

Assessment of Future Skills Requirements in the Hospitality Sector in Ireland, 2015-2020

November 2015

Executive Summary Report



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About this report

This report is the Executive Summary of "*Assessment of Future Skills Requirements in the Hospitality Sector in Ireland, 2015-2020*". The full report is available in pdf format on the Expert Group on Future Skills Needs website www.skillsireland.ie.

Acknowledgements

The Expert Group on Future Skills Needs (EGFSN) Secretariat would like to record its appreciation to the members of the Steering Group who oversaw the progress and development of the report and provided additional valuable input- the membership is set out in Appendix 1.

We wish to acknowledge the high quality and expertise of Indecon International Economic Consultants whose work included the undertaking of the research including consultations and workshops with enterprises and stakeholders; the modelling of the hospitality skills demand scenarios up to 2020; the review of international approaches; and the integration and drafting of all the various research elements of the report.

We wish to acknowledge the inputs and assistance of SOLAS's Skills and Labour Market Research Unit, who provided access to detailed data and analysis for the purposes of this assessment, and provided valuable inputs to the Steering Group.

We would like to gratefully acknowledge the invaluable inputs made to this review by businesses and employees in the Hospitality sector, including participants at the regional workshops held in Galway, Killarney and Dublin, and businesses who responded to the structured survey interviews and the questionnaire-based surveys.



Introduction to the Expert Group on Future Skills Needs

The Expert Group on Future Skills Needs (EGFSN) advises the Irish Government on current and future skills needs of the economy and on other labour market issues that impact on Ireland's enterprise and employment growth. It has a central role in ensuring that labour market needs for skilled workers are anticipated and met.

Established in 1997, the EGFSN reports to the Minister for Education and Skills and the Minister for Jobs, Enterprise and Innovation.

The Strategic Policy Division within the Department of Jobs, Enterprise and Innovation in conjunction with the Skills and Labour Market Research Unit, SOLAS, provides the EGFSN with research and analysis support.



Foreword

The objective of this study is to assess the skills demand needs arising within the Hospitality sector in Ireland - hotels, restaurants, bars, canteens and catering - over the period to 2020. The aim is to ensure that there will be the right supply of skills to help drive domestic hospitality sector business and employment growth.



The Hospitality sector is one of the most important services sectors in the Irish economy. It directly employs 158,000 persons within 16,000 enterprises. This represents 8% of current economy-wide employment. The sector contributes €3 billion gross value added to the economy. It also makes a valuable contribution to regional and local economies, and provides flexible employment opportunities that can facilitate greater labour market participation.

A recovery in the Hospitality sector is leading to increased demand for employees of varying skill levels. The sector offers attractive opportunities to entrepreneurs. A main challenge for the industry is to provide appropriate training and education and clear career progression pathways for those that wish to make hospitality their career.

The set of recommendations made within the report are designed to support the professionalisation of the sector and to contribute toward achieving national employment creation targets under the Government's *'Action Plan for Jobs'* and the *Tourism Policy Statement- People, Place and Policy Growing Tourism to 2025*.

While the Hospitality sector has potential for future growth, skill demand shortfalls are likely to emerge in key occupations if action is not taken in the short to medium term. The level of success ultimately achieved in addressing skills requirements will be dependent on industry, education/training and other stakeholders working together on a collaborative basis. The establishment of a National Oversight and Advisory Group to oversee the skills development and promotion of the Hospitality sector is a main recommendation of the report.

I would like to express my appreciation to all those who contributed to the report. Particular thanks are due to the many industry executives, academics and professionals who contributed their valuable time and expertise. I would like to thank Frank Mulvihill who chaired the Steering Group that oversaw the completion of the report and to each member of the Steering Group for their commitment and sharing of expertise. Finally, I would like to thank the EGFSN Secretariat for their research and analysis input and managing this project to a successful conclusion.

Una Halligan

Chairperson, Expert Group on Future Skills Needs



Executive Summary

E.1 Introduction and Background

This report by the Expert Group on Future Skills Needs (EGFSN) represents an assessment of future skills requirements within the Hospitality sector in Ireland over the period to 2020. The Study assesses skills demand at all NQF levels, with a particular focus on career progression opportunities for those at lower skilled levels to help fill anticipated job openings. The Hospitality sector requires a skilled and professional workforce in order to deliver the highest standards of service. A recovery in the sector is leading to increased demand for employees of varying skill levels. Continuing to foster growth in the Tourism sector, with which the Hospitality sector is inextricably linked, is a stated goal of the Government's *'Action Plan for Jobs'* and *Tourism Policy Statement*. The Hospitality sector is an important services sector in the economy, and is estimated to directly employ close to 158,000 persons. It is relatively more important to the Irish economy in terms of employment contribution than is the case for most other European countries. The definition of the hospitality employment used in the study takes into account employment in the accommodation and food services sector and also employment in related sectors for key hospitality-related occupations.

E1.1 Methodology

The research programme for the study was managed by the Secretariat to the Expert Group on Future Skills Needs within the Department of Jobs, Enterprise and Innovation. Its progress was overseen by a Steering Group made up of industry representatives, education and training bodies and relevant agencies, including Fáilte Ireland, SOLAS, Higher Education Authority and the Department of Transport, Tourism and Sport. A rigorous methodology was applied in undertaking this assessment. This was supported by a programme of engagement with key stakeholders including at three regional workshops held in Dublin, Galway and Killarney, structured survey interviews with hospitality businesses and key informants and a survey of business establishments.

Detailed scenarios were formulated to project the level of skills demand and to identify potential skills shortfalls across main occupational groups. The study includes a comparative analysis and examination of hospitality programmes and initiatives in other countries. Indecon International consultants were commissioned to undertake this programme of research on behalf of the EGFSN. The EGFSN Secretariat undertook an analysis of supply side provision of hospitality related skills.

The report identifies a set of policy recommendations and associated measures designed to address the anticipated skill requirements of the Hospitality sector. This process benefited from the valuable input into the research and drafting of the recommendations from the members of the Steering Group at several meetings.



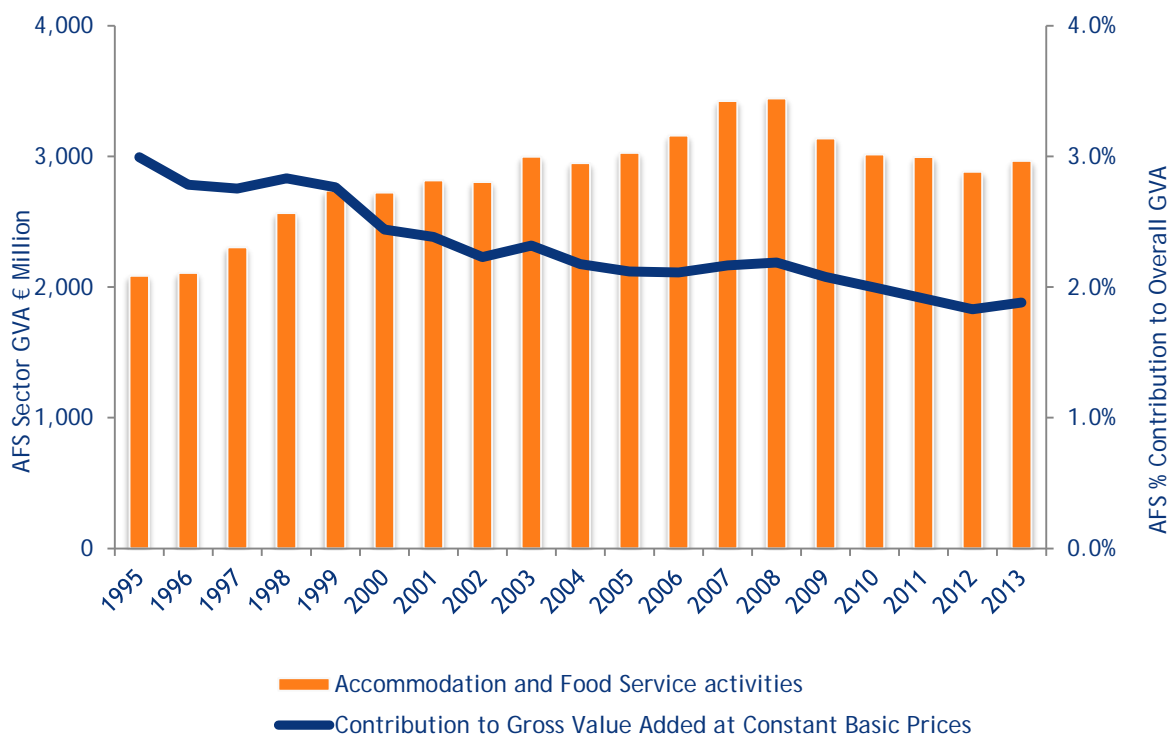
E.2 Profile of the Hospitality Sector

The Hospitality sector in Ireland is comprised of hotels, restaurants, bars, pubs, canteens and catering operators. The sector caters to domestic consumers including home vacationers, eating out, in-house catering, pubs, etc., so its growth and success is strongly influenced by domestic consumer demand. Activity in the sector is also inextricably linked to the tourism industry and to the spending by the number of visitors to the State.

There are over 16,000 enterprises in the hospitality-related Accommodation and Food Services (AFS) sector in Ireland. Hotels and other accommodation account for 14% of these enterprises, while restaurants/mobile food service activities and beverage serving activities/bars each represent 41% of the total, with the remainder (4%) accounted for by catering and other food service providers. A particular feature of the sector is the concentration of employment in small and medium-sized enterprises, with the majority (over 80%) of businesses employing fewer than 10 people.

In terms of overall economic contribution, accommodation and food service activities accounted for €3 billion, or nearly 2% of total gross value added (GVA) in the Irish economy in 2013 (Figure E.1). The contribution of the sector reached a peak in 2008 but, like many other sectors in the Irish economy, was affected by the economic recession in 2009-2011. The sector has, however, started to recover since 2012 and an important issue concerns the impact of this recovery on skills demand.

Figure E.1 Trends in Gross Value Added Contribution of Accommodation & Food Service Enterprises



Note: GVA given at constant basic prices.

Source: Indecon analysis of CSO National Income and Expenditure Results 2013.



Employment in Hospitality Sector Occupations

To assess the future skills requirements in the Hospitality sector it is necessary to firstly establish its current employment levels and the characteristics of employment.

However, of importance is that no precise and comprehensive definition of employment in the Hospitality sector exists in official statistical publications. To arrive at a comprehensive estimate of employment in the sector, access was provided by the SOLAS Skills and Labour Market Research Unit to data from the CSO's Quarterly National Household Survey for hospitality-related sectors and occupations (by four-digit 2010 SOC code classification).

This enabled an identification and grouping of sectoral and occupational employment data. The estimate takes employment in the Accommodation and Food Services sector as a starting point, but also includes employment in additional sectors for certain key hospitality-related occupations.

It is estimated that 157,990 persons were employed in hospitality-related roles in the Irish economy during 2014 (based on an average through the four quarters of the year). This is presented in Table E.1 at a detailed occupation level. The largest concentrations of employment are among waiters/waitresses (27,509 or 17.4% of the total); chefs (23,948 or 15.2%); kitchen/catering assistants (23,255 persons or 14.7%); bar staff (18,719 or 11.8%); and hotel/accommodation managers and proprietors (8,242 or 5.2% of employment). These specific occupations together represented almost two-thirds of hospitality-related employment during 2014.

Table E.1 Estimate of Employment in Hospitality Sector in Ireland by Occupation - 2014

Hospitality-related Occupation	2014 (Quarterly Average)
Waiters and waitresses	27,509
Chefs	23,948
Kitchen and catering assistants	23,255
Bar staff	18,719
Hotel and accommodation managers and proprietors	8,242
Restaurant and catering managers and proprietors	6,299
Catering and bar managers	5,724
Sales and Retail Assistants	5,504
Cleaners and domestics	3,810
Publicans and managers of licensed premises	3,436
Receptionists	3,087
Other occupations*	28,457
Total Hospitality Sector	157,990

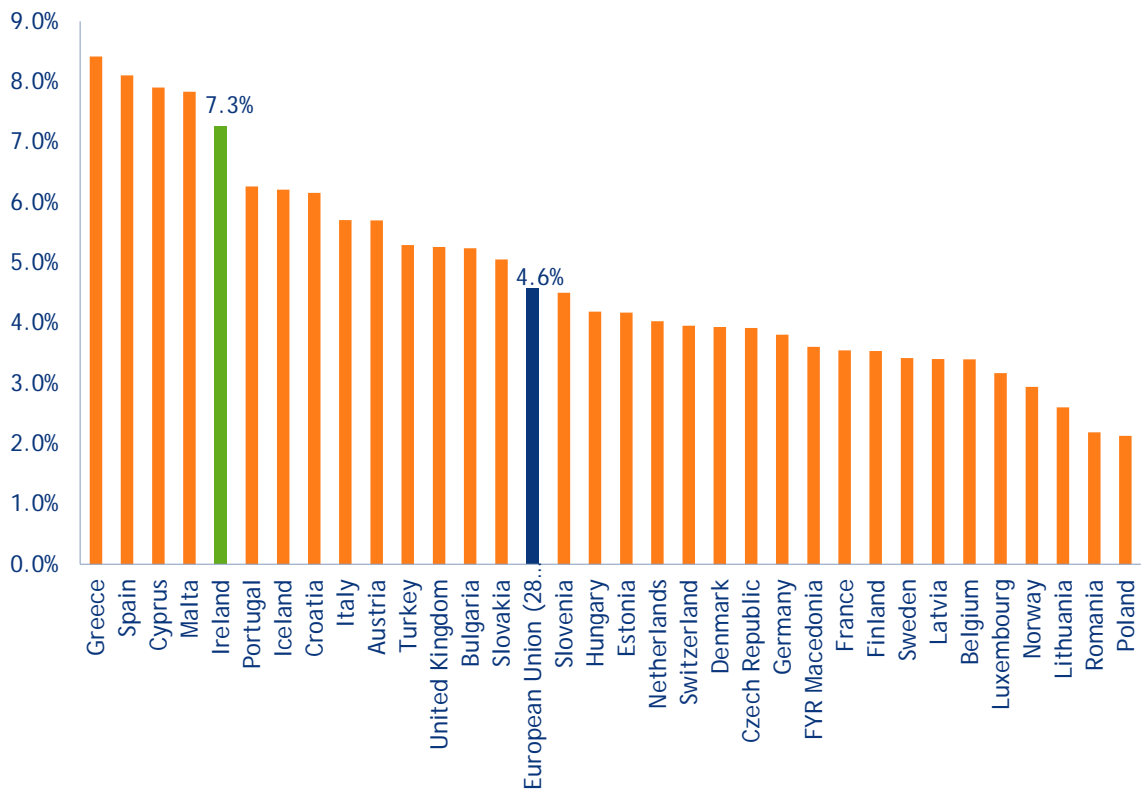
* "Other occupations" consist of occupations in the hospitality-related 'Accommodation and Food Services' (AFS) sector for which the numbers employed are less than 3,000 and therefore cannot be separately identified within the constraints of statistical sample robustness. All occupations within this total each account for <2% of total employment in the AFS sector.

Source: SOLAS/SLMRU analysis of data from QNHS and Indecon sectoral/occupational allocations and analysis.

On a comparative level, Ireland was ranked 5th in the EU in relation to the proportion of overall economy-wide employment accounted for by the hospitality-related accommodation and food services sector, representing 7.3% of economy-wide employment (Figure E.2). The average for the EU was 4.6%. These figures indicate the relative importance of the AFS sector to overall employment in Ireland.



Figure E.2 Employment in AFS Sector as a percentage of Economy-Wide Employment 2014



Note: Persons in employment aged 15-64.
Source: Indecon analysis of Eurostat data.

E2.1 Other Key Features

A number of key findings from the analysis are highlighted below:

- Overall employment in the sector declined between 2008 and 2011. The rebound in the sector since then and the impact of other key drivers of change has implications for skill demand.
- Employment in the sector is characterised by significant seasonal fluctuations.
- Part-time employment is an important component of employment in the sector. Full-time employment stood at 60% versus 40% part-time in 2014, compared with a 77% to 23% ratio across all sectors of the Irish economy.
- Irish nationals accounted for 69% of employees in the sector during 2014. This is lower than the proportion of Irish employees in the wider economy (85%), signalling the importance of factoring migration into the assessment of possible sources of future skills supply in the hospitality sector.
- There are a significant number of skilled persons on the Live Register registered with Intreo employment services, who are seeking employment in hospitality occupations. However, these individuals may need support, including appropriate training/upskilling, to return to work.
- Average hourly earnings rates in the Hospitality sector are ranked at the lower end of the range of sectoral categories monitored by the CSO. Average hourly earnings declined in both the accommodation and the food and beverage services sectors from 2008 to 2014.



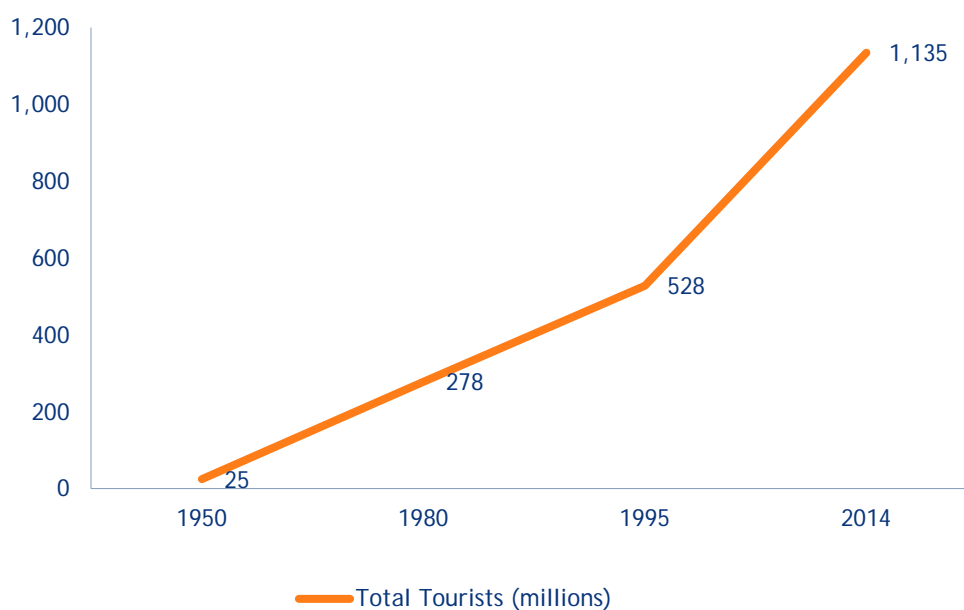
- There are high rates of exit/replacement among certain occupations in the sector, notably among waiters/waitresses and bar staff, at 25% and 20%, respectively, in 2014 (although these exit rates are mitigated by a consistent annual supply of students), in contrast to the 4% reported for chefs. Other factors being equal, high levels of exit among staff will increase the replacement component of future skills requirements in the sector.
- High replacement rates have implications for ongoing skill demand requirements for hospitality-related occupations and are important for the purposes of considering various strategies with regards to staff retention, including education and training, and workplace conditions and remuneration. A challenge for the sector is the need to retain staff by providing appropriate education and training, and attractive career paths for individuals that wish to make hospitality a long-term career choice.

E2.2 Drivers of Change impacting on Skills Demand

International Tourist Demand

An important driver of overall activity - and therefore demand for skills - in the Hospitality sector is international tourism demand. On an international level, the United Nations World Tourism Organisation reports that tourism accounts for 9% of global GDP, 6% of the world's exports and one in 11 jobs around the globe. In 2014, annual worldwide growth in international tourism was 4.7%. The growing trend in global tourism is illustrated in Figure E.3. Under a scenario whereby Ireland maintains its existing share of international tourism, it would be expected that overseas visitor numbers and associated expenditures would increase, and this would in turn be expected to impact on activity levels and hospitality skills demand. It should be noted that the total number of overseas visits to Ireland by non-residents increased by 8.8% between 2013 and 2014.

Figure E.3 Historical Trend in Global International Tourist Numbers



Source: Indecon analysis of UNWTO data



Level of Domestic Consumer Discretionary Spending

The Hospitality sector also caters to domestic consumers including home vacationers, eating out, in-house catering, pubs, etc., so its growth and success is also strongly influenced by domestic consumer demand. It is notable that overall employment in the hospitality sector declined between 2008 and 2011, as the economic recession within Ireland impacted on domestic consumer spending.

Value Competitiveness

The value of hospitality business offerings in terms of both price and quality is a main determinant of customer demand. For international tourists this includes the relative value of the euro, and hospitality establishments here sustaining a competitive cost base and quality offering vis-a-vis other competitor destinations. Reacting to the growth of online agencies who can charge high commissions especially for premium placements, hotels are now highlighting the benefits of direct booking. Equally, the growth of third party restaurant discount vouchers/deal websites that promote deep discounts and can charge high commissions is spurring restaurateurs to engage in direct marketing initiatives with consumers. There has been significant growth of collaborative/sharing platforms such as AirBnB.

Changing Consumer Demand

Key demographic and market segment trends likely to impact on the demand for hospitality-related skills include:

- Aging populations will alter the mix and nature of hospitality products and services required.
- Continuing growth in the number of “digital travellers” using mobile platforms and applications.
- The on-going increase in overseas travel by Asian travellers, particularly Chinese.
- The growth in numbers of “millennials”, the fastest growing market segment, described as those with a strong focus on empathy, personal customer connection and personalised and local service offerings, expected to reach 50% of all travellers by 2025.
- More health and environmentally-conscious travellers wanting to maintain healthy and sustainable carbon-neutral lifestyles including access to fitness and well-being facilities.

Growth of new Hospitality products and Services

Front-of-house staff need to regularly update their knowledge of local tourist offerings appropriate to individual clients; many will have already researched alternatives online. With a growth in demand for healthy, local and personalised food and drink, often traceable back to the organic producer, chefs need the knowledge, skills, flexibility and customer service-mindedness to select suppliers and ingredients and deliver more individualised dishes to clients who may also have special dietary requirements. The smartphone and tablet are important tools for such flexible training and other employee workplace uses, especially for training in policies, procedures and regulations.



Technological Trends

Relevant technologies include those which facilitate customer interaction and increased efficiency within businesses. Accommodation sales, marketing and revenue management staff need continually to update their skills in the use of systems and tools to identify prospects and deliver customers at optimum occupancy rates. Restaurant and banqueting managers and front-of-house staff will also require CPD to help them maximize restaurant and function profitability. Training approaches need to adapt to be more accessible and flexible to accommodate hospitality business schedules and seasonality. This is particularly the case for SMEs.

Seasonal Nature of Demand

Employment in the AFS sector is characterised by large seasonal fluctuations. The seasonal nature of employment in the sector is evident by the pattern of annual peaks in employment, which tend to occur in the third quarter of each year. This seasonal trend is less evident in the Dublin Region.

E.3 Stakeholder Engagement

An important feature of the analysis was an extensive programme of engagement with a wide range of stakeholders in the Hospitality sector. This included:

- Regional workshops held in Galway, Killarney and Dublin involving discussion and interaction with hospitality sector businesses, educators and other key informants;
- Structured survey interviews with hospitality sector educators, industry representative associations and other key informants;
- Further stakeholder engagement and consultation with educators and industry representative associations, through meetings with and feedback from the Steering Group; and,
- A detailed questionnaire-based survey of hospitality businesses.

The inputs gathered from this stakeholder engagement were analysed and synthesised. They provide important insights with respect to skills demand in the sector. The main findings are summarised below.

Current Skills Demand

To ensure the sector realises its significant potential for creation of additional employment it is important to identify current skills shortages to be overcome and to anticipate future skills requirements. A main skills shortage identified by hospitality businesses were for suitably qualified chefs. Shortages of commis chefs feed into shortages at higher and specialist levels, e.g., demi chef, chef de partie, and pastry chef. In addition, there are significant skill shortfalls emerging among front-of-house waiting and other staff.

Across the sector, there are stated gaps in basic skills and experience at entry and junior level, and at management level. There is also a need for tourism entrepreneurs and product development. Stakeholders indicated that there are sometimes large numbers of applications submitted in



response to job advertisements in the sector but that the majority can be deemed not to be appropriately qualified. Other specific skill gaps identified by hospitality businesses included:

- Management skills, e.g., revenue managers with local knowledge, food and beverage supervisors with management skills, HR skills, general management skills for business owners;
- Specialised reception and front-of-house skills;
- Bar staff with waiting skills for food service and modern drink skills;
- Executive housekeepers;
- Sales and marketing executives;
- Customer service-mindedness and up-selling skills; and,
- Specialist knowledge: employment law, licensing law, consumer law, minimum pricing, allergens.

There is some variance highlighted in relation to skills gaps by geographic location, although not always higher in remote locations. According to businesses, without action the same key skills gaps are anticipated to increase over time.

Reasons given by Stakeholders for Skills Shortages

The main reasons stated by stakeholders for the skill gaps in the Hospitality sector are insufficient numbers of people in Ireland with the appropriate training and the right level of experience. Also relevant are the relatively poor reputation and perception of the sector. It is important to recognise that the sector provides employment opportunities for a range of skills. This includes skilled professionals and entrepreneurs, people with high levels of customer service and customer-facing skills, and technical skills in areas such as marketing, accountancy and specialist services, as well as junior entry-level kitchen and front-of-house staff.

Nevertheless, the reputation and perceptions of the sector should be improved based on systematic investment by business establishments in further skills development, enhanced HRM processes and other initiatives to further professionalise the sector and continue to build employee respect, loyalty and retention.

In relation to training, some of the reasons suggested for skills gaps included an imbalance between academic and hands-on training, a need for basic and specialised practical skills, and for the provision of greater numbers of accessible and flexible continuing professional development, apprenticeship and career traineeship schemes.

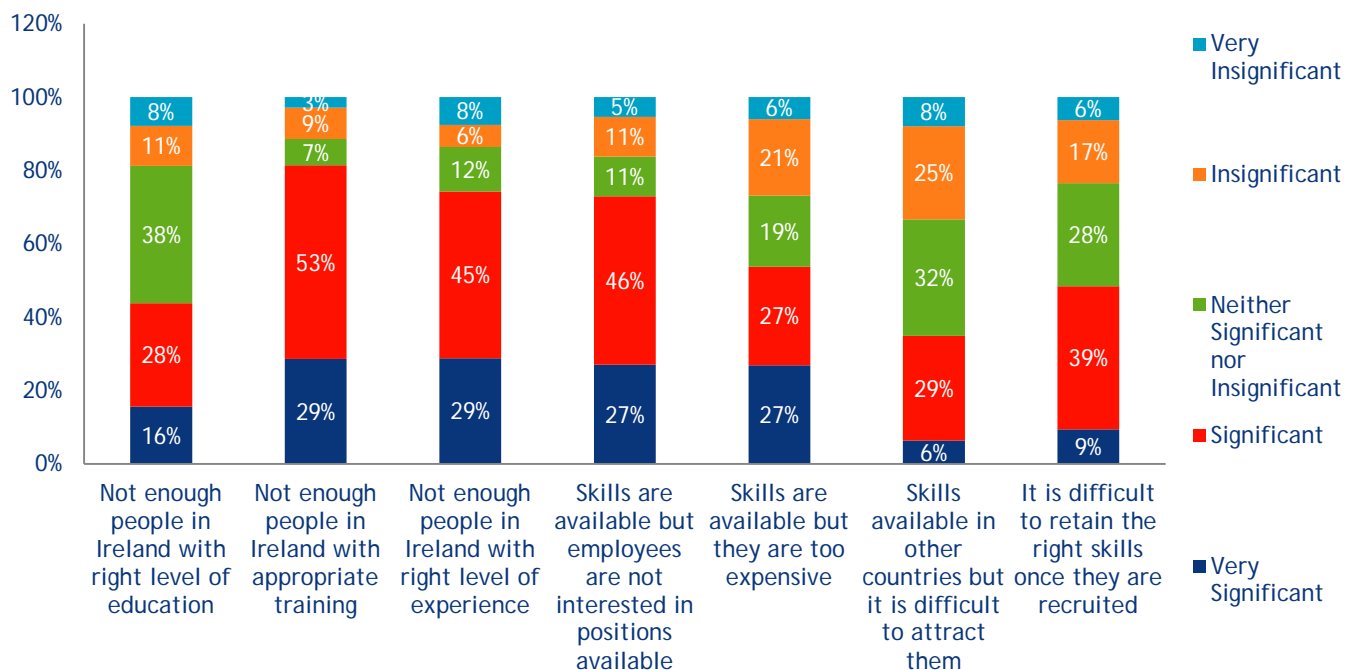
Stakeholders related a number of common perceptions of the sector, including, for example, the idea that jobs in the sector are only a “stop-gap” while studying and that working in hospitality is not considered by some as a viable career choice. There is also a societal and family focus on CAO points and getting a third-level education and some peer pressure to pursue non-hospitality careers. This is influenced by parental judgement and by the advice of some school guidance counsellors.



Furthermore, there is currently no interview process for some Institute of Technology courses and candidate selection is made based on CAO points only. It should be noted however that other programmes such as the Minor Award in Culinary Arts, the National Traineeship and the Certificate in Culinary Skills are all interview-based.

Figure E.4 illustrates the views of stakeholders in the Hospitality sector on the main reasons for skill gaps.

Figure E.4 Views on Significance of Reasons for any Skill Gaps - % of Responding Hospitality Businesses



Source: Indecon Survey of Hospitality-Related Organisations

Responses by Hospitality Businesses to Skills Gaps

Hospitality businesses stated that they have responded to skills gaps with initiatives such as:

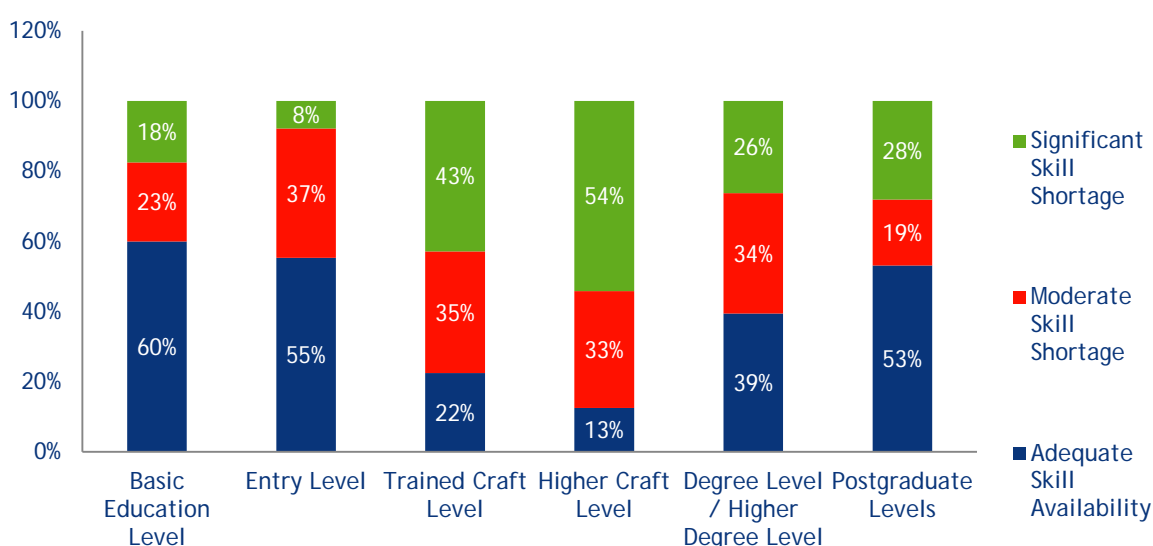
- Increased emphasis on in-house/on-the-job training tailored to immediate needs;
- Overseas recruitment (often through personal contacts of existing staff);
- Induction programmes for entry-level jobs;
- Basic skills training and up-skilling of existing staff within organisations;
- Re-skilling existing staff for new roles within the organisation;
- Personal training plans for all staff;
- Reduction and simplification of menus;
- Recruitment of trainees/interns from Irish and foreign schools; and,
- Development of career progression and retention initiatives.



Future Skills Requirements

The views from stakeholders were obtained at three regional meetings regarding their assessment of specific areas of skills gaps likely to continue into the future. Additional feedback was obtained from the survey of Hospitality sector organisations. It was found that the areas with current skill gaps are also the ones expected to continue into the future. Higher Craft Level (NFQ Levels 5 and 6) is expected by 87% of respondents to have a significant or moderate skill shortage. Trained Craft Level (NFQ Level 4) is expected by 88% of respondents to have a significant or moderate skill shortage. Respondents' expectations at other training levels can be seen in Figure E.5.

Figure E.5 Future Skills Requirements - % of Responding Hospitality Businesses



Note: Basic Education Level = NFQ Levels 1 and 2; Entry Level = NFQ Level 3; Trained Craft Level = NFQ Level 4; Higher Craft Level = NFQ Level 5 and 6; Degree Level / Higher Degree Level = NFQ Levels 7 and 8; Postgraduate Levels = NFQ Levels 9 and 10.

Source: Indecon Survey of Hospitality-Related Organisations

Analysis of Current Education and Training Supply

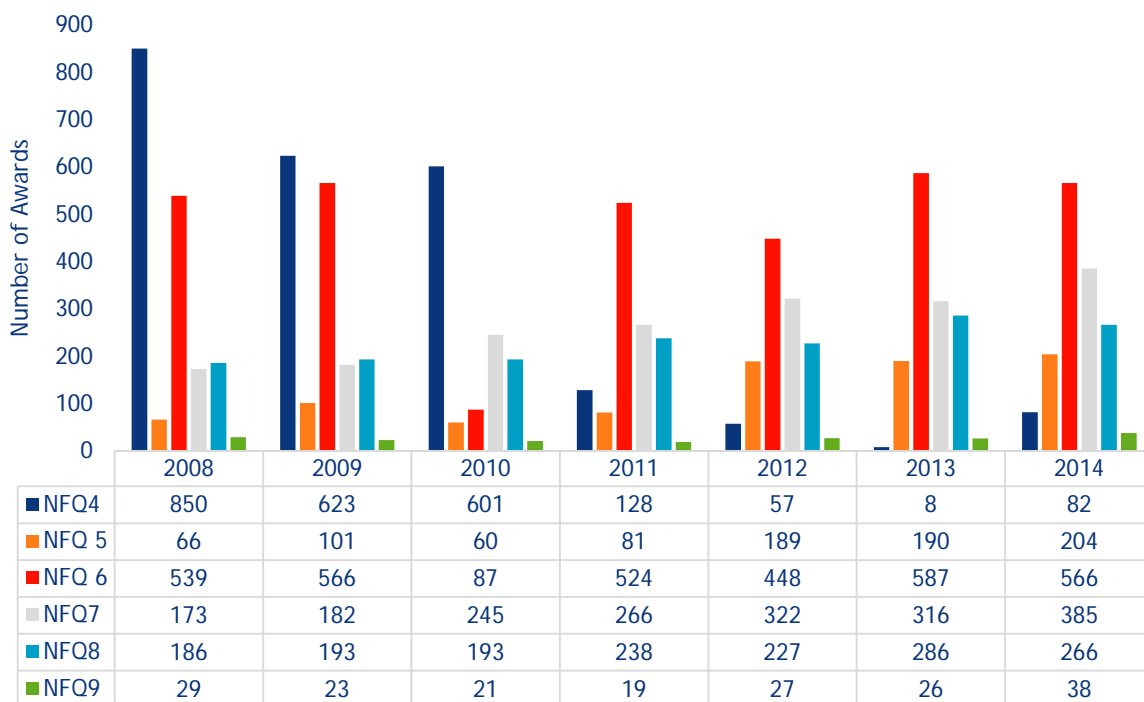
A key aspect of skills provision in the Hospitality sector concerns the outputs of the education and training system. An analysis was undertaken of current education and training provision in the sector. Formal education is provided at various qualification levels via both institutes of Higher Education (HE) and Further Education and Training (FET). The HE institutes typically provide courses at National Framework of Qualifications (NFQ) Level 6 to Level 10, while FET institutes provide courses from NFQ Level 1 to Level 6. Major awards in the Hospitality sector are offered for NFQ Levels 3 to 9. However, significant training is provided on-the-job. Nine Institutes of Technology (which award degrees under delegated authority from QQI) and Dublin Institute of Technology (which has full degree-awarding authority) provide hospitality-related higher education, as do other



third-level institutions such as the Shannon College of Hotel Management and Griffith College. Education and Training Boards (ETBs) are the primary providers of further education and training. Training in areas such as food safety is provided through the National Hygiene Partnership and online courses are available internationally. The wide range and somewhat fragmented nature of education and training provision for the Hospitality sector is noteworthy.

Figure E.6 presents a summary of all major hospitality-related awards by year from 2008 to 2014, encompassing higher education and further education and training. The numbers include both HEA-funded institutions, the Shannon College of Hotel Management and Griffith College in Dublin. There has been an increase in the total number of hospitality-related awards across NFQ Levels 6 to 9 since 2010. However, there was a significant fall in the number of further education and training awards at Level 4 which fell from 850 in 2008 to eight in 2013, before rebounding to 82 in 2014.

Figure E.6 Hospitality-related Major Awards 2008-2014



Source: EGFSN/DJEI

The types of awards give an indication of the nature of training undertaken in the sector. At least 38% of hospitality-related courses offered through higher education institutes are specialist management courses. Further education and training Minor and Special Purpose awards are primarily undertaken in areas such as catering and culinary, food safety and hygiene, and customer care, whereas major awards are concentrated in the areas of accommodation, specialist catering and culinary arts. Recent initiatives developed by SOLAS include the Momentum Programme in 2014 and 2015 (aimed at the long-term unemployed) that will make available 1,500 places in tourism, i.e., accommodation, food and beverage and pilot career traineeship programmes. In addition, it is estimated that new chef-related apprenticeships approved by the Apprenticeship Council, which are being led by the Irish Hotels Federation, the Restaurants Association of Ireland, IT Tralee and Euro-toques, will deliver approximately 130-150 chef-related apprenticeships on an annual basis. Four



new ETB courses were due to commence in 2015. There are also a number of hospitality-related Springboard+ programmes funded by Government, with 83 places on courses in 2015 and 20 places planned for September 2016. There is currently no dedicated Hospitality Skillnet although there are some hospitality training programmes being run by certain Skillnet such as South-West Gnó Skillnet.

E.4 Scenarios of Future Demand for Skills

This assessment examined two alternative scenarios for the evolution of hospitality skills demand over the period 2015-2020. For each scenario, the analysis identified a breakdown of anticipated skill requirements by occupational category that results from expansionary demand (due to business growth) and replacement demand (arising as a result of the ongoing exit of staff from the sector).

The analysis was then combined with assumptions with regard to prospective future education and training output, to assess the possible implications for skills supply of new entrants to hospitality occupations coming through the education and training sector, and to identify the likely skills shortfalls. The analysis also considered a set of illustrative scenarios, at the level of specific occupational categories, with regard to potential sources of new skills supply that could address potential skills shortfalls. Table E.2 summarises the scenarios examined and the associated projections for employment in Hospitality sector occupations over the six years to 2020.

Table E.2 Scenarios of Total Employment in the Hospitality Sector

	<i>Total Employment in Hospitality-related Occupations - 2014</i>	<i>Total Employment in Hospitality-related Occupations by 2020</i>	<i>% Growth viz. 2014</i>
Scenario 1: Based on growth implied by Tourism Policy Statement targets	157,990	179,530	13.6%
Scenario 2: Based on ESRI 'Economic Recovery' scenario	157,990	167,980	6.3%

Source: Indecon analysis

Scenario 1 assumes that the targets for employment in the Tourism sector stated in the Government's Tourism Policy Statement report¹ are met and that employment in the Hospitality sector, inextricably linked with the Tourism sector, grows in line with these targets. Employment growth projections in Scenario 2 are informed by an analysis of the Recovery Scenario in the ESRI's Medium Term Review (MTR). The occupational forecasts under both scenarios are informed by an Indecon survey of employers in the Hospitality sector. The main findings are as follows:

- Under Scenario 1, employment in the Hospitality sector is projected to reach 179,530 jobs by 2020, representing a 13.6% increase from 2014 levels. Significant skills demand are projected in skilled food preparation occupations, administrative staff, and food service staff; and,
- Under Scenario 2, employment in the sector is projected to reach 167,980 jobs by 2020 - an increase of 6.3% from 2014 levels. The highest demand growth is anticipated for chefs/cooks, waiters/waitresses and catering assistants, which is similar to Scenario 1 but at a lower level.

¹ "People, Place And Policy Growing Tourism To 2025" Department of Transport, Tourism and Sport. March 2015.



Table E.3 summarises the occupational breakdown of projected overall skills demand over the six-year period 2015 to 2020 implied under Scenario 1. Overall, there is anticipated to be a skills demand across hospitality occupations over this period amounting to an estimated 110,720 persons after the consistent annual inflows of student workers into waiters/waitresses, bar and kitchen/catering staff occupations are taken into account.

Table E.3 Breakdown of Projected Skills Demand Requirements over period 2015-2020 by Expansion and Replacement Demand - Scenario 1

	<i>Requirement Due to Demand Growth</i>	<i>Requirement Due to Gross Exits (Replacement)</i>	<i>Replacement requirement adjusted to reflect estimated annual inflow of students</i>	<i>Total Skills Demand (Expansion + Replacement)</i>
Occupation	A	B	C	D (A+C)
Functional managers and directors n.e.c.	270	2,120	2,120	2,390
Hotel and accommodation managers and proprietors	904	3,733	3,733	4,637
Restaurant and catering managers and proprietors	690	6,146	6,148	6,838
Publicans and managers of licensed premises	237	2,058	2,058	2,295
Receptionists	340	2,805	2,805	3,145
Other Admin Staff in the Hospitality and Food Sector	257	2,785	2,785	3,042
Chefs	3,522	9,347	9,347	12,869
Cooks	510	1,257	1,257	1,767
Catering and bar managers	524	5,894	5,894	6,418
Caring, Leisure, other services	522	2,950	2,950	3,472
Sales & Customer Service	572	5,185	5,185	5,757
Cleaners and domestics	484	2,874	2,874	3,358
Kitchen and catering assistants	3,650	23,477	8,970*	12,620*
Waiters and waitresses	4,855	42,494	5,252*	10,107*
Bar staff	2,504	28,820	13,702*	16,206*
Other elementary service occupations in the sector	465	4,200	4,200	4,665
Other AFS Employment	1,236	9,897	9,898	11,134
Total	21,542	156,042	89,178	110,720
<i>% of Total Demand</i>	<i>20%*</i>		<i>80%</i>	<i>100%</i>

Notes: (1) Totals may not exactly equal the sum of components due to rounding differences in the underlying data. (2) n.e.c. signifies not elsewhere classified.

* Adjusted to reflect estimated annual inflow of students in the Kitchen/Catering Assistants, Waiters/Waitresses and Bar Staff occupations.

Source: Indecon Analysis



Table E.4 presents a similar detailed breakdown of forecast labour demand in respect of Scenario 2. Under this scenario over the six-year period from 2015 to 2020, there is projected to be a skills demand across hospitality occupations amounting to 96,000 persons when annual inflows of students into waiters/waitresses, bar and kitchen/catering staff occupations are taken into account.

Table E.4 Breakdown of Projected Skills Demand Requirements over period 2015-2020 by Expansion and Replacement Demand - Scenario 2

	<i>Requirement Due to Demand Growth</i>	<i>Requirement Due to Gross Exits (Replacement)</i>	<i>Replacement requirement adjusted to reflect estimated annual inflow of students</i>	<i>Total Skills Demand (Expansion + Replacement)</i>
Occupation	A	B	C	D (A+C)
Functional managers and directors n.e.c.	125	2,065	2,065	2,190
Hotel and accommodation managers and proprietors	419	3,615	3,615	4,034
Restaurant and catering managers and proprietors	320	5,953	5,953	6,273
Publicans and managers of licensed premises	110	2,016	2,016	2,126
Receptionists	158	2,716	2,716	2,874
Other Admin Staff in the Hospitality and Food Sector	119	2,717	2,717	2,836
Chefs	1,632	8,961	8,961	10,593
Cooks	237	1,201	1,201	1,438
Catering and bar managers	243	5,736	5,736	5,979
Caring, Leisure, other services	242	2,850	2,850	3,092
Sales & Customer Service	266	5,028	5,028	5,294
Cleaners and domestics	224	2,784	2,784	3,008
Kitchen and catering assistants	1,691	22,450	8,578*	10,269*
Waiters and waitresses	2,250	40,431	4,998*	7,248*
Bar staff	1,160	27,727	13,184*	14,344*
Other elementary service occupations in the Hospitality sector	216	4,023	4,023	4,239
Other AFS Employment	573	9,594	9,594	10,167
Total	9,985	149,867	86,019	96,004*
<i>% of Total</i>	<i>10.4%</i>		<i>89.6%</i>	<i>100%</i>

Notes: (1) Totals may not exactly equal the sum of components due to rounding differences in the underlying data. (2) n.e.c. signifies not elsewhere classified. * Adjusted to reflect estimated annual inflow of students in the Kitchen/Catering Assistants, Waiters/Waitresses and Bar Staff occupations.

Source: Indecon Analysis



An important feature of the above scenarios is that 80-90% of the projected gross skills demand in the Hospitality sector results from the high level of replacement demand.

The modelling of potential sources of skills supply within the report estimates that education and training provision could provide up to 5,446 trained individuals in chef and other skilled food preparation occupations, up to 3,120 accommodation management occupations and up to 875 food manager occupations. For a number of occupations, including waiters/waitresses, kitchen/catering assistants, and bar staff, it has not been possible to make estimates of annual education and training output. Such potential education and training supply would include further education and training hospitality related minor and special purpose provision and relevant Momentum programme provision. However, to the extent that new entrants come through the further education and training system, other factors being equal this would lower the estimated skills shortfalls specifically for kitchen and catering assistants, waiting and bar staff. As indicated in the skill demand scenarios, student workers provide a consistent seasonal source of ongoing labour supply.

The limited data available on the movements of people from inactivity and outside the labour force into hospitality related occupations is also a constraint in estimating skills demand shortfalls. However, the report does provide estimates of the potential number of persons currently on the Live Register who could be retrained / re-employed for certain hospitality occupations including for skilled food preparation occupations, kitchen and catering staff, waiting and bar staff. The impact of alternative assumptions with regard to a reduction in the extent of staff replacement requirements is also modelled within the scenarios to illustrate how such improvements would reduce the projected levels of skills shortfall.

While this absence of comprehensive data on annual new entrants from education and training across certain occupational categories may result in some overestimation of projected skills demand shortfalls up to 2020, they are broadly indicative of the occupations in which shortfalls are likely to be most acutely felt.

Sources of skills supply to address demand

Two alternative scenarios have been examined to illustrate the potential sources of skills supply that could address identified skills demand in these occupations over the period 2015-2020. These indicate that addressing projected skills demand is likely to necessitate a combination of approaches, including:

- Provision of additional education and training output, including flexible CPD offerings, and the entry of new skilled staff;
- Re-training of unemployed former Hospitality sector workers;
- Reducing 'under-employment' among part-time workers who wish to increase their hours of work;
- Increasing staff retention and reducing the high extent of exit from certain occupations;
- Increasing the attractiveness of employment opportunities and take-up of vacant positions; and,
- Continuing inward migration of skilled labour.



Table E.5 outlines an illustrative scenario of the potential impact of different sources of skills supply to address identified future skill demand among skilled food preparation occupations, including chefs, over the six-year period from 2015 to 2020.

Table E.5: Illustrative Scenario - Potential Sources of New Skills Supply to Address Skill Demand - Skilled Food Preparation Occupations (including Chefs)

Potential Sources of New Supply to Address Identified Skill Demand to 2020 - Skilled Food Preparation Occupations (including Chefs)						
Projected Total Skills Demand 2015-2020	Potential Education/ Training Output*	Re-Training of Unemployed**	Reduction in Exits/Replacement Rate		Balance of Skills Demand Shortfall	
			% of Existing Replacement Rate			
All Skilled Food Preparation, incl. Chefs, Cooks and other skilled kitchen trades:			85%	70%	85%	70%
Scenario 1						
14,637	5,446	Approx. 1,900 to 2,500	1,591	3,181	5,700	4,110
Scenario 2						
12,032	5,446	Approx. 1,900 to 2,500	1,524	3,049	3,162	1,637

* This assumes that the quantum of education and training output in relevant disciplines remains constant at 2014 levels until 2020. It also assumes that new apprenticeship proposals deliver 134 trained chef apprentices per annum from 2017 to 2020, or a total of 536 over this period. These apprenticeships will cover commis chefs, sous chefs, chefs de partie and executive chefs.

** Based on Live Register statistics as at May 2015 (data provided by DSP), indicating number of persons who indicated they were fully trained in their former occupation (lower bound of range indicated) or who were fully trained or had some knowledge/expertise in the area (upper bound of range).

Source: Indecon Analysis

Specifically, the above analysis considers the impact of annual education and training output, the re-training/re-employment of relevant categories of unemployed persons on the Live Register, and alternative assumptions with regard to the impact of a reduction in the extent of exit of staff/replacement requirement. In relation to education and training output, the analysis factors in an assumption regarding additional skilled labour in the form of new apprentices. The report of the Apprenticeship Council² set out the proposals of individual organisations in relation to apprenticeships for chefs, covering commis chefs, sous chefs, chefs de partie and executive chefs. On the basis of the information in the Council's June 2015 report, it is prudently assumed that if the five new chef apprenticeship programmes are developed as planned and commence in 2016, that

² Report of the Apprenticeship Council, June 2015. See Department of Education: <https://www.education.ie/en/Publications/Policy-Reports/Apprenticeship-Council-Report-on-New-Apprenticeship-Programme-Proposals.pdf>.



the proposals could deliver 134 trained apprentices per annum from 2017 or an estimated 536 apprentices in total over the four-year period 2017-2020 (this would, however, be dependent on meeting the criteria outlined in the Apprenticeship Council report, while such numbers would also need to be agreed with the Council). It is believed that there is scope to further increase apprenticeship numbers in the future, over and above the assumed levels.

Finally, the above scenario also assumes that there are between 1,900 and 2,500 people on the Live Register who can potentially be retrained over the period 2015-2020 to further alleviate the forecast skills demand shortfall for chefs and cooks. This assumption is based on data from the Department of Social Protection which provides information on the existing skill levels of those on the Live Register. For the purpose of determining the estimated skills demand shortfalls, accounting for retraining of the unemployed, the conservative assumption of using the lower bound value of 1,900 has been used in the analysis.

The lower forecast skills demand shortfall for these occupations results from accounting for potential new entrants from education, retraining individuals who are currently unemployed, and reducing the staff exit/replacement rate for skilled food preparation occupations. The baseline model under Scenario 1 forecasts a projected skills demand between 2015 and 2020 of 14,637. Accounting for new entrants from education and retraining of the unemployed, as well as assuming that the replacement rate is reduced to 85% of the base level, results in a forecast skills demand shortfall of 5,700. Assuming that the replacement rate falls to 70% of the baseline rate would further reduce this skills demand shortfall to 4,110 under Scenario 1. A similar scale of potential reduction in the skills gap can be observed for Scenario 2. Recommendations are made in the report in relation to how such skills demand shortfalls may be met.

E.5 International Review of Initiatives to Address Skills Gaps

An international review of initiatives to address skills gaps in other jurisdictions was undertaken. A range of programmes and initiatives were examined within a number of countries that aim at building the supply of talent and skills in the Hospitality sector. The research suggests the potential to adapt aspects of these different international approaches. Countries included in the analysis were: the UK, Netherlands, Switzerland, USA, Norway, Philippines, Germany, Australia, New Zealand, and Canada.

Findings suggest a number of potential areas where future skills development in the Irish Hospitality sector could learn from international approaches and initiatives in this area. The main findings were as follows:

- There is a broad consensus about the importance of balance between a strong vocational education and training system (including apprenticeships and traineeships with significant practical work content) to complement more general hospitality management and academically-focussed courses.
- The Hospitality and Tourism industries, and their various representative bodies internationally, are involved in and often tightly integrated into the process of designing courses of education and training for the sector with education and training institutions. This is increasingly



considered an effective way to ensure training remains responsive to labour market and business needs.

- Industry representative bodies are actively promoting the sector to attract new recruits and to counteract common negative perceptions of the sector and it not being a professional career choice.
- Accreditation, portability of skills and hospitality workforce mobility are treated as important.
- Particular attention is being paid to skills mismatches in Europe, seen as one element of the problem of unemployment, particularly youth unemployment.
- Comprehensive online hospitality portals are becoming more common.
- National occupational competency standards drive many education and training systems.
- Training can be contracted out to private sector providers and sometimes government restricts itself to policy, quality control and performance issues.
- Typically there is some form of national/regional oversight system to facilitate effective collaboration between all the many public and private sector stakeholders and educational and training institutions in what is a horizontally and vertically diverse and fragmented sector.

PIAAC Survey Results for Ireland

The OECD Programme for the International Assessment of Adult Competences (PIAAC) includes an assessment of the literacy, numeracy and problem-solving skills of workers within various sectors of the economy. In the PIAAC 2012 survey results for Ireland, 26% of those employed in the Accommodation and Food sector scored at or below Level 1 for numeracy (which along with human health and social work activities was one of the highest percentage of all sectors) while 14% were at or below Level 1 on the literacy scale. Further information is provided in the survey on the frequency of skills use at work. This indicated that workers in the Accommodation and Food sector had a relatively high score for the use of cooperative, dexterity and physical skills compared to other sectors while being average for the use of influencing, learning at work and numeracy skills and relatively lower in the use of writing, reading, ICT, self-organising problem-solving, and task discretion skills.



E.6 Overall Conclusions and Recommendations

Conclusions

The key conclusions from the assessment are as follows:

- The Hospitality sector plays an important role in the Irish economy, as evidenced by the fact that businesses in the sector together employ an estimated 158,000 persons. This represents over 8% of economy-wide employment.
- Current skills shortages appear most evident at Trained Craft and Higher Craft levels. Among the main areas experiencing shortages is suitably qualified chefs, while shortages of commis chefs feed into shortages at higher and specialist levels, e.g., demi chef, chef de partie, and pastry chef. In addition, there are skills shortfalls emerging among front-of-house waiting and other staff.
- Key Drivers of change are impacting on skills requirements within the sector, include in the areas of management and leadership skills, revenue management, customer service, entrepreneurship, cultural awareness, use of social media to communicate with customers, application of IT systems and tools, knowledge of local tourism offerings, food standards and hygiene, talent attraction and retention practices etc.
- Addressing projected skills demand will require a combination of approaches, including:
 - Provision of additional education and training output, and entry of new skilled staff;
 - Re-training of unemployed former Hospitality sector workers;
 - Increasing the attractiveness of employment opportunities and take-up of vacant positions;
 - Increasing staff retention and reducing the extent of exit from certain occupations; and,
 - Continuing inward migration of skilled labour from the EU/EEA area.

Recommendations

Based on the detailed assessment undertaken in this study, a set of policy recommendations has been identified. These recommendations are designed to address the identified skills requirements of the Hospitality sector over the period to 2020, through measures including further education and training systems, upskilling and re-skilling, continued professional development, talent recruitment and retention practices, and inward migration of skills. The recommendations build on measures and programmes that are already underway, or which are currently under development, including apprenticeship schemes. The associated measures are designed to facilitate further professionalisation of the sector and maximisation of the ongoing contribution of this important sector to the Irish economy, including contribution towards achieving national employment creation targets under the Government's '*Action Plan for Jobs*'. The level of success ultimately achieved in addressing the future skills requirements identified in this study will, however, be dependent on industry, education/training and government stakeholders working on a collaborative basis to achieve the goals of ensuring a sufficient quantity and quality of skills.

A summary of the overall recommendations is presented in Table E.6.



Table E.6 Summary of Overall Recommendations

Recommendations	
1	Establish a National Oversight and Advisory Group for the Irish Hospitality sector to oversee the skills development and promotion in the sector. This would include the implementation of the recommendations made in this report.
2	Target measures and initiatives to address projected skills shortfalls of chefs and other hospitality occupations in terms of both the quantity and quality of skills required.
3	Improve alignment of education and training provision with the skills demand needs of hospitality enterprises. This includes increasing NFQ level 4/5 provision for kitchen/catering, bar and waiting staff and enhancing progression pathways between NFQ Levels 4+5 to Level 6+. Further professionalise the Hospitality sector through the introduction of national occupational standards.
4	Hospitality establishments to increase investment in management and staff training, appraisal and career progression. This is required to reduce the relatively high rates of turnover and replacement demand among staff in certain hospitality occupations.
5	Promote the Hospitality sector as a professional long-term career choice to school leavers, students and parents. The Leaving Cert Home Economics course could be reviewed in terms of content covered and rebranded to attract more male students. The potential for new short Junior Certificate hospitality courses could be examined.
6	Tap into the Irish diaspora and encourage take up of job opportunities by the 'grey' and other demographic segments of the workforce to help close skills gaps and professionalise the sector.
7	Introduce flexible accreditation options and life-long training logs (including skills 'passports') to support greater portability of qualifications and mobility of Hospitality sector skills.
8	Assist unemployed former Hospitality sector workers to return to employment in the sector.
9	Enhance measures for the attraction of qualified chefs from the EU/EEA area while giving priority to actions to increasing domestic supply and improving the attraction and retention of chefs. Where skills demand shortfalls persist it is possible for industry to make a submission that changes be considered to the existing employment permit eligibility criteria for chefs within the new 6-monthly review process.

The recommendations made in the subsequent tables are denoted by time-period for implementation: Short-term refers to 1-2 years and Medium-term' refers to 3 to 4 years.



1. Establish a National Oversight and Advisory Group for the Hospitality sector to oversee skills development and promotion in the sector.

There is presently an absence of an overall leadership and coordination function for the skills development of the Hospitality sector. Given the number of stakeholders in the sector, there is a need for an appropriately constituted group to oversee the skills development and promotion of the sector and to forge a consensus between all of the parties involved. The successful development of the sector, including the provision of a sufficient quantity and quality of skills, will require a coordinated and collaborative approach by industry, education and training providers and other relevant stakeholders. This group would facilitate on-going communication and collaboration across the sector on an ongoing basis and will be fundamental to identifying and addressing skills needs in the longer term. The table below identifies the role that a new Oversight and Advisory Group for the Hospitality sector should play in both leading and collaborating on specific actions. An allocation of responsibilities is indicated in the form of the proposed composition and chairing of this group. It will be important that the Group coordinates with the new Department of Education and Skills-led regional skills fora, to ensure that local and regional Hospitality sector skills needs are fully recognised. The Oversight and Advisory group should be established as a high priority.

Supporting Measures

- The role of the National Oversight and Advisory Group would be to lead and collaborate on the:
 - implementation of recommendations made in this report;
 - effective management of the interface between the several bodies providing relevant hospitality related measures and supports;
 - provision of oversight of evidence on emerging hospitality skills needs;
 - monitoring of labour market developments in the Hospitality sector; and,
 - Co-ordination of regular reviews of hospitality education / training provision (ref. Recommendation 3 below).

Time frame: Short-term/ High Priority.

Lead: Group to comprise of SOLAS, Higher Education Authority (HEA), Quality and Qualifications Ireland (QQI), Fáilte Ireland, Education and Training Boards Ireland, Institutes of Technology Ireland, Irish Hotels Federation (IHF), Restaurants Association of Ireland (RAI), Irish Hospitality Institute (IHI), Licensed Vintners Association (LVA), and Vintners' Federation of Ireland (VFI). Group to be chaired initially by SOLAS, with chair rotating on an annual basis. Group should also coordinate with the Department of Education and Skills (DES) (incl. regional skills fora), the Department of Jobs, Enterprise and Innovation (DJEI) and the Department of Social Protection (DSP).



2. Introduce targeted measures and initiatives to address projected skills demand and ensure sufficient quantity and quality of skills for chefs and other specific hospitality occupations.

Specific targeted measures are needed to address specific occupations where substantial skills demand shortfalls are projected over the period 2015-2020. These include skilled Chefs; Kitchen and Catering Assistants; Waiters/Waitresses; and Bar staff. In relation to chefs, a substantial skill demand has been projected, amounting to between 10,500 and 12,900 positions over the period 2015-2020. In the table below several measures are identified to ensure that hotels, restaurants, bars and other food service establishments have access to the quantity and quality of chef skills required to meet future demand. The need for measures to address projected skills demand for other hospitality occupations, specifically front of house, catering, waiting and bar is outlined within recommendation 3.

Supporting Measures
<ul style="list-style-type: none"> Hospitality establishments to expand best practice measures (such as the IHF Quality Employer Programme) for improving the recruitment and retention of chef talent.
<p>Time frame: Short-term to Medium term. Lead: Irish Hotel Federation, Restaurants Association of Ireland.</p>
<ul style="list-style-type: none"> Undertake an audit of all culinary courses to ensure that all skill sets required by hospitality establishments are addressed. Fill demand for culinary teaching staff to ensure culinary facilities are fully utilised and more places made available. Ensure that available culinary capacity within IoTs can be shared by ETBs.
<p>Time frame: Short-term to Medium-term. Lead: HEA, IoTs, SOLAS, ETBs and Fáilte Ireland.</p>
<ul style="list-style-type: none"> Ensure the delivery of existing proposals and increase the future output of new industry-led chef apprenticeships, particularly for commis chefs, while ensuring that curriculum and assessment meet the standards that industry requires.
<p>Time frame: Short-term to Medium-term. Lead: IHF, RAI, IoTs, ETBs.</p>
<ul style="list-style-type: none"> Implement a job placement/upskilling programme for unemployed persons with previous chef experience, utilising ETBs, IoTs and industry teaching and training facilities/resources.
<p>Time frame: Short-term. Lead: Department of Social Protection/Intreo, IoTs, ETBs, working with hospitality enterprises.</p>
<ul style="list-style-type: none"> Promote opportunities for difficult-to-fill chef vacancies in Ireland through the European EURES Placement Network.
<p>Timeframe: Short-term to Medium-term. Lead: DSP/ EURES Placement Service.</p>
<ul style="list-style-type: none"> Where skills shortfalls for chefs persists it is possible for industry to make a submission that changes to the current employment permit criteria be considered under the new 6-monthly review process of permits for non-EU nationals.
<p>Time frame: Ongoing, 6 monthly. Lead: Hospitality Industry.</p>



3. Improve alignment of hospitality related education and training provision with the skills requirements of the Hospitality sector.

The successful future development of the sector will require an increased professionalisation and alignment of education and training provision with the skills demand of hospitality businesses. This will necessitate close collaboration between industry and education and training providers. It will require the development of comprehensive and innovative approaches including academic as well as apprenticeship and traineeship programmes; the introduction of appropriate national qualification standards; and enhancement promotion of education and training options for prospective students.

Supporting Measures

- Undertake periodic (3-yearly) reviews of the supply and utilisation of all hospitality and culinary courses, to identify any gaps in offerings. (commence within next 12 months) Reorganise teaching capacity, if necessary, to address any gaps in required provision and the requirement for up-to-date practical skills, and need for work experience components (this links to recommendation 7).
- Complete a national audit of culinary kitchen training facilities and identify scope to share facilities between higher education and FET including seasonal availability.
- Invest in development of 'industry engagement offices' in hospitality & culinary schools.
- Increase FET hospitality-related NFQ Level 4/5 programme provision for kitchen/catering assistants, bar staff and waiting staff. Provision to include customer service, cultural awareness, specialised reception and front-of-house skills, use of social media, IT tools and applications, numeracy, calorie counts, allergen requirements, and modern drink serving skills. Enhance progression pathways from NFQ Levels 4-5 to Levels 6+.
- Emphasise shorter, more accessible basic and specialist craft and practical courses (for example, based on attendance for ½ days at a time rather than full days). Utilise the Skills for Work programme to help employees with the basic skills demand of the workplace.
- FET hospitality related provision should be reported on separately as opposed to currently within a wider tourism career category. This would help to identify the level of such training being planned and delivered.
- Monitor the number and reasons for dropouts from hospitality courses and act to address.
- Produce and promote a comprehensive guide to Irish Hospitality, Culinary Education and Training Studies and potential career progression pathways via an online portal. This would build undertaken by Institutes of Technology Ireland in relation to IoT provision.

Timeframe: Short-term to Medium-term.

Lead: HEA, IOTs, SOLAS, ETBs and coordinated by National Oversight and Advisory Group.

- Expand Hospitality-related Apprenticeship and Traineeship schemes, and vocational skills training programmes to produce multi-skilled individuals with accredited qualifications.

Time frame: Short-term to Medium-term.

Lead: DES, Apprenticeship Council, SOLAS, Irish Hotel Federation, Irish Restaurant Association.

- Further professionalise the Hospitality sector through the introduction of National Occupational Standards developed jointly with industry and education & training bodies-to be applied by industry in recruitment, staff development and career progression.

Time frame: Short-term to Medium-term.

Lead: QQI, SOLAS, HEA, ETBs, IoTs, in conjunction with industry representative bodies.

- Support appropriately dedicated Hospitality Skillnet with industry support.

Time frame: Short-term.

Lead: Skillnets, Irish Hotel Federation, Restaurants Association of Ireland, Irish Hospitality Institute.



4. Greater investment by hospitality establishments in management and staff training, appraisal and career progression.

Investment in management and staff training, appraisal systems and career progression is a key response to ensure skill needs are met. There is a positive correlation between the application of good human resource management practice and businesses' ability to attract and retain motivated staff. Research for this study has found high rates of exit and turnover among staff in certain occupations (in particular among waiting staff and bar staff, and kitchen and catering assistants). Reducing these higher rates of exit and turnover could help reduce hiring costs for replacement staff and boost morale, loyalty and productivity among existing staff.

Supporting Measures

- Act to improve talent retention and reduce high rates of exit in specific occupations.
- Employ HR professionals (with SMEs applying outsourcing/cost-sharing mechanisms).
- Prepare online Hospitality training toolkits (building on those developed by Fáilte Ireland, the IHF and the IHI) to guide businesses on aspects including staff rostering, human resource management, general management skills, revenue management, digital marketing, and 'train the trainer' to support on-the-job training.

Time frame: Short-term to Medium-term.

Lead: IHF, RAI, IHI, LVA and VFI and individual hospitality enterprises.

5. Promote the Hospitality sector as a professional career choice.

The Hospitality sector suffers from a relatively poor image that does not reflect the diversity of opportunities that it provides. A national promotional campaign is needed to highlight the sector as an attractive and professional career choice. The integration of the new online Transition Year programme developed by the Irish Hospitality Institute in conjunction with Tralee Institute of Technology and supported by Fáilte Ireland will help promote hospitality careers to students, parents and schools and also industry facilitation for placements and entrepreneurial opportunities.

Supporting Measures

- Formulate a cohesive plan to build on the existing IHI Transition Year Online Programme and other work to promote hospitality career opportunities to Transition year students and school-leavers and their parents, including through school visit programmes, work placements, traineeships and entrepreneurial opportunities.
- Profile the sector positively to second level guidance counsellors.
- The Leaving Cert Home Economics course could be reviewed in terms of content covered relevant to the Hospitality sector and rebranded to attract more male students. The potential for new short Junior Certificate hospitality related courses should be examined.
- Engage with international institutions to provide Erasmus opportunities for hospitality students in key culinary centres and to interact with international educators and trainers.

Timeframe: Short-term to Medium term.

Lead: IHI, IHF, and RAI, in collaboration with LVA, VFI, Fáilte Ireland, DES.



6. Tap into the Irish diaspora and embrace the ‘grey’ and other demographic segments of the workforce to close skills gaps and professionalise the sector.

As part of an overall plan to professionalise the Hospitality sector and to help meet projected skills demand, one approach that should be pursued is to tap into the Irish diaspora who have previous hospitality experience and who could potentially be attracted back to take up job opportunities here. There is also potential to promote take-up of employment among older age persons in the so-called ‘grey’ workforce, who could bring valuable life experience to roles within the sector.

Supporting Measures

- Initiate a national programme to attract Irish hospitality skills diaspora back to Ireland
- Facilitate recruitment from the ‘grey’ and other demographic segments of the workforce

Time frame: Short-term to Medium-term.

Lead: IHF / RAI / IHI with support from Department of Social Protection working through EURES Placement Network.

7. Introduce flexible accreditation options and life-long training logs to support portability of qualifications and mobility of Hospitality sector skills.

The introduction of recognised occupational standards is important for the development of the Hospitality sector. A combination of flexible accreditation with life-long training logs including skills ‘passports’ is a critical response to ensure adequate skills are developed. A co-ordinated approach is necessary to ensure flexibility in how courses are structured and scheduled to suit students, employers and teachers, and how accreditations are earned. There should be a further use of the extensive international Europass³ infrastructure that is already in place.

Supporting Measures

- Facilitate flexible completion options for major and minor awards and for CPD to accommodate industry work patterns and seasonality.
- Provide portable “passport” accreditation for all training including accredited on-the-job training based on the Europass system.

Time frame: Short-term to Medium-term.

Lead: HEA and QQI, supported by SOLAS, IOTs, ETBs, IHI, Skillnets, IHF, RAI and LVA/VFI.

8. Utilise employment schemes and tailored education and training programmes to assist unemployed hospitality workers return to work in the sector.

Significant numbers of people who previously worked in Hospitality sector occupations lost their jobs during the economic recession. The Live Register includes individuals who were previously trained and had particular expertise in occupations including the bar trade, chefs and catering assistants, waiters/waitresses and other hospitality occupations. Some of these may find employment in hospitality occupations as the economy recovers. However, others will require appropriate training/re-training, to maximise their likelihood of re-entering the workforce. Job schemes and training initiatives should factor in the unique personnel requirements of the

³ <https://europass.cedefop.europa.eu/en/home> and <http://www.europass.ie/europass/>



Hospitality sector, and also selection procedures that use occupational profiling to help identify appropriate and motivated individuals with e.g. natural flair for customer-facing positions.

Supporting Measures

- Ensure activation schemes including Springboard+and Momentum are designed to support the reintegration of unemployed hospitality workers back into employment.
- Support the return of unemployed former hospitality workers through employer engagement with INTREO including the JobPath employment activation programme, with a focus on Hospitality sector opportunities and requirements.

Time frame: Short-term.

Lead: Coordinated by DSP and DES, working with the HEA, SOLAS, Irish Hospitality Institute.

9. Enhance measures for the attraction of qualified chefs from the EU/EEA area while implementing actions to increase domestic supply and improve the attraction and retention of chefs.

Along with the focus on enhanced attraction and retention measures; the boosting of the domestic education and training supply and the retaining of unemployed and non-active labour force, there is a need to enhance measures for the continuing attraction of chef talent from EU/EEA countries through the European EURES placement network. The EURES job portal enables a matching of employees to sector-specific jobs. The new employment permit regime provides for a 6-monthly review of occupations eligible for permits for non-EU nationals. Currently chefs are ineligible except for a narrowly defined group i.e. executive chefs, head chefs, sous chefs, and specialist chefs specialising in cuisine originating from a State which is not a Member State of the EEA and working in establishments other than fast food outlets. There are additional eligibility criteria relating to general employment permits including a minimum remuneration threshold of €30,000. Where skills shortfalls for qualified chefs persist, notwithstanding measures aimed at increasing domestic supply and improving the attraction and retention of chefs, it is possible for industry to make a submission that changes to the existing employment permit eligibility criteria be considered under the new 6 monthly review process.

Supporting Measures

- Promote opportunities for difficult-to-fill chef vacancies through the European EURES Placement Network.

Time frame: Short-term to Medium-term.

Lead: Department of Social Protection, Irish Hotel Federation, Restaurants Association of Ireland.

- Where skills shortfalls for chefs persist it is possible for industry to make a submission that changes to the current employment permit criteria be considered under the new 6-monthly review process of permits for non-EU nationals.

Time frame: Short-term to Medium-term.

Lead: Hospitality Industry.



Overall Conclusion

The Hospitality sector has significant potential for future growth. However, assuming a continued recovery in the economy, significant skills shortfalls are likely to emerge in key areas if actions are not taken in the short to medium term. The implementation of the recommendations set out in this report will facilitate the sector to make additional contributions to employment expansion in the Irish economy and to meet the targets set out in the Government's Tourism Policy Statement.



Appendix 1: Steering Group Members

Name	Organisation
Frank Mulvihill, (Chairperson)	Former President of the Institute of Guidance Counsellors / Member of EGFSN
Stephen Mc Nally	Irish Hotel Federation
Tim Fenn	Irish Hotel Federation
Adrian Cummins	Restaurants Association of Ireland
Natasha Kinsella	Irish Hospitality Institute
Breda Miley	Noel Recruitment
Anne Trebett	The Fitzwilliam Hotel
Mary-Rose Stafford	Irish Academy of Hospitality & Tourism
John Mulcahy	Fáilte Ireland
John Mc Grath	SOLAS
Bryan Fields	SOLAS
Alan Mc Grath	Higher Education Authority
Alan Nuzum	Skillnets
Ralf Burbach	Dublin Institute of Technology
John Kearney	Cavan/ Monaghan ETB
John Kelly	Department of Transport, Tourism and Sport
Gerard Walker (Project Manager)	Strategic Policy Division, Department of Jobs, Enterprise and Innovation
Marie Bourke	Strategic Policy Division, Department of Jobs, Enterprise and Innovation



Appendix 2: Members of the Expert Group on Future Skills Needs

Name	Organisation
Una Halligan	Chairperson
William Parnell	Principal Officer, Department of Jobs, Enterprise and Innovation (Head of Secretariat)
Inez Bailey	Director, National Adult Literacy Agency
Peter Baldwin	Assistant Secretary, Department of Education and Skills
Ray Bowe	IDA Ireland
Tom Boland	Higher Education Authority
John Burke	Department of Public Expenditure and Reform
Liz Carroll	Training and Development Manager, ISME
Ned Costello	Chief Executive, Irish Universities Association
Margaret Cox	Managing Director, I.C.E. Group
Bill Doherty	Executive Vice President, EMEA, Cook Medical
Tony Donohoe	Head of Education, Social and Innovation Policy, IBEC
Bryan Fields	Director, Strategy, Research and Evaluation, SOLAS
Joe Hogan	Founder, Chief Technology Officer & VP Openet Labs & IP Management
Declan Hughes	Assistant Secretary, Department of Jobs, Enterprise and Innovation
Colm Mac Fhionnlaoich	Manager CMD and Client Skills, Enterprise Ireland
Deirdre McDonnell	Principal Officer, Department of Education and Skills
Frank Mulvihill	Former President of the Institute of Guidance Counsellors
Brendan Murphy	President, Cork Institute of Technology
Alan Nuzum	CEO, Skillnets
Peter Rigney	Industrial Officer, ICTU



Appendix 3: Recent Publications by the Expert Group on Future Skills Needs

Report	Date of Publication
Regional Labour Markets Bulletin 2015	October 2015
Monitoring Ireland's Skills Supply: Trends in Education and Training Outputs 2015	August 2015
National Skills Bulletin 2015	July 2015
Vacancy Overview 2014	May 2015
Lifelong Learning among Adults in Ireland, Quarter 4 2014	May 2015
A Study of the Current and Future Skills Requirements of the Marine/Maritime Economy to 2020	April 2015
The Expert Group on Future Skills Needs Statement of Activity 2014	April 2015
Addressing the Demand for Skills in the Freight Transport, Distribution and Logistics Sector in Ireland 2015 - 2020	February 2015
Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise: Springboard 2015	January 2015
Regional Labour Markets Bulletin 2014	September 2014
Monitoring Ireland's Skills Supply: Trends in Education and Training Outputs 2014	August 2014
National Skills Bulletin 2014	July 2014
Vacancy Overview 2013	May 2014
Assessing the Demand for Big Data and Analytics Skills, 2013 - 2020	May 2014
The Expert Group on Future Skills Needs Statement of Activity 2013	March 2014
Regional Labour Markets Bulletin 2013	March 2014
Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise: Springboard 2014	February 2014
Addressing Future Demand for High-Level ICT Skills	November 2013
Monitoring Ireland's Skills Supply: Trends in Education and Training Outputs 2013	July 2013
National Skills Bulletin 2013	July 2013
Future Skills Requirements of the Manufacturing Sector to 2020	April 2013
The Expert Group on Future Skills Needs Statement of Activity 2012	April 2013
Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise: Springboard 2013	February 2013
Vacancy Overview 2012	February 2013
Regional Labour Market Bulletin 2012	January 2013
Monitoring Ireland's Skills Supply: Trends in Education and Training Outputs 2012	July 2012
National Skills Bulletin 2012	July 2012
Key Skills for Enterprise to Trade Internationally	June 2012
EGFSN Statement of Activity 2011	April 2012
Vacancy Overview 2011	February 2012
Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise	February 2012
Addressing High-Level ICT Skills Recruitment Needs: Research Findings	January 2012

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