverage to offer enough hours. Holiday Parks lost capability as those on working holidays left and it can be hard to attract a local workforce to smaller locations e.g. Tekapo, Te Anau.

## Wellbeing

Wellbeing is a major focus for the accommodation sector. COVID-19 has taken a toll on mental health, due to the initial shock and then ongoing uncertainty and pressure, affecting both employees and management. There is stress and fatigue from the ongoing need to adapt and change. Leave, time out and flexi working have all been used to support staff, along with positive reinforcement for staff and being mindful of burnout.

SMEs in particular are having to do more with less which increases pressure on those left and it has been tough on owner/operators keeping their businesses afloat. Earlier in 2020 there was some negativity from guests towards staff from early affected countries e.g. China.

Support has been provided to international staff who have immigration/visa uncertainty and are away from family. It is good to support these people who have stayed and supported NZ during COVID-19.

Keeping the lines of communication open is helping to give some certainty to employees in uncertain times, it is important to be transparent and honest. Accessibility helps people feel that they have some control over their environment.

## *Training*

COVID-19 has affected who to train and how to train, with a lot of cross skilling needed. Learning, and development staff redundancies and cost cutting has led to a reduction in training which is concerning at a time when changes have meant developing staff knowledge and capability is essential.

Some accommodation providers are running at reduced capacity due to staff shortages (especially senior chefs and front of house managers), meaning they could not take advantage of increased guest numbers post lockdown. In holiday parks and motels lower staff levels have affected the service provided, especially in the regions.

## *Recruitment*

Recruitment is a key issue. Some accommodation providers who downsized are now recruiting, but many staff have found other work and are declining when reemployment is offered, so those skills are lost. Immigration settings are creating uncertainty where working visas are due to expire. Staff have returned to their home country and there is no access to new overseas workers due to border restrictions.

There has been a decrease in applications from visa holders and New Zealanders are not applying, especially in the case of food and beverage attendant and housekeeping roles. While fun, the industry is still low paid with odd hours, and restructures have meant some reduction in career pathways and relocation opportunities. MSD does not seem to be able to supply suitable domestic applicants, so there are staff shortages emerging, with concerns around lack of staff for peak times.

It has been hard to recruit staff to remote parts of New Zealand.

Some MIQ hotels are finding it hard to employ staff who are fearful of the MIQ status. There are accommodation shortages for seasonal workers in regions where a lot of accommodation is being used for emergency housing.

In the case of one new hotel opening in 2020, all staff were retained to keep the skills and capability that has been developed, which enabled the hotel to open with a well-trained and grateful team.

## *Operational / Process*

All processes and procedures needed to be reviewed with standard operating procedures at different alert levels. Accommodation providers who remained open for guests during lockdown had to adapt their operating model very quickly, with strict cleaning regimes. Organisations have had to be adaptable throughout different alert levels. It took longer for accommodation options that were not self-contained to fully reopen.

Health and safety policies and protocols were needed to build the confidence of both staff and guests. There is now greater emphasis from guests and team members on health and safety measures providing the reassurance of a safe environment. International businesses were able to learn from earlier overseas experiences.

The accommodation sector responded quickly to the subsequent lockdowns, as processes were in place and staff displayed adaptability, dealing with more change as business as usual. Processes are now well established for operating at different alert levels.

Lower occupancy means lower revenue, but many expenses cannot be reduced. There has been a lot of operational decision making needed and new business models to respond to cashflow pressure, refunds etc. Supply chain is starting to be impacted with import delays e.g. linen supplies.

Workforce planning is difficult with so much uncertainty and fluctuating visitor numbers. There is a lot of “lumpiness”, with good occupancy weekends and school holidays but quiet weekdays, plus lower room rates to meet the domestic market affect profitability.

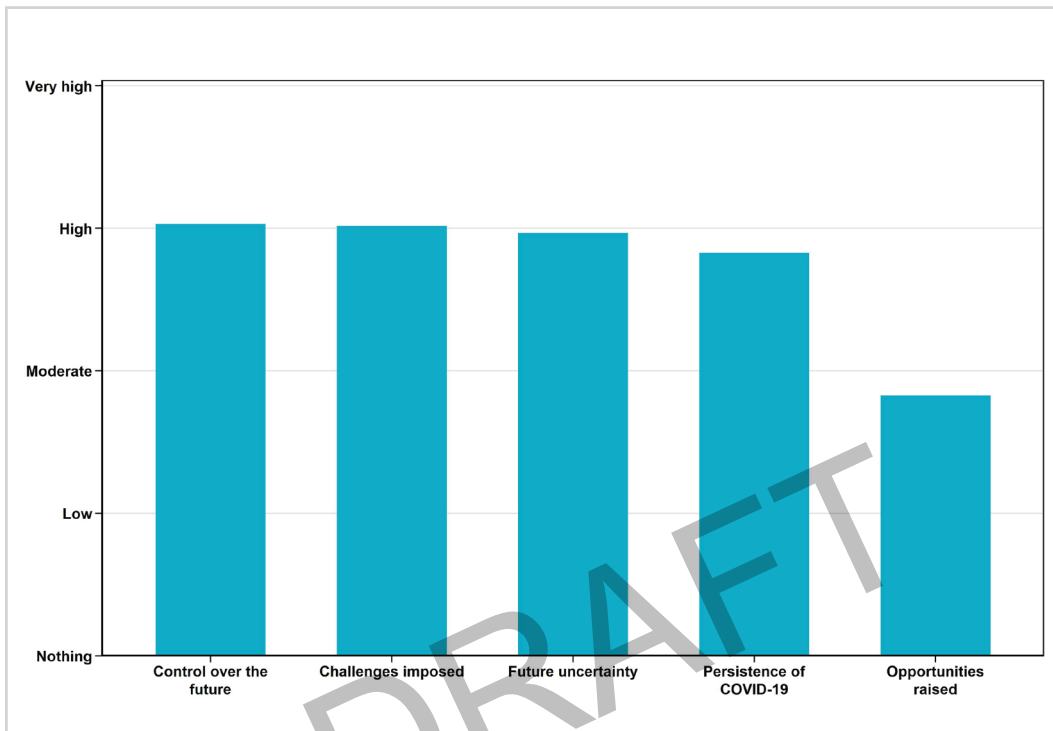


Figure 1. The extent to which COVID-19 impacted the accommodation industry. \*

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

### Customers

The lack of international visitors is creating more competition within a smaller market i.e. domestic and business travellers. Accommodation providers are targeting different customers, marketing to the domestic market, especially free independent travellers and leisure travellers. They are pushing out more deals, specials and campaigns, especially for weekdays.

While there has been increase in kiwi travellers they are only partially replacing international travellers. There is downward pressure on pricing, with fewer people on premium offers, leading to premium lounges closed currently in many hotels. Food and beverage services have been a focus for revenue while occupancy levels are low, but it is a difficult balance. Accommodation providers are managing costs by running fewer bars and restaurants, reducing hours, or offering smaller menus. It is challenging to maintain service levels; pricing and service levels have both had to change.

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Accommodation sector respondents

The accommodation sector is experiencing short lead time for bookings, especially for domestic leisure travel. Free cancellation and book now/pay later offers are helping to give people confidence to book ahead. Holiday Parks have encouraged people, especially those with large annual leave balances to take long weekends to help with weekday occupancy.

The pivot to emergency community housing has worked well but does come with reputational issues and managers have needed support in managing clients, replacing reception with security desks and managing social behaviours. Local support is variable, but iwi support has been helpful, creating a more localised community feeling. It is important that the reputation of individual sites and the sector is not negatively impacted.

## Staff

People are doing a broader range of activities and cross training has helped make them stronger by developing the capability and flexibility to be able to work in multiple and varied roles. It is not always easy to move existing staff from specialised roles, especially when asking them to cover multiple skills/roles. Adaptability is needed, so the business has built in flexibility. Businesses have become smaller and more efficient, so need staff to be able to crossover to any department. Roles have been redefined within businesses and job descriptions changed.

Retraining has taken place for combined roles and skill share roles e.g. front of house staff doing housekeeping. This has either been on-job or through local or online training providers, however you can only cross train so much e.g. you can train a chef to be a porter more easily than the other way around.

It is hard to guarantee hours. Casual contracts are helpful in addressing variable staffing needs and may lead to permanent roles as business recover. Casual pools (e.g. Sidekickers) have been created.

Rostering is challenging as it is hard to plan occupancy, with domestic guests less likely to book ahead, but operators still wanting to offer good customer service.

People management has been challenging, with an unpredictable future creating anxiety. There has been a lot of change management, and a lot is being asked of teams, but effective management has helped to create good teams. It is important to be realistic with staff (not too pessimistic or optimistic) and to follow employment law when changes are being made. Managers have had to adapt to a heavy administration workload, with a focus on remaining financially sustainable. New managers have looked at the business with fresh eyes.

There has been a greater focus on staff wellbeing and support, being understanding about leave and more open discussion around wellbeing and mental health. Remaining connected through regular communication has been key and humour helps. Some staff are enjoying working fewer hours and finding it creates a better work life balance. Staff surveys have been used to ensure staff feel supported. Where possible, businesses are keeping in touch with redundant staff.

Support for migrant workers has included grants, accommodation support, pastoral care and travel help. Honest clear conversations have had to take place e.g. regarding immigration issues. There is a looming skills shortage with no pipeline of people on working holiday visas and post study visas. The sector has successfully advocated for visa extensions, but it can be difficult to reach the required hours and remuneration levels. Sourcing labour has become a key challenge as people on migrant visas leave New Zealand. Accommodation roles are on labour oversupply lists, yet there is little interest from local jobseekers when roles are advertised. New Zealanders have high expectations of pay and hours and recruits often pull out before starting or early on.

Partnerships have been developed with MSD who can provide onsite support and, in some cases, top ups to help with transport costs. Mana in Mahi and Flexiwage are initiatives to support businesses to take on and train new staff who are at risk of long-term unemployment. Accommodation providers are looking for people with good attitudes from schools, education providers, MSD and Dept of Corrections.

Generally fewer new staff are being taken on but, when they are recruiting, accommodation providers are considering suitability for different roles. They are taking a broader view, being more prepared to take people on and develop them i.e. recruiting for personality then training skillsets. Students are often qualified but lack work experience.

## Technology

Greater confidence in online communication through Yammer, Teams, Zoom and via email has enabled more remote working and flexible working conditions where possible. Zoom calls and social media group pages have helped staff to remain connected. One example is Zoom being used for staff recognition and digital awards across multiple sites. Phone and text communication is still used where staff are not digitally connected.

Online learning was utilised during lockdown, especially short bite sized learning e.g. Linked In Learning. Apps are being used to support staff wellbeing.

COVID-19 has accelerated the use of technology with more automation and streamlined processes. The accommodation sector is engaging in more digital marketing through social media and making greater use of booking systems. Skills in using booking systems have increased, and there is more online communication with customers. Clear messaging to customers is essential, especially for hotel chains who offer different levels of accommodation e.g. backpacker accommodation and hotels.

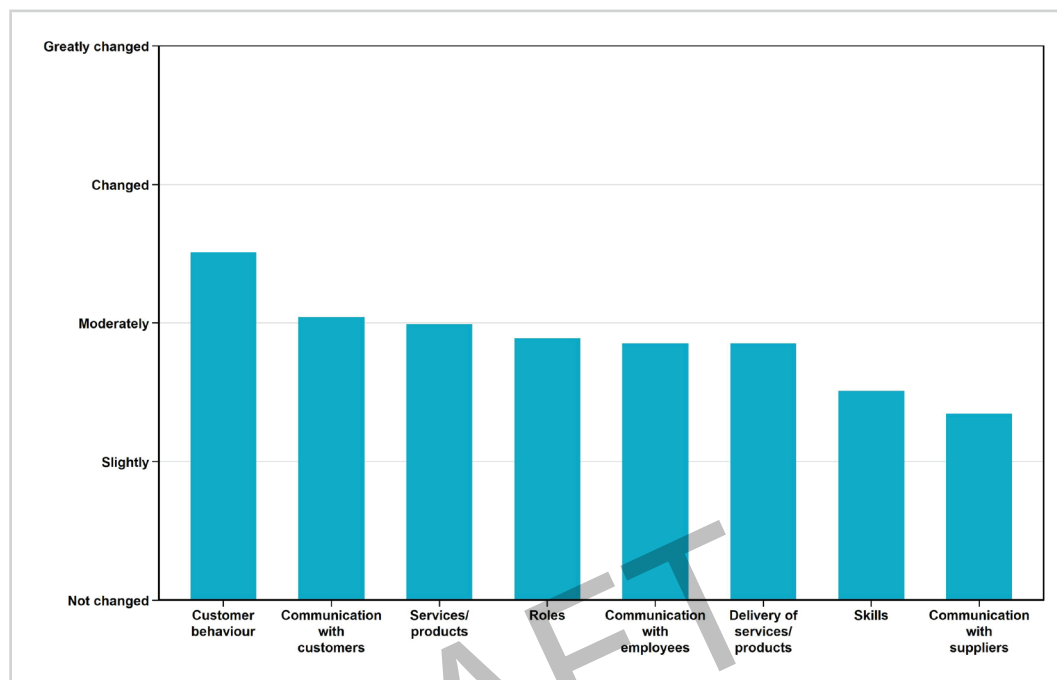
## Operations / Process

Staff in different departments all need to understand policies and procedures, especially where there are differences at each alert level.

Strengthened health and hygiene processes and procedures have been implemented to ensure guests and staff feel safe. This has resulted in some activity taking longer, e.g. cleaning rooms. One hotel group has introduced “Commitment to Clean”, where each department has a staff member who champions this initiative and health and safety training is interactive and fun e.g. how to smile through your mask, locations making health and safety videos.

The ability to operate while social distancing has been developed, including contactless check in. Those working in managed isolation have developed alternative ways (non-contact) to interact with guests.

Changes have been made and HR policies updated to prepare for upcoming changes such as the minimum wage increase and higher sick leave provisions.



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

### 3. Key drivers of future success for the accommodation sector

#### Industry

Accommodation providers will need to review their business and find new key drivers and innovations to generate good cashflow and a strong balance sheet. Collaboration and connectivity are needed throughout the sector, uniting the industry for a common cause, with support from industry associations, regional tourism organisations and good relationships with unions.

In the current environment, the sector needs to understand and meet domestic customer expectations, including short lead times, BYO, earlier arrival, value for money and discounting. Further to this, it is important to understand expectations of different types of domestic customers e.g. business, leisure, local market. It is also important to clearly communicate enhanced health and safety procedures.

When borders reopen international visitors are expected to have higher demands when they return (especially around hygiene and safety), so high quality and standards will be needed. Heightened hygiene that is internationally visible e.g. online will reassure international visitors and tour operators at the time of booking. There is likely to be a need to overcome staff fear as borders reopen.

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Accommodation sector respondents

### *Adaptability, agility and flexibility*

Businesses need flexibility and adaptability in both staff and priorities at all levels of the organisation, so that they can be nimble in staffing and decision making. Many accommodation providers have flattened their structure and reduced organisational hierarchy, with management modelling a willingness to work in all parts of the business.

Retention of capable staff where possible and attracting staff back whose roles have been disestablished are key factors in the recovery of the accommodation sector.

### *Automation / technology*

Use of technology will enable a shift away from face-to-face interaction to more contactless service. This includes self-check in, check in pods, contactless door entry, digital menus, QR codes for room service and hotel information, room key sanitisers and electrostatic spraying. There are currently financial restraints to embracing new technology, due to lower revenue.

### *Operations*

A reliable and flexible supply chain is essential for the accommodation sector, so they can meet their market, especially their food and beverage offering. This involves contract management and maintenance, room inventory management, pivoting to meet the market and supply availability e.g. simplifying menus, changes to expectations (and communicating changes to guests).

### *Shifting perceptions*

Perceptions of the accommodation sector must change so that it is valued and the sector is an employer of choice. Confidence in the industry can be regained through:

- ▶ Rebuilding, with a staffing and training pipeline to support a long recovery.
- ▶ Removal of legacy issues and restore pride in roles e.g. housekeeping.
- ▶ Identifying who will be the new “soldiers of industry” and developing domestic talent.
- ▶ Improving pay, especially for duty managers, and offering at least a living wage for all employees will help improve perceptions of the accommodation sector.
- ▶ A better work/life balance, housing support in high-cost regions and overseas opportunities (once the borders reopen).

### **Government**

The government have been somewhat unsympathetic to the accommodation sector and there is continuing uncertainty due to policy decisions. Financial support is needed to help businesses survive. (both SMEs and large businesses). Policy and support are also needed to protect the workforce (both domestic and migrant labour). There is support for a higher wage economy to stimulate the economy, but the money needs to be spent in the areas where it is most needed.

The accommodation sector would like more flexibility and support from ImmigrationNZ. This includes retaining migrant staff that the business has trained and easing the rules to allow skilled workers to enter New Zealand, especially when there is a shortage of New Zealanders willing or capable of filling roles. Allowing existing migrant workers to have more than one role or sharing workers between day and evening positions would give the worker more hours and pay and enable them to meet 30 hours minimum work per week to retain their visa.

Clearer communications from government are needed on policy and direction. e.g. Changes to transport routes, timeframes for opening the borders, as the sector needs to prepare for operational changes. The accommodation sector would like a greater voice on the needs of the sector in government e.g. regarding changes to the ERA, a coordinated approach for staffing and training pipelines and localised models to support small-town New Zealand.

## On-job training

The accommodation sector needs more support with workplace training. They consider their people, people management and people development as key success factors. Cross training is needed so that staff are multiskilled. This will support people working in multi roles and this expectation is now being set from the beginning. An example is hiring for front of house then training housekeeping and barista training, so the employee has the skills to perform any of those roles as needed.

There is a willingness to recruit less experienced people who are ready and willing, with broad skills, prepared to do less niche work. The advantage is that they can be moulded, have not developed bad habits; and are likely to thrive in a nurturing environment.

Transferable skills gained in the accommodation sector can lead to a variety of roles in many career directions. This includes basic communication and people skills, the ability to deliver exceptional customer service and sales skills.

The sector see value in apprenticeship passports for industry training, where skills and qualifications are developed across multiple workplaces e.g. across a city or even multiple cities. The advantage of this approach is the breadth of knowledge and skills that the trainee gains and that smaller accommodation providers can contribute to the capability of the sector.

## Training providers

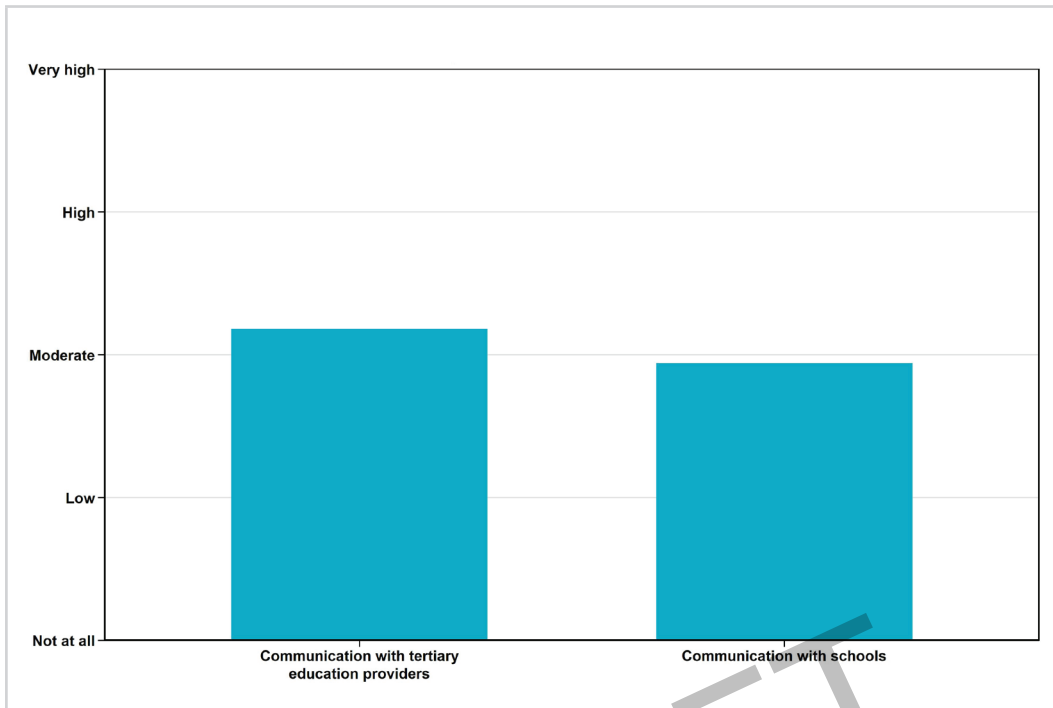
Collaboration between training providers and the accommodation sector will ensure training programmes meet the needs of the sector. This connection can help with work experience and job opportunities. Students that are qualified still need to have expectations of entering full time employment at starting levels to gain the experience, not straight into management. Accommodation providers would like customer service skills for the industry to be incorporated in training to raise service levels.

## Schools

There is a need for schools to promote hospitality as a valid career that is valued as a vocation with career path development. Pathways can be highlighted using career success stories and workplace familiarisation visits. Perceptions can be improved by promoting pathways to students, career advisors, teachers and parents to help them understand the jobs, opportunities and potential speed of progression in the industry. Schools can play a part in promoting the good aspects of the sector and growing awareness of the breadth of roles e.g. in hotels. It has been suggested that separating hotels and hospitality from the umbrella of tourism careers promotion could create greater career pathway and role clarity.



The accommodation sector would like schools to produce students who have real experience as well as qualifications. Greater collaboration between school and the accommodation sector can help students gain this experience and develop work readiness skills.



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

## 4. Skills needed to support the accommodation sector recovery

### Changes in skills and roles

Downsizing due to COVID-19 has created a need for multiskilled staff with the ability to multitask and work across departments as needed. This is the case across the accommodation sector including holiday parks, backpackers, motels and hotels. Job descriptions are broader, requiring more flexibility and adaptability, with hybrid roles in some cases. Some hidden gems have been found by looking at the skillsets and resumes of existing staff and utilising that capability.

Adapting to the domestic market has meant a change in some roles, especially customer service skills. Those in customer facing roles needed to develop an understanding of the different expectations of domestic versus international guests.

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Accommodation sector respondents

## Changes in the importance of skills

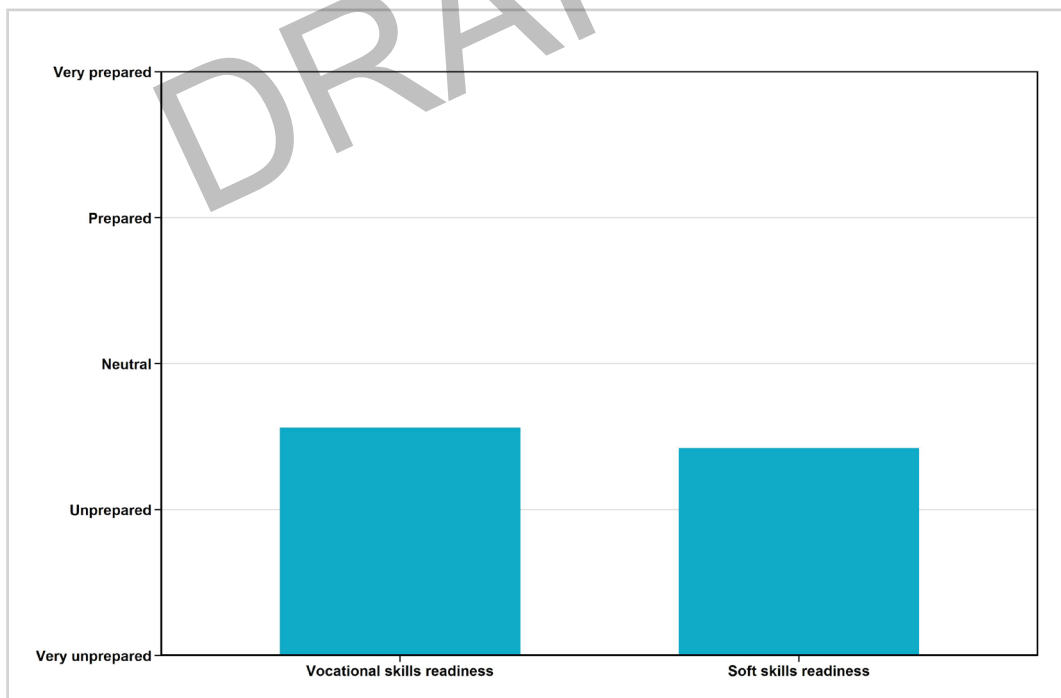
Skills that have increased in importance include:

- ▶ Core skills including customer service, empathy and emotional intelligence. It's all about the guest and using good communication for guest engagement.
- ▶ Handling challenging customers (some staff have become more fearful).
- ▶ A good attitude and the ability to work hard and consistently.
- ▶ Resilience, adaptability and flexibility.
- ▶ Experience and understanding of all parts of the business.
- ▶ Adherence to guidelines especially health and safety compliance.
- ▶ Financial literacy.
- ▶ Technical skills.

With less training capacity within accommodation providers there is a greater need for work readiness in new staff including:

- ▶ Customer service skills.
- ▶ Communication and literacy skills.
- ▶ A realistic attitude and understanding what work is.
- ▶ Common sense / good judgement.
- ▶ Initiative and personality.

The importance of vocational skills and soft skills has increased since COVID-19 and the accommodation sector reports that jobseekers are somewhat unprepared in both.



**Figure 4.1.** Vocational and soft skill preparedness of job seekers in the accommodation sector.\*

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Accommodation sector respondents

Management skills that have increased in importance include:

- ▶ People management (need to be nimble).
- ▶ Effective middle management, including team leadership skills, management soft skills and supervisory skills.
- ▶ Developing and coaching staff.
- ▶ Encouraging ideas and innovation at all level.
- ▶ Supporting staff with resilience, wellbeing/wellness and stress management. Understanding how people are feeling.
- ▶ Problem solving.
- ▶ Emergency management.

### New skills needed

- ▶ Embracing different ways of communicating e.g. Microsoft Teams, Zoom.
- ▶ Working from home effectively.
- ▶ Managing remote teams.
- ▶ Sharing information transparently across organisations and the sector, using multiple communication channels.
- ▶ Sector workforce receptive to changes in technology and automation.
- ▶ Digital media skills e.g. social media posting.
- ▶ Identifying opportunities e.g. direct marketing and booking opportunities.
- ▶ Sustainability focus.
- ▶ Developing health and safety collateral online and onsite to reassure guests at time of booking and during their stay.
- ▶ Decision making and issue resolution (at lower levels). This empowers staff and resolves issues more quickly.
- ▶ Development of dedicated learning management systems with online training modules.
- ▶ Train the trainer to help them make work more meaningful.
- ▶ Online HR.
- ▶ HR recruitment strategies.
- ▶ Workplace culture building within organisations including values, leadership, positive reinforcement, teamwork and improved retention strategies.
- ▶ Project management e.g. MIQ hotels learning to adapt and communicate with different agencies (MBIE, NZDF and NZ Police) and situations.

## Skills shortages

- ▶ A shortage of chefs is being felt across all of hospitality including the accommodation sector. There are a lot of vacancies and a lack of experienced applicants for roles at chef de partie or higher.
- ▶ Front of house managers.
- ▶ Duty managers.
- ▶ Middle management, e.g. junior managers and restaurant managers.
- ▶ People with five-star luxury property experience e.g. food and beverage attendants.
- ▶ Housekeepers, cleaners and grounds people.
- ▶ Temp staff.
- ▶ There are shortages of hospitality staff generally in the regions.

## Reliance on migrants

The accommodation sector has relied on migrant workers for seasonal roles for a long time and closed borders mean no new workers can enter New Zealand. This is resulting in a smaller pool of job seekers, especially for middle management roles such as junior managers and restaurant managers, which are often filled by international workers. The sector is trying to focus on finding local talent, but New Zealanders are reluctant to work in accommodation businesses, due to pay, having to work weekends and public holidays or move to another region e.g. Queenstown. Often, they are not as skilled or experienced as their international counterparts. Accommodation providers would like to make visa renewals easier where there are skills shortages and to be able to support existing staff looking for residency.

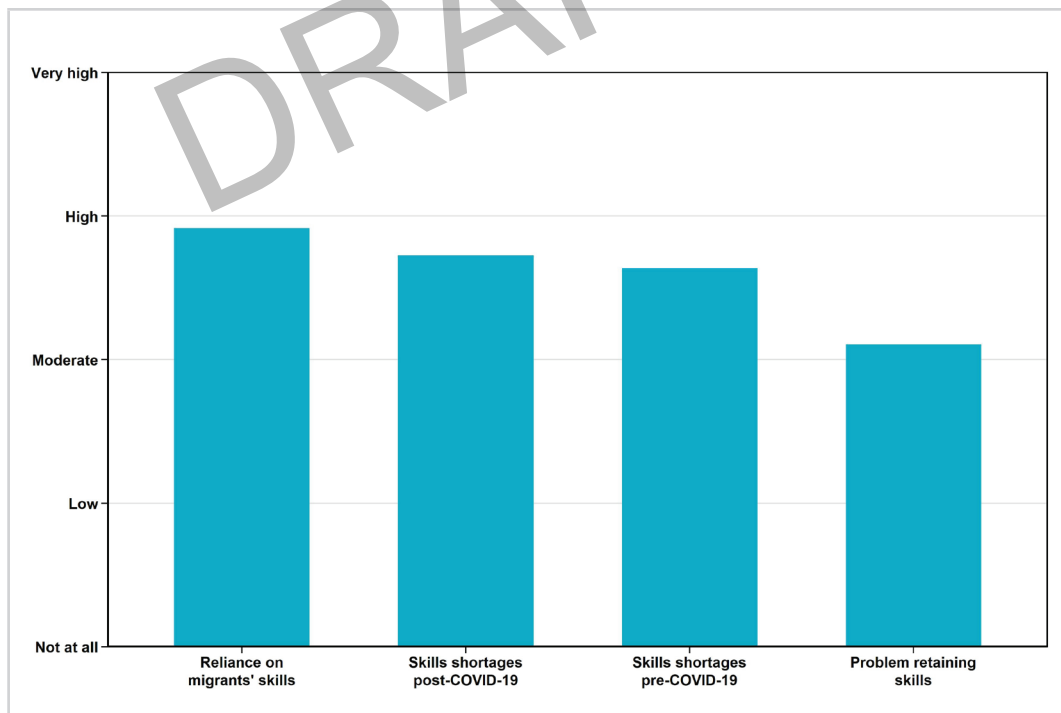


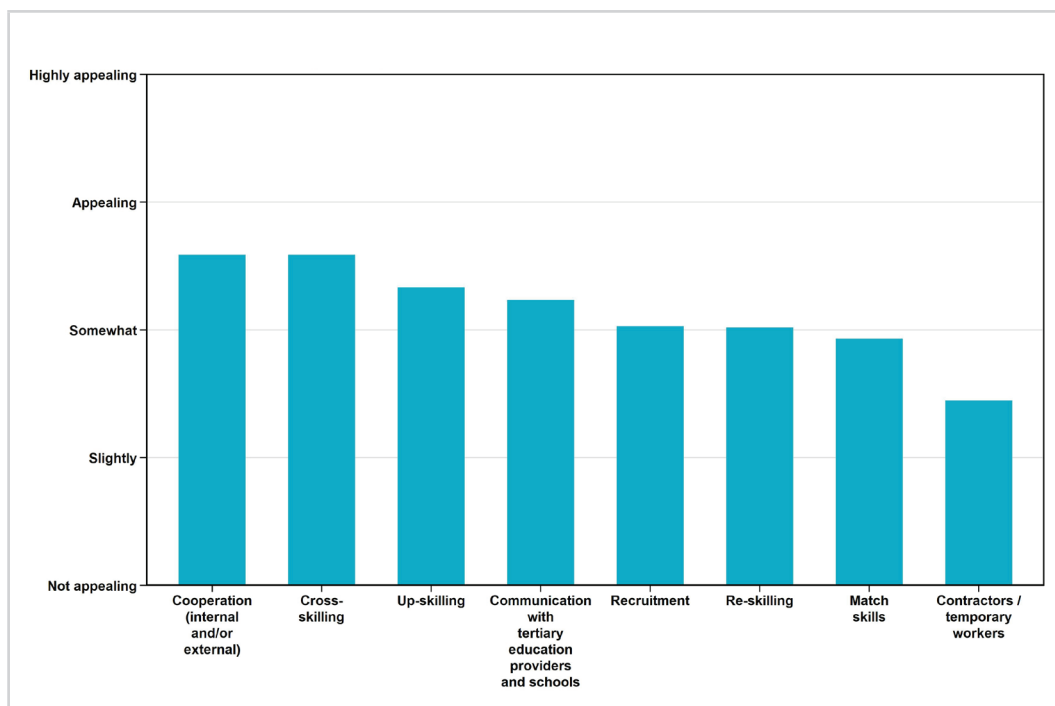
Figure 4.2. Rating of major skills shortages identified in accommodation sector focus groups.\*

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Accommodation sector respondents

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

### How to get the skills

- ▶ Recruit skilled staff including attracting experienced staff whose roles were disestablished.
- ▶ Short terms strategies to upskill and cross train quickly to cope with increased demand e.g. cleaning, bar work and housekeeping (alternatively some accommodation businesses cannot open or food and beverage areas operate with reduced hours or menu options).
- ▶ Training for those in other industries wishing to join the accommodation sector, as this can increase sector knowledge. Currently applications are being received for high level roles from people with transferable management skills but without the technical skills or industry experience.
- ▶ On-job training including leadership training e.g. Introduction to team leadership.
- ▶ Modulised learning, short credentialised courses.
- ▶ Allow trainees to mix and match unit standards to fit their role e.g. administration and business units as part of a housekeeping qualification.
- ▶ Online learning.
- ▶ Training courses, ideally a mix of theory and on-job, plus getting together and collaborating with peers. Post-study validation on-job to demonstrate the skills learned.
- ▶ Work experience helps students understand the workplace, get to know staff and be part of a larger whanau. Students could gain credits through hospitality work experience (e.g. 2 weeks), giving them visibility as well as gaining skills.
- ▶ Internships where students rotate through roles.
- ▶ Attracting talent through fast tracking and cadetships.
- ▶ Sector collaboration – sharing best practices, ideas for improvement or coordinating attraction strategies. Comradery across brands, connectedness. This could include a passport or business apprenticeships across hotels/brands (maybe moving quarterly) and mentoring.
- ▶ A hotel specific apprenticeship programme or hotel management qualification gained on the job with practical cross-department rotations. First year frontline work e.g. three months in four departments, second year team lead, then food and beverage or management apprenticeship. Industry is much more likely to embrace this, as tertiary training providers often expect industry to provide the practical experience and training but then students do not enter the industry on completion. Industry delivering their own apprenticeship programmes, with learning and training plans curated by the industry training organisation, will retain people once they complete training and continue to develop them.
- ▶ A holiday park management apprenticeship.
- ▶ A short-term immigration solution is needed for immediate skill shortages such as chefs. For other roles, with sector coordination and union input, enable staff to work across multiple employers, to provide enough hours.



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

## Support needed

- ▶ Ongoing collaboration between the Workforce Development Council (WDC) and industry. The WDC to provide advisory plus brokerage and promote careers in the sector. Sector advocacy is needed, with sustainable funding to promote the sector and build the workforce.
- ▶ More apprentice programmes in the accommodation sector, supported by government. E.g. wage support for hotel business management qualifications.
- ▶ Corporate traineeships, scholarships.
- ▶ Promote sector stories, especially where people can utilise transferable skills (to help both applicants and employers recognise this).
- ▶ Promote the accommodation sector as global and fun, a place for “people people”, who can be of service and develop skills. Showcase careers, highlight the opportunities and create more positivity around the sector.
- ▶ Support hotels with training, as previous trainers are now too busy, e.g. bring in a trainer.
- ▶ Support for employees to become workplace assessors quickly and conveniently, through an online 4098 programme, rather than face to face programmes run sporadically in regions. E-learning to deliver 4098 could be self-paced with online support and assessment.
- ▶ Support businesses to understand how to build back better, identify new opportunities and create new habits.
- ▶ Promote affected regions e.g. Queenstown, as a destination to attract a talent pipeline (as well as domestic visitors).
- ▶ More on the ground support is needed to help the wellbeing of the workforce e.g. EAP, especially in the hardest hit regions.

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Accommodation sector respondents

- ▶ There is a generational shift happening, so find ways of leveraging the gig economy, with short term hospitality and tourism work to meet the fluctuating needs of the accommodation sector.
- ▶ One idea is to develop a pool of trained, commercially competent casual staff in hospitality that can step into a business and make a contribution rather than having to put the pressure on the rest of the team (and maybe compromising service).

## Training needs

- ▶ Individualisation: matching people's needs, provide employment opportunities and develop learning and career pathways.
- ▶ Suggest guidance from youth on the length of qualifications i.e. is 3 years too long?
- ▶ Not everyone wants to progress into management, job mastery can be enough. But it is good for all staff to understand the whole operation and be empowered to make decisions.
- ▶ Ideally managers gain industry experience first, then develop the following management skills:
  - ▶ People.
  - ▶ Finance.
  - ▶ Technical.
  - ▶ Time management.
  - ▶ Problem solving.
  - ▶ Conflict resolution.
- ▶ The accommodation sector needs digital marketing support, especially in the regions. This could be provided through regional support networks.
- ▶ Regional accommodation providers would like more support for training staff in high class hospitality service skills; as training facilities tend to be too far away.
- ▶ Improve the quality of MSD job applicants to ensure they are work ready.
- ▶ While occupancy is low, there are opportunities to work with other industries to retrain and for job sharing so staff can be retained.

## Learning pathways

Highlighting and profiling career pathways and the diverse range of jobs available in the accommodation sector will help attract young people. Careers should be promoted from Year 9 onwards, making the sector visible e.g. industry leaders going into schools, communicating their passion to students, teachers and parents, and students visiting accommodation businesses to experience the sector. One hotel group is working on a taster programme for secondary school students.

In the medium term a pipeline of future employees including apprentices is critical. There must be a consistent skill level for people entering the sector from tertiary providers, with graduates understanding the starting point. Graduates should have realistic expectations of first roles, and the need for experience as well as knowledge.

The industry will benefit from good connections with secondary and tertiary providers. Attraction strategies for young Māori and Pacific people should include connecting with iwi and families. Providing scholarships could help reduce barriers to entry for under-served groups.

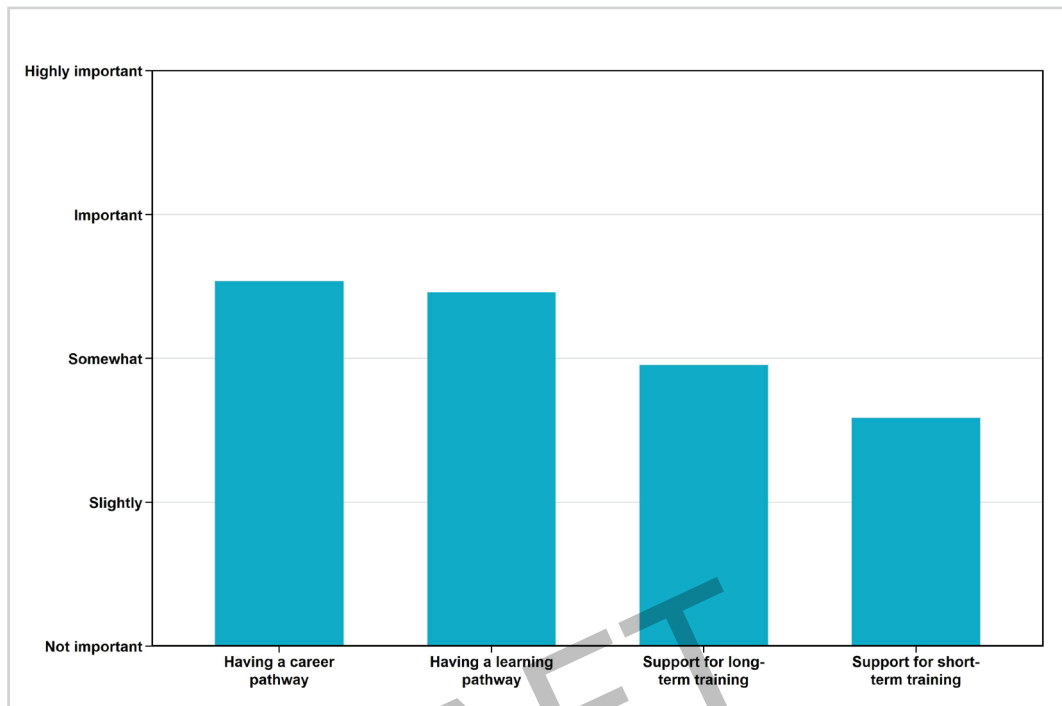


Figure 5.2. The importance of training and pathways.\*

## Post COVID-19

While the accommodation sector is somewhat ready to be fully operational when the borders reopen and over half of the changes they have made will be retained, there is still a perception that opportunities will be lost across the country because of skills shortages. Recruiting back up to previous levels will take time.

Businesses are intending to retain multiskilled roles in case of future lockdowns or other business restrictions. Accommodation providers intend to keep the hands-on approach as it gives everyone an insight into various roles and better appreciation for other team members. Others are hoping that employees can return to their full salary/wages and previous occupations where possible. They would also like to invest in formal training and recognition which is currently on hold. As the sector is suffering financially it is difficult to invest now in anticipation for this.

Greater staff productivity will be required to help recover finances and to cope with the added costs e.g. increased minimum wage, increased sick leave entitlements.

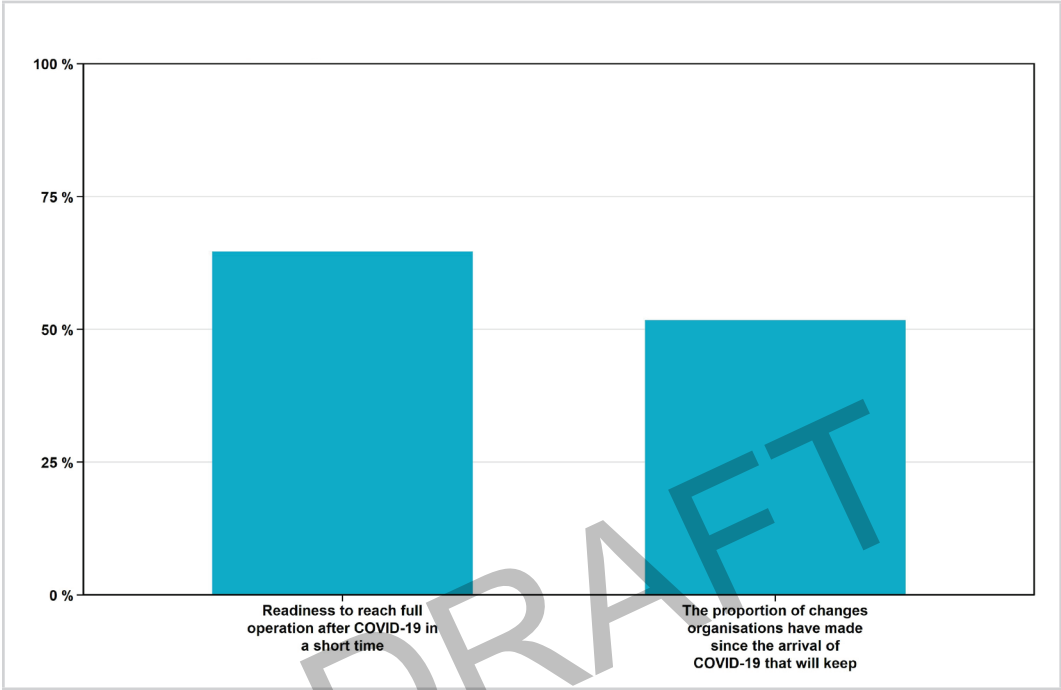
COVID-19 health and safety protocols introduced will remain in place with safeguards around reception and housekeeping. This includes sanitising room keys, reception doorknobs, reception counters and pens, and more stringent cleaning.

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Accommodation sector respondents



There is uncertainty over immigration restrictions post COVID-19 and it is unlikely that there will be enough skilled and willing domestic workers to fill roles. Regional accommodation providers will need to employ seasonal workers prepared to live in a rural location for three to four months.

Trans-tasman FIT (free independent travellers) travel is an important segment for accommodation businesses and there are hopes of a trans-tasman bubble so this can recommence. The extent to which staffing and service resumes will be dependent on the demand and uptake for travel at that time.



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

\* Hinonga Kōkiri / Head Start Project COVID-19 Industry Response Survey – Accommodation sector respondents

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