



Summary of Hospitality, Tourism, and Destination Retail Workforce Summit

The Hospitality, Tourism, and Destination Retail Workforce Summit was held at the Chicago Hilton and Towers, 720 South Michigan, Chicago, Illinois from 8:00 a.m. to noon on September 29, 2005. Approximately 200 individuals attended the summit, representing employers, industry and trade associations, the education and training community, organized labor, and policy agencies.

In the metropolitan Chicago area, the hospitality, tourism and destination retail industry is the fastest growing industry in the region's economy. The primary goal of the Workforce Summit was to generate collaborative recommendations for building a highly skilled workforce that meets the needs of employers in the Chicago Metropolitan region. The summit provided a forum for discussion and dialogue around the workforce challenges facing the industry and strategies for addressing the industry's needs.

The Workforce Summit was convened by The Workforce Boards of Metropolitan Chicago in cooperation with the following co-sponsors: Chicagoland Chamber of Commerce; Chicago Plus; Chicagoland Regional Tourism Development Office; Grand Victoria Foundation; Illinois Association of Museums; Illinois Department of Commerce and Economic Opportunity; Bureau of Tourism; Illinois Hotel and Lodging Association; Illinois Restaurant Association; Illinois Retail Merchants Association; McHenry County Economic Development Corporation; Museums in the Park; National Restaurant Association Educational Foundation; National Retail Federation Foundation; Northern Illinois Tourism Regional Development Office; UNITE HERE Local #1; UNITE HERE Local #450; Visit Illinois; and World Business Chicago.

Overview of the Summit Program

Mr. Jerry Roper, President and CEO, Chicagoland Chamber of Commerce served as the Master of Ceremonies for the Workforce Summit. He welcomed those in attendance and recognized the individual Workforce Boards comprising The Workforce Boards of Metropolitan Chicago as well as the Workforce Summit co-sponsors. He noted that in 2002 the hotel and restaurant sectors in the region generated over \$15 billion in sales and employed nearly 280,000 people. Mr. Roper stressed that this industry is the fastest growing in the nation, and he underscored the need for the metropolitan Chicago region to focus on strategies that address the competition among destinations. Mr. Roper applauded the State's support for tourism (i.e., airport and McCormick Place expansion), generally, and Jan Kostner, Director of Illinois Bureau of Tourism, specifically.

Mr. Roper acknowledged that success in maintaining and building the Chicago area's industry will depend on the skills of its workforce. He noted that there is a need to share information with youth so they are aware of the career opportunities available in this industry. He stressed the importance of organizations working in partnership and combining energies, expertise and resources to implement solutions that address common workforce issues.

Keynote Address

Ms. Colleen McShane, President of the Illinois Restaurant Association, introduced keynote speaker Mr. Harry Bond, President of Monical Pizza Corporation. Mr. Bond is a member of the Grundy Livingston Kankakee Workforce Board, Chair of the Grundy Livingston Kankakee Youth Council, and an active member of the Illinois Restaurant Association and National Restaurant Association. Monical Pizza has been the recipient of numerous awards for being a corporation that invests in the development of its workers and values its employees. Monical Pizza Corporation is comprised of 36 corporate stores and 21 franchises that employ almost 1,000 people and generated revenues of \$45 million last fiscal year.

Mr. Bond noted that the hospitality, tourism, and retail industry includes retail trade, hotels and accommodations, restaurant and food service, performing arts and sports, museums and historical sites, and amusements, gambling and recreation. In the metropolitan Chicago region, the industry, comprised of these six subsectors, employs over 800,000 individuals and includes over 49,000 establishments. Wages, with the exception of performing arts, sports, and related, are lower than average and educational requirements are primarily short and medium term on-the-job training. Educational attainment of the workforce is predominately high school or its equivalency and less. The majority of workers are white, non-Hispanic.

The remainder of Harry Bond's presentation focused on the restaurant sector and best practices. He indicated that the restaurant industry can expect dramatic growth, changes in consumer expectations and attitudes about food, changes in the available workforce, significant need to "lead" rather than "manage" a process and the shift from a "manufacturing" economy to the "experience" economy. Key trends will include a move towards healthier eating, the in-restaurant experience becoming less valued, and increasing and diverse competition. He noted that as the restaurant size increases, so does the level of education and experience required for restaurant managers. Between 50% and 70% of restaurant jobs are filled from referrals, internal promotions or internet contacts. Wage information for restaurant managers supported his premise that viable career opportunities exist in the restaurant sector.

Mr. Bond credited much of Monical Pizza's success to the National Restaurant Association's Harvard Business School leadership and management program. He explained that the program includes:

- Online readings and articles from Harvard Business School Publishing that offer in-depth information on 37 industry topics;
- Facilitated group discussion sessions that help solidify key concepts; and
- Applied activities and interactive exercises that relate techniques back to the employee's operation.

The program addresses critical workforce issues applicable to all hospitality, tourism and destination retail establishments and their workers: communication skills, people skills to manage a more diverse workforce,

problem solving skills in difficult daily situations, leadership and negotiation skills, and teamwork and goal setting. Additional information on the program is available at <http://www.nraef.org/resources/harvard/about.asp>. As a result of this program, Monical Pizza has experienced a 15.5% increase in employee satisfaction, improved labor productivity as evidenced by a 3.7% decrease in employee hours per 100 pizzas, a 12.73% increase in overall guest satisfaction scores, a 10.81% increase in overall value scores, revenue growth of 16.7% between 2000 and 2004, and an overall profit growth of 30.22% for the same time period.

Panel Discussion

Following the keynote, a plenary panel of representatives from the industry shared how their organizations were addressing critical workforce issues. Arnold Karr, Principle with Karr and Associates, served as moderator for the panel discussion. He stressed that employee skills and motivation are critical to the success of any organization. Mr. Karr noted that people expect more in terms of customer service than ever before and noted that it is incumbent on employers to develop the skills of their employees.

Panelists included Kathy Mannes, Manager Workforce Initiatives, NRF Foundation; Pam Egan, Executive Vice President, Nevada Partners; and Salvador Mendoza, Assistant Vice President of Diversity, Hyatt Hotel Corporation. Following is a brief summary of each panelist's presentation:

- Kathy Mannes assessed the audiences' work experience in retail establishments and noted that the majority had likely been employed in entry-level retail jobs, often as their first job. She indicated that there is a need for the industry to develop customer service and selling skills and recognized that efforts of NRF, the primary trade association for retailer employers, to work with the metropolitan Chicago Workforce Boards and public workforce development system to increase the availability of such training. Challenges the industry must overcome include the negative perception of retail careers and a lack of training models and credentials for the industry. Ms. Mannes then elaborated on the NRF's success in identifying competencies for quality customer service, establishing standards, and offering credentialed customer service training. She reported that the NRF will also be offering certified management and sales training in the coming year.
- Pam Egan reported that in the Las Vegas the casino industry represents 25% of the area's economy. Job growth is as high as 47% in some occupations. Approximately 90% of the casino's labor force, or 60,000 employees, are union workers. Training programs offered by Nevada Partners are the result of a strong labor management partnership. Training is available to incumbent workers and new entrants. The curriculum for all programs, which include guest room attendant, house person/utility porter, steward, cook's helper, professional cook, food server, bus person, gourmet food server, gourmet wine server, sommelier, bar porter and bar back, are customized to the Las Vegas industry. Skill development/training programs are focused on employer needs, career progression, diversity and high growth occupations. Future challenges include capacity issues that hinder the production of skilled workers to meet employer needs and adequate planning to forecast and address demand occupations six to twelve months in advance.
- Salvador Mendoza noted that demand for skilled workers is increasing and competition within the industry is increasing. He reported that image and perception of the industry's jobs is its biggest

workforce challenge and, unfortunately, that perception is often a reality for minorities. He encouraged more events such as the Hyatt career day when fifth graders are provided an opportunity to shadow hotel employees. Young people need to view hotels as not just a place to stay but also an opportunity for employment. He supported the use of on-line training programs, such as the Harvard business program, for employee development. Mr. Mendoza reported that the Hyatt Diversity Council supports diversity in the workplace and identifies innovative strategies for advancing the English skills of its employees (e.g., Leap Frog training program based on soap opera).

Mr. Karr facilitated a brief question and answer session following the presentations.

Breakout Sessions

Four breakout sessions were offered to the attendees following the plenary panel presentation. Each session included a leader and expert resource presenters who provided best practices and information related to the respective breakout session topic. A summary of the purpose and discussions for each of the sessions follows.

- **Session One: Finding and Preparing Qualified Employees**
Leader: Karen Patel, President McHenry County Economic Development Corporation
Expert Resources: Chris Powell, Director of Applied Science and Technology, Niles Township District #219; Emlyn Thomas, President, Café Concepts and Management; Linda Goldberg Leahy, Vice President, People Development, First Hospitality Group, Inc.

The purpose of breakout session one was to recommend actions for raising applicant qualifications. Discussion focused on managing earning expectations of entry-level employees and the need for learning experiences to support advancement. Additionally quality of life issues associated with employment in the industry and the need for creative solutions were discussed. Individuals participating in the discussion noted the need for improved information on career opportunities and increased value of education to support advancement. Solutions discussed included forming education/business partnerships to inform youth of opportunities, improving guidance counselors' understanding of career opportunities, and increasing the use of available resources such as industry associations.

- **Session Two: Raising Customer Service Skills and Performance**
Leader: Sue Vos, Executive Director, Aurora Area Convention and Visitors Bureau
Expert Resources: Michele Schembre, Vice President Marketing, Midwest Westfield Corporation, Inc.; Nanette Schonberg, Director of Staff Training and Development, Shedd Aquarium

The purpose of breakout session two was to discuss the need to increase the quality of customer service in the industry. A discussion of inconsistencies in customer service from individual to individual due to cultural and generational gaps as well as inconsistencies from property to property within a chain resulted in some level of agreement that the industry should adopt customer service standards. Participants noted that there is a need to educate employers on the importance of developing employee customer service skills and to identify resources available for such training. The group suggested that a task force might be formed to assist with development

of a customer service business plan for engaging employers in an initiative aimed at improving customer service within the industry.

➤ Session Three: Employee Retention and Skill Development

Leader: Susan Anderson Khleif, PhD., Senior Vice President Strategic Business Unit, Recruitment and Retention, National Restaurant Association Foundation

Expert Resources: Leori C. Moore, Manager, Staffing, Training and Workforce Development, CVS; Linda Mrowicki, Project Director, The Center, Resources for Work and Learning; Karen Kadowaki, Training and Development Manager, Peninsula Hotel

The purpose of breakout group three was to discuss how the industry can reduce costly turnover of staff and develop employee skills. Discussion focused on the need for employee training at all levels. Management needs improved communication and interpersonal relationship skills. It was noted that this is an industry that promotes from within but, to do so effectively, must provide its employees with necessary training. Priority training needs for entry-level employees included improved English and computer/technology skills. Private sector representatives noted that the industry should work aggressively to promote an increased investment of public resources for training related to the industry. There was general agreement among training providers, and a discussion ensued regarding employer receptiveness to internships and on-the-job training. Strategies for leveraging additional public resources included improving the image of the industry and increasing awareness of career opportunities in the industry.

➤ Session Four: Making Diversity an Asset

Leader: Julie Coker, General Manager, Oakbrook Lodge

Expert Resources: Jill Bishop, President, Workforce Language Services; Michele Miller, Director of Marketing and Communications, Multi Cultural Foodservice and Hospitality Alliance; Pam Egan, Executive Vice President, Nevada Partners and the Culinary Training Academy

The purpose of breakout group four was to discuss how to build language capacity of employees and capitalize on diversity within the industry's workforce. Discussion focused on challenges and opportunities associated with cultural differences within the workforce. The need for improved English skills was recognized as a major priority for the industry. Training, both formal and informal, was viewed as necessary. Solutions as simple as "Word of the Day" and "Expression of the Day" as well as developing employees' understanding of the business ramifications necessitating improved English skills were identified. It was noted that entry-level employees should be informed of the need to develop sufficient language skills for advancement and that employers should offer incentives to encourage their participation in training. It was generally agreed that ideally training should be customized based on an individualized assessment; a participant representing organized labor noted that the union can assist with the assessment process. There was discussion of cultural differences and its impact on employee behavior. The importance of celebrating cultural differences and at the same time educating employees on how behavior should be adapted based on customer expectations and corporate culture was discussed at length. Finally, the group identified innovative strategies for recruiting a diverse population of workers and the need to adapt the recruitment/application/hiring process accordingly.

Priority Recommendations

All attendees reconvened for each breakout group's top priority recommendations for addressing workforce challenges related to their topical area. The group leaders for each breakout group reported as follows:

Session One: Finding and Preparing Qualified Employees, Karen Patel, Presenter

- Identify innovative solutions to address quality of life issues associated with employment; address need for flexible work environment
- Increase general understanding of industry's career opportunities, salary expectations, skill requirements
- Inventory resources that can assist with increasing awareness of career opportunities in the industry; create business/education partnerships to inform youth and maximize use of industry associations

Session Two: Raising Customer Service Skills and Performance Sue Vos, Presenter

- Inventory available customer service programs and identify what other states are doing successfully
- Identify barriers to providing excellent customer service and strategies to overcome barriers (example: barrier is employer's lack of investment in training for staff; strategy may be to identify return on investment in providing training to staff)
- Develop/identify essential elements of customer service curriculum

Session Three: Employee Retention and Skill Development Susan Anderson-Khleif, Presenter

- Develop soft skills and improved interpersonal communication skills of managers
- Collaborate on investing in development of entry-level employees (i.e., career preparation, technology skills)
- Collaborate on improving the image of industry and investment of public resources in workforce development

Session Four: Making Diversity an Asset Julie Coker, Presenter

- Educate employers (i.e., anyone in a supervisory position) to increase understanding of cultural differences, employee perspectives, and value of a diverse workforce
- Offer employee training based on customized assessments; provide incentives to encourage completion of training
- Recruit a diverse workforce through improved relationships with educators, targeted strategies to reach specific populations, improved image of the industry, and use of employers and employees as recruiters

Proposed Opportunities for Collaboration

The Workforce Boards are charged with overseeing the development of a demand-driven workforce system in each of their local jurisdictions. This means a workforce system that provides quality employees for employers and develops real career opportunities for job seekers.

One purpose of the summit is to provide a framework for the Workforce Boards and organizations representing the industry to identify opportunities for collaboration in addressing the gaps that exist between the workforce development system and employers. The Workforce Boards have identified the following opportunities for consideration based on information shared through summit presentations, breakout group discussions, breakout group priority recommendations, and information gathered during planning for the summit.

- **Promote Career Opportunities:** The overriding perception is that occupations in the hospitality, tourism, and retail industry are dead end, entry-level jobs. However, in reality several of the subsectors have well developed, clearly articulated career paths. These career paths need to be identified, examined, and disseminated to career advisors and workforce development professionals. Career awareness information and educational/training programs that support career preparation and advancement should be identified for replication and use within the region. Private sector partnerships with the workforce development system should be explored for the purpose of increasing awareness of career opportunities in the region's industry.
- **Provide Premier Customer Service:** Throughout the summit the quality of customer service and its impact on the industry's competitiveness was discussed. The importance of improving the customer service skills of employees, and strategies for doing so, were discussed in relationship to each subsector. The need to establish customer service standards and identify programs to support skill development was identified in the context of entry-level employees as well as cultural differences. The identification of competencies, use of training programs meeting established content standards, and adoption of industry accepted certifications should be considered to support the provision of premier customer services in metropolitan Chicago's industry. To advance this initiative, the metropolitan Chicago region's current partnership with the National Retail Federation should be considered.
- **Increase Public and Private Investment in Training:** The metropolitan Chicago area is fortunate that many of its employers and industry associations recognize the value of investing in the development of this industry's workforce. Most of the education or training provided has been the result of individual employer/corporate initiatives and, therefore, have had limited impact on the industry's labor force. Clearly, an increased investment in training for metropolitan Chicago's hospitality, tourism and retail industry is appropriate. Opportunities for labor management partnerships, such as Nevada Partners, to support skill development of the industry's workforce and career ladder progression should be explored. Various options should be considered relative to increasing the investment of public resources, including but not limited to the Governor's Critical Skill Shortage Initiative, the President's High Growth Job Training Initiative, and formula allocated Workforce Investment Act funds.

Next Steps

The summit provided an opportunity for representatives of the hospitality, tourism and destination retail industry to not only see that they share many of the same workforce issues, but also that there is enormous potential to work together on effective, cost efficient solutions. The recommendations that emerged from the breakout groups provide a framework for what participants both consider to be the most important issues and factors that would contribute to successful solutions. The Workforce Boards of Metropolitan Chicago and co-sponsors will meet to determine appropriate activities to be undertaken as follow-up to the summit.



Chicago Workforce Board
Cook County Workforce Investment Board
DuPage County Workforce Board
Grundy Livingston Kankakee Workforce Board
Lake County Workforce Investment Board
McHenry County Workforce Investment Board
River Valley Workforce Investment Board
The Workforce Board of Northern Cook County
Workforce Investment Board of Will County

Feedback on the Hospitality, Tourism, and Destination Retail Workforce Summit

September 29, 2005

TOTAL EVALUTATIONS: 43

Please rate the following items:

	Poor 1	2	Average 3	4	Excellent 5
The Summit met my expectations	0	0	7	19	17
Summit Format (Keynote, Panel, Action Groups)	0	0	5	12	25
Quality and relevance of materials	0	0	4	15	22
Quality of agenda	0	0	6	18	18
Quality of presentations	0	0	4	17	18
<i>Keynote</i>	0	0	2	20	20
<i>Panel</i>	0	0	1	15	24
<i>Action Group Experts</i>	0	0	4	17	19
<i>Action Group Moderators</i>	0	1	4	15	20
Time allotted for Action Groups	2	0	7	12	20

1. The part of today's meeting most relevant to me was:

The break out groups (4)
Excellent
Keynote was excellent
The information offered in the keynote speech was excellent
The partnership coming together
Structure of the meeting and participations, sponsors
The real life examples

Different stories
Networking with others in my industry
To hear what other educators are struggling with and what the industry wants/needs
To see that others have the same needs
1st meeting, orientation, end session
Hearing perspectives of industry reps and considering impact of that info on my specific audience
Action group presentations and group discussions
Breakout: diversity training
Good panel participants
Recognizing diversity and sameness of challenges within a broad definition of our industry
Finding issues that relate to our park district
Issues with different cultures
Customer service session excellent, two great experts, moderator was wonderful
Learning more about customer service
Marketing challenges and solutions—WIB resources and One Stop Centers. Info from industry members on perceptions and how to overcome negative perceptions
Las Vegas hospitality discussion
Nevada project
Seeing the business case presentations, Monical and Vegas
Work for a CUB-very pertinent info. Thanks so much. I found the info shared very helpful to use personally, as well as my organization
Hearing how ESL/Spanish are such a priority of a wide audience
Employer goals and expectations. Employee awareness, needs, and expectations
Being able to give input to solutions for finding employees

2. Today's event was designed to generate collaborative actions for priority issues. Please suggest any changes for future Summits that might help us better meet our goal:

Well-done
Great format-great opportunity
Put agenda out
A printed list of names of contact persons
Roster of attendees and their contact info, issue at conference and send via e-mail
More frequent
Full day summit-hard to cover all issues
Possibly longer? Sessions were wonderful. Very good panel in the customer service session. Very good dialogue shared.
More time to create more solid plans-what is the next step?
Developing innovative work balance quality of life solutions
Break into industry segments
More people from southern Illinois
I think it's disruptive when you move a large group of people to other rooms. I noticed a lot of people didn't even come back to the ballroom

3. Other Comments:

Great (3)
Thank you (2)
Great beginning
Great-highly organized
Great to have broad representation from all segments
Thank you for organizing this informative summit
Thank you for the opportunity to participate
Longer conference—too short. Enjoyed the collaboration between workforce and tourism. As an employer, this conference was a valuable tool.
The way that the breakout group shared the information with the full group and the commitment to share everything later is exciting. I look forward to getting those materials.
Please focus on making one-stops more user-friendly for employers
Encourage networking and communication between nonprofit employment preparation service providers and employers.
Destination retail seemed an odd additional aspect. Seems as though the event should have been limited to H/T
Redesign the brochure—hard to know what to expect
Turn off the air conditioning
Room too cold