

**Strong Workforce Program
Hospitality, Culinary and Tourism
Regional Workforce Advisory Meeting Proceedings
May 11, 2023
Hybrid in Person- Zoom**

Introduction

The Los Rios Community College District, in partnership with Valley Vision, and in collaboration with Sierra College and Yuba Community College District, invests Strong Workforce funding to organize and convene Regional Advisories. The objectives of the Regional Advisories are to build strong relationships between employers, educators, and workforce that:

- Provide timely information on skills gaps and workforce needs, informing partners on major industry trend information;
- Improve the efficiency of the advisory process for educators and employers;
- Reflect a regional view of workforce needs and assets;
- Provide opportunities for more systemic, ongoing engagement that includes workforce partners in key industry sectors.

Regional Advisory meetings help inform decisions on needed investments and enhancements for Career Education (CE) programs to help fill the growing demand for middle-skill positions. This meeting proceedings report includes key findings, best practices, and minutes from the Spring 2023 Regional Advisory meeting focused specifically on careers in Hospitality, Culinary and Tourism (HCT).

Valley Vision supports a robust talent pipeline through our multiple 21st Century Workforce initiatives. We prepare our regional workforce for the future by addressing skills gaps, advancing research, aligning efforts and strengthening systems. Valley Vision's workforce efforts are supported by the Sacramento Employment and Training Agency (SETA), Golden Sierra Workforce Development Board (WDB), North Central Counties Consortium, Yolo WDB, City of Sacramento, local community college districts and others.

The Strong Workforce program provides Career Education opportunities to increase social mobility and fuel regional economies with skilled workers.

Key Findings

- The Hospitality, Culinary, and Tourism (HCT) industry is facing a technology revolution. The adoption of AI and the increasing computerization of Hospitality operations will lead to significant benefits including cost savings, improved efficiency, and better customer service.
- The increased access to consumer data has the potential to revolutionize the hospitality industry through customized marketing to expand consumer awareness and increase revenue streams. By utilizing data tracking technology and AI, businesses can create customer profiles and deliver targeted services, enhancing the overall customer experience.
- An increasing trend is destination management, which is a comprehensive management process that offers a highly-catered and unique experience for tourists that include the design and implementation of events, activities, tours, transportation and program logistics.
- The region has made impressive strides recovering jobs lost in the sector during the pandemic with approximately 40% of the lost jobs regained. Additionally, wages have increased, and employers are offering incentives to attract workers back to the industry. Despite this, pay gaps still exist with the Greater Sacramento region significantly lagging behind the state as a whole.
- Consumers are requiring businesses to be more conscious of their impact on the environment and the community. There is increasing importance of understanding the local context, both food and community, to provide the best possible experience to guests.
- The panelists emphasized the importance of cultivating an environment that supports internal growth and leadership development within their organizations. They emphasized the need for professionalism and customer service training to ensure applicants and entry level candidates have the capacity to promote into supervisory positions and advance in their companies.
- Combining service and technology will be a winning strategy for the industry. It is necessary to adapt to the fast-changing landscape in order to remain viable and successful while preserving the human element of service in their industries.
- Ghost kitchens are another increasing trend which cuts down on overhead and makes entry into the field accessible with less capital. However, the customer experience is impacted by third party vendors. Many restaurateurs began working with third party vendors during the pandemic and have maintained this as a portion of their revenue stream.

Meeting Proceedings

Welcome and Introduction

Josh Sweigert, Associate Director of Employer Partnerships for the North Far North Consortium, and Hilary Tellesen, Project Leader at Valley Vision, welcomed attendees and introduced the event. Tellesen emphasized the importance of collaboration between colleges and employers in providing quality and relevant workforce training for individuals interested in working in the Hospitality, Culinary, and Tourism sector.

Keynote Speaker

Margaret Wong, Entrepreneur & Restaurateur of McWong Enterprises & Yue Huang Restaurant gave the keynote address titled “Preparing the Next Generation of Hospitality, Culinary and Tourism Industries through Innovation and Technology”. The address discussed the use of AI and technology advancements to increase efficiency and collect data for targeted services. Wong highlighted the role of food as international diplomacy and described her businesses' focus on consumer experience, innovation and technology adoption as critical to their success.

In Wong’s presentation she emphasized that Hospitality will become increasingly digitized which will help businesses save on labor cost, increase efficiency, and cater to customers better. Wong explained that the data tracking technology would allow businesses to create customer profiles to market directly to specific customer demographics. She believes that combining service and technology will be a winning strategy for the industry, and it is necessary to adapt to the fast-changing landscape in order to remain viable and successful.

Labor Market and Information Job Posting Insights

After the keynote address, Aaron Wilcher, Research Director from the North Far North Center of Excellence, shared labor market data on the Hospitality, Culinary, and Tourism (HCT) sector, as well as job posting information. The Center of Excellence plays a crucial role in providing labor market insights and technical support for informed investments in Career Technical Education (CTE) programs. Wilcher focused on key areas, including the employment outlook, required skills and credentials, and the potential for program investments in the sector.

During the discussion on employment prospects, Wilcher provided data on the Greater Sacramento region. Currently, there are approximately 105,309 jobs in this sector (Figure 1.1). Despite the initial setback caused by the pandemic in March 2020, where the Greater Sacramento area experienced a sudden 40% decline in employment, the sector made

significant progress towards recovery. In fact, the Greater Sacramento Area nearly regained pre-pandemic employment levels. According to the Center of Excellence's Labor Market Information (LMI) data forecast, an optimistic projection suggests that El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba counties are among the regions rebounding rapidly from the impact of the pandemic. In contrast, neighboring regions to the far north have already achieved a complete employment recovery.

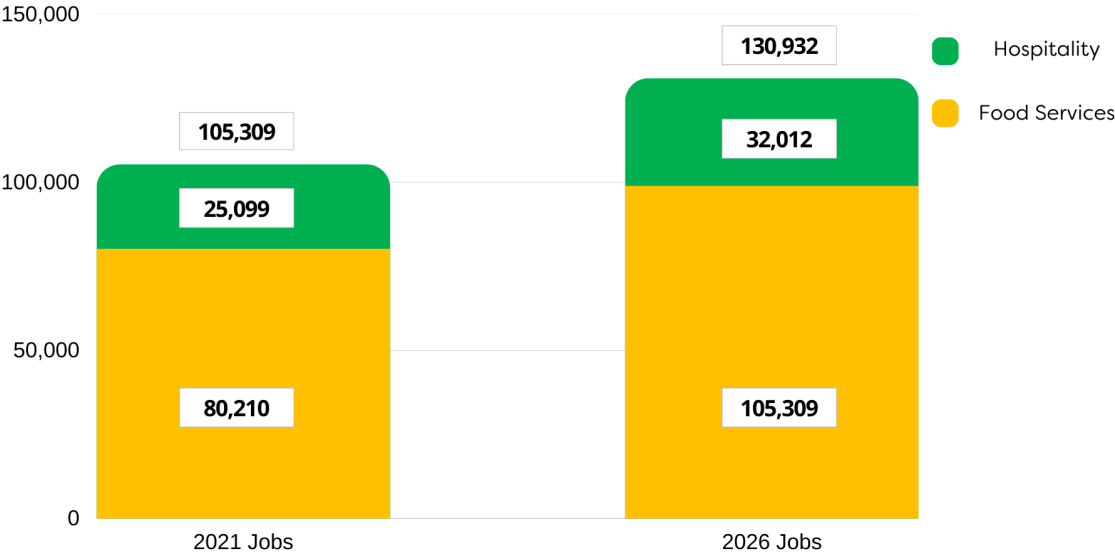


Figure 1.1 Greater Sacramento – Total Jobs

Wilcher's analysis of the HCT sector highlighted significant pay gaps between the Greater Sacramento region and California as a whole. Specifically, there is a substantial disparity in average salaries between the Hospitality field. The overall increase in hourly wages can be attributed in part to the shortage of employees within the field. The pay gaps are quite significant, with the Greater Sacramento region significantly lagging behind the state as a whole. For instance, while hospitality employees in California earn an average of \$74,632 per year, the corresponding figure for the Greater Sacramento area is only \$42,599 per year. Similarly, food service employees in California earn an average of \$33,886 annually, whereas their counterparts in the Greater Sacramento area earn \$29,874 per year, excluding tips.



Figure 1.2 Greater Sacramento and CA – Average Annual Earnings

Occupation data categorizes the workforce based on skill level, education, and training, thereby determining the required skills and credentials for different roles. In the Hospitality industry, formal education is generally not a prerequisite. Middle-skill jobs, which account for 17% of the industry, require more than a high school diploma and less than a Bachelors’ degree. Entry level jobs require even less formal education, making up 78% of the industry (Figure 1.3). Although wages in this industry tend to be on the lower side, the opportunities for employment are plentiful. The limited growth in fast food jobs could be attributed to the increasing adoption of automation across the entire industry, leading to a decrease in available positions.

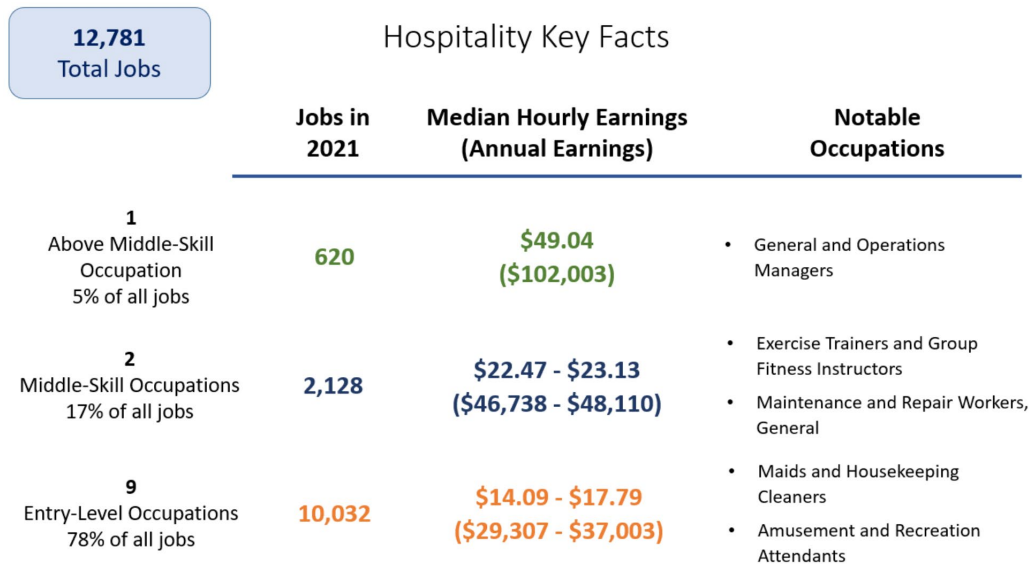


Figure 1.3 Greater Sacramento Hospitality Occupation Data

Wilcher's data was collected utilizing Lightcast, a collection of data from job postings, including job boards, company websites and other sources. The job data, specifically from the Greater Sacramento region, over the past six months shows a significant increase in the number of job postings compared to the same period in 2020. The current figures indicate a rise in job postings within the HCT industry (Figure 1.4). This surge in postings serves as an indicator of the hiring challenges faced by employers in the region.

Occupation (SOC)	Unique Postings (Oct 2022 - Mar 2023)
Fast Food and Counter Workers	1,627
Food Service Managers	1,066
First-Line Supervisors of Food Preparation and Serving Workers	772
Waiters and Waitresses	659
Cooks, Restaurant	428
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	345
Hotel, Motel, and Resort Desk Clerks	332
Maids and Housekeeping Cleaners	313
Dishwashers	302
Bartenders	295
Cashiers	270
Customer Service Representatives	268
Dining Room and Cafeteria Attendants and Bartender Helpers	259

Figure 1.4 Hospitality and Tourism Top Job Posting for the Greater Sacramento Area

Employers at the advisory event expressed reservations about the data's comprehensiveness, as it may not fully represent their hiring needs. They indicated there are likely more job postings than represented due to the industry’s hiring practices which include prolific use of social media and word of mouth. Additionally, they highlighted the challenge with fully capturing compensation when tipped income is generally not fully recorded.

The presentation underscored the opportunities available in the HCT sector, particularly for entry and mid-level positions. Despite the severe blow dealt by the pandemic, the region has made impressive strides, with approximately 40% of the lost jobs regained. Additionally, wages have increased, and employers are offering incentives to attract workers back to the industry.

Panel Discussion

In a panel discussion, the following industry experts informed attendees on the current and changing landscape of the Hospitality, Culinary and Tourism industries:

- **Diana Flores**, Executive Director, Sacramento City Unified Central Kitchen

- **Joel Moore**, Vice President of Hotel Operations, Thunder Valley Casino and Resort
- **Juan Barajas**, Owner and Operator, Savory Café in Woodland
- **Jody Franklin**, Director of Tourism, El Dorado Chamber of Commerce
- **Margaret Wong**, Entrepreneur & Restaurateur, McWong Enterprises & Yue Huang Restaurant
- **Brad Cecchi**, Executive Chef and Partner, Canon

New Technology Adoption and Impact

The panel members differed in their opinions of the value of adopting technology. While all restaurant owners acknowledged some level of technology adoption, including mobile ordering and digital menus, several favored minimizing technology use and maintaining a high level of human interpersonal interaction. Also discussed was the opportunity to leverage technology in hotel services including to expedite check in and response to on demand requests to maximize guest convenience. Moore shared the expectation of guests have shifted to wanting modern in-home conveniences during their stays with the use of smart home devices. Wong and Flores expressed the need for increased technology knowledge and proficiency in kitchen maintenance positions, with ovens and other equipment becoming more digitized.

All panelists discussed how new technologies and practices might impact skills and certifications in hiring. They recognized the potential for AI to change back-end operations and the need for specialized software to support kitchen staff in preparing specialty diets and receiving alerts. Moreover, all agreed data is valuable for customized marketing to expand consumer awareness and increase revenue streams. Additionally, AI was discussed as being useful to create personalized itineraries for travel or menus for specific groups or guests. Overall, the panelists emphasized the importance of adapting to new technologies and practices while preserving the human element of service in their industries.

Specific Skills Needed

Panelists acknowledged certain soft skills, including professionalism and communication, are more difficult to teach, and needed to consider training entry-level candidates for supervisory positions. Additionally, employers from high end restaurants emphasized the desire for high performing candidates that have excellent communication skills, are willing to learn and be knowledgeable about local foods, and are willing to go above and beyond to exceed customers' expectations.

There is a growing need for employees that can assist with the integration of data, especially in institutional kitchen operations. Flores discussed creating custom software to utilize data effectively in their operations and maximize efficiency and cost measures. Moreover, these

large kitchen operations need staff who can service and maintain the increasingly complex ovens and equipment.

Career Advancement Opportunities

The panelists discussed the importance of creating programs and an environment that promotes growth and leadership development. They emphasized the benefits of promoting from within, including improving company culture and lowering turnover rates. Two panelists shared that they offer a percentage of ownership of their business to long term staff as an incentive to decrease turnover and be invested in the success of the operation. Others mentioned the importance of a more human-centered approach, adopting flexible schedules and providing family dinners to compensate for some of the challenging aspects of the industry. Panelists were committed to promoting from within and creating a supportive environment of growth and development are key strategies for attracting and retaining quality candidates.

Hospitality Trends

Consumers are requiring businesses to be more conscious of their **impact on the environment and the community**. As the Farm to Fork capital, panelists emphasized the importance of understanding the plants and foods in the surrounding area to provide the best possible experience to guests. With the region's access to locally sourced foods, customers desire more connection to their food experience and farm to table fits that need. Additionally, by implementing environmentally sustainable practices and sourcing food locally, businesses can attract eco-conscious and community-minded guests.

Franklin discussed a growing movement of **destination management**. This trend requires considering the coordination of all the elements that make up a tourism destination. Approaches to destination management offer a highly-catered and unique experience for tourists that include the design and implementation of events, activities, tours, transportation and program logistics. Additionally, AI enables the instant customization of itineraries for specific customers and travel groups.

Ghost kitchens, a food service business that operates exclusively as delivery and/or pick up based serving only phone and online orders, are an increasing trend that operates almost exclusively through third party vendors such Door Dash or UberEATS. While this cuts down on overhead, and makes entry into the field accessible with less capital, the customer experience is impacted by the third-party vendor. In order to survive the COVID-19 pandemic, many restaurateurs found themselves relying more on these third-party vendors to keep their businesses afloat and have maintained this as a portion of their revenue stream.

Panelists agreed the increased cost of goods and overall growing expenses of doing business impacts their ability to pay higher wages to staff. The industry continues to change, and employers need to stay ahead of the curve by adjusting to these trends to remain competitive in the marketplace.

Conclusion

The attendees were given contact information of the Assistant Regional Director of Employer Partnership, Josh Sweigert, along with members of the planning team, Michael Frigm, Professor of Culinary Arts Management at Cosumnes River College, Dr. Abhijeet Shirsat, Assistant Professor and Graduate Coordinator at CSUS, and Hilary Tellesen, Project Leader at Valley Vision. Their contact information is listed below:

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