SKILLS DIALOGUES: LISTENING TO EMPLOYERS

15

An Assessment of Skills Needs in Tourism and Cultural Industries

July 2002

The Skills Dialogue project was managed by the Impact Research Network on behalf of the six Impact NTOs:

CHNTO

ISNTO

HtF

Metier

SPRITO

TTENTO

Cultural Heritage National Training Organisation

National Training Organisation for Archives, Library and Information Services and Records Management

Hospitality Training Foundation

National Training Organisation of the Arts and Entertainment Sector

National Training Organisation for Sport, Recreation and Allied Occupations

Travel, Tourism Services and Events National Training Organisation

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Foreword

This Skills Dialogue report was written at a time of significant political events, and uncertainty in the world's financial markets. Such factors have enormous importance for the United Kingdom's tourism and cultural industries, and this report takes into account the economic drivers that shape their development. However, its main purpose is to look in depth at the skills issues on which the future of the industries depends.

Tourism is an area of economic activity defined by its market and customers - visitors, either as domestic or business tourists - not by the activity itself. The tourism and cultural industries serve local, national and international markets. The many people - over two million - who serve those markets are employed by public, private and voluntary organisations and represent a wide range of sectors, from hospitality to sport.

This important work identifies the value of sectors working in collaboration whilst recognising the very specialist and often technical requirements that each sector has. The sectors have pledged to work together at a strategic level in the future through the Sector Skills Council structure to ensure the economic worth of the sectors can be maximised.

The report highlights the difficulties encountered by the sectors in comparing research undertaken in the name of Tourism and Culture. The limitations in the formal classification restrict labour market and skills intelligence data comparisons at a national and regional level. The new research database developed as part of this project goes some way to addressing this issue but much work is still needed on the integration of key industry intelligence across a common platform.

The importance of this report is that it alerts key agencies to the learning provision that will need to be made available, and the skills developments that will need to take place.

It is essential to face the challenges outlined in this report to ensure the development of well managed, customer focused industries that maximise the advantages available through modern technologies. Partnerships and integration of common systems should ensure that communications deliver a range of skills appropriate for our current and future workforce.

We hope this report will increase understanding of the scope, competitiveness, skills needs and pace of change facing tourism and cultural industries in the UK and that it will lead to further joint action between Sector Skills Councils, Regional Development Agencies, local Learning and Skills Councils and other regionally and locally based agencies concerned with economic development and skills across the UK.

Yours sincerely,

Chair of IMPACT

Skills Dialogues – General Introduction

Skills Dialogues constitute a series of consultations with all major industrial and business sectors, leading to the production of high quality authoritative skills assessments for each of these broad sectors. Dialogues have developed from recommendations in the *2nd Report of the Skills Task Force, Delivering Skills for All*, as a means of providing better quality information on changes in skills supply and demand at a sectoral level. They draw on research undertaken by National Training Organisations (NTOs) through Skills Foresight and other projects as well as a wide range of national research on current and future skills needs. In particular, the *Employers Skill Survey 2001* provides evidence through interviews with over 27,000 employers from all sectors across the regions in England.[1]

In October 2001, the DfES commissioned the Impact group of NTOs to produce a Skills Dialogue for the tourism and cultural industries. The aim of the project was to provide a sustainable resource through research related to the sectors' skills needs, gaps and shortages and improve the quality of information available on sector skills trends and issues. The Impact group, on behalf of employers in their sectors and sub-sectors, wanted the research findings to inform the planning and implementation of education and training provision, and provide additional material that would support careers advice and guidance.

[1]Hogarth T, Shury J, Vivian D, Wilson R (2001), Employers Skill Survey 2001,DfES

Executive Summary

This Skills Dialogue is an assessment of the skills needs of the tourism and cultural industries. It has been written using information from a databank of over 150 labour market reports, including sector workforce development plans and interviews with key players in the industry.

The report summarises the economic background to the tourism and cultural industries, which directly contribute some £75bn to the UK economy. The sector is made up of hotels and catering; arts and entertainment; cultural, natural and built heritage; travel, tourism services and events; sport and recreation, leisure parks and attractions. As an industry sector it generates over £16bn of foreign exchange earnings and accounts for around 7% of GDP.

Whilst comprising mainly 300,000 small and micro-sized businesses, with 85% employing fewer than 25 staff, it has nevertheless accounted for 1 in 6 of all new jobs created in the last 10 years. It employs over 2m people – some 8% of the total UK workforce.

The Impact group of six NTOs was invited to carry out the dialogue process. The respective size of the workforce they cover relative to the group as a whole is presented in brackets:

- CHNTO - the Cultural Heritage National Training Organisation
- ISNTO - the Information Services National Training Organisation (3% - CHNTO and ISNTO combined)
- HtF - the Hospitality Training Foundation (51%)
- Metier - the Arts and Entertainment National Training Organisation (19%)
- SPRITO - the Sports and Recreation National Training Organisation (23%)
- TTENTO - the Travel, Tourism Services and Events National Training Organisation (4%)

The report identifies the key economic drivers that shape the advance of one of the UK's strongest growing service industries. These include the general economy, regulation, government initiatives, social change and customer behaviour, demographic trends, technology, and the environmental agenda. In recent times growth has stalled, but during the remainder of the decade it is anticipated that demand will increase, and result in recruitment difficulties and skills shortages.

While the cultural heritage sector, the arts and entertainment sector and the information services sector have a high proportion of employees qualified to levels 3, 4 and 5, in the hospitality sector, 45% of the workforce has a qualification no higher than level 2. The majority of employees in the information services sector are full-time, while in the arts and entertainment sector about a quarter of the workforce is part-time. The hospitality sector has a slightly higher percentage of part-time (and seasonal employees) to meet fluctuating business demands, as does the travel and tourism sector.

The report reviews further and higher education provision and suggests ways forward in matching the curriculum offer and business and employee needs. Specifically the dialogue process has highlighted a need for transferable/generic skills, management skills, communication skills, and IT skills across all sectors of the industry, as well as particular vocational issues by sub-sector. These include, for example, the nationwide shortage of chefs in the hospitality industry, and very specific sector skills needs such as fundraising and sponsorship in the arts and entertainment sector.

The concluding section suggests areas for further work. It notes the need for additional support for small businesses to raise the skills of all their employees, including seasonal and part-time ones. It indicates the need for employers and training providers to work more closely together to provide effective education and training opportunities that will help resolve the skills gaps and shortages that exist. Finally, it advocates a greater sharing of, and transparency in the development of labour market information, thus enabling public and private sector organisations to plan more effectively for the future of the industries.

1 Introduction

The tourism and cultural industries are an important part of Britain's economic activity, and directly contribute some £75bn to the UK economy. For the purposes of this study, the coverage includes the following sectors: hotels and catering; arts and entertainment; cultural, natural and built heritage; travel, tourism services and events; sports and recreation, leisure parks and attractions. The industries collectively generate over £16bn of foreign exchange earnings and account for around 7% of GDP.

The importance of the sector was highlighted in the government's tourism strategy *Tomorrow's Tourism – a growth industry for the new Millennium.*[2] Whilst comprising mainly 300,000 small and micro-sized businesses, with 85% employing fewer than 25 staff, it has nevertheless accounted for 1 in 6 of all new jobs created in the last 10 years.[3] It employs over 2 million people – some 8% of the total UK workforce and is now larger than the combined aerospace and automotive industries.

The sector provides enormous employment, training and career opportunities for young people: 17% of the workforce is below the age of 20, compared with 5% of the total national workforce. The tourism and cultural industries also make a major contribution to the government's agenda for social inclusion and lifelong learning. They provide, in particular, opportunities for the unemployed, and women returners.

This study was managed by the Impact group of National Training Organisations.[4] The scope of the study reflects their representative remit, and includes sectors and sub-sectors which are at the core of the delivery of the tourism and cultural product. They also represent some sub-sectors which have a more supportive or tangential role. Nevertheless, it is recognised that the labour pool is fluid, and skills used serving one market may be deployed in another. The chef in the city centre restaurant can move employment and work in the catering kitchen of a large university. The skills are portable and s/he will be offering the service to a largely domestic audience in the new role, rather than serving the tourist market directly. This report is concerned with skills development that serves all markets. It is the economic climate that may encourage the public and private sectors to recruit and train the labour force that is the subject of this Dialogue.

The final factor to be noted in the scoping of this report is the omission of other sectors that support the tourism and cultural product. This report has not included Retail or Transport, which are the subjects of separate Dialogue reports. The Department of Culture, Media and Sport also includes within its remit other sectors which are supportive of the tourism and cultural industries. This study recognises its own limitations, in this respect, and acknowledges that there are common skills issues, and a potential shared labour pool between sectors, for example, hospitality and retail in customer service roles.

[2]DCMS (1999), *Tomorrow's Tourism – a growth industry for the new Millennium*

[3]DCMS (1999), *Tomorrow's Tourism – a growth industry for the new Millennium*

[4]"NTOs were set up to represent and address the skills needs of employers and occupational groups across Great Britain, and the occupational standards and NVQ requirements in Northern Ireland. This purpose of NTOs, first set out in the 1996 prospectus inviting bids from organisations seeking recognition, has been widely accepted by NTOs themselves, trade associations and other key partners. At the outset it was identified that NTOs needed to be strong, strategic and well-supported with recognition from employers of all sizes, individuals, government and others." - *BUILDING A STRONGER NETWORK: Developing the Role of National Training Organisations*, DfEE Consultation document, January 2001

The Challenge

With rising customer expectations and choice, the competitive edge in the sector increasingly rests on raising service standards. At a time when quality and value are more than ever determinants of success on a global stage, the UK is fast falling behind other international tourist destinations which are better able to deliver "World Class" standards of excellence. The UK deficit on the tourism balance of payments account rose from £5bn in 1996 to over £15bn in 2000. This is putting at risk some 300,000 new jobs which the sector has the potential to create over the next 10 years. Difficulties in the sector have recently been exacerbated by re-structuring caused by travel problems, the foot-and-mouth disease crisis and the events of 11 September 2001. Overseas earnings in 2001 were down £2.5bn, as visitor numbers had fallen by 25% and investment had been cut by over 30%.

The main underlying competitive weakness in the sector lies in growing skills gaps and shortages which were highlighted in the government's tourism strategy *Tomorrow's Tourism – a growth industry for the new Millennium*. Many employers in the sector have enormous difficulties in attracting and retaining skilled staff. A fall in the number of young people aged 16-24 has hit the hospitality, travel and tourism industries particularly hard. Productivity levels are around half of those in the USA, Germany and France, and hard-to-fill vacancies are running at over 20%, compared with 3% in manufacturing. Fewer than 16% of managers and supervisors are appropriately qualified, compared with over 50% in other sectors, more than 45% of Modern Apprentices do not complete their programmes and 25% of front line staff lack basic skills. In the hospitality industry 45% of the workforce is qualified at NVQ Level 2 or below. The reverse is probably true of the employees in the arts and entertainment industries, with more than 82% holding qualifications at NVQ level 3 or above.

Many employers in hospitality businesses find those leaving school and college are not job ready in terms of basic skills: they lack skills in numeracy, literacy and communication. In addition, ethnic restaurants in some regions account for over 50% of food service outlets: a lack of language fluency is creating increasing operational difficulties in food hygiene, health and safety.

In many parts of the tourism and cultural industries, the introduction of new technology is being hindered by a lack of skills at both operational and operative level. Managers of small hospitality and tourism businesses are also failing to maximise the potential offered by new technology because of a lack of ICT skills. Managers of these businesses equally need to develop skills in areas such as work scheduling and work process management if productivity levels are to be increased.

Establishments within the sector are more varied in size and mode of operation than probably any other sector: from large multi-national, multi-million pound businesses to a myriad of sole traders and free-lancers selling goods and services on narrow margins. Wide seasonal variations in the demand for services and the vagaries of the broader economy have created an industry that demands maximum flexibility from the labour market. The hospitality sector often draws in staff with limited skills for short periods of time; employers give limited training and in turn experience rapid staff turnover. Cultural heritage venues, sports and recreation centres, leisure parks and tourist attractions also often operate with part-time or temporary staff. This pattern of employment has resulted in a significant number of skills issues that need to be addressed.

Information gathering

In seeking to help the tourism and cultural industries respond to these challenges, difficulties have been encountered by employers and support agencies, in developing a comprehensive picture of the labour market across the Impact sectors.

Much research has been commissioned over recent years. This has often been sectorally or sub-sectorally based, and in many cases has been on a regional basis to satisfy sponsors' needs. This individually commissioned research provides a rich resource, but the results gathered are often the product of quite different methodological approaches, and even when common approaches are used, the measuring tools may have slight variations that make comparisons of research findings difficult.

A second problem that has arisen concerns the use of data commissioned by national agencies and the taxonomy of SIC and SOC codes as they relate to the industries covered by the Impact group of NTOs. The scope for tracking employee numbers for some of the Impact sub-sectors has proved a difficult task, and this issue will be reflected on during the course of this Skills Dialogue report.

As well as the desk research undertaken for this report, twenty stakeholders in the industry were interviewed, ten further and higher education institutions were visited, and a consultation event convened to discuss the key findings.

Skills Dialogue for the Tourism and Cultural Industries

This Skills Dialogue project was undertaken in three parts:

- Phase One investigated, catalogued and reported on the labour market and skills intelligence available for the Impact Group;
- Phase Two raised the awareness of key stakeholders to the project, consulted on the findings from Phase One, investigated and tested the possibility of an internet based database that catalogued the range, breadth and depth of LMI identified in Phase One;
- Phase Three saw the production of a summary report presented at a major event that launched the internet based, catalogued database of Impact LMI. By June 2002, there were more than 150 reports in the database.

In constructing the internet database, particular attention was placed on ensuring the provision of baseline data to inform government departments and support agencies, such as Regional Development Agencies, Learning and Skills Councils and Business Links in the construction of future skills strategies and workforce development plans. These in turn can feed into the development of Frameworks for Regional Employment and Skills Action (FRESAs), which are being supported by the Secretaries of State for Work and Pensions; Trade and Industry and Education and Skills.

The aim of the database is to promote easier access to important sector data and, by collecting all relevant data in one place, to help identify areas for further research. The database project resulted from a recognition across the Impact NTOs that the tourism and cultural industries have to speak with one voice to highlight the need for further development and research funding. This particular Dialogue follows naturally from the work of the Impact Research Network whose members received the commission from the DfES to execute the study. Impact Research Network members drawn from the constituent NTOs had been sharing labour market information for some time, and reviewing similarities and differences in their respective sectors' skills needs.

The report and future action

This report sets out the results of the baseline study of skills and labour needs in the tourism and cultural industries. It looks in detail at changing social patterns, employment patterns and economic drivers; considers employment trends, skills needs, skills supply and skills gaps and goes on to set out a series of recommendations for future action.

This Skills Dialogue report is an important element of a new, co-ordinated effort to promote the importance, opportunities and needs of the industry. It aims to provide an overview of the wider tourism and cultural industries and in doing so aims to become the key tool for highlighting the synergies between the different sectors. The report points to the commonalities in development and skills needs for the sectors while at the same time highlighting important differences across the individual Impact sectors. This will help to inform current and future skills development projects.

The report shows that there needs to be more investment in skills and training across the Impact sectors. Skills shortages and skills gaps reduce the quality of the services and products provided by the Impact sectors. This not only reduces customer satisfaction and the sectors' competitiveness but also further perpetuates the negative image of the sectors, which in turn further increases skills shortages due to a lack of skilled applicants.

This report represents the opening of a new chapter in the development of the workforce of the tourism and cultural industries and also the beginning of a coherent move towards dependable, quality research.

2 Skills Needs across the Impact Sectors

2.1 Setting the Scene - the Impact NTOs and their sectors

The Impact NTOs are made up of six national training organisations which have come together to develop a UK-wide database of labour market information for their respective sectors.

The Impact group is made up of the following six NTOs:

- CHNTO - the Cultural Heritage National Training Organisation
- HtF - the Hospitality Training Foundation
- ISNTO - the Information Services National Training Organisation
- Metier - the Arts and Entertainment National Training Organisation
- SPRITO - the Sports and Recreation National Training Organisation
- TTENTO - the Travel, Tourism Services and Events National Training Organisation

The relative size of each workforce is illustrated in the pie chart below.

Figure 1: Estimated percentage share of employees by Impact sector

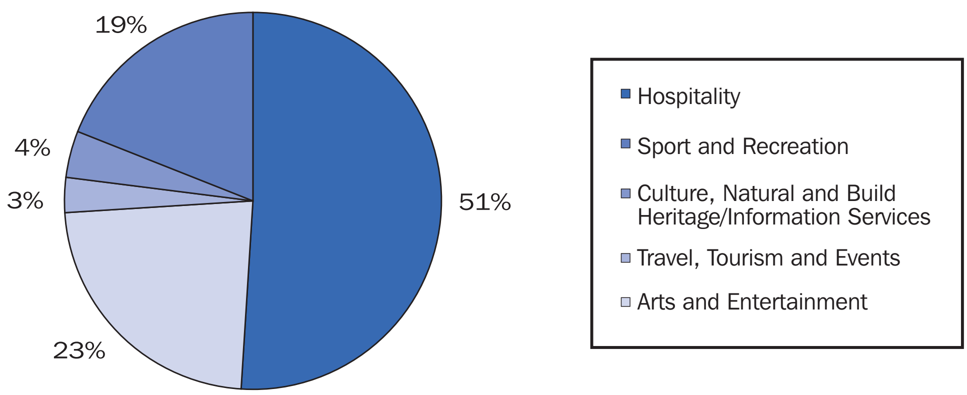


Table1: Impact group

Metier	**SPRITO**
Performing Arts	Sport and Fitness
Visual Arts and Craft	Playwork
Literary Arts	The Outdoors
Arts Management and Administration	Leisure Parks, Piers and Attractions
Arts Development and Teaching	Caravans
Technical Production and Support	
	ISNTO
HtF	Information Services
Hotels	
Pubs/bars and clubs	**CHNTO**
Restaurants	Nature Reserves, Parks, Gardens (Botanical and Zoological)
Contract catering	Tourist Attractions and Visitor Centres
Hospitality services	Archaeological and Historic Houses/Sites
	TTENTO
	Travel
	Tourism Services
	Events

To put this report into context, a brief description of each of the six Impact sectors is important.

The **cultural heritage sector** covers three sub-sectors:

- All types of museums and art galleries
- Nature reserves, parks and gardens
- Archaeological and historic houses/sites

The sector includes core occupations such as conservators, curators, archaeologists, managers, security operatives, researchers, visitor services operatives and educators. Organisations in the cultural heritage sector are both public and private. The sector plays an important role in developing social cohesion and inclusivity, and in supporting educational, economic and regeneration activities in the UK. It also adds significant value to the tourism industry. Galleries and museums are among the most popular attractions for overseas tourists.

The UK Cultural Heritage Labour Market Information Report (1999), from an analysis of LFS data, estimated that there were 90,335 employees in the sector: 50,327 in Libraries, archive activities; 33,133 in Museums activities; and 6,875 in Botanical, zoological gardens, etc. The gender breakdown was two female employees for every male employee.[5] However, within the same report, other studies cited suggest a more even balance between male and female numbers employed. (This point is re-visited in section 2.3.1, on page 24)

The **hospitality sector** covers five sub-sectors:

- Hotels
- Restaurants
- Pubs, clubs and bars
- Contract catering
- Hospitality services

The sector is a major force within the tourism industry. It employed 1.8 million people in 289,949 establishments throughout Great Britain in 2000, although numbers have since declined. By 2001 employment was standing at 1.48 million.

The industry is made up of two types of business. Those called hospitality businesses, which are traditionally found in the tourism industry, such as hotels, restaurants, pubs and contract catering. The other – hospitality services, is made up of catering establishments, in industries whose main business is not hospitality, such as student accommodation, restaurants in retail outlets and catering in schools, hospitals and the armed services. In 2001 employment in hospitality services accounted for 384,000 jobs.

The **information services** sector covers

- Archives
- Libraries
- Information Services
- Records Management

UK-wide there are 3,000 professional archivists, 1,000 professional paper conservators, 12,000 support grade professionals and about 100,000 record managers. Volunteers are not counted in these numbers. The vast majority of employees in the sector work full-time and a significant proportion of them work in the public sector.[6]

The **arts and entertainment sector** is made up of six sub-sectors:

- Performing arts (e.g. drama and performance, music, circus)
- Visual arts and craft (e.g. fine art, sculpture, craft making, art, photography)
- Literary arts (e.g. creative writing, poetry, script-writing, storytelling)
- Arts management and administration (e.g. artistic direction, box office)
- Arts development and teaching (e.g. community arts, dance teaching)
- Technical production and support (e.g. sound recording, lighting, costume design)

The arts and entertainment sector is a large sector which includes some of the most successful parts of the UK economy. Activities in the sector help to counter social exclusion, improve the quality of life and foster neighbourhood renewal. The sector provides tools for

[5] The figures are for 1998 and relate to SIC codes 92.51, 92.52, and 92.53. The CHNTO Report explains the background to this data collection and analysis.

[6] Figures provided through stakeholder interviews in the sector.

change both at community and personal level. A large number of organisations are small to medium-sized and the sector includes both private and publicly subsidised organisations. Overall, it employs about 500,000 employees and a large number of volunteers. Cultural sector occupations make up 1.6% of the economically active population in the UK.

The **sports and recreation sector** covers six sub-sectors:

- Sport and recreation (e.g. sport and leisure facilities, stadia and arenas)
- Exercise and fitness (e.g. single club operators, multi club operators)
- Playwork (e.g. open access settings; play development; mobile provision)
- The outdoors (e.g. education, development and recreation, sport)
- Leisure attractions (e.g. leisure parks, piers, attractions)
- Caravan industry (e.g. caravan parks).

It is one of the major service industries in the UK. Sport is recognised as an important sector of the UK economy accounting for approximately 2% of both Gross Domestic Product and employment, and nearly 3% of consumer expenditure. It has been estimated that total consumer spending on sport in 2000 was £15.2 billion. Sports and recreation services are provided by organisations across the public, private and voluntary sectors, encompassing local authorities, private contractors, trusts, large multi-site plcs, small independent private operators and a whole range of voluntary sector organisations, some with facilities and some without.

SPRITO's own estimates of the workforce, provided for this report, suggest that across all its sub-sectors there is a total of 608,000 paid employees, and a further 1,930,000 unpaid employees. The main component in both figures is sport and recreation, including health and fitness. Of the employed workforce, the Leisure Attractions sub-sector consists of only 7,000 employees and the Caravans sector 60,000 employees. This labour force is working in 178,120 enterprise units.

The **travel, tourism services and events sector** is, as the name indicates, made up of the following three sub-sectors:

- Travel (e.g. leisure and business travel agents, tour operators, ticketing agencies)
- Tourism Services (e.g. guides, tour managers, tourist boards, tourist information centres)
- Events (e.g. events organisers, venue providers, exhibitors, event suppliers)

The TTENTO Sector Workforce Development Plan 2001 quotes a recent survey which states that there are approximately 9,058 employers in this sector. Approximately 80% of those are in travel, 10% in tourism and 10% in the events sub-sector. The majority of these organisations are based in England. As in the arts and entertainment sector, the highest concentration of organisations can be found in London and the South East, closely followed by the North West. About 80% of the employers are SMEs with the remaining 20% being taken up by big employers. Overall the sector employed about 105,000 people in Great Britain both in full-time and part-time jobs. About 87% of the jobs are full-time, and 61.6% of the total numbers employed are female.[7]

[7]Sector Workforce Development Plan for TTENTO (2001). The data used in the Plan was based on earlier figures.

2.2 External factors affecting the Impact sectors

Skills needs and gaps in a particular sector are often directly related to, and influenced by, external factors, changing social patterns and various economic drivers.

The external factors that were mentioned most frequently across the six Impact sectors in stakeholder interviews were:

- The Economy
- Regulation
- Government initiatives
- Demographic trends
- Technology
- Environmental issues
- Social change and customer behaviour

The Economy

The overall state of the national and world economy is an important driving force for all sub-sectors of the tourism and cultural industries. A strong economy leads to both business and consumer confidence which in turn results in higher expenditure both on leisure and business travel. Expenditure on eating out, theatres, arts and entertainment is also heavily driven by disposable income and the *feel good* factor, both of which are again linked to people's perception of the economy and employment situation. The recent slow-down in the UK economy and more widely in the world economy, has reduced consumer spending on travel, eating out, culture and entertainment. The terrorist attacks on 11th September 2001 further accelerated the slow-down in visitors to the UK, as did other national events.

Moreover, variations in the strength of the pound against the Euro and dollar can exacerbate trends in tourists' destination choices.

In terms of business trends, there continues to be consolidation on a global basis amongst the larger players in the private sector.

Regulation

Laws, both national and European in origin, have impacted on business progress and investment. They may or may not benefit businesses, employers and employees in various ways, but they do shape behaviour and working practices. Two significant examples include the Working Time Directives, and the Minimum Wage. There are many others, particularly relating to Health and Safety and Food Hygiene that affect employees in the tourism and cultural industries.

Government initiatives

One government initiative which has had a significant impact on the industry, is the social inclusion agenda. As part of the social inclusion agenda, the government is setting minimum basic standards for all public services to ensure that their service provision is shared equally across society. In response to this agenda, the Department for Culture, Media and Sport produced policy guidelines in 2001 about social inclusion for cultural and sports provision. Catering for people with disabilities, for example, is one of the priorities.

Another example is the introduction of the National Lottery, and its capacity to generate money for the arts amongst its good causes. *The Arts and Entertainment Sector Workforce*

Development Plan stated that from 1995-1997, the Lottery distributed in excess of £1 billion to the arts. Similar amounts were distributed to heritage, sport and new projects via the Millennium Commission. This has increased the tourism offer, as well as adding to capacity and competition in the industry as a whole.

The National Lottery has also "become a valuable source of funding for sport at all levels. Sport England has distributed over £1.5 billion to sporting good causes: every constituency has benefited, as have sixty-two different sports. So far, around 2,700 Lottery-funded capital projects have been completed and opened, the majority of which are local facilities specifically earmarked for community use."[8]

Demographic trends

MORI research, as cited in the *Tourism Means Business: Skills and Employment Foresight Report for London* 2001,[9] outlined how different tourism and cultural activities appeal to different groups in society. One section of the report looks specifically at the habits of different age groups and suggests their use of different types of bars and restaurants is dependent on their life cycle points. The decline in UK household size, reductions in the birth rate, or the postponement of child-rearing by many women, and the overall ageing of the population are all contributory factors in a changing pattern of consumption of tourist related products. Henley Centre research, this time cited in the *TTENTO Sector Workforce Development Plan* (2001), showed that the older age group have both more disposable time and income which they use for an increasing number of holidays. Therefore, the older customer segment of the market is becoming increasingly important. Travel provision for single travellers is too, while demand for traditional travel arrangements for families is decreasing.

Technology

Increased use of ICT both by the various sub-sectors of the tourism and cultural industries and their clients has had implications for increased ICT training needs. The speed of ICT changes further makes ICT training and the updating of skills important.

Environmental issues

There can be tension between industry and employment growth, and the deleterious effects on the environment. A large scale development in the tourism and cultural industries, such as Heathrow Airport's Terminal 5, brings short term and long term benefits for the economy, particularly as London remains the most popular tourist destination for overseas visitors.[10] Nevertheless, local people fought against the new developments, because of noise pollution and a potential overload on the local infrastructure. Similar *environmentally* driven protests may take place, as discussion about building additional runway capacity at other airports in the South East of England is aired. The government issued a consultation document on this issue on 23 July 2002, covering the whole country, to inform its future planning, and forecasts: "a threefold increase in demand for air travel by the year 2030."

Social change and customer behaviour

The two main social drivers are (a) increases in consumer expectations and (b) increased leisure time. As part of their increased leisure time, people are more likely to engage in active recreation. The sports and recreation sector reports increased demand for new adventure sports developments and a higher demand for high quality training. According to the recent *TTENTO Sector Workforce Development Plan* (2001), 14% of total consumer spending goes towards leisure services. And while holiday products have increased in quality, customers' expectations about quality have increased even further.

[8]From the Sport England website: Policy briefing notes on the debate in the House of Commons on Friday 1 March 2002: The Achievements of the National Lottery to date

[9]HtF (2001), Tourism Means Business: Skills and Employment Foresight Report for London 2001, Hospitality Leisure Manpower

[10]British Hospitality: Trends and Statistics 2001, British Hospitality Association

The British Hospitality Report: *Trends and Statistics 2001*[11] gives the tourist spending for overseas visitors, which was £12,671 million in 1998. The breakdown of the tourist spend for all visitors – overseas and domestic – is useful in understanding the way that variations in the national and international economy, and social behaviour, may affect the industries covered by the Impact group of NTOs.

Table 2: Tourist Expenditure

Tourist expenditure 1999	All visitors % of total
Accommodation	34.0
Eating-out	23.5
Shopping	18.9
Travel in the UK	14.7
Services	3.4
Entertainment	4.4
Other	1.0

The British Tourist Authority estimated an increase of 44% on international tourist spending in the period from 1997 to 2003. The British Hospitality Association report recognised that this was optimistic even prior to the events of 11 September 2001. The London Tourist Board figures for international visitors to the UK showed an estimated decline in visitor spend between 2000 and 2001 of at least 12%.

Industry and education specialists interviewed in October and November 2001 saw significant redundancies and staff “lay offs” in the hospitality industries. The reaction was that this shakeout of labour would be short term, and when demand rose again over the next five years – 2002-2007 – that skills shortages and gaps would be even more pronounced as those displaced by the commercial decisions taken in the aftermath of 11 September 2001 would not return to their former areas of employment. It was suggested that trained staff who found new employment in other sectors were unlikely to be attracted back in any upturn.

The entertainment industry, particularly the commercial theatres in London and other major conurbations, also felt the impact of declining visitor numbers after 11 September 2001, and a number of productions were brought to an early close.

2.3 Employment in the Impact sectors

The table below gives a summary of employment in the different sub-sectors gathered from various sources. The SIC classification by which much employment data is gathered and analysed distributes employees across a number of classifications, and it is often necessary to go to the four digit level of the classification system to identify the numbers involved in the sub-sectors of each NTO’s area. This brings additional problems as the sample sizes for these classifications are too low to provide estimates of workforce sizes with confidence. The Hospitality data can be gathered at the three digit level of classification and this broader categorisation enables more confidence in the figures.

[11]Research undertaken by Sheffield Hallam University’s Centre for International Hospitality Management, and published June 2001. Source of data: BTA – Trends and Statistics 2001

The Impact group of NTOs has sought to track the location of their employees from the classification system and this document is presented as Appendix A. Labour Force Survey data for 2001 produced at the 3 and 4 digit level of classification was used to gain a clearer picture of the numbers employed for the sectors where some of the NTO evidence (cited above) was slightly out-of-date.

Table 3A Hospitality

	Employment	Establishments
Hotels	232,933	13,279
Restaurants	376,781	56,274
Pubs, clubs and bars	242,857	59,196
Contract catering	107,059	21,943
Hospitality services	370,879	
Totals for the sector	**1,330,509**	**150,692**

Source HtF 2002

Table 3B Sport and Recreation

	Paid Employees	Unpaid Employees	Enterprise Units
Sport and recreation (including health and fitness)	450,000 (including 50,000 health and fitness)	1,750,000 (including health and fitness)	162,500 (including 2,500 health and fitness)
The Outdoors	50,000	30,000	3,500
Playwork	41,000	150,000	5,500
Leisure attractions	7,000		120
Caravans	60,000		6,500
Totals for the sector	**608,000**	**1,930,000**	**178,120**

Source SPRITO 2002

Table 3C Cultural, Natural and Built Heritage

	Employment - 1998	Employment - 2000	Notes
Libraries, archive activities	50,327	50,000	LFS data is derived from samples of the population. It is usual to suppress population figures under 10,000 (and denote them*) as these extrapolated figures would be based on relatively small numbers in the population samples.
Museums	33,133	44,000	
Botanical and Zoological Gardens	6,875	*	
Totals for the sector	**90,335**	—	
	Source UK Cultural Heritage Labour Market Information Report (1999)	LFS data from ONS for 2000, Crown copyright (2002)	

The NTO schedule in Appendix A suggests a series of locations for employees within the SIC system. By arbitrary allocation of some of the employees in the Museums category to Metier, as suggested by the schedule, it depresses the number of employees within the CHNTO remit. However, it is suggested the CHNTO workforce is found under other codes, and identification of these employees can boost the numbers. The results of these investigations and arbitrary calculations would suggest a workforce directly related to cultural, natural and built heritage of approximately 135,000 in the UK in 2001.

It has not been possible to produce with confidence a table covering TTENTO's remit. The *TTENTO Workforce Development Plan* cites 104,779 in employment for all its sub-sectors combined in 1998. This is a figure for Great Britain and was derived from the Annual Employer Survey. The *Plan* suggests that the figure for the UK as a whole would be approximately 130,000.

The 2001 figures for the "Activities of Travel Agencies and Tour Operators; Tourist Assistance Activities – not classified elsewhere" show 122,874 employed under this code[12] alone, in the UK. The employees in the Events sub-sector of TTENTO are located in sub-categories of a four digit code, which were not available to this study.

The Arts and Entertainment Sector Workforce Development Plan, 2001, estimates a workforce of 500,000. Although the summary plan does not give a sectoral breakdown, Labour Force Survey figures for 2001 can be used to support this claim, and give some indication of the employee numbers in the main areas represented by Metier. Over 156,000 are in employment within the classification "Other entertainment activities". In many of the other areas overseen by Metier, it requires some arbitrary proportioning of employees. This study is not in a position to determine how many of the 78,000 in employment in various publishing activities should be within Metier. And although there are 198,000 in employment in the classification "Hairdressing and Beauty Treatments", it is probably reasonable to assume that only a small proportion is directly employed in the Arts and Entertainment industries.

2.3.1 Employment and business size

Overall, the sectors are made up of a large number of SMEs and a small number of larger firms. The recent *TTENTO Sector Workforce Development Plan* (2001) suggests that "Roughly 80% of employment in the sub-sector is in SMEs, with many independent travel agents having fewer than 10 employees." Similar figures apply across the other five Impact sectors as outlined in their respective workforce development plans.

[12] 63.3 - LFS data from ONS for 2001, Crown copyright (2002)

Freelancing, self-employment and voluntary work are another feature of the employment pattern in the different sectors.

Much discussion has taken place on organisation size, with heavy emphasis on the domination of small and micro-businesses in all aspects of the tourism and cultural industries. Yet an analysis of business size for **all** industry sectors in the UK showed that 98% of all businesses employed fewer than 20 people.[13] (By contrast, 0.1% of UK businesses employed 38.5% of the workforce) In this respect, the tourism and cultural industries may share common problems with other unrelated sectors with regard to managing skills and training issues.

2.3.2 Mode of employment

A distinct difference between tourism and cultural industries and the rest of UK businesses may be in the seasonal nature of the work, and the heavier dependency on part-time labour. Specifically in the hospitality industry, survey work had shown that 44% of businesses had recruited temporary staff in the preceding twelve months[14], although specific occupations tended to be exempt from this trend. Chefs, as discussed elsewhere in this study, as a staff group in short supply, tended to be retained when other categories of staff were released in seasonal downturns. The latest report from HtF[15] reviews the status of employees in the hospitality industry and shows that overall 27.4% are employed part-time and 72.6% full-time. There are sub-sectoral variations and in pubs, clubs and bars the proportion rises to 58.1% part-time. In the tourism sub-sector the seasonal nature of the work is an issue as this sub-sector represents tour guides, for example. The events and travel sub-sectors tend to offer more permanent positions.

The CHNTO Workforce Development Plan 2001 sees the balance of employment move from 59% employed/39% volunteer workforce in the low season to 50% employed/50% volunteer workers in the high season.[16] Earlier figures, from previous survey work, had shown parallel increases in both employed and volunteer workforces totalling 39% overall between low and high seasons. The increase in employed numbers was explained by greater use of short term/temporary contracts.

SPRITO estimates that there are 1.75 million volunteer workers in the Sports and Fitness sub-sector. This is four times its employed workforce, and while many of these may have a more indirect impact on the tourism and cultural industries, the nature of this workforce does have major implications in terms of training and skills levels of the labour pool as a whole. While front-of-house staff are often full-time appointments in the sports and recreation sector, there is a high incidence of part-time work in gyms and sports clubs.

The Arts and Entertainment Sector Workforce Development Plan cites a survey of 100 organisations in the arts and entertainment area which estimates that 55% of the workforce were "freelance, volunteer and short-term contract staff." It continues by quoting from its Arts Skills 2000 survey which showed that "53% of the respondents… were self employed… compared… to the national average of 12%." The majority of employees in the information services sector are full-time.

[13] DfEE (2000), Labour Market and Skill Trends 2000, DfEE "… in 1998 over 2.3 million businesses were either sole traders or partners without employees. In addition, there are a large number of small businesses with less than 50 employees. Between them they made up more than 99% of all businesses in the UK in 1998. However, given their small size their contribution to employment was only around 45%."

[14] Hospitality Training Foundation (2001), Tourism Means Business: Skills and Employment Foresight Report for London 2001, Hospitality Leisure Manpower

[15] Hospitality Training Foundation (2002), Labour Market Review 2002 for the Hospitality Industry, HtF

[16] The remaining 2% are from government training schemes.

2.3.3 Age of the workforce

There is anecdotal evidence in certain parts of the information services sector that the workforce is getting older, a phenomenon that is now being investigated by the National Council of Archives. The hospitality and the travel and tourism sectors rely heavily on a younger workforce. In the restaurant sub-sector 55% of employees are 25 or under, in the hotel sub-sector this figure drops to 26%. However in the hotels, and pubs, clubs and bars sub-sectors there is a strong presence of 30 – 59 years olds. However, with the prospect of an ageing population,[17] the tourism and cultural industries are going to have to have effective retention strategies to keep their workers as they grow older.

2.3.4 Gender

There is a significant male domination in certain parts of the arts and entertainment sector such as the music, photography and technical sub-sectors. The travel and tourism sector on the other hand relies heavily on women returners. Equally, the hospitality sector has a large proportion of women amongst its workforce, some 67% in the year 2000. By 2001 this had dropped to 61.6% female. Within the industry there are marked occupational differences: while 77% of waiting staff and 61.5% of bar staff are women, 57.5% of hotel/accommodation managers are men. In the cultural heritage sector the numbers of male and female employees are roughly equal in number. However, there are almost twice as many full-time to part-time male employees. For women the split between numbers in full and part-time employment is almost equal. In SPRITO's area the division is 43% men to 57% women in employment (or self employment). This figure disguises the fact that more men than women hold full-time posts.

2.4 Employment trends

The data provided in the section above (2.1) provides a summary of numbers employed. Appendix B also gives additional statistical information. The following section uses information collated through the *Employers Skill Survey 2001*. The survey results are based on 27,031 interviews conducted in the areas covered by the government's nine regional offices in England. Although this is a very large sample, when the analysis seeks to focus on some of the specific sub-sectors represented by the Impact NTOs, the actual sample of employers can be quite small, and the conclusions would not necessarily be representative of employers in that sub-sector as a whole. For this reason the graphs taken from *Employers Skill Survey 2001* data and referenced *ESS*, are complemented with comment drawn from sector workforce development plans.

Recent workforce development plans anticipate industry growth, for example, in the arts and entertainment sector and the hospitality sector in the longer term. The *Hospitality Workforce Development Plan* states that "Forecasts for the next few years are for sustained growth – it is predicted that a further 170,000 jobs will be needed in the industry by 2005" [18]. Stakeholder interviews in the sports and recreation industry offered the view that increasing awareness of health and fitness will contribute to continuing expansion in a sector that has already seen tremendous growth over the last 20 years. The SPRITO *Skills Foresight Report*[19] envisages up to 28% employment growth in the period from 1998 to 2008.

[17] "The population of England is projected to grow as a whole by just under 2 million from 1996 to 2010. The estimated growth for the whole population is 4%, leading to a total population of 51 million, whereas the increases anticipated for the 50-59 age range are in the order of 19% and in the 60 and over age range, the anticipated growth is 14%. The new demography of England can be summarised by the projection which suggests that there will 1.03 million more people in the 50-59 age range, and 1.4 million more in the 60 and over age range, while the total population growth of 1.94 million (over the period 1996-2010) for the country, is less than that of two 50+ age ranges combined." Carr T, Taylor P, (2001), Second Research Report for the Mature Workforce Initiative sponsored by East Midlands Development Agency)

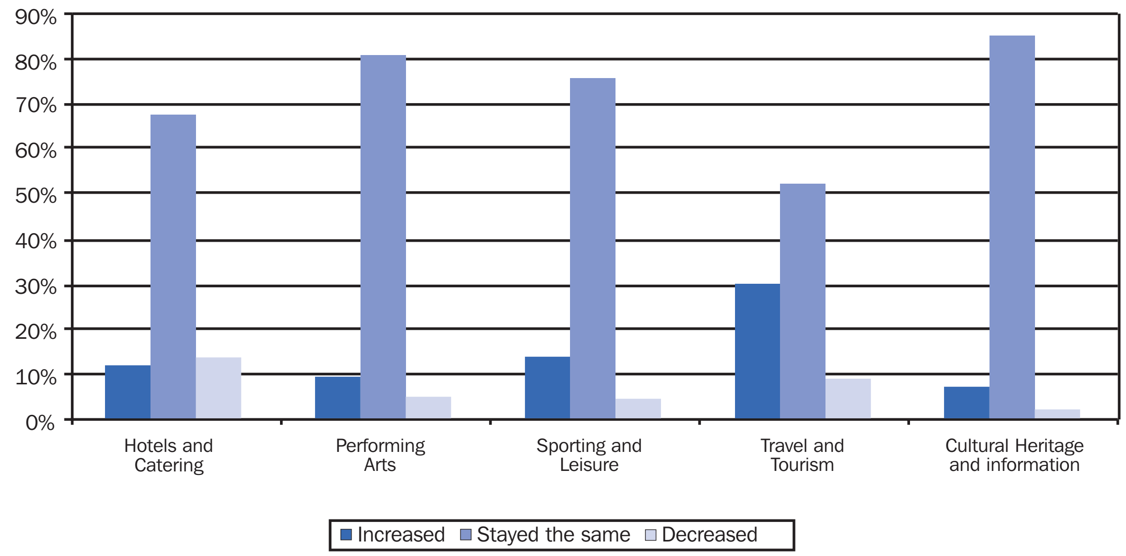
[18] Workforce Development Plan: A Strategy for the Hospitality Industry (2001), Hospitality Training Foundation.

[19] Business Strategies Ltd (2000), Skills Foresight and Labour Market Information for the NTO for Sport Recreation and Allied Occupations, SPRITO

Evidence from the US indicates that while the sports and fitness sector is affected by external factors such as economic downturns, it is more resilient to those than other parts of the tourism and cultural industries due to the high priority that is now increasingly assigned to fitness and sport.

Figure 2, drawing on ESS data, shows that there have been increases in employment, particularly in the travel and tourism sector. The highest decrease in employment has been experienced in the hotels and catering sector, but this may be a temporary phenomenon with the industry expecting employment growth towards the end of the decade.

Figure 2: Employment change over past 12 months[20]

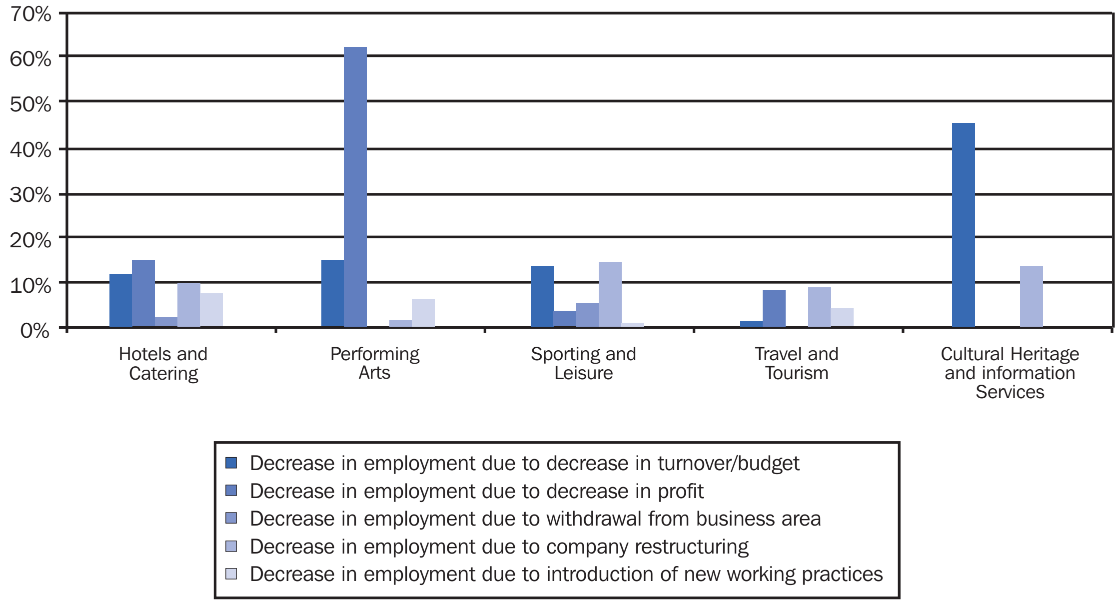


ESS 2001

Figure 3 shows that in the performing arts sector decreases in profit are stated as the most likely reason for a decrease in employment. This is also the most likely reason for employment decreases in the hotels and catering sector. Employers in the cultural heritage sector and in the information services sector state that decreases in turnover/budget are the most likely reason for decreases in employment. Figure 4 further highlights the importance of turnover/budget. It shows that employers who experience employment growth, state increases in turnover/budgets as the most likely reason for it.

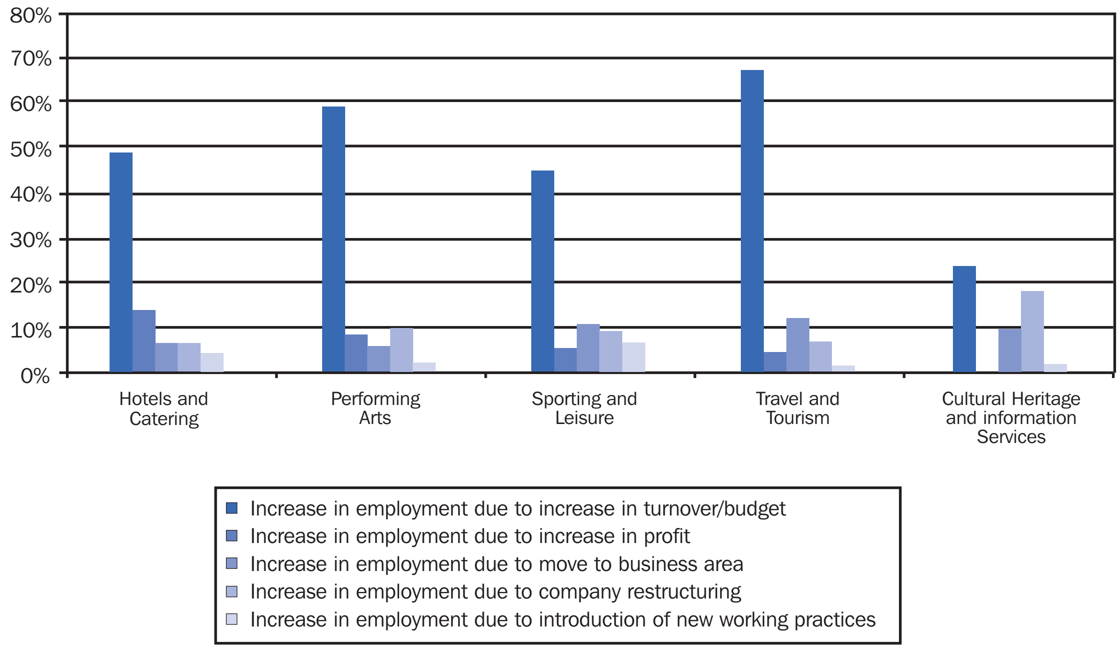
[20]Readers should note that sector titles used in the ESS figures are the descriptors used in the analysis of the original data and are not the names of the NTOs or their sub-sectors.

Figure 3: Percentage of respondents stating reasons for decrease in employment



ESS 2001

Figure 4: Percentage of respondents stating reasons for increase in employment



ESS 2001

The source data are from *Employer Skills Survey 2001* and as a consequence do not reflect the impact of both the terrorist attacks of 11 September 2001, and the foot-and-mouth epidemic. However, they are the most recent data available.

2.5 Skills needs of the Impact sectors

Workforce development plans for the individual Impact sectors are a good source to assess current skills needs across the sectors. However, each sector's workforce development plan uses a different methodology which makes it at times difficult to compare results.

2.5.1

CHNTO, in the *International Skills Benchmarking Survey* (2001), identified the skills that are prevalent in world class organisations in the cultural heritage sector. The skills league table below shows which skills these organisations are reported to have competence in. While job-specific skills such as acquiring and disposing of items, and lending and borrowing items are the two skills which the organisations have most competence in, these are closely followed by expertise in business and management skills. The high scores for management highlight the value that these successful organisations attach to good management skills amongst their staff. The importance of management skills was also highlighted in a number of interviews with cultural heritage sector stakeholders, all of whom identified management skills as vital skills for their various sub-sectors. In addition to this, the stakeholders identified communication, influencing/advocacy and technical knowledge as important. There was a distinction between the skills needed by back-of-house and front-of-house staff. The former being related strongly to technical skills, whereas the latter was very much related to customer focus and communication.

Interestingly, the benchmarking study ranked technology application skills consistently lower than management and other skills. The lower importance attributed to technology skills is further illustrated by the fact that in UK organisations, the maximum spend on ICT training of these world class organisations was only 1.3% of their total costs, whereas non-UK organisations spent five times that amount at a maximum of 6.7% of their total costs. ICT skills were also only mentioned by one of the four stakeholders in the sector.

Table 4: The skills league table

SKILL	BENCHMARK (Upper Quartile)
Acquire and dispose of items	6
Lending and borrowing items	5.8
Financial management	5.5
Leading the organisation	5.5
Supporting learning	5.5
Develop strategies for the care and presentation of the collection	5.5
Implementing conservation	5.3
Managing people	5.2
Planning	5.1
Project management	5.0
Promotion and communication	5.0
Applying technology	5.0
Information and advice to users	5.0
Developing strategies for education, enjoyment and entertainment	4.9
Application of technology to attract users	4.9
Evaluation of user requirements	4.9
Create exhibitions[21]	4.8

Source: CHNTO 2001 International Skills Benchmarking Survey

The table shows scores from all the key skills areas; these scores are all upper quartile figures.

2.5.2

In the ***arts and entertainment sector***, the four most important current needs identified by the Arts and Entertainment Sector Workforce Development Plan are:

- Arts related legal issues
- Copyright law
- IT and new technology
- Purchasing and sponsorship

It is interesting to see that legal issues are heading the list of skills needs, followed by IT and financial skills. Furthermore, the report identified that new legislation and technology, along with new sector-specific art knowledge, are leading to both an increasing demand for generalist skills and at the same time high levels of specialisation. In total, Metier identified twenty-one areas of future skills needs of its workforce.

[21]This score is reduced by a tendency to outsource the creation of exhibitions.

2.5.3
The various ***SPRITO*** *Workforce Development Plans* report the same need for skills broadening and skills deepening as reported in the Arts and Entertainment Sector Workforce Development Plan. Employers also identified the skills needed by the workforce now as:

- Communication
- Maintaining safety
- Team-working
- Initiative
- Customer service

Employees, when asked the same question, also mentioned leadership skills, planning and preparing work as important skills along with those mentioned by the employers. Furthermore, across all SPRITO sub-sectors more than half the employees felt that their current basic IT skills were not sufficient.

2.5.4
Skills needs in the **travel, tourism services and events sector** centred mainly on transferable skills such as communication, personal presentation, flexibility, using initiative, and basic literacy and numeracy.[22] The current need to be multi-skilled and a specialist at the same time was reiterated. Similar demands had been found in the arts and entertainment sector, and in the sports and recreation sector. As lines become more blurred in the travel sector, employees are expected to be able to accomplish a wider range of tasks. At the same time, there is a need for specialist knowledge, especially amongst the smaller operators who perceive their specialist knowledge as providing an ‘edge’ over other, often larger operators. Stakeholder interviews also showed that in addition to these transferable skills, ICT skills are becoming essential due to the increasing use of the internet by both travel agents and their clients.

2.5.5
The stakeholder interviews showed that the most pressing skills needs in the **information services sector** are:

- Leadership skills
- ICT skills
- Analytical skills
- Persistence
- Organisational skills
- Written and verbal communication skills

Again the need for multi-skilling, while at the same time being able to maintain specialist knowledge, was mentioned. It was considered that multi-skilling would improve a person’s employability in an organisation in times of economic downturn.

2.5.6 Hospitality
In the employers’ survey cited in the *Skills and Employment Foresight Report*[23] the “five most important skills were all generic”. These were:

- Willingness to learn
- Being flexible/adaptable
- Personal appearance/presentation
- Ability to follow instructions
- Initiative

[22]Questions Answered (2001), Draft Sector Workforce Development Plan for TTENTO
[23]HtF (2001), Skills and Employment Foresight Report 2001 for the Hospitality Industry, Hospitality Training Foundation

The report also looked at two simultaneous trends which were also described in detail in the London Skills Forecasting Unit's *Third Annual Report* (2001): multi-skilling and de-skilling. The Foresight Report suggests staff in smaller businesses have to have a greater involvement in the business and "combine job-specific skills, IT skills and softer skills such as customer care and leadership". It continues, however, by noting that cost control and labour shortages have led to the "automation of certain tasks and therefore to de-skilling." The impact of de-skilling at one level also requires greater managerial skills at another level. Greater organisational and interpersonal skills are in demand from managers to maximise the effectiveness of their teams. There are two potential solutions: one is to provide greater training and support to those who have risen from craft occupations to assume managerial positions; the second is by encouraging greater numbers of graduate management trainees into the industry.

2.6 How are skills needs for the Impact sectors going to change?

Some of the workforce development plans do address the future skills needs of their sector's workforce. The Arts and Entertainment Sector Workforce Development Plan is one such example. It identified the four most important future needs being:

- Income and funding potential
- Internet and email
- IT and new technology
- Purchasing and sponsorship

Comparing these future skills needs to the current sector skills needs, as outlined above, it becomes apparent that ICT and financial skills will be taking over from the current focus on legal skills.

To examine future skills needs, we can also draw on the *Employers Skills Survey 2001* data which allows a comparison of skills across the six Impact sectors. Table 5 shows how employers anticipate skills needs to be changing over the next 2-3 years.

- Table 5 shows that across the six Impact sectors (CHNTO and ISNTO data were combined), advanced IT/software skills are perceived as the most important future skills need, particularly in the performing arts sector and in the travel and tourism sector.
- The second most important future skills needs are customer handling and basic computer literacy skills. Again, this finding applies to all six sectors. Customer handling skills are seen as a particularly significant future skills need in the hotels and catering sector.

The emphasis on IT skills as the most important future skills need fits with the evidence from the *Arts and Entertainment Sector Workforce Development Plan*.

By contrast, in recent workforce development plans, and in the majority of the stakeholder interviews that were conducted across the Impact sectors, management skills emerged as a priority.

Table 5: Future skills needs over the next 2-3 years by Impact sector

	Hotels and Catering	Performing Arts	Sporting and Leisure	Travel and Tourism	Cultural Heritage and Information
Basic computer literacy skills	16	10	18	20	35
Advanced IT/Software skills	14	63	25	46	63
Other technical and practical skills	12	6	14	9	5
Communication skills	20	4	14	15	19
Customer handling skills	31	8	21	25	17
Management skills	6	3	4	11	20
Team working skills	7	3	6	4	6

ESS 2001

One important outcome of the stakeholder interviews across the six Impact sectors was the increasing recognition of continuous professional development (CPD) and the need to update skills on a regular basis. This was felt to be important particularly in the cultural heritage sector, the information services sector and the arts and entertainment sector. Mentoring and informal CPD structures were mentioned as possible ways to achieve this. Providing on-line discussion forums and putting in place lecture series which can bring people together and allow for an exchange of ideas in a stimulating environment were also mentioned.

2.7 Accessibility of information on skills demands across the Impact sectors

This Skills Dialogue has not only researched information about skills issues, but also considered the nature of the information available to make informed decisions. There are five distinct problems with assembling information about the workforce and the skills needs of the tourism and cultural industries:

- The variations in scope of the studies undertaken: the methodologies employed, the studies' purpose, and the sample sizes
- The availability of the reports, and validity of information when extrapolating trends
- A lack of common definition of the employment sectors that are within the tourism and cultural industries
- The apparent "lack of fit" between the industrial classification and the NTO remits that represent the workforce within the tourism and cultural industries
- The limited scope of the *Employers Skill Survey 2001* data to this Dialogue process

As indicated elsewhere in the report, many studies have been undertaken, but these may be limited in terms of the sectors or sub-sectors studied, or their geographical remit, and will reflect the budget and aims of the commissioning agency. These studies offer a contribution to the picture, but cannot be used as a mechanism for extrapolating trends. The Hospitality Training Foundation employers' survey is one of the strongest information sources: it has a national reach and used a representative sample of more than 1,800 companies.[24]

[24]The November/December 1999 Survey cited in Skills and Employment Foresight 2001 for the Hospitality Industry, HtF, 2001. The Foresight Report gathered data from other sources as well.

The Metier study – *Arts Skills 2000 Skills and Trend Forecasting* (June 2000) was based on 110 interviews and focus group work with a further 28 conference delegates. The *TTENTO Skills Foresight Report* was based on three national workshops, but only on 51 responses to its questionnaire.

Finally, a significant amount of research about broader economic developments in the tourism and cultural industries has been conducted, but detailed labour market analysis may not be present in this work.

The higher education sector and private labour market forecasting agencies are often commissioned to examine the industries. The resulting reports fall into various categories. Some case study work that either confirms or confounds trends identified elsewhere, but lacks the authority of a large sample size. Other work may be more detailed and commercially valuable and thus not available.

For the purpose of this study, it has been suggested that there is a workforce serving the tourism and cultural industries of approximately 2 million, although the total numbers within the remit of the Impact NTOs is up to 2.9 million employees. Those additional employees, by virtue of their job roles, as distinct from skill levels, could serve in the tourism and cultural industries. Employees in hospitality services (ie working in establishments that do not have hospitality as their main business eg schools, hospitals, prisons, for example) could move employment to tourism dependent businesses eg restaurants and bars. Moreover, there may be an element of over-counting if one regards some sports and recreation facilities in certain areas as having limited scope to serve the tourist market. Nevertheless, in each of the examples we have a labour pool that is larger than the labour market.

The statistics presented in this report omit both retail and transport. In major conurbations, in coastal areas and at inland tourist attractions, these sectors are dependent on employees with specific skills. There is a separate Skills Dialogue[25] covering retail and related industries which suggests that employment in the retail and wholesale distribution sector stands at 4.7 million in 2002. Employment in the sector, as a proportion of total UK employment, is 16.6%, and will continue to be a major source of new employment opportunities over the next decade.

Customer skills are an essential element of many of the jobs available in Impact NTO industries as well as retailing itself, and there will be competition for employees with the relevant skills who are prepared to move sectors.

The next issue that makes collation of the data difficult is exemplified by Appendix A. The Standard Industrial Classification (SIC) works well in trying to define the numbers of employees and numbers of businesses in the Hospitality industry. However, the employees/businesses within the remit of Metier and SPRITO, in particular, are often distributed at the four digit level of classification, and often share that classification with other areas. Even in larger surveys it is often hard to find sufficient representation within the cells to make meaningful judgements, and the numbers are "suppressed" (ie not published). Where the sharing of a classification occurs it is often difficult to disaggregate the numbers with confidence.

The problem of sample size is demonstrated by the use of the *Employers Skill Survey 2001* for this Dialogue. Although the sample of 27,031 was large, the numbers of employers relevant to some sectors in this study was regrettably low. Appendix B provides a table showing the number of employers by sector.

[25] Business Strategies Ltd (2002), An Assessment of Skill Needs in the Retail and Related Industries, DfES

3 Skills Supply across the Impact Sectors

3.1 Introduction

The first part of this chapter uses NTO workforce development plans to give an overview of the qualification levels pertaining to the tourism and cultural industries. The second part provides a review of the numbers studying on further and higher education courses relevant to the Impact sectors.

3.2 Qualification levels of the workforce

While the cultural heritage sector, the arts and entertainment sector and the information services sector have a high proportion of well-educated employees, the hospitality sector has a large proportion of its workforce (45%) with qualifications no higher than level 2.

The sports and recreation sector has some sub-sectoral variations, with the qualification levels of playwork employees raising the sector average significantly.

The hospitality sub-sectors have 9.8% of employees possessing a degree or higher education qualification, and a further 27% with A levels.[26] At the opposite end of the spectrum 146,575 employees, over 15% of the workforce, have no educational qualifications. By contrast, the arts and entertainment sector has 82.5% qualified at level 3 and above according to survey work carried out by Metier and cited in its *Workforce Development Plan*. This study also showed that some 72% of those had either a first or postgraduate degree. Only in the areas of performing arts and performance design and technical support did the figure for awards at level 3 and above fall to around 64% of the workforce, still a very high figure compared with qualification levels across all sectors.

The review of qualifications in SPRITO's *Foresight Report* shows quite wide variations between its sub-sectors. Playwork employees raise the sector average, with approximately 25% having a degree, whereas in sport and recreation and leisure attractions, piers and parks the figures fall to around 10% and 8% respectively. In the leisure attractions sub-sector the numbers without any qualifications could be as many as 37% of the workforce. The latter figure should be treated with caution as it is based on small sample sizes, but nevertheless it is indicative of the internal differences within the broader sector. As discussed elsewhere, these posts are often low paid and offer unsocial hours, and the employment market will not attract those with even relatively low qualifications who can gain more stable employment elsewhere.

Estimates of the qualification levels in the cultural heritage sector indicate that up to a third of employees have either a first or postgraduate degree, with a further 16-19% having A level or other level 3 equivalent qualifications. Of the remaining 50% of the workforce, less than 10% have no qualifications, and the remainder have a range of awards that include GCSEs, trade or craft qualifications.

[26] HtF (2002), Labour Market Review 2002 for the Hospitality Industry, Hospitality Training Foundation

3.3 Post-16 Education and Training Provision for the Tourism and Cultural Industries

The Further Education (FE) sector in England has undergone some dramatic changes over the last 10 years. The Further and Higher Education Act of 1992 brought into existence the Further Education Funding Council (FEFC), and a new approach to funding non-university post-16 education. This organisation has since been replaced in April 2001 with the Learning and Skills Council (LSC), and its remit for funding and planning post-16 education is more far-reaching.

The management and funding of further education in Scotland, Wales and Northern Ireland has also been subject to change in recent years. In Scotland, the Scottish Further Education Funding Council (SFEFC) took up its responsibilities on 1 July 1999. In Wales, the Learning and Skills Act 2000 established the National Council – Education and Learning in Wales (ELWa), an Assembly Sponsored Public Body. Following the Act, on 1 April 2001, the National Council for Education and Training for Wales took over the majority of the functions of the four Training and Enterprise Councils and the Further Education Funding Council for Wales. It assumed responsibility for funding, planning and promoting all post-16 education and training in Wales with the exception of Higher Education. In Northern Ireland, the Department of Employment and Learning through its further education division is responsible for the policy, strategic development and financing of the statutory Further Education Sector, with advice from the Learning and Skills Advisory Board from 1 January 2001.

In England, one aspect that is worth noting in this report is the initiative to establish centres of vocational excellence (COVEs) through the LSC. The various strands of the tourism industry in this report are well represented within the programme. Some COVEs are already running, others are going through approval stages, but in the rounds announced up to July 2002. Out of the 137 centres there are 15 for hospitality and catering, 3 for sport and leisure, 6 for travel and tourism and 20 for creative industries. The last category includes subject areas beyond this study's remit. However, the general representation of Impact related areas is high.

Concurrent with funding changes for the sector over the last decade there have been equally important changes in the qualifications available and associated assessment processes. The development of the NVQ (and SNVQ in Scotland) has had a significant impact on the further education offer, most notably for this study, in hospitality trades, and to a lesser extent in travel and tourism, and sport and leisure.

An important recent change in the higher education (HE) sector was the abolition of grants. Stakeholders in the information services sector which relies on graduates, remarked that moving from grants to loans could reduce the number of available university leavers. Since postgraduate qualifications are often needed for entry to a large number of jobs in the information sector, it is very costly for students to get the necessary qualifications. Similar concerns can be expected to apply to parts of the cultural heritage sector and the arts and entertainment sector, both of which also rely on graduates. It was also suggested that as both school curricula and university courses move away from classical subjects, this makes it difficult to recruit people with the right background knowledge for the information services sector.

In considering the provision available through further education colleges there is a very wide range of courses at levels 2 and 3 serving the needs of the hospitality sector. In the ISR

(Individualised Student Records) analysis conducted for this report, 506 courses in hospitality and travel were identified as having enrolled students funded through the FEFC in 1999-2000. Private training providers are also in this market and offer vocationally specific short and long course programmes. However, considering the size of the UK hospitality workforce, the number of higher education places available in the most directly relevant programme, Catering and Institutional Management, is remarkably small.

By contrast, the information services, the cultural heritage, and the arts and entertainment sectors have a steady supply of graduates from a generally well-subscribed range of higher education programmes. The sports and recreation sector and the tourism, travel and events sector have employees coming through further and higher education routes. The entry qualifications required for employment in these areas vary significantly between sub-sectors.

Research through the NTO bodies suggested that some employers were concerned at the variations in quality of individual FE training courses, and that it was often difficult to differentiate between the large number of training courses on offer. Employers have remarked that the available course information does not allow for a co-ordinated approach to training where each course can usefully build on a previously attended course. Employers furthermore criticised the lack of short, focused training courses which are needed to address the lack of specific skills, such as financial management, marketing, customer service and human resource management.[27] At the same time, however, some employers have also commented on the lack of long-term courses which would allow not only for the transfer of specific skills, but also for the overall development of a person. These long-term courses are felt to be particularly important for acquiring sound management skills.

Further Education providers would respond by indicating that employers are often unwilling to become involved in curriculum development, or to support employees wishing to follow short or long courses. Some of the long course provision in hospitality has atrophied as students have been unwilling to embark on long courses when many employers are prepared to take them into the industry untrained. Moreover, the perception of Hospitality as a low paid sector with limited career opportunities has depressed the numbers of young people coming forward for lengthy college based education programmes. Younger people will often work part-time in the industry to support their long course study in other subject disciplines.

3.4 Further Education

This Skills Dialogue study commissioned an analysis of the FE student numbers in England for the year 1999-2000.[28] This used ISR data (Individualised Student Records) to review the numbers of enrolments on courses relevant to the Impact NTOs. The analysis identified some 2,231 courses. This included 329,257enrolments.

A total of 1,240 students were identified as following courses that could lead to cultural heritage related occupations. About 60% were on GCE A level or GCSE courses in Archaeology. Very few were following directly relevant courses in Cultural Venue Management or Heritage Management. The ISR analysis found a further 900 enrolments associated with the Information Services sector including 145 studying for NVQs in subjects that included Archive Services, Records Services and Information and Library Services. The enrolments were evenly divided between full and part-time modes of study.

The area of hospitality and catering was able to boast almost 141,000 enrolments. Some 32,500 were full-time and a further 4,400 were full-time part year enrolments ie intensive short courses. Food Hygiene qualifications dominated the part-time provision, and enrolments on all modes of attendance for Hygiene based qualifications was about

[27]HtF (2001), Bridging the Gap, Hospitality Training Foundation

[28]The latest year for which full figures were available at the time the report was commissioned.

103,600. The NVQ in Hospitality and Catering at levels 1, 2 and 3 was the most common type of full-time provision. The higher numbers were to be found in Food Preparation and Cooking, and Serving Food and Drink at levels 1 and 2. Some 3,500 enrolments were identified in the specialist areas of Craft Baking, Cake Decoration, Pastry Cooks and Patisserie. A relatively small number of the full-time enrolments were on the GNVQ Hospitality and Catering Award, with about 1,200 at the Advanced level. There were also over 10,000 enrolments on the National Licensees' Certificate Examination course at level 3.

There were 18,000 enrolments in travel and tourism related courses. These figures were dominated by Welcome Host with over 8,600 enrolments. There were over 700 enrolments in NVQ Travel Services or related courses, generally at level 2. There is a strong market for industry linked courses based on specific products such as Galileo, or particular organisations, for example, ABTA. The general characteristic of the travel and tourism course offer is that it targets specific parts of the business, with the range extending from resort representatives through to air fares and ticketing – either general courses or airline specific ones.

Throughout the Skills Dialogue it has been difficult to define the contribution of art and entertainment employees to the narrower market that serves domestic and overseas tourists. A similar problem arises in trying to define courses that may be the antecedents to a career in arts and entertainment. Many students of arts based GCSEs and A levels may not follow arts careers. Only a small proportion of students who study hairdressing and make-up will actually be preparing artists to appear on stage. This study can only show the supply of further education students who may be tomorrow's employees in the industry. The ISR analysis showed over 100,000 enrolments in vocational and academic programmes where the students had the potential to move into arts and entertainment careers. There were 29,000 enrolments in the largely vocational qualifications in hairdressing and beauty. There were 42,000 in Art and Design courses of various types including History of Art. These enrolments were at levels 2, 3 and 4, with substantial numbers at level 3, and included almost 6,000 on the level 3 Diploma in Foundation Studies in Art and Design, for many students a precursor programme to higher education. By contrast with the previous sectors discussed, many of the students on these programmes were attending full-time.

A further 13,500 enrolments were to be found in craft orientated courses from ceramics to soft furnishings. Many of these programmes were leading to City and Guilds qualifications. The remaining 20,000 enrolments were in the creative and performing arts areas ranging from single subject GCE and GCSE examinations to whole courses leading to GNVQ Advanced or HND/C in Performing Arts. The listing also contains substantial numbers of enrolments for practical and theory examinations linked to different instruments of the orchestra. About 2,000 enrolments were to be found in various offerings of A or AS level Music.

Finally, in the analysis, some 62,500 enrolments were associated with sport and leisure courses. The majority of these were related directly to physical education courses and coaching and instruction. The latter category often through part-time modes of study leading to awards validated by sporting or specialist bodies. There were 4,700 enrolments on A level programmes, but only 1,650 on NVQ Sport and Recreation courses. There is a set of qualifications which has been included with the pool of 62,500 enrolments, and includes courses that span leisure and tourism and various sport and recreation facilities management programmes. Many of these enrolments are full-time and lead to awards at GNVQ Advanced level and HND/C, or NVQ 2 or 3. The remaining 1,600 enrolments within SPRITO's area were for Playwork.

Further Education – Wales and Scotland

The first table below provides a summary of FE students enrolled in Wales in 1999-2000, the second for Scotland covering the same period. It is necessary to make some estimates of the numbers that could potentially progress to the employment areas covered by the Impact NTOs. It might be expected that a large proportion of the students identified in Catering/Food/Leisure Services/Tourism would progress into careers in Hospitality or Tourism. By contrast, students undertaking courses in Information Technology and Information may have very wide career opportunities, and one should make limited claims for their movement into careers in organisations represented by CHNTO, for example.

Table 6: Wales - All students 1999/2000

Subject of Study	Studies relevant to NTO area	Number
Information Technology and Information	ISNTO / CHNTO	76,722
Humanities (History/Archaeology/ Religious Studies/Philosophy)	CHNTO	11,369
Area Studies/Cultural Studies/ Languages/Literature	Metier	38,850
Arts and Crafts	Metier	20,167
Authorship/Photography/ Publishing/Media	Metier (a limited number)	14,445
Performing Arts	Metier	4,284
Sports, Games and Recreation	SPRITO	7,109
Catering/Food/Leisure Services/Tourism	HtF / TTENTO	22,778
Total in selected curriculum areas		**195,724**

Coverage: All qualification aims of further education students in further education institutions

Source: 1999/2000 ISR (Individualised Student Record)

Table 7: Scotland - All students 1999/2000

Subject of Study	Studies relevant to NTO area	Number
Information Technology and Information	ISNTO / CHNTO	87,823
Humanities (History/Archaeology/ Religious Studies/Philosophy)	CHNTO	3,280
Area Studies/Cultural Studies/ Languages/Literature	Metier	21,362
Arts and Crafts	Metier	16,353
Authorship/Photography/Publishing/Media	Metier (a limited number)	13,579
Performing Arts	Metier	6,216
Sports, Games and Recreation	SPRITO	8,032
Catering/Food/Leisure Services/Tourism	HtF/TTENTO	28,633
Total in selected curriculum areas		**185,278**

Coverage: All qualification aims of further education students in further education institutions

Source: 1999/2000 ISR (Individualised Student Record)

3.5 Higher Education

Research by one of the Impact research managers on UCAS applications shows one potential supply route of new employees into the industries covered by the Impact NTOs. However, it must be clearly understood that students following academic and vocational disciplines do not always follow career options that would naturally correlate with their undergraduate studies. While destinations data gathered from students after graduation is patchy, and gives limited information on supply into particular industries, it must be hoped that the entry level data may provide one useful alternative element in the forecasting of future skills supply.

Table 8: UCAS applications and acceptances by selected programmes – UK for entry October 2001

Programme area	Sum of Applic-ations	Sum of Accepts	CHNTO	HTF	ISNTO	METIER	SPRITO	TTENTO
Sports Science	37,566	6,474					6,474	
Agriculture	10,037	2,751	825					
Archaeology	1,471	390	390					
Environmental technologies	965	290	203					
Anthropology	4,508	818	100					
Institutional management	21,268	4,760		4,760				
Librarianship	91	12			12			
Information science	1,144	200			200			
Tourism	13,099	2,716	543	543	543		543	543
History of art	5,016	960				960		
Archaeology (see above also)	3,411	634	634					
Fine arts	15,772	4,150				4,150		
Music	23,200	4,509				4,509		
Drama	39,398	5,502				5,502		
Craft	1,326	453				453		
Other creative arts	3,414	752				752		
Nursery education (pre-school years)	53		53					
Physical education	187	17	17					
Combined degree programmes in Impact areas	4,242 11,273 31,951	1,156 2,178 5,269	 544 1,976		 544 658	578 544 1,976	 544 658	
Grand Total	**229,392**	**43,991**	**5,285**	**5,303**	**1,957**	**19,424**	**8,219**	**543**

The table above is an arbitrary allocation of students to potential industry destinations. Other disciplines will provide graduate students to the industries covered by the Impact NTOs, eg business studies graduates may join businesses within the remit of HtF.

Table 9 (below) shows a list of the major programme areas for Higher Education and the actual numbers of students at both undergraduate and postgraduate level in UK universities in 1999-2000. Although 14,220 on Catering and Institutional Management seems a sizeable number, it is relatively small considering the importance of the sector that employs on its own more than 5% of the UK workforce. Arts based study dominates the list and this is borne out by the NTO's own survey figures which suggest that more than 72% of the workforce have qualifications at level 4 or 5. Information sciences also has a proportionately higher share of HE students than would be the average across all employment sectors.

Table 9: UK HE students by programme area, 1999-2000[29]

(includes UK students on undergraduate and postgraduate courses)

Programme area	All HE students	Potential career path for some students related to NTO remit
Agriculture	8,090	CHNTO
Archaeology as a physical science	1,800	CHNTO
Environmental technologies	1,930	CHNTO
Anthropology	3,020	CHNTO
Catering and Institutional management	14,220	HtF
Librarianship	1,050	ISNTO
Information science	3,620	ISNTO
History of art	6,730	Metier
Archaeology (see above)	4,140	CHNTO
Fine arts	14,380	Metier
Music	12,790	Metier
Drama	11,630	Metier
Craft	620	Metier
Other creative arts	4,920	Metier
Physical education	7,610	SPRITO
Combined general and leisure courses	3,490	SPRITO
Combined or general arts	9,530	Metier

[29] Higher Education Statistics Agency

3.6 On-the-job training, NVQs and Modern Apprenticeships

With the exception of the sporting and leisure sector, more on-the-job than off-the-job training is taking place across the Impact sectors.[30] This is particularly the case in small organisations which can often not afford off-the-job training due to both funding and time constraints. *The Employers Skill Survey: Case Study for the Hospitality Sector*[31] points out that the generic skills that the sector needs could only be learned on the job and not through courses, which illustrates the importance of on-the-job training beyond its cost and time effectiveness.

Although on-the-job training is the favoured option towards training in many organisations, the uptake of NVQs across the six Impact sectors is low.[32,33]

One exception to the poor NVQ uptake is the hospitality sector. The *Employers Skill Survey: Case Study for the Hospitality Sector* reports a high uptake of NVQs in the sector, but at the same time also reports that the general feeling of the sector towards NVQs is not overly positive. It is felt that NVQs do not offer the breadth and depth that is needed. Nevertheless, the hospitality sector prefers vocational qualifications to academic ones. The numbers of NVQ registrations in hospitality courses, since 1992 up to January 2002, on a cumulative basis, was almost 290,000 at level 2, and just over 186,000 at level 1.

While NVQs are designed to provide on-the-job training, many employers still do not understand what NVQs are and how they work. There is still a widespread perception that NVQs operate on a college-basis rather than an on-the-job-training basis. The complex assessment structure and the low status attached to the qualifications further increase the reluctance to take up NVQs.

Modern Apprenticeships at both Foundation and Advanced level have experienced limited take-up in the Impact sectors. There have been substantial registrations in hospitality, sport and recreation, and travel services, but negligible numbers of starts in arts and entertainment and in museums, galleries and heritage.

The total number of *starts* in Foundation Modern Apprenticeships in hospitality to July 2001 in England was 29,172. Regrettably only 2,634 passed the programme. The proportion of passes was similar in Wales. At Advanced level in hospitality the 36,761 total starts to August 2001 in England had produced just 1,337 passes. There were just over 8,000 starts in sports and recreation up summer 2001 evenly divided between Foundation and Advanced levels, but the pass levels were poor. In Travel Services at Advanced level there were nearly 10,000 starts over the period from 1995 to June 2001, with a much higher proportion than other areas passing the course.

[30]for example, Cultural Heritage People Skills Index (2001)
[31]Employment Studies Research Unit (2000) Employers Skill Survey: Case Study for the Hospitality Sector, DfEE
[32]Cultural Heritage People Skills Index (2001)
[33]SPRITO Workforce Development Plans (2001)

4 Skills, Recruitment and Retention in the Impact Sectors

4.1 Current and future skills gaps across the Impact sectors

The data from the *Employers Skill Survey 2001* in table 10 provides information about the skills that were lacking across the six Impact NTOs (with information related to CHNTO and ISNTO combined). The table shows that communication and customer handling skills were the most prevalent skills lacking across all sectors. The highest incidence of a lack of communication skills was reported by the hotels and catering sector and by the sporting and leisure sector. The highest incidence of a lack of customer handling skills was reported by the hotels and catering sector and by the travel and tourism sector. A lack of team working skills was also prevalent amongst all sectors. Personal attributes as a skill were reported to be lacking particularly in the cultural heritage sector and in the information services sector. The table shows that overall soft, interpersonal skills such as communication and team-working, were lacking rather than job-specific skills.

Table 10: Skills lacking amongst staff by Impact sectors

	Hotels and Catering	Performing Arts	Sporting and Leisure	Travel and Leisure	Cultural Heritage and Information Services
Basic computer literacy	11	4	17	10	15
Advanced IT or software skills	6	7	17	19	21
Other technical/practical skills	22	8	28	14	22
Communication skills	45	6	45	38	23
Customer handling skills	43	13	40	49	8
Team working skills	32	9	33	21	17
Foreign language skills	8	3	2	11	6
Problem solving skills	23	5	26	39	11
Management skills	16	12	25	30	26
Numeracy skills	6	1	6		
Literacy skills	8	3	4		
Sales, marketing, promotional skills		1	2	1	
Personal attributes	7	5	14		57
Time management	1		2	4	
Experience	1		4	7	

ESS 2001

In the findings that have been provided by the NTOs in their respective workforce development plans and other research reports, additional issues emerge.

The CHNTO *People Skills Index 2001* highlighted as the top four training priorities:

- IT
- Visitor care
- Marketing
- Professional development

Importantly though, these training priorities varied depending on the size and nature of the organisation. For smaller organisations, professional development was replaced by fund-raising skills as the fourth most important training need, whereas bigger organisations prioritised people and project management as the second and third most important training needs instead of visitor care and marketing.

The one sector that has been plagued by chronic skills gaps is the hospitality sector. A recent report by the Hospitality Training Foundation (2001)[34] indicated that while students were competent when leaving school with regards to technical skills, they lacked social skills, such as:

- Communication skills
- Time-keeping skills
- Personal appearance
- General attitude

The Employers Skill Survey: *Case Study on the Hospitality Sector* shed further light on the skills needs of the hospitality sector. It reinforced the messages of chronic skills shortages and hard-to-fill vacancies. The study differentiated between (a) industry-specific and vocational skills, (b) generic skills and (c) competence derived from attitudes, the last of which was identified as the most crucial and difficult to address problems. Skills gaps were identified for:

- Technical management (e.g. finance and human resource management)
- Generic skills in point of service staff (communication skills, problem-solving skills)

Thus the report supported the need for transferable skills as outlined in the recent *HtF Workforce Development Plan* and the ESS data, but it also pointed to the need for management skills. Finally, the *Hospitality Case Study* identified a shortage of people with the right skills who were willing to work unsociable hours.

There were some skills gaps that were not even recognised by the sector. The authors of the *Hospitality Case Study* identified during their fieldwork a number of unreported yet clearly evident skills gaps which included:

- Lack of strategic management at the top
- Weak management skills at team-leader level
- Poor customer handling
- Counter-productive leadership and people management
- Resistance to innovation
- No awareness of how IT could be used to advance operations

[34]HtF(2001), Skills and Employment Foresight 2001 for the Hospitality Industry HtF

As a conclusion, the report stated that this lack of awareness was an indication of poor managerial skills at all levels as people fail to correctly assess the skills needs for their sector.

The Workforce Development Plan for the Hospitality Industry summarised the main skills lacking in the current workforce as:

- Communication
- Job specific
- Problem solving
- Customer service
- Willingness to learn
- Teamwork
- Being flexible/adaptable
- Using initiative

and in the hospitality services sub-sector, foreign languages.

It indicated the "overarching skills" issues for the future as skilled chefs and managers, with, "occupationally, skills gaps …most likely to be found in chefs/cooks, waiters, bar staff and porters".

The *TTENTO Draft Workforce Development Plan* identified a general lack of training provision by travel agents and tour operators. Again, this problem was particularly pronounced with regards to providing management skills training.

Table 11 shows the distribution of skills gaps across occupations where half or fewer staff were deemed to be proficient. The highest incidence of skills gaps, according to this ESS data, was found within personal and protective services particularly in the hotels and catering sector and within the performing arts sector. Skills gaps within managerial occupations were the second most likely skill to be lacking, particularly in the travel and tourism sector and the sporting and leisure sector, which confirms the trends that have emerged in this report so far. Skills gaps in sales occupations were also significant in the travel and tourism sector. The lowest incidence of skills gaps was found in plant and machine operatives and in associate professionals.

Table 11: Skills gaps within occupation groups - half or fewer staff fully proficient

	Hotels and Catering	Performing Arts	Sporting and Leisure	Travel and Leisure	Cultural Heritage and Information Services
Skills gaps within managerial occupations	27	14	33	34	21
Skills gaps within professional occupations	5	4	8	10	15
Skills gaps within associate professionals	2	1	5	4	9
Skills gaps within clerical occupations	5	5	18	13	14
Skills gaps within skilled and related occupations	5	3	13	15	9
Skills gaps within personal and protective services	48	72	19	15	10
Skills gaps within sales occupations	7	8	19	46	7
Skills gaps within plant and machine operatives	1	1	3	1	

ESS 2001

4.2 Reasons for skills gaps, and the business impact

Again drawing on ESS data, table 12 states the reasons given by employers as to why their workforces were not fully proficient. The table shows that a lack of motivation/interest/commitment was the most likely cause stated by employers for a lack of proficiency. A failure to train and develop staff and a lack of experience/still training was the second most likely cause for a lack of competence amongst staff. The failure to train and develop staff was more significant in the hotels and catering sector and also in the sporting and leisure sector.

High staff turnover was another significant factor for the hotels and catering sector as were recruitment problems in the sporting and leisure sector. Overall, the hotels and catering sector and the sporting and leisure sector were the most likely sectors to experience problems due to a lack of proficiency.

Table 12: Reasons for lack of proficiency*

	Hotels and Catering	Performing Arts	Sporting and Leisure	Travel and Leisure	Cultural Heritage and Information Services
Failure to train and develop staff	30	11	32	16	6
Recruitment problems	23	4	32	18	9
High staff turnover	32	8	28	8	4
Inability of workforce to keep up with change	21	7	30	23	12
Lack of experience/ still training	9	2	15	37	11
Lack of motivation/ interest/commitment	15	3	10	12	22
Lack of proficiency amongst managers	1		4		
High workload/no time	2		2		4
Hours and pay	2		2		2
Age/too young/too old	0.6		1	12	
Costs/funds for training/ budgets	0.3		1		
Language	1				

ESS 2001
*All occupational groups with the highest incidence of internal skill gaps

Table 13 further explores the barriers to training which were mentioned as one reason for a lack of proficiency in the previous table. A lack of time and funding are the most likely reasons given by employers as a barrier to training, particularly so in the sporting and leisure sector and in the cultural heritage sector. A lack of cover is another significant reason why employers do not feel that they can send their employees on training courses.

Table 13: Barriers to maintaining a fully proficient workforce

	Hotels and Catering	Performing Arts	Sporting and Leisure	Travel and Leisure	Cultural Heritage and Information Services
Lack of funding for training	18	33	23	26	43
Lack of suitable courses relevant to this grade of staff	9	7	12	11	14
Lack of suitable courses in area or locality	7	11	16	9	14
Unwillingness of staff to undertake training	13	8	8	9	18
High labour turnover	13	6	8	11	2
Lack of time for training	24	30	29	32	50
Lack of cover for training	18	11	24	25	31
Recruitment difficulties	2		1	0	1
Low pay across their sector	1	1	1	0	2
Government red tape	0		0		1
Competition from other employers	0		0	0	
Language skills	0	0	0	1	1

ESS 2001

Largely in keeping with the ESS data, the recent *Arts and Entertainment Sector Workforce Development Plan* also identified costs and lack of time as the two most important barriers to training provision across the arts and entertainment sectors. These were followed by lack of guidance on training, problems with training location, and lack of information on courses which reinforces the earlier point that information about currently available courses is not disseminated very well. These findings apply not only to the arts and entertainment sector, but across the Impact sectors.

The *TTENTO Draft Workforce Development Plan* and the various SPRITO sub-sector *Workforce Development Plans* also highlighted a lack of time, and the costs of training as the major barriers to training.

Time constraints, costs, high turnover were also repeatedly mentioned in stakeholder interviews for the various Impact sectors. Two other reasons that were mentioned frequently were the lack of a coherent and co-ordinated approach to training and a lack of recognition of the need to develop skills.

Table 14: Implications of lack of proficiency*

	Hotels and Catering	Performing Arts	Sporting and Leisure	Travel and Leisure	Cultural Heritage and Information Services
Loss of business/orders	33	5	29	36	6
Delay in developing new products	25	7	29	12	18
Withdrawal of products/ service	16	1	16	2	12
Difficulties meeting customer service objectives	38	16	53	33	21
Difficulties in meeting required quality standards	38	11	47	48	28
Increased operating costs	32	6	33	25	9
Difficulties introducing technological change	12	9	18	9	10
Difficulties introducing new work practices	26	7	32	11	15
No particular problems	30	7	26	27	15

ESS 2001
* All occupational groups with the highest incidence of internal skills gaps

As table 14 shows, the lack of proficiency across the six Impact sectors has significant implications. The sporting and leisure sector and the travel and tourism sector were the most likely to experience difficulties in meeting required quality standards due to a lack of fully proficient staff. Over half of the respondents in the sporting and leisure sector experienced difficulties in meeting customer service objectives due to a lack of full proficiency amongst their staff.

Difficulties in meeting customer service objectives was the most likely result of a lack of proficiency across all sectors.

4.3 Recruitment difficulties

Not only do skills gaps arise internally but they are further exacerbated by external skills shortages where the sector cannot recruit the right calibre of candidate. Amongst the most frequently mentioned reasons for recruitment difficulties were:

- General lack of applicants (especially for the hospitality and the travel sectors)
- Low pay (for most sectors)
- Unsociable hours (especially for the hospitality sector)
- Lack of support and training (especially for the hospitality sector but also for parts of the other sectors)
- Non-professional industry image (especially for the hospitality sector)

- Having to work with difficult customers and the need to be friendly at all times (especially for the hospitality and travel sector and front-of-house of the other sectors)
- Lack of dedicated human resource management (for most sectors)
- Competition from relatively well paid sectors (especially for the hospitality and the travel sector, but to an extent also the other sectors)
- The seasonal nature of some employment for the hospitality sector and the tourism end of the other sectors.

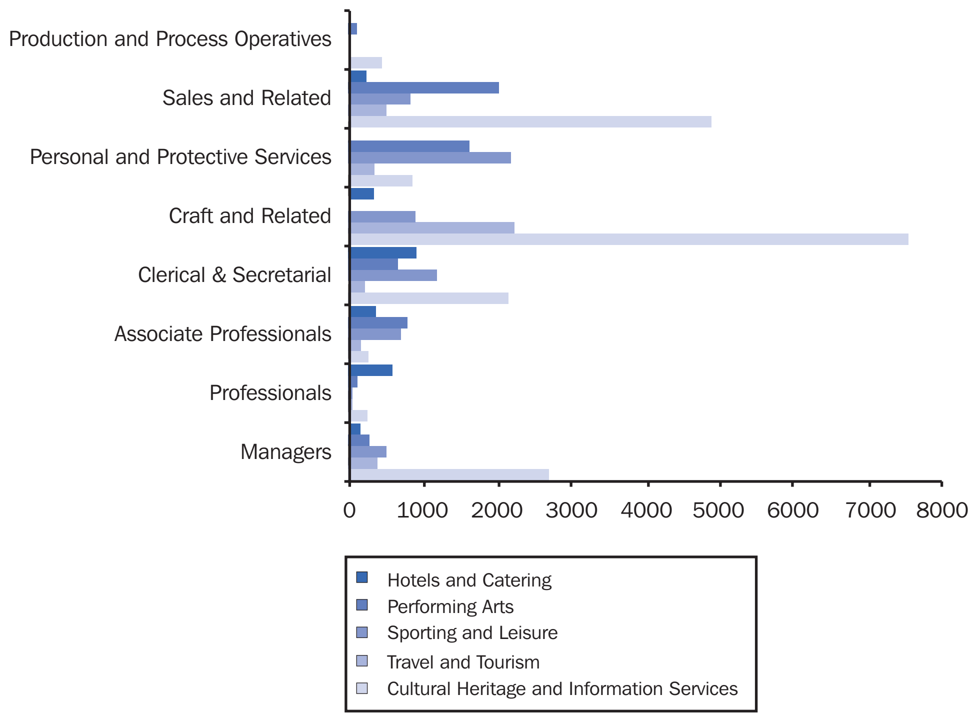
It is important to point out that some of the Impact sectors do not suffer from recruitment problems. *The Arts and Entertainment Sector Workforce Development Plan*, for example, points out that there are more students currently studying for entry into the sector than will ever be able to work in it. Similarly, stakeholder interviews for the information services and the cultural heritage sectors did not highlight recruitment as a problem.

Hospitality, tourism as a sub-sector, and leisure attractions do have difficulties in recruiting, some of which is the result of skills shortages. The next section will outline occupational areas where supply has failed to meet demand. Insufficient individuals have been coming forward to train for chefs' qualifications, for example, because the personal level of investment has not seemed attractive enough to recent generations of school leavers. However, lower skilled jobs in these industries may not be filled because pay and conditions in other sectors are likely to draw employees from that common pool of labour.

4.4 Identifying vacancies by occupation

Figure 5 shows that the hotels and catering sector experiences the most vacancies generally. In particular, it experiences the highest level of vacancies across the sectors for managers, clerical and secretarial occupations, craft and related occupations, and sales and related occupations. The highest vacancy levels for personal and protective services are experienced by the sporting and leisure sector.

Figure 5: Vacancies by occupation 2001



ESS 2001

More specifically, stakeholder interviews for the archive sub-sector of the information sector, for example, reported findings from recent National Council of Archives research which found a serious shortage of archivists. A shortage of paper conservators was also reported.

The *Arts and Entertainment Sector Workforce Development Plan* referred back to an earlier Metier survey which identified a lack of administrative and specialist staff along with arts officers with an ethnic minority background and also people who have culture-specific art knowledge.

In hospitality specifically, the Hospitality Training Foundation estimated that across Great Britain 56.4% of vacancies for hospitality jobs remained unfilled (2001),[35] and areas with heavy concentrations of hospitality establishments had the highest number of vacancies.

Chefs, waiting staff, bar staff, catering assistants and kitchen porters had the highest vacancy levels in the hospitality industry with employers in London and the South West of England having the most difficulty filling posts.

Chefs and kitchen porters are not only hard to find, they are also hard to keep. Annual labour turnover in the hospitality industry is around 48%. Recent staff shortages have seen pay rises for chefs and porters, but nevertheless, low pay and unsocial hours remain disincentives to enter or stay in the industry.

Previously, the *Employers Skill Survey: Case Studies for the Hospitality Sector* identified the most difficult to recruit jobs as:

- Sous chefs
- Management jobs
- Operational level jobs
- Part-time staff

while the HtF employers' survey of 1999 found that 90% of hard-to-fill vacancies were at operative level.

In the sports sector, the hard-to-fill posts are for coaches and instructors. Nevertheless, in the sub-sector most closely serving the tourist industry, Leisure Parks, Piers and Attractions, the need is for operatives. The posts are low paid and highly seasonal and thus difficult to fill.

Some parts of the cultural heritage sector have an ageing workforce and the question of replacement demand is significant for this sector. Its shortage area is in administration, and it should have the capacity to draw in staff from other sectors, if the pay and conditions of its public and private sector businesses can match market conditions.

4.5 Retention

Skills shortages are also related to retention problems in the Impact sectors. When qualified staff leave and new, qualified staff are difficult to find, as outlined in the last section, new skills gaps are created. Again, high turnover rates are a problem for some of the Impact sectors, but not for all. For those where it is a problem, such as the hospitality sector and the travel sector, it is one of the biggest challenges faced by the industry.

The turnover rates for the hospitality sector are 48%. However, there is evidence that establishments with best practice in place manage to halve those turnover figures.
In contrast, mismanagement of staff turnover actually adds to the problem. Existing staff, forced to cope with heavier workloads and low morale, feel resentful and eventually leave. Thus perpetuating a downward spiral in employer/employee relations and exacerbating the already high staff turnover rates.

[35]HtF (2002), Labour Market Review 2002 for the Hospitality Industry, Hospitality Training Foundation

Further barriers to retaining staff in the travel, tourism services and events sector were identified in the *TTENTO Draft Workforce Development Plan* as being:

- Competition for the available pool of labour which encouraged employees to leave for small salary increases
- Poaching of trained staff by other employers

Skills gaps have been a problem for the Impact sectors for some time. Forecasting data indicates that skills shortages are likely to persist. With a prognosis of further industry growth, skills gaps are even likely to worsen.

4.6 What steps are being taken to address supply-demand imbalances?

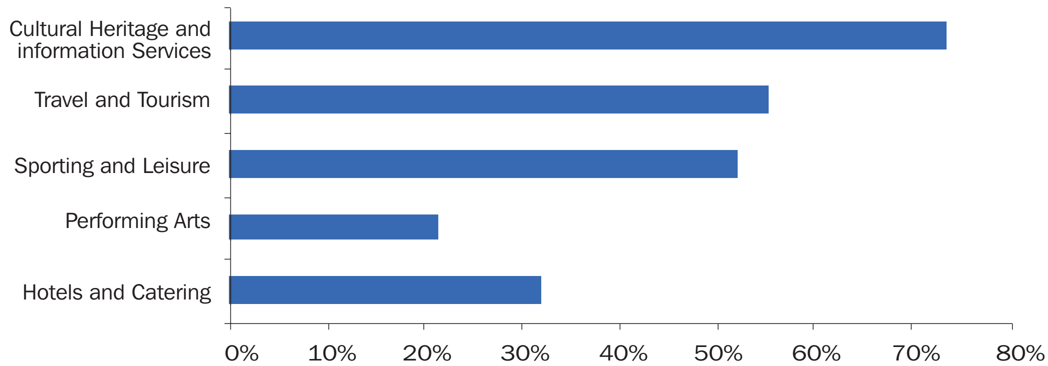
Again drawing on ESS data, table 15 shows that the provision of further training is the most likely action to be taken across all sectors in order to overcome skills gaps. The second most likely action that employers report is to expand trainee programmes, the third being to change working practices. Figure 6 further shows that the cultural heritage sector and the information services sector were the most likely sectors to fund or provide training.

Table 15: Action taken to overcome skills gaps by sector

	Hotels and Catering	Performing Arts	Sporting and Leisure	Travel and Leisure	Cultural Heritage and Information Services
Increased recruitment	26	3	19	39	9
Provided further training	67	22	72	76	37
Changed working practices	33	11	44	31	18
Relocated work within the company	14	3	28	13	8
Expand recruitment channels	17	5	20	31	7
Expand trainee programmes	33	10	42	46	13

ESS 2001

Figure 6: Percentage of employers funding or arranging off-the-job training for employees by sector

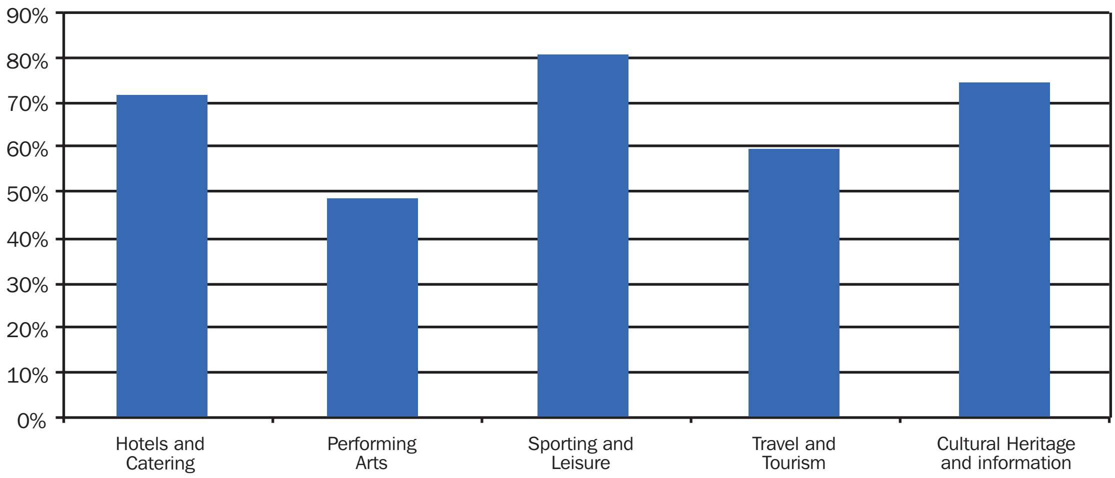


ESS 2001

The *Employers Skills Survey Case Study for the Hospitality Sector* also states that organisations not only provide training to directly address the skills gaps of their workforce, but also as a means to retain staff thus indirectly reducing current skills gaps and avoiding new skills gaps which could arise from qualified staff leaving the organisation.

Figure 7 shows that employers across all sectors have implemented formal plans to improve the quality of existing products or services and that the sporting and leisure sector is more likely than the other sectors to have implemented formal plans.

Figure 7: Whether implemented formal plans to improve the quality of existing products or services by sub-sector



ESS 2001

5 Summary

The aim of this Skills Dialogue report is to provide an informed overview of the skills demands and supplies across the six Impact sectors. This has not been an easy task, given the diversity not only across the individual Impact sectors but also within each of the six sectors. The database of publications relevant to the Impact sectors shows that considerable research is being undertaken in these areas. Variations in approach make it difficult to collate this information to get a clear picture across the country. On the supply side both further and higher education generate enormous quantities of data, but it is sometimes difficult to trace the routes through from student enrolments to employment in the Impact sectors. Finally, the national sources of data gathering, though extensive, spread data about the Impact NTOs across a number of classifications, making it difficult to aggregate total levels of employment, for example. The exception is probably hospitality where data collection and presentation make it relatively easy to see trends.

While this report focuses on both the similarities and the differences across the Impact sectors, it is beyond the scope of this report to provide a detailed analysis for each of the individual sectors. Each sector's Workforce Development Plan or Skills Foresight Report provides more detailed and in-depth information.

5.1 Similarities across the Impact sectors

As became apparent in this report, there are important similarities and differences across the Impact sectors. Table 16 provides a summary of the most important similarities that have been identified in this report.

Table 16: Sector similarities

Sector characteristics are marked X. **Similarities between sectors can be determined by matching the Xs**	Metier	CHNTO	ISNTO	SPRITO	TTENTO	HtF
High staff turnover					X	X
Shortage of recruits					X	X
Low uptake of NVQs	X	X	X	X	X	
Parents and teachers have a negative view of the sector					X	X
Work placements are not managed well enough to provide a positive experience					X	X
The importance of continuous professional development is recognised	X	X	X	X		
Interpersonal skills are important for front-of-house staff	X	X	X	X	X	X
ICT skills important	X	X	X	X	X	X
Management skills important	X	X	X	X	X	X
Multi-skilling important	X				X	X
Specialist skills important	X				X	
Evidence of a lack of work-readiness of recent graduates	X	X	X	X	X	X

Source: taken from various publications.

5.2 Skills gaps

The report highlighted that there are a number of skills gaps that apply across the six Impact sectors.

These are

- The lack of management skills
- The need for both multi-skilling while also being a specialist
- The lack of work-readiness of recent graduates
- The lack of adequate ICT skills
- The lack of customer care skills and positive service attitudes in front-of-house staff

The lack of management skills

Both the workforce development plans of the individual Impact NTOs and particularly the stakeholder interviews revealed the urgent need for management skills. Management skills not only refer to general management skills, but also include specialised management skills such as financial management, human resource management skills and people management skills.

The need for multi-skilling while also being a specialist

The need for a combination of multi-skilling and specialist skills very much centres on the idea of specialist staff also having a strong portfolio of generic skills. The examples mentioned in the sports and recreation sector are of a kind where employees in the outdoor sub-sector and the fitness sub-sector need to show both strong technical and job-specific skills while at the same time also being able to provide softer skills such as pastoral and customer care. The need for multi-skilling becomes particularly important in smaller organisations where generalists are needed, whereas in larger organisations there is a stronger emphasis on specialist skills.

A lack of work-readiness amongst school and university leavers

The observation that new recruits are not ready for work applies across school, college and university leavers. This is often related to not having a strong portfolio of generic skills such as communication, organisational and team-working skills. It is also due to a general lack of awareness and understanding of the business world.

The lack of ICT skills

The need for ICT skills was also frequently mentioned across the Impact sectors. The danger of a digital divide where some organisations will be left behind while other organisations will prosper due to enhanced use of ICT is a real one. This points to the need for continuous professional development (CPD) structures which some of the Impact sectors, such as the arts and entertainment sector, have started to address more seriously. While ICT skills are important, many front-of-house staff would not have to have advanced ICT skills. The *TTENTO Workforce Development Plan*, for example, states that while computer booking systems will be changing, the level of skill that is needed to operate these systems is unlikely to be increasing.

The lack of customer care skills and positive service attitudes in front-of-house staff

With regards to front-of-house staff across all of the six Impact sectors there is a recognition of the general lack of interpersonal and especially customer care skills.

5.3 Low level of training provision

The low level of training provision across the Impact sectors is clearly one of the most important reasons for the skills gaps that the industry faces. While three of the sectors (cultural heritage, arts and entertainment, information services) have generally much higher levels of education at entry point than the other sectors, general training provision while on the job is a shortcoming that is commented on by all sectors. Training is not only the solution to addressing skills gaps, it also provides the incentive that is needed to retain staff. The most frequently cited reasons for not providing training are costs, a lack of time and difficulties in finding cover, the lack of appropriate courses and the lack of co-ordinated training approaches in many organisations. These barriers to training are even more pronounced in smaller firms. With the exception of the sports and recreation sector, on-the-job training is preferred by many employers due to the already mentioned time and cost constraints. But it is also felt that many of the more generic skills that are important for good job performance can only be learned on the job.

5.4 Differences across the Impact sectors

In addition to the similarities in skills gaps and training provision that have been identified across the six Impact sectors, there are also a number of important differences across the sectors, two of the most prominent ones being recruitment and turnover rates. Recruitment difficulties and high labour turnover apply mostly to the hospitality sector and to the travel sector, and to a certain extent also to the sports sector. They are not problematic for the arts and entertainment sector, the cultural heritage sector or the information services sector. In fact the supply often exceeds the employment opportunities in the arts and entertainment sector.

Labour supply

The hospitality sector and the travel sector, and to a certain extent the sports and recreation sector, have experienced a lack of applicants. As pointed out in this report, these recruitment difficulties have been put down to a negative image of these sectors, low pay, low training provision, unsociable hours (especially in the hospitality sector) and the lack of a clear career structure.

One solution to these recruitment problems is to address the negative image of the industry by providing positive work placement experiences. This is a solution which is at present already actively promoted in the hospitality sector.

Furthermore, the hospitality sector and the travel sector need to widen their recruitment pool in order to attract enough recruits. At the moment, there is a focus on recruiting young people into the industry. But there needs to be an increasing focus on recruiting older people and returners to the labour market. Only if the sectors' recruitment policies reflect demographic changes, will it be possible to successfully address skills gaps in the long run.

High staff turnover

Even if the recruitment problems of the hospitality, travel and sports and recreation sectors can be addressed, these sectors will continue to struggle to close the skills gaps if the problem of high staff turnover is not addressed. A large proportion of the recruitment needs that these sectors experience is in essence a replacement need. Therefore careful consideration will have to be given to the retention of employees. One of the best ways to achieve this is to provide better training to those who are already in the sector. Better training will allow employees to move up to more challenging and better paid jobs and thus turning a job into a career which will increase loyalty. One problem that was mentioned in the stakeholder interviews for the hospitality industry is the high expectations among young people in the sector. Young people often have high expectations of how fast they can move up through the ranks, and are impatient to earn high salaries. It is therefore important to manage expectations amongst young people and to point to the importance of building up solid skills before moving on to the next level.

5.5 National Occupational Standards as a Framework

One way to co-ordinate recruitment, retention, training and skills needs is the use of National Occupational Standards. Using these standards could provide the basis for an integrated approach. The standards could, in the first instance, be used to inform recruitment and selection processes. The *Arts and Entertainment Sector Workforce Development Plan* points to the problems with using qualifications and interviews as the main selection tool rather than assessing competence of the candidates. The standards that are used for selection and recruitment could then be used further as a benchmark for monitoring people's progress and for assessing their training needs.

6 Consultation

The findings from the research processes outlined in this report were presented in May 2002 to an audience representing both public and private sector organisations with an interest in the tourism and cultural industries.

The delegates suggested a series of specific actions:

- Enhancing careers guidance and advice – to ensure there is a strong supply of young people coming through to these industries. This advice should stress the benefits of working in tourism based sectors.
- Raising awareness of the many possible courses available, by signposting/promoting effectively the provision.
- Mapping training and workforce development opportunities at a regional level to identify the partnership capacity and levels of expertise available.
- Introducing more business management skills modules within the provision to support those going into small businesses or working as freelancers.
- Inviting the LSC to fund, and colleges and training providers to offer more specific short courses to meet business needs (in contrast to longer qualifications driven/ funded courses).
- Inviting higher education to relate more closely the curriculum offer to the needs of the tourism industry, and to discontinue provision where there are few direct or indirect job opportunities.
- Ensuring that employers and learning providers are responsive to the diversity of the workforce. Training and learning opportunities should be provided in different ways to accommodate the learning styles of different groups.
- Asking government and government funded business support agencies to provide more training support to micro and small businesses, particularly to areas that are remote from major centres of population, but still have a vital role to play in the tourism and cultural industries.
- Promoting the business benefits of training for organisations of all sizes; emphasising the correlation between training and productivity/profitability, and de-bunking the idea that training is a “cost”.
- Developing support mechanisms, mentoring schemes and regional and sub-regional networks for business to share and build on good practice.
- Promoting the view that there is a collective responsibility on the industry to train staff. Companies should recognise that they will benefit in the long term if the skills levels of the whole labour pool is raised, even if trained employees leave them for other organisations.
- Involving professional bodies and trade unions in activities that will raise the skills levels of employees in the industry.

7 Conclusion

The report shows that there needs to be more investment in skills and training across the Impact sectors. Skills shortages and skills gaps reduce the quality of the services and products provided by the Impact sectors. This not only reduces customer satisfaction and the sector's competitiveness but also further perpetuates the negative image of some parts of the sector, which in turn further increases skills shortages due to a lack of skilled applicants. To break this vicious cycle, co-ordinated action is urgently needed.

Education and Training

The hospitality industry has the least qualified workforce of the six sectors covered in this report, and the arts and entertainment, and cultural and natural heritage sector the most highly qualified workforces. The hospitality industry suffers from staff skills shortages and recruitment difficulties, whereas the arts and entertainment industry has an over-supply of entrants in some sectors.

Overall, from the evidence of the workforce development plans and the ESS survey data the skills issues that affect all sectors are the generic and soft skills. Specific areas of skill need include:

- Management skills
- IT skills
- Customer care skills

Outlined above in the report are other key skills that are needed. And one recommendation to all learning providers at secondary and tertiary level is the need to give greater emphasis to these areas within the curriculum offer.

The analysis of the qualifications undertaken at FE and HE level shows that a very wide curriculum offer is available. The consultation activity suggested that employers were not always aware of the breadth of the offer, or alternatively were concerned about the relevance of some of the programmes available.

There is scope for education providers, and those bodies responsible for the development of qualifications, to take further steps to ensure that the curriculum meets the tourism and cultural industries' needs. On the other hand, the consultation phase raised the need for employers to value training, and see it as a worthwhile business investment.

Finally, there are questions of capital investment for public and private training providers. The unattractiveness of some of the employment opportunities available in the hospitality industry, for example, has over recent years depressed the numbers of applicants coming forward for places in further education in particular. This means that some colleges have cut courses, and not replaced equipment in catering departments when it has reached the end of its useful life. These steps are reasonable in view of falling student demand. The industry may have to make the employment opportunities seem more attractive to rekindle a demand from students for places.

Development of the whole workforce

Across all the workforces employed within the remit the Impact group of NTOs, there is a substantial element that is:

- Part-time
- Seasonal
- Transient
- Freelance/casual.

It is essential that ways are found of supporting the industries' workforce with training, development, and progression opportunities. Although new legislation has improved the individual's conditions of employment in respect of certain rights, temporary or part-time employees are much less likely to have the training and investment made in them compared with their full-time counterparts. Opportunities for raising both the vocational and key skills of these workforces need to be made available with effective funding support.

In the arts and entertainment field, there is much freelance work, in the area of cultural and built heritage and hospitality there is a significant amount of temporary work. There is a lack of time, funding and commitment to training. This leads to inefficiency, negligible career progression and a lack of job satisfaction. In the sports and recreation sub-sectors and in the cultural and natural heritage sector, there is a heavy dependency on volunteer workforces. Again, training opportunities may be less systematically available.

Employers, schools, colleges and careers services should all work to raise the profile of jobs and careers in the tourism and cultural industries. There is scope for improving the extrinsic rewards by employers, but there is also an opportunity for raising the esteem of various roles in the industry and the intrinsic rewards available.

Support for small and medium-sized businesses

More than 85% of businesses are micro, small or medium sized. For this study it includes bed and breakfast providers in the hospitality industry through to independent fitness gym proprietors.

Many reasons are advanced for smaller businesses not having the wherewithal to make investments in the training and development of staff, and the reasons pervade businesses beyond this sector study. Some of the studies in the complementary data bank to this study showed the competitive advantages gained by hospitality businesses that did make an investment in their staff, and the financial returns available.

One of the primary messages from this study was that support should be made available to micro businesses and SMEs to:

- Develop management skills in their staff
- Provide training to meet changing market needs
- Improve their retention of existing staff.

Appendix A

Impact sectors – analysis and assignment to 4 digit SIC codes. This table is the result of analysis carried out by the Impact group of NTOs. It is not necessarily definitive, but it does exemplify the problem of determining precise number of employees for specific NTO sub-sectors.

Impact MAP

NTO	SIC CODE	DESCRIPTION	COMMENTS
METIER	22.11	Publishing of Books	Metier only covers music publishing within this code
METIER	22.14	Publishing of Sound Recordings	
METIER	22.15	Other Publishing	Metier only covers art publishing within this code
METIER	22.31	Reproduction of Sound Recording	Metier covers all of this code
SPRITO	34.20/3	Manufacture of caravans	
METIER	36.3	Manufacture of Musical Instruments	Metier covers all of this code
METIER & CHNTO	36.63/9	Other Manufacturing NEC	Metier only covers wig, false beard and eyebrow making within this code, and CHNTO only covers Taxidermy Activities
SPRITO	50.10/1	Sale of new motor vehicles	Only part of the code which relates to camping vehicles such as caravans and motorhomes
SPRITO	50.10/2	Sale of used motor vehicles	Only part of the code which relates to camping vehicles such as caravans and motorhomes
HTF	52.63	Other non-store retail sale	Only sale by vending machines in this code
HTF	55.1	Hotels	All of this major group
SPRITO	55.21	Youth hostels and mountain refuges	
SPRITO	55.22	Camping sites including caravan sites	
HTF	55.3	Restaurants	All of this major group
HTF	55.4	Bars	All of this major group
HTF	55.5	Canteens and Catering	All of this major group
TTENTO	63.3	Activities of Travel Agencies and Tour Operators; Tourist Assistance Activities NEC	TTENTO covers all of this code
TTENTO	70.20/1	Letting of Conference and Exhibition Centres	
ISNTO	72.4	Database Activities	ISNTO covers all of this code, but some other NTOs do as well
METIER	74.84/2	Speciality Design Activities	Costume Design only
TTENTO, METIER & CHNTO	74.84/3	Activities of Exhibition and Fair Organisers	
TTENTO	74.84/4	Activities of Conference Organisers	

Appendix A - cont

Impact MAP

METIER	74.84/9	Other Business Activities NEC	Only band, literary, theatrical and variety agency and fashion artist in this code
SPRITO	80.1	Primary Education	Only pre-primary education (education preceding the first level)
METIER	80.22	Technical and Vocational Secondary Education	This covers performing and visual arts teachers
SPRITO	85.32/1	Charitable social work activities without accommodation	Only child day-care activities (crèches) in this code
METIER & SPRITO recreational	91.33	Activities of other membership organisations NEC	Metier covers associations for the pursuit of cultural or activity or hobby, and SPRITO covers youth clubs
METIER	92.3	Other Entertainment Activities	Metier covers all of this major group with the exception of 92.33
			Operation of theme parks and preserved railways
CHNTO	92.31/9	Other artistic and literary creation and interpretation	Only Restoring works of art is covered by CHNTO
SPRITO & CHNTO	92.33	Fair and amusement park activities	SPRITO covers all this code except the operation of preserved railways which is CHNTO
ISNTO & CHNTO	92.51	Library and Archives Activities	ISNTO covers all of this code although CHNTO also cover organisation of a collection, making catalogues and lending and storage of books, maps, etc
CHNTO & METIER	92.52	Museum Activities and Preservation of Historical Sites and Buildings	CHNTO covers all this code, but METIER also covers art galleries
CHNTO	92.53	Botanical and Zoological Gardens and Nature Reserves Activities	CHNTO covers all this code
SPRITO	92.6	Sporting Activities	SPRITO covers all this code
SPRITO	92.72	Other recreational activities not elsewhere classified	Not all of this code as it includes training of pet animals and film/TV/theatrical casting - some activities within it may therefore be covered by Metier
METIER	93.02	Hairdressing and other Beauty Treatment	Only make-up, beauty treatment within this code
SPRITO	93.04	Physical well-being activities	Only a small proportion of this code is exercise and fitness
METIER & CHNTO	93.05	Other Service Activities NEC	Several parts of this such as artists' model, master of ceremonies, pavement artist, tattooist, toast master are covered by METIER, and Genealogical Organisations are covered by CHNTO

Appendix B

The Employers Skill Survey information in the report is drawn from the 2001 survey. This report uses data specifically from employers related to the remit of the Impact group of NTOs, and at 3-digit SIC 92 level. The appendix A shows that the coverage may be incomplete using 3-digit SIC codes as some Impact sub-sectors are found by drilling down into statistics at the 4-digit level. The second reservation applicable to the data is the small sample sizes for some areas. Based on the 1999 survey of similar scope across the nine English regions, the sample sizes were as follows:

SIC 55	Hotel and Catering	HtF	2,933
SIC 36.3 AND 92.3	Performing Arts	Metier	172
SIC 92.6	Sporting Activities	SPRITO	622
SIC 63.3	Travel and Tourism	TTENTO	253
SIC 72.4 AND 92.5	Cultural Heritage and Information Services	ISNTO / CHNTO	221

Information sources related to the supply and demand for labour in the Tourism and Cultural Industries.

The data bank of labour market reports developed in conjunction with this formal report shows a breadth of information about the nature of employment and the workforce spread across the industries. These reports have been commissioned by agencies with very different aims and objectives. The result is often very intense and detailed studies at a local level on the one hand, and broader, more generalised ones covering a wider geographical remit on the other hand. The difficulties in drawing substantive conclusions come from the variations in the methodologies employed, a lack of common definitions of the areas under review, and an unwillingness to share information on national, regional and local labour supply and demand.

Common standards exist, with the Standard Industrial Classification, and Standard Occupational Codes, by which much employment data is gathered and analysed. However, as far as the Impact sectors and sub-sectors are concerned, this taxonomy distributes employees across a number of classifications, and it is often necessary to go to the four digit level of the classification system to identify the numbers involved in the sub-sectors of each NTO's area. The most reliable data is in the hospitality area as the data collection and presentation for the industry is a relatively close match to actual practice. Establishing a precise view of the numbers actually employed is a challenge in itself, as exemplified by the difficulties the NTOs themselves have had in finding sub-sectoral data.

These are the challenges identified in the report. These are growth service industries, and partnerships of public and private sector organisations are needed to help overcome the problems, and raise the profile of the component parts of the Tourism and Cultural Industries.

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Produced by the Department for Education and Skills

ISBN: 1 84185 815 3

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