

A regional approach to forecasting: skill needs in hotel and catering

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The region has become a key unit in vocational training policy in France. The approach described consists of preparing agreed objectives with the regional public authorities and occupational bodies in response to questions raised by the shortage of labour and training needs in the hotel and catering industry. This is the approach adopted by the Regional Employment and Training Observatory of Burgundy, and it demonstrates the potential and problems of achieving a diagnosis that is shared by public bodies and occupational organisations within a given region.

1. Introduction

All legislative texts in France show evidence of the desire to establish a system of shared responsibility for developing vocational training. This requires cooperation and a variety of complex procedures for consultation between the State and decentralised services, local government and professional organisations. If responsibility is transferred, local decision-makers are encouraged to find out more about their areas so that their decisions and choices are well-founded and they can put forward the most appropriate solutions for the situation on the ground. Adequate diagnosis is essential to planning for the future and suggesting training strategies.

The scheme described falls within the framework of preparing agreed objectives ⁽⁴⁾ for the hotel and catering industry in the Regional Employment and Training Observatory (*Observatoire régional emploi formation*, OREF) of Burgundy, in response to questions raised by the shortage of labour and training needs. It may be regarded as an example of public agencies using quantitative and qualitative data on training, employment and

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⁽⁴⁾ The Apprenticeship Act of 23 July 1987 created a scheme of agreed (regional and occupational) objectives to coordinate intervention by the State, the Regional Council and sectors of industry for the purpose of developing different training paths, notably block/release vocational training. A fresh impetus was given to agreed objectives by the *Five-year act* of 20 December 1993.

job-finding in the relevant economic sector, and as demonstrating the potential and difficulties of regional public authorities and professional organisations in producing a shared diagnosis.

The approach adopted can be described as follows: ‘forecasting the future pattern of jobs and skills means examining how changes in the job structure and in the training system fit together. It brings together two evolving systems which are to some extent autonomous but necessarily interdependent.’ (*Commissariat Général du Plan*, 1991). The general principle is that forecasting should be based on a diagnosis which combines quantitative and qualitative data and serves as a common thread in discussion of the future and in proposals for action strategies. The information is brought together so that the common pool of knowledge can be expanded and regional agencies can be helped to reach agreements and make modifications based on a shared ‘world view’, a shared diagnosis.

2. From national forecasting to a regional observatory

Originally, the task of the national planners in France was to anticipate jobs and recruitment in various occupational sectors by comparing numbers leaving education at different levels of training with jobs occupied and foreseeable developments, extrapolating medium-term needs. As a result of a growing mismatch between forecasts and the true situation, the hope of controlling the relationship between training and employment through national planning was abandoned in the late 1970s. Today, however, France is once again attempting to forecast, but in a different way. There has been renewed interest in forward planning since the mid-1980s. A macroeconomic framework has been established at national level, fixing the main trends in skills development. At sectoral level, contracts for agreed forecasts (*Contrats d'études prospectives*, CEP) ⁽⁵⁾ and agreed objectives (*Contrats d'objectifs*, COT) have been drawn up with a score of occupations to encourage pooling of public and occupational expertise on employment and skills. At the regional level, locally agreed arrangements have been introduced for forecasting and helping regional decision-making. The OREF of Burgundy is one example.

OREF Burgundy was set up in 1989 with the aim of organising the information available on employment and training to facilitate decision-making by local and regional bodies. The *raison d'être* of OREF Burgundy is the belief that no regional institution on its own can claim to master all employment and training. Institutions, therefore, need to work together to reach a shared understanding and to undertake concerted action.

⁽⁵⁾ The CEP were introduced by the public authorities in late 1988 with the aim of creating a common diagnostic and forecasting tool to serve as a point of reference for all those involved in managing human resources, employment and training.

Box 1: A network for Burgundy

The OREF was set up under the State-regional 1989-1993 planning contract. It coordinates regional partners, takes the form of a network and brings together the following range of agencies: the National Employment Agency, the Association for Adult Vocational Training, the Regional Employment and Vocational Training Department, the Regional Agriculture and Forestry Department, the Céreq/Iredu, the Regional Council, the regional department of the Ministry of National Education and the National Institute of Statistics and Economic Research. Since 2002 it has been supported by a Regional Resource Centre. From the organisational point of view, a steering committee and a scientific committee decide on the programme of work and the lines of enquiry and are made up of the heads of regional services in the fields of training and employment; a technical group comprising resource persons from these same institutions and technicians feeds into the general discussion and carries out the research programme.

Regional observatories were set up in France in the 1980s, a period marked by the beginning of decentralisation. This movement led to the gradual transfer of responsibility for training to regional authorities and to the need to ensure coherence and complementarity with central government services. At the technical level, there are new needs for information. In order to avoid redundant duplication of research, the aim is to make use of the data available throughout the various services and to encourage the services of national and regional government to work together.

The work of OREF Burgundy covers four broad areas: provision of initial and continuing vocational training, the regional aspect of the relationship between employment and training, the career paths of those leaving training, and changes in skills. Since it is a network of institutions, its aim is to ensure that the institutions and research bodies in the region work in concert. The main purpose of OREF Burgundy is to try to foster and support a discussion process by developing analytical and diagnostic tools which bring together the various services of national and regional government.

Drawing up the agreed objectives has made it possible to bring together representatives of the commercial economy and public decision-making bodies in employment and training (central government, the regional department of the Ministry of Education and occupational sectors). OREF has provided all partners with information for discussion which takes into account the main circumstances and changes in the sector, the jobs available, employers' recruitment practices, the career paths of young people when they leave education and training, and so on. The role of OREF is to use its close examination of the situation to put forward indicators that will help decision-making and encourage forward planning. The OREF network does not produce statistical information itself but uses data on training, employment, unemployment and labour market entry from the various institutions that make up the network. Furthermore, in the case of the hotel and catering industry, a qualitative survey of some 50 enterprises ⁽⁶⁾ has added to the data available.

⁽⁶⁾ The survey was carried out by telephone interviews with a panel of enterprises in Côte-d'Or, one of the four *départements* in the Burgundy region.

3. Analysis of the needs of the hotel and catering industry

To evaluate training needs, it is necessary to find out about current recruitment and training policies, to identify profiles of expected skills and abilities, and to target technical and organisational developments at work. In the case of the hotel and catering industry, OREF forecasting is structured in four stages. Stage one is finding out about past quantitative changes by means of chronological analyses of labour supply and demand over 10 years; this can establish whether the situation is becoming worse or not, and whether the phenomenon is structural or a result of temporary economic conditions. Stage two sheds light on the career paths of people leaving training, revealing the links between training received, job occupied and sector of activity. The purpose of stage three is to record recent qualitative changes through interviews with senior staff in enterprises, to establish factors affecting job developments in the sector and the skills and abilities expected. Stage four is examination and in-depth study of the diagnosis by a working group made up of the public authorities, trade unions and OREF.

If quantitative and qualitative statistical data from a variety of sources are combined, the particular features of the sector and of the associated jobs can be highlighted. Our approach is not limited to showing a few percentages or figures but draws the attention of decision-makers and others involved to certain weaknesses and strengths. The exercise does not merely consist of handing out information but reuses a range of data relevant to the issue, throwing up specific queries. This document presents the main questions drafted by OREF Burgundy from shared information and knowledge, and the answers given by professionals in the hotel and catering industry.

At a discussion day with various regional bodies, the OREF network put forward conclusions and queries drawn from analysis of quantitative and qualitative developments, and from the career paths of those completing training courses in the hotel and catering industry. The aim of this meeting of partners was to examine changes in training, employment and skills by pooling knowledge and points of view so that future problems and opportunities could subsequently be indicated to various interested parties, and decisions clarified.

From analysis of the quantitative and qualitative data, OREF drew up seven findings and queries and asked partners to respond. These partners were representatives of the Regional Council (i.e. regional government), central government (Ministry of Labour and Ministry of National Education), professionals in the hotel and catering industry, national professional bodies (National Hotel Industry Training Fund) and the four *départements*, as well as trade unionists and managers from training agencies and support bodies.

3.1. Finding 1

The figures did not suggest genuine lack of interest in these occupations among young people, and this was evident from the rise in numbers in training (from 1 000 to 1 500 completing courses) and requests from young people for advice on taking such courses. This was confirmed

by the fact that around 1 000 young people had trained in the hotel and catering industry in the Burgundy region, either at upper secondary school or through apprenticeship, and had entered the labour market. Were there any signs pointing to a change in trend?

All partners agreed on the various specialist training courses to be taken into account, and on the numbers involved. The conclusion was that young people were not averse to hotel and catering jobs.

3.2. Finding 2

In establishments employing 10 or more people, two thirds of employers said that they were recruiting paid staff for unskilled jobs. Only about 24 % of former apprentices were taken on by the enterprises where they had trained (the lowest recruitment rate was 10 %). After leaving vocational upper secondary school, almost a third of former pupils were recruited as apprentices rather than as 'paid staff'. Was it clear how the hotel and catering industry recruited staff? How was it possible to reduce the very large gap between the image of the profession which young people had when they started training and the real conditions under which they subsequently worked?

There was total bafflement at the statistics provided on unskilled jobs, even though they were based on statements by employers.

Some professionals believed that the low rate of recruitment of apprentices in the enterprises where they had trained was explained by the tradition of moving from one enterprise to another to gain practical experience. One professional said: 'It is a well-known tradition in trades that apprentices have to pack up and move on when they finish their apprenticeship if they want to be trained thoroughly. It would be a shame for this custom, this tradition to be lost.' But this explanation did not satisfy all participants: the national decision-maker spoke of hidden reasons that ought to be brought into the open, and mention was also made of the importance of the personality of the boss and of the influence of the workplace setting. The rate of drop-out from apprenticeship contracts (around a third) was pointed to as suggestive of difficulties in this regard.

However, no analysis was put forward to clarify the role of apprenticeship after vocational upper secondary school.

As for the gap between the image that young people had of the profession and the real conditions under which people worked, no immediate answer was forthcoming. However, during actual negotiations on a reduction in working hours, the issue of working conditions, previously considered taboo, was addressed. The difficulty lay not in attracting more young people but in stopping large numbers of people leaving the industry.

3.3. Finding 3

Far from being explained by a lack of people trained in hotel and catering jobs, the problems of recruitment appeared to be recurrent ⁽⁷⁾ and coexisted with more training provision and relatively high unemployment. Moreover, many young people and adults found themselves unemployed after taking a vocational training course in this field. How could this apparently paradoxical situation be explained, given the shortage of labour complained of by employers?

Employers appeared completely puzzled by the unemployment situation. Nonetheless, the beginnings of an explanation were noted: according to the Ministry of Labour, half the job-seekers would rather look for catering work outside hotels and restaurants (school canteens, retirement homes, hospitals, etc.) because of the difficult working conditions and hours.

3.4. Finding 4

Over the next few years, hotels and restaurants should still be creating jobs and taking on young people. Young people who went on working in this sector (four to five years after finishing training) quite quickly gained access to skilled jobs. In other words, career trajectories pointed to the existence of a ‘hard core’ of individuals who put the knowledge acquired through training into practice in their occupation. How could this hard core be expanded, thereby reducing the volatility and drop-out witnessed in the industry?

The trade unions were aware that hotels and restaurants were creating jobs and taking on young people but, according to the Ministry of Labour, there was still a huge problem of financially rewarding length of service through pay. At the end of the session, the representative of the national occupational trade union put forward a topic for future discussion: ‘we have to work towards lower drop-out of professionals, we are thinking about professional development, horizontal careers and waymarking career paths so that young people who will be cooks and waiters all their lives can have a career which will enable them to choose, to have a sense of purpose by experiencing new attractions that will enrich their working lives’.

3.5. Finding 5

There was a modest return to continuing training (similar to the findings of the *National forecasting contract* of 1995). Three reasons were put forward by the managers of enterprises questioned: the difficulties of replacement, lack of time, and inadequacy of training. Which of these seemed the most significant, and which the least? What developments could be expected, and what factors for change?

No reaction to the questions asked was forthcoming.

⁽⁷⁾ A recurrent theme in the building industry, for example (see Amar and Viney, 2000).

3.6. Finding 6

According to the national survey, a number of managers of small establishments stated that their permanent staff took on multiple roles, doing two jobs (e.g. chambermaid + waiter, waiter + cashier, etc.). Was the possession of two skills an increasing requirement in small establishments, and would it become more widespread in future?

A single answer was given by the representative of the national trade union: ‘doing everything will continue, but it could be treated differently. People required to carry out multiple tasks need to have an all-round basic competence in the hotel and catering industry, as cook, waiter, and other skills. This may mean multiskilling in fields that are quite far apart’.

3.7. Finding 7

The dominant idea was that changes to come would not lead to a radical transformation of jobs although some changes would be noticed: the need to adapt to new demands, particularly from the clientele, to new standards (hygiene and food safety), to working conditions (in food preparation, hours of work, etc.) and to the emergence of new skills, especially those brought about by the development of information technology. Was this list of main factors complete? What new knowledge and skills would have to be acquired? What would have to be added to the content of the training currently given?

Only the national representative of the occupational trade union spoke about developments: ‘The future will increasingly be on the distribution side and much less in production. The young people of tomorrow will need to be willing to work more often in customer services and not in producing meals. Of every 10 jobs, 4 will be out front in the dining room, 3 in the kitchen, 2 in reception and 1 other’.

4. Conclusions

These various analyses show that problems of training, and then of finding jobs and recruitment, cannot be treated independently of labour market policy, nor of the tensions which may exist in the labour market (such as the huge turnover in hotels and restaurants). ‘The aim is to work with the professionals to arrive at a number of reliable conclusions about the employment situation in the sector, and then to find ways of improving this, in terms of career support, training, tutorship, etc. (Regional Council responsibilities). One paradox: many young people join and few stay, a situation which does not match stated needs in terms of jobs. On the basis of a reliable diagnosis this will mean finding medium-term areas for forward-looking improvement and progress, which is the precise purpose of objective contracts.’ These words, spoken by the representative of the Regional Council responsible for drawing up the agreed objectives, sum up the state of the debate at the end of the discussions between the regional partners.

Our approach combines quantitative analysis, using statistics on training, employment and labour market entry by people completing training, with qualitative analysis using surveys of senior staff at the workplace. These investigations among professionals elucidate, complement and validate the statistical findings. From this approach it is evident that the notion of finding a complete match between training output and employers' skills needs is a myth. It is difficult to measure employers' needs, those leaving the education system are not the only people looking for work, training may lead to different kinds of job in a variety of sectors, a given job may be occupied by people from a range of training backgrounds, and demand for training and work from individual young people and adults changes in accordance with social representations and economic requirements. A mechanical, quantitative relationship between requirements and training needs to be replaced by a quest for points of adjustment between these two elements.

Similarly, this approach clearly demonstrates that one single indicator cannot sum up the complexity of a situation. Indicators are only one way of raising questions in order to channel continuing discussion with regional parties. By contrasting and comparing a variety of information it is possible to gain a better understanding of the true situation, to reveal employers' local recruitment practices, and to identify certain imbalances between the structure of employment and that of training. Forecasting has to be based on a detailed diagnosis of the current situation and on comparison of the points of view of different interested parties. The purpose of this approach is to generate action and depends on its capacity to develop a diagnosis based on agreement among those involved as to priorities and common principles for action.

5. Questions still remain

This diagnosis, which is the result of a comparison of information, should improve dialogue and discussion of choices between the different parties involved. Trade unions and occupational bodies have a national vision of the sector and the jobs within it. Generally, national bodies nearly always try to lay down various ways of matching employment to training, using the agreed objectives as a tool for coherence and negotiation at regional level. The agreed objectives, therefore, set out to combine two different kinds of approach: one sectoral and national, and the other regional. How far can regional bodies share information when their interests are sometimes guided by contradictory objectives?

Agreed objectives would seem to be drawn up on the basis of various imperatives which do not necessarily follow the same lines of thinking: the public-service administrative principle (the need to provide all children with education according to national objectives), the regional development principle (choosing between specialisation fields and their geographical spread), the sectoral principle, and so on. Given the different ways in which those involved think (central government, Regional Council, trade unions, training providers, etc.), is shared diagnosis a realistic goal?

The agencies involved in employment and training, national government, the regional authorities, employers and individuals, have a freedom of manoeuvre which they sometimes use in a way that may not be fully consistent or coordinated with their partners. It is a long process to persuade institutions that are sometimes in competition to pool certain points of view in order to carry out concerted action. Furthermore, this shared diagnosis at a given moment obviously does not stand still and requires further discussion and evaluation over the years. How can regular dialogue be ensured between the economic and social actors in a given region?

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