

# **Strong Workforce Program Retail, Hospitality and Tourism Regional Workforce Advisory Meeting Proceedings October 22nd, 2021 Virtual - 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 Fall 2021 Regional Advisory meeting focused specifically on careers in Retail, Hospitality and Tourism (RHT).

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 Retail, Hospitality and Tourism (RHT) industry is currently recovering from job losses experienced over the course of the pandemic, and experiencing widespread hiring shortages. Many workers left the industry either as a result of pandemic-related health concerns and retirement, or to pursue careers that interface less with the public. While data gathered by the Centers of Excellence reports that employment has returned to pre-pandemic levels in the Hospitality industry, there is a large gap between current employment and open job postings throughout the industry. Employers cited hiring shortages as one of the most difficult current challenges, as lack of adequate staffing affects businesses in multiple areas of the industry - from supply chain and transportation shortages to the ability to provide quality customer service. Employers are in need of a direct pipeline of candidates who can navigate the hiring process and become a part of their team.
- Overarchingly, public opinion and misconception clouds potential opportunities for potential job seekers, causing them to overlook the RHT industry. While some may view a role in this field as a lower-level service job, employers discussed the wide variety of roles within organizations, from entry level service to management, sales, marketing, and administrative roles. These positions offer opportunities for workers to work their way up, hone their skills, and pursue life-long careers. Additionally, despite what some job seekers may think, employers agreed that individuals working in the RHT field also have ample opportunity for remote or hybrid employment within the administrative and management side of businesses.
- The effects of pandemic-related layoffs and current worker shortages also affect incumbent staff members, leading employers to struggle with employee burnout and retention problems. In response to this, employers have begun assessing and supplementing benefits and, in some instances, wages. Lack of worker availability has resulted in management and employees improving communication and transparency in regards to scheduling and working hours, managing a work/life balance, and implementing creative new strategies like the daily pay model, where employees are scheduled and paid on a day-by-day basis. Employers are also evaluating wages, and increasing them when possible in order to remain competitive and attract workers.
- Customer service skills and interpersonal skills overall are essential to success within the RHT field. The need for excellent social skills has only been exacerbated by pandemic spurred conflicts, and excellent customer service can be a key aspect of attracting and retaining customers. Employers are looking for job candidates who are patient, display a growth mindset, and resilient in the face of hardship.

- To prepare emerging candidates for career success, employers recommended that community colleges partner at the high school level in order to provide a foundation for socio-emotional learning, which is the basis of “soft” or interpersonal skills. By sharpening skills like active listening, communication, and working with others, students can enter higher education or the workforce with a solid basis of social skills.

### **Welcome and Introduction**

The advisory began with Josh Sweigert, Regional Director of Employer Engagement overseeing Retail, Hospitality, and Tourism (RHT) welcoming all attendees. Sweigert acknowledged the turbulence the RHT sector has experienced as a result of the COVID-19 pandemic, and stated that the objective of this advisory was to pinpoint major pain points and challenges within the RHT industry in order to provide improved opportunities for current and future students, better inform community college faculty and programs, inform marketing efforts for retail, culinary, and hospitality programs, and paint an improved picture of the opportunities and earnings the RHT industry offers.

### **2021 State of the Restaurant Industry Mid-Year Update**

Josh Sweigert gave an overview of the National Restaurant Association mid-year industry report which was released in August 2021. While the report shows there was a significant drop in demand for services in the restaurant, food service, and beverage industry in the first half of 2021, there has also been an uptick in demand in the late summer and early fall months of 2021. Sweigert noted that this increase in demand has been challenging for employers. There is a widespread misperception amongst students and families that RHT careers only have low-skill entry-level positions, even though there are many different RHT careers and pathways. This has resulted in a marketing struggle which has only been exacerbated by the pandemic, making it challenging to hire and fill the many open positions in the industry.

Although the National Restaurant Association’s report detailed some recovery when it comes to hiring staff, the data shows that three out of four restaurant operators find recruitment and retention to be their greatest challenge. Sweigert stated that while the industry is seeing a slow recovery following COVID-19 related shut-downs, there is a deep and urgent need to fill RHT positions and get individuals back to work.

### **Panel Discussion**

- **Bahar Abullarade**, Manager of Talent Acquisition, Raley's Supermarkets
- **Lynn Mohrfeld**, President and CEO, CA Hotel and Lodging Association
- **Santana Diaz**, Executive Chef, UC Davis Health
- **DeVonni Terrell**, General Manager, Slim and Husky's



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### **Panel Overview:**

#### **Raley's**

Raley's is a regional, family-owned grocery company which operates in four different states and has 21,000 employees. Raley's has recently branched into the tech space, providing on demand food service delivery and other online food delivery services.

#### **California Hotel and Lodging Association**

California Hotel and Lodging Association (CHLA) is a nonprofit trade association that advocates for favorable regulations and legislation for the hospitality industry and interfaces with the government on behalf of the industry. The organization manages the San Diego County Lodging Association, Long Beach Hospitality Alliance, and the Hotel Association of Los Angeles. CHLA's foundation also offers scholarships to students every year.

#### **UC Davis Health**

UC Davis Health employs over 10,000 staff members working in various elements of food service. These roles range from food service workers to sous chefs, supervisors, and more. UC Davis Health has partnerships with other UCs within the state, which guarantee employment for food service workers who relocate to different areas and want to remain employed in the UC system.

#### **Slim and Husky's**

Slim and Husky's is a fast-casual and gourmet pizza restaurant located in North Oak Park, Sacramento, and aims to reinvigorate communities through employment opportunities and accessible dining experiences.

### **Job Losses Over the Pandemic**

RHT employers experienced a breadth of workers leaving the industry since the outset of the COVID-19 pandemic, with many workers either retiring as a result of the pandemic and potential health concerns, or seeking career changes into roles that interface less with the public. The employer panel also noted that the RHT sector lost many workers as a result of statewide COVID restrictions/protocols, resulting in mass layoffs. Many workers who previously worked in the sector are hesitant to return as a result of perceived instability and former COVID-related job loss. RHT employers affiliated with unions experienced more stability and fewer layoffs during the pandemic.

### **Hiring Shortages**

Employers highlighted hiring shortages as one of the largest current issues in the industry. The panel expressed difficulty finding candidates, and a need for a pipeline of individuals who are willing and able to apply and participate in the hiring process. Multiple employers cited instances of highly marketed hiring events resulting in incredibly low candidate recruitment. Worker shortages extend all the way up the pipeline from production to transportation of products, leaving RHT businesses without products needed by customers. When RHT employers lack the staff and supplies to fully equip their teams, it negatively impacts the customer service experience, which is an integral part of working in this industry.

### **Employee Burnout & Flexibility**

Hiring shortages also affect incumbent workers, leading to unsustainable work environments where remaining employees work overtime, negatively impacting morale and retention efforts, and leading to burnout. However, employers have had to respond to this problem by offering more flexibility in order to retain staff. This has resulted in employers and workers being more transparent with scheduling availability, honoring these time parameters, and enforcing more of a work/life balance. Additionally, more employers have begun offering daily pay, where employees are paid at the end of each work day, and have the ability to personally decide whether or not to return to work.

### **Competitive Wages and Benefits**

The employer panel asserted that they have been evaluating wages over the last year and a half in order to remain competitive and ensure equity and marketability of positions. When possible, employers are increasing pay and benefits in order to attract and retain workers. However, employers also reiterated opportunities for upward mobility within RHT companies, including receiving wage bumps by cross training into different departments, and working up into higher positions.

### **Public Misconception & Career Opportunity**

Employers noted that job seekers often view RHT jobs as low-level service jobs rather than life-long careers. However, the RHT sector has a broad spectrum of careers, from entry-level service to higher level roles in sales, marketing, and management. Employers emphasized the need for workers to understand that RHT careers have both public and private facing roles, and that the desire for a remote or non-public facing position should not be a deterrent to working in this industry. Additionally, through working in this industry, workers have the opportunity to start

at an entry level role, and move their way up to management, operational, or other higher-level positions.

### **Customer Service Skills**

Customer service skills were highlighted as a key skill for candidates entering the RHT field. The employer panel discussed how quality customer service is one of the main factors which differentiates different RHT services from one another, and can have a huge effect on business. Additionally, pandemic spurred conflicts with customers have increased the need for quality customer service skills, leading employers to seek workers who are patient, understanding, have a growth mindset, and show resilience in times of challenge.

### **Employer Partnerships with K-12 and Community Colleges**

Raley's currently works in partnership with Cristo Rey High School in Sacramento, offering an externship style program to high school students, and providing an opportunity to work within Raley's nearby support center. Raley's also works with Fresno City College to offer employees a free certification in a retail management program. In addition, Raley's partners with the California Grocers Association in order to offer scholarships for employees pursuing their Bachelor's Degree in grocery-adjacent fields. Other employers expressed a desire to strengthen partnerships with community colleges in order to facilitate alignment for future RHT workers.

### **Community College Partnership and K-12 Socio-Emotional Learning**

The employer panel recommended implementing work-study around agriculture and retail at the high school level to help students understand the concept of agriculture and the food supply chain, which could also educate students on different career opportunities in these industries.

Panelists also recommended outreach at the K-12 level to provide students with a foundation of interpersonal or "soft skills", which are essential tools for success in the workforce. Employers specifically mentioned teaching students skills like active listening, verbal and written communication etiquette, and ways to effectively engage with others. Employers suggested that connection between community colleges and local schools could build students' socio-emotional learning, educate students about different career opportunities, and streamline access to college programs upon high school graduation.

Micro-credentialing opportunities at the junior college level were also mentioned as a viable option for students to gain industry knowledge of the grocery and retail space.

### **Labor Market and Information Job Posting Insights**

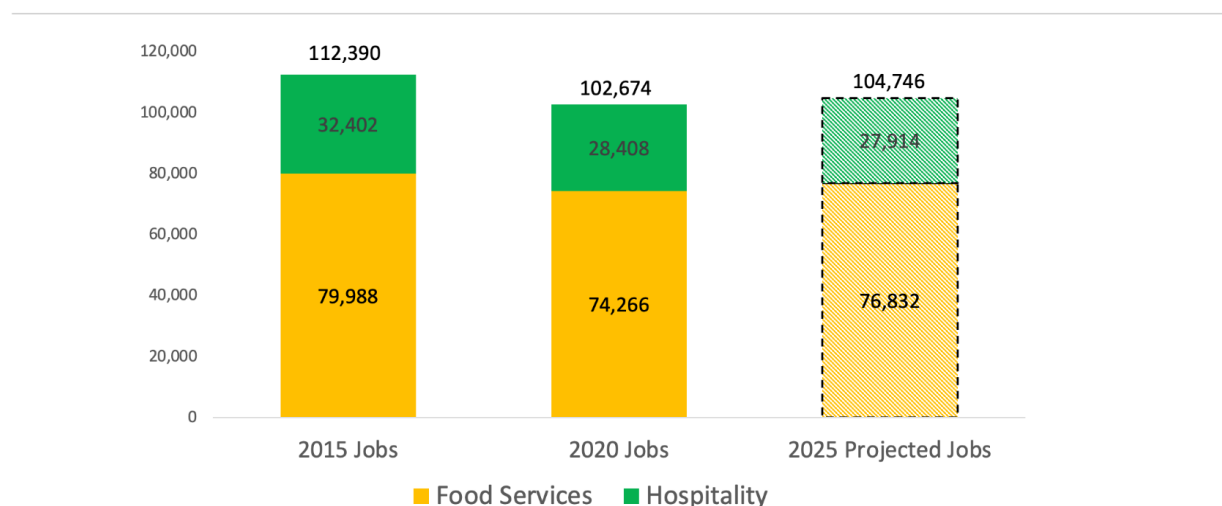
Aaron Wilcher, Research Director from the North Far North Center of Excellence provided research data on the Retail, Hospitality and Tourism sector's labor market as well as job posting information for the industry.

When examining the data, Wilcher compared both Hospitality and Food Service jobs in the Greater Sacramento area, with three quarters of jobs being in the food service industry, and the remainder being in the hospitality industry. As displayed in Figure 1 (below), the two industries

combined experienced nearly 10,000 lost jobs from 2015 through 2020, which Wilchert asserted was a direct result of the pandemic. While the projected job growth for 2025 is estimated to grow by about 2,000 jobs, Wilcher noted that this data estimation is likely to change as a result of the pandemic.

*Figure 1: Job Outlook in the Hospitality-Food Service Industry*

### Hospitality-Food Service Industry Snapshot Greater Sacramento – total jobs



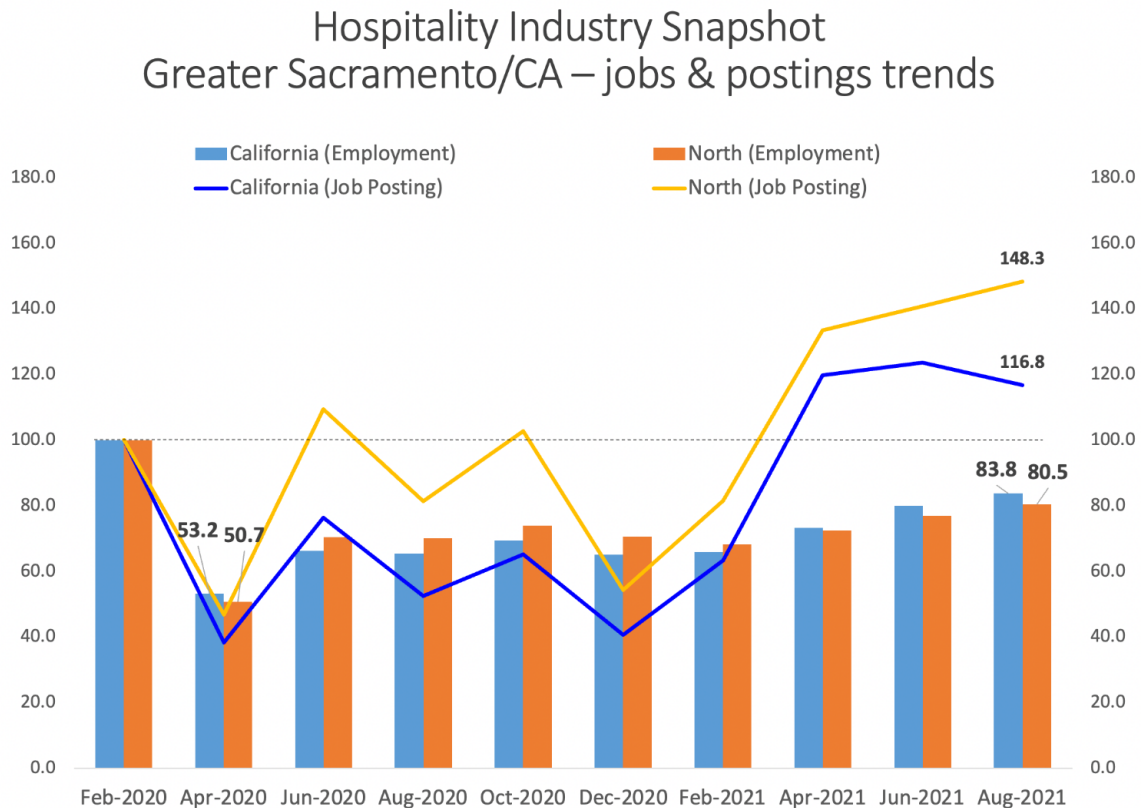
Source: Emsi 2021.2; QCEW Employees, Non-QCEW Employees, and Self-Employed in the seven-county North (Greater Sacramento) region, which includes El Dorado, Nevada, Placer, Sacramento, Sutter, Yolo, and Yuba.

When examining Hospitality and Food Service careers' share in the economy, the Greater Sacramento region's share closely mirrored California's data as a whole. The data found that urban and metropolitan regions had the highest share of hospitality and food industry jobs, and faced more intense impacts of job loss during the COVID-19 pandemic, and have also been slower to recover.

Similar to what was previously mentioned by the employer panel, the Center of Excellence's data also showed that the monthly volume of job postings had massively increased from the beginning of the COVID-19 pandemic through 2021. As shown in Figure 2 (below) the Hospitality industry in both California and the Greater Sacramento region show a huge gap between current job postings and actual employment levels. Additional data shows that the average annual earnings for the Hospitality Industry in the Greater Sacramento area were \$40,767 in 2020, while Food Service Industry annual earnings in 2020 were \$25,975.



Figure 2: Hospitality Industry Jobs and Posting Trends



When examining actual job postings, the Center of Excellence identified examined top occupations in both the Hospitality and Food Service Industries, and identified specific occupations at the Middle Skill level - meaning jobs that require more than a high school diploma but less than a Bachelor's Degree - which showed projected job openings and higher median hourly wages. For the Hospitality industry, this included: General and Operations Managers at \$49.55 per hour, Exercise Trainers and Group Fitness Instructors at \$24.11 per hour; and Maintenance and Repair Workers at \$21.78 per hour. For the Food Service Industries, this included: General and Operations Managers at \$49.55 per hour; Food Service Managers at \$24.66 per hour, Chefs and Head Cooks at \$22.90 per hour; and supervisors of Food Preparation and Servers at \$18.05 per hour.

When assessing overall job posting data for Hospitality and Tourism jobs in the Greater Sacramento region from July 18, 2021 through October 15, 2021, Figure 3 (below) displays the top ten employers, top ten occupations, and top ten skills most listed in job postings.



Figure 3: Top Employers, Occupations, and Skills listed in Greater Sacramento Job Postings

## Hospitality-tourism Jobs Postings Greater Sacramento – July 18 – October 15

Top 10 Employers	Top 10 Occupations	Top 10 Specialized Skills
<ul style="list-style-type: none"> <li>Starbucks Coffee Company</li> <li>Vail Resorts Management Company</li> <li>Hyatt</li> <li>Red Robin</li> <li>Squaw Valley Alpine Meadows</li> <li>Hard Rock Hotel &amp; Casino Sacramento at Fire Mountain</li> <li>Marriott International, Inc.</li> <li>Cache Creek Casino Resort</li> <li>McDonald's</li> <li>Hilton Hotel Corporation</li> </ul>	<ul style="list-style-type: none"> <li>Combined Food Preparation and Serving Workers, including Fast Food</li> <li>Waiters and Waitresses</li> <li>Food Service Managers</li> <li>Cooks, Restaurant</li> <li>First-Line Supervisors of Food Preparation and Serving Workers</li> <li>Hotel, Motel, and Resort Desk Clerks</li> <li>Dishwashers</li> <li>Maids and Housekeeping Cleaners</li> <li>Baristas</li> <li>Bartenders</li> </ul>	<ul style="list-style-type: none"> <li>Scheduling</li> <li>Cleaning</li> <li>Customer Service</li> <li>Guest Services</li> <li>Cooking</li> <li>Food Preparation</li> <li>Cash Handling</li> <li>Restaurant Experience</li> <li>Budgeting</li> <li>Sales</li> </ul>

Source: Burning Glass, Labor Insight.

Note: Hospitality and tourism = NAICS 71-72.

## Conclusion

The attendees were given contact information of the Regional Director over RHT, Josh Sweigert and Renee John, Project Leader at Valley Vision. The contact information is listed below:

- Josh Sweigert, Regional Director of Employer Engagement: Retail, Hospitality, and Tourism - [sweigert@ltcc.edu](mailto:sweigert@ltcc.edu)
- Renee John, Project Leader, Valley Vision - [renee.john@valleyvision.org](mailto:renee.john@valleyvision.org)