

**A Strategic Roadmap to help make a positive, ongoing difference
in Workforce Development in South Carolina's Hospitality Industry**



2017

GOAL: TO CAPITALIZE ON SIGNIFICANT TOURISM GROWTH

This past June, in a discussion with John Durst, President and CEO of SCRLA, Senate Majority Leader Shane Massey (R-Edgefield) offered his assistance in pushing recommendations to improve our workforce issues by possibly sponsoring and supporting legislation that is designed to positively impact our industry's employment opportunities.

Based on his encouragement and interest, along with that of Governor Henry McMaster, the SCRLA formed a Workforce Development Task Force to develop and present ideas on how our state can collaboratively develop the initiatives necessary to match up individuals looking for work to the work needs of our growing tourism industry, based on the fact that recruitment and retention of a skilled workforce can be difficult for employers, and new and innovative ways of approaching these issues are needed.

It all starts with training and, as Dr. Tim Hardee, President and Executive Director of the SC Technical College System, so aptly expressed it, "A workforce development training program only works if it is shaped to fit real jobs and if trainees coming through it are truly prepared and ready to succeed." These words of wisdom form an important cornerstone of this plan.

Chaired by Murrells Inlet restaurateur and past SCRLA Board Chair David McMillan, this plan was developed by hospitality industry professionals from all across our state, including restaurateurs, hoteliers, educators, tourism officials and the Director of Workforce Development for the National Restaurant Association Solution's Program.

Its development also involved extensive collaboration and consultation with other industry and community leaders across South Carolina and is designed as a strategic first step in the ongoing process of providing clear and achievable goals that the Government and the industry can work toward.

The SCRLA extends its deepest appreciation to the members of the Task Force for their thoughtful, comprehensive and pragmatic approach toward developing the following roadmap to meet these challenges and especially to Simon Hudson for his invaluable contribution -- drawing on his vast experience -- in leading the effort to compile, organize and strategize that information in developing this document.

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Workforce Development challenges for the tourism and hospitality industry in South Carolina

The tourism and hospitality industry is arguably the number one industry in South Carolina, employing approximately 250,000 people, roughly 10 percent of the state's total workforce. However, the industry is facing workforce challenges, with many businesses experiencing recruitment, retention and skills shortages, and this is creating problems not just for individual businesses, but for the industry's overall competitiveness. Richard Gough, President of the Technical College of the Lowcountry, recently acknowledged the critical workforce shortages facing our industry: *"The culinary sector in particular is suffering: Restaurants are limiting hours; resorts are unable to open their full complement of food and beverage amenities; and patrons are experiencing diminished customer service. Poor service at restaurants impacts residents and tourists alike, but dissatisfied tourists will not return and thus reduce future tax revenue"* (Gough, 2017).

In response to the workforce development-related issues facing the tourism and hospitality industry in our state, the South Carolina Restaurant and Lodging Association (SCRLA) recently formed a Task Force to prepare recommendations for consideration by the General Assembly. In **Appendix 1**, we have listed the key workforce issues or challenges that are being experienced in South Carolina based on our committee discussions and research. Alongside these issues, we have proposed solutions that could be implemented to address these issues, and also listed if and how these solutions have been employed elsewhere. Finally, we have made suggestions as to who could lead implementation of such solutions in South Carolina.

The Task Force has identified seven key workforce challenges that are being experienced in South Carolina today. The first is the general lack of attractiveness of tourism and hospitality as an employment choice. This is a similar problem being faced elsewhere, but could be addressed by creating a campaign to promote the benefits of working in tourism and hospitality and living in the region. Other potential solutions include setting up regional career and jobs fairs, developing ambassador programs, providing work experience opportunities for students, and by promoting a gap year program for the state. The second, and related issue, is the difficulty of recruiting workers into the sector. To tackle this constraint, investment is needed to improve employee housing and transportation, and businesses need to be encouraged to consider utilizing non-traditional sources of labor such as new retirees or people with disabilities. More efforts are also needed to bring African-American workers into the industry – particularly at managerial levels.

The third key challenge is that of recruiting workers with the right skill levels. For this, we need to review existing training programs, traineeships and apprenticeships offered in the state to identify potential gaps and to identify ways that these could be adapted to better meet the requirements of the industry. It seems that 'soft' skills are in demand such as oral and written communication, integrity and work ethic, team-oriented skills and customer service skills. We also need to ensure that academia keeps abreast of industry trends and revamp curriculum to align with employer expectations.

Employers are also facing the problem of labor shortages during peak seasonal periods, and this has been exacerbated by recent changes in immigration policy. Apart from lobbying government to change policy, the problem could be alleviated by providing more seasonal worker accommodation or by establishing labor exchange programs with other states that experience different peak tourism seasons.

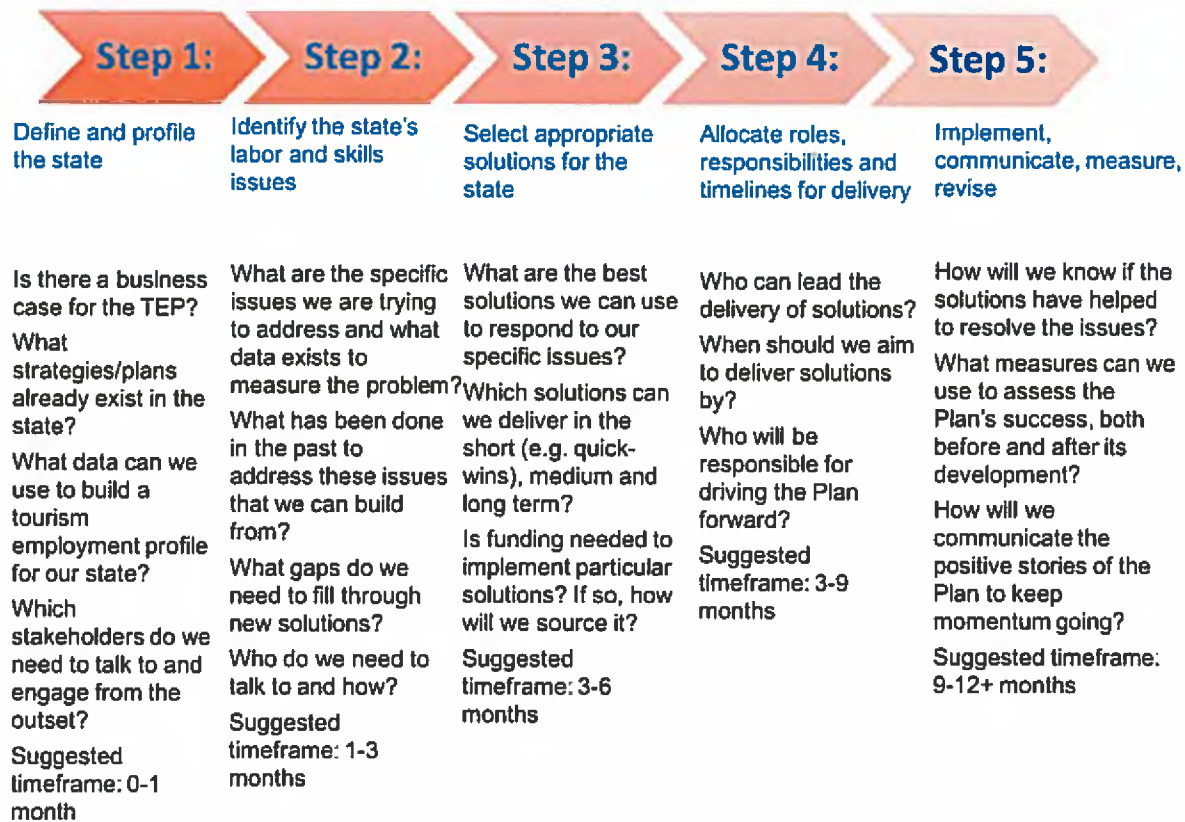
Further challenges for the industry are the difficulty retaining workers once they are in tourism and hospitality employment, and the lack of skills within the existing workforce. Potential solutions include encouraging businesses to improve employee benefits and orientation programs, providing training to employers in subjects like motivating and retaining millennials, developing career pathway plans or maps for new workers or students, developing training schedules for up-skilling and reskilling staff, and creating a 'skills passport' for tourism and hospitality workers to assist mobility between businesses both at local and regional levels.

Even if some of these initiatives already exist, there is a need to improve awareness of such programs to ease labor and skills shortages. This could be done by setting up topic specific workshops for the industry, developing a guide to employment programs that are available to businesses within the region, or by creating a mentoring program whereby businesses that have used labor and skills programs share their experiences and offer advice to others. Case studies can also be developed to highlight some of the leading practice ideas that businesses have implemented to overcome their labor and skills issues.

Finally, there is a real need to build regional/state capacity for employers and employees. This could be done by establishing an employment alliance within the state to share a common voice and leadership in progressing and implementing labor and skills initiatives. Regular networking events for the industry could also be set up to bring together key stakeholders to discuss employment issues, and share ideas. Such events could be supported by an ongoing statewide survey that would track and measure employee attitudes about working in the state.

Although there are some examples of programs and organizations in the state making a concerted effort to address these issues, such initiatives tend to be isolated, and there is no workforce development strategy for our industry. To support such a strategy, the Task Force recommends the development of a '*Tourism & Hospitality Employment Plan*'. Funding to initiate and execute such an extensive plan could be provided by Workforce Development Grants, or by hospitality taxes. Employment plans are generally initiated to solve a region's labor and skills issues, and deliver targeted and practical measures to address recruitment, retention and skills needs. Such a plan will build capacity in the state, by bringing together key industry players to act upon the issues that are affecting their businesses. The plan should be developed over the next 12 months, but will be ongoing, as it will deliver practical solutions for the state both now and into the future. There are usually five steps to such plans, and these are outlined in **Table 1** below.

Table 1: Stages of a Tourism & Hospitality Employment Plan (Source: Tourism 2020, 2014)



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Appendix 1: Key issues being experienced with potential solutions

What are the issues being experienced?	What solutions could be used to address the issues?	How have these solutions been implemented in other cities/states/regions?	Who could lead implementation of such solutions in South Carolina?
Relative perceived lack of attractiveness of tourism & hospitality as an employment choice	Set up a regional career and jobs expo targeting secondary school students to engage their interest in working in the industry. Also show parents and teachers that this industry builds character and life lessons useful in many careers. Grow the NRA's ProStart program at the high school level.	USC and College of Charleston host job fairs for many hotels and restaurants to recruit.	DOE, SCRLA Education Institutions/partner with industry
	Establish an ambassador program bringing young, qualified and successful tourism/hospitality workers (e.g. chefs) to tour around the region's secondary schools to promote career paths to students. Connect employers with job providers/agencies in the state. Expand mentoring programs.	Washington State University has an elaborate ambassador program where college students talk with high school students and their parents.	
	Undertake an employment 'region of choice' campaign to promote the benefits of working in tourism and hospitality and living in the region (for instance, offer discounts to local businesses as part of a package for people moving to the region).	Some organizations like Kiawah Resort have strong benefits programs that attract employees into the sector.	Other tourism and hospitality organizations
	Provide work experience opportunities for students undertaking certificates related to tourism/hospitality during the shoulder season.		
	Promote a gap year program for the state, encouraging workers to move into the region for a year to gain valuable experience in the tourism and hospitality industry.		
Difficulty recruiting workers into the tourism & hospitality industry	Connect employers with job providers/agencies in the state. Expand mentoring programs.	H2B program	Businesses
	Encourage businesses to look towards offering apprenticeships.		Businesses
	Explore ways to encourage non-traditional labor sources into the workforce (more African-Americans for example need to be encouraged to enter the industry).		Businesses
	Encourage businesses to consider utilizing non-traditional sources of labor (new retirees moving to the state perhaps).		Businesses and government programs
	Improve transportation and parking for employees, making it more affordable. Transportation throughout the state needs to be reviewed.		Public/private partnerships

What are the issues being experienced?	What solutions could be used to address the issues?	How have these solutions been implemented in other cities/states/regions?	Who could lead implementation of such solutions in South Carolina?
Difficulty recruiting workers with the right skill level	Review existing training programs, traineeships and apprenticeships offered in the state to identify potential gaps and identify ways that these could be adapted to better meet the requirements of the industry and state. It seems 'soft' skills are in demand such as oral and written communication, integrity and work ethic, team-oriented skills and customer service skills.	The South Carolina government has published a Hospitality/Tourism career cluster for the public education system.	Education institutions
	Ensure that academia keeps abreast of industry trends and revamps curriculum to align with employer expectations.		Businesses and education institutions (potential partnerships)
	Explore options for a labor hire model where multiple employees are shared with multiple employers.	H2-B program	Businesses with governments
	Connect businesses with immigration for advice on employing skilled workers from overseas.		
	Employers could invest in workers by sending them to college as a benefit and to improve their skills.		
Difficulty sourcing labor during peak seasonal periods	Establish a labor exchange program across two or more states that experience different peak tourism seasons to fill labor demand when most needed.		State Governments
	Establish seasonal worker accommodation arrangements to ensure the state can sustain an increase in the workforce during peak seasons.	Some organizations provide housing for employees during peak season of May-August such as Sea Pines Resort, Kiawah Resort, Sonesta Resort in Hilton Head)	Businesses/Government

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Difficulty retaining workers once they are in tourism & hospitality employment	Develop a package of benefits for new workers to the state. This could include a proper welcome for new staff, materials about the state, discounts and incentives linked to local business product.	Kiawah Island Club does a great job with their orientation program as well as benefits program to support local retail industry.	Businesses
	Create an orientation program for new staff to the state, with an "on-boarding" kit and monthly orientation/networking events.		Businesses
	Develop career pathway plans or maps for new workers or students that can include relevant case studies and ways to progress their careers that are targeted to the specific job seeker.	Sonesta Resort in Hilton Head as well as other seasonal positions support social media pages where new hires connect with each other before they begin employment. This allows for great social relations among employees and satisfaction creates retention.	Educational Institutions/Businesses/Government
	Set up a buddy system to connect new employees who are moving into the region with locals or other people who have been through a similar integration process and can help the person to acclimatize to the state.		Businesses
	Encourage employee sharing across a number of businesses within a region to create an incentive for tourism and hospitality employees to move into the region and develop their careers through rotations across a number of different roles in different organizations.		Businesses (partnerships)
	Develop a range of youth oriented experiences featuring local tourism experiences to make the region a more attractive place for young people to live and work.	The South Carolina Career Cluster appears to be a great base of encouraging youth to pursue a career in hospitality and tourism.	Businesses/Government

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Lack of skills within the current workforce	Develop training schedules for up-skilling and reskilling staff during the shoulder season when time and resources are more available. across a number of different roles in different organizations.	Even though most workers are seasonal or part-time, companies can develop training schedules through online certifications and curriculum. The Hilton in downtown Columbia does this very well. Online curriculum and training could be a viable method to supplement training in both seasons.	Businesses/Education institutions
	Develop training programs that address regional-specific skills needs of both staff and managers.		Businesses
	Explore opportunities to link with companies servicing other sectors (e.g. resources) and the possibility for joint training relevant to both sectors.		Businesses (partnerships)
	Develop a 'skills passport' for tourism and hospitality workers to assist mobility between businesses both at local and regional levels.		Businesses (partnerships)
Need to improve awareness of existing programs to ease labor and skills shortages	Set up topic specific workshops to increase industry uptake of existing programs to assist with labor and skills issues.	The National Restaurant Association will host the Restaurant Innovation Summit in Austin, Texas. Conferences like this can enrich the skillset of managers in foodservice.	Businesses/Educational Institutions/Associations
	Develop a mentoring service for tourism businesses that have accessed labor and skills programs (e.g. Labor Agreements or other programs that are more complex to access) to share their experiences and offer advice and assistance where possible.	Mentoring: effort of ProSmart	Businesses/Educational Institutions
	Develop case studies about businesses utilizing labor and skills programs, to highlight potential benefits to other businesses.	Harvard Business Review publishes a Hospitality section and is considered as an extremely reputable source of information of hospitality business practices. (Maybe the big 4 SC universities can adopt this publication model and implement a local focus to the publications).	Educational Institutions (more specifically higher education)/Associations

What are the issues being experienced?	What solutions could be used to address the issues?	How have these solutions been implemented in other cities/states/regions?	Who could lead implementation of such solutions in South Carolina?
Need to improve awareness of existing programs to ease labor and skills shortages (cont'd)	Case studies can also highlight some of the leading practice ideas that businesses have implemented to overcome their labor and skills issues.		
	Establish a regional-based one-stop-shop to assist and provide support to tourism businesses in determining which avenues are available to meet their needs.		Lodging Association and other associations (need to hold conferences)
	Develop a guide to employment programs that are available to businesses within the region, which can be regularly updated as appropriate.		Government
Need to build regional/state capacity for employers and employees	Establish an employment alliance within the region to share a common voice and leadership in progressing and implementing labor and skills initiatives.	Alliance Hospitality Management in Raleigh, NC. Even though main job is to support hotel owners, they do disseminate skill programs among their properties.	Businesses/Respective Associations
	Create a standard 'code of conduct' or service charter for the region's tourism industry, to establish a common understanding of the service culture needed for the industry and a standard of cultural awareness and diversity among operators.		Government/Respective Associations
	Set up regular networking events for industry to bring together key stakeholders to discuss employment issues, share ideas and good news stories.	SCRLA offers joint membership opportunities with National Restaurant Association or American Hotel Lodging Association	Higher Education/Respective Associations
	Implement a regional employee survey, to track and measure key employee attitudes about working in the region upon arrival, throughout their time in the region, and upon leaving the region.		Higher Education (research articles)/Respective Associations
	Establish a management mentoring system to guide and support new managers into the region/business.		Respective Associations
	Develop a regular newsletter, or a regular article in existing newsletters, to send out to industry highlighting positive stories and examples of how businesses have benefited from assistance programs.		Respective Associations