

**Region 2 Hospitality Audit Questionnaire Summary Narrative
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The purpose of the Hospitality Audit Questionnaire is to assess workforce issues, needs, and concerns in the hospitality industry in Region 2 of the State of Idaho. Information received from the questionnaire will help assist and analyze workforce development and training needs to identify possible solutions to the workforce training crunch. Also, the information can be used as an aid to help employers with improving worker recruitment strategies and retention programs. Participants were asked questions concerning how much their organization rely on tourism-related customers, how many people were employed, and which strategies were used to recruit new workers. Questions pertaining to entry-level wages, benefits, rate of employee turnover per year, and the reasons employees leave were also asked. The survey also asked for information in regard to skills that employees are in need of for their jobs and the economic impact of not having fully qualified employees. The remainder of the questionnaire contained questions in relationship to the impact of the Lewis-Clark Bicentennial event and employee training needed to take advantage of the LC Bicentennial event.

Participants

Forty-three organizations from seven different types of hospitality businesses were included in the research; sixteen restaurants, sixteen motels, six retail/gift shops, three convenience stores, two espresso stores, one casino, and one bed and breakfast. Two of the motels also included at least one restaurant or lounge as revenue centers. Eighteen of the interviewees are owners, twenty-four are general managers, and one is the human resources director. At the time of the interview, the organizations employed one thousand one hundred and forty workers: eight hundred eighty three full-time, two hundred eight part-time, and forty-nine seasonal in Grangeville, Riggins, and Kamiah/Kooskia and Lewiston/Clarkston areas.

Results: An Overview

Twenty of the participants estimate that 26%-50% of their gross income is derived from tourism-related customers. Entry level wages range from \$2.43 per hour (tipped employees) to \$9.00 per hour (some cooks). It is of interest that both the lowest and the highest entry wages-per-hour are offered in Idaho, which has a significantly lower minimum wage (\$5.15 compared to \$6.90. Washington has since increased the minimum wage to \$7.01). Twenty-nine of the organizations offer some type of "employee benefits". The most popular benefit offered is uniform, followed by medical insurance, and various employee-discounts. One restaurant offers key employees the use of a cell phone during employment.

Twenty of the employers rate their employee turnover at less than 25% per year. However, generally speaking, the organizations that employ more than ten workers had a turnover of at least 50% per year. The average turnover in the hospitality industry hovers

around 60%. Seeking better jobs, moving, conflicts with guests or coworkers, and returning to school are cited as common reasons for worker separation. Interviewees are most interested in offering Lewis-Clark Trail information orientation, customer service training, communication-skills training, or basic work ethics training for employees.

Percent of gross income that comes from tourism-related customers

Twenty of the participants estimate that 26%-50% of their gross income is derived from tourism-related customers; nine participants estimate that less than 25% of their gross income is from tourism; six interviewees estimates that 51%-75% of gross income is from tourism, while five organizations estimate that over 76% of income is tourism driven.

Strategies used currently to recruit qualified workers

Participants were asked to identify the means or agencies which are the most helpful in finding qualified workers. Twenty-nine of the businesses report that identifying employees through “family or friends” and/or newspaper advertisement results in the best qualified workers. Six businesses feel that “word-of-mouth” advertising is the best means to find qualified workers. Job Service is another common way that participants recruit new workers.

Entry-level wages and benefits

The range from the lowest to the highest entry level wage offered by the interviewees is \$2.43 per hour (plus tips) to \$9.00 an hour respectively. A large disparity of average entry-level wages exists between the participants, largely due to the difference in minimum wage in Idaho and Washington. Eight organizations offer \$6.90 per hour as entry level (all Washington based); while another eight offer an entry level wage of \$5.15 per hour (all Idaho based). Experience in the specific job is mentioned as the greatest reason for offering a higher than minimum wage.

Twenty-nine of the organizations offer benefits of one form or the other, ranging from providing free employee uniforms to providing free cell phones (minutes are monitored). Medical insurance for selected employees and various types of employee discounts are two of the most popular benefits offered.

Employee turnover and reasons for employee separation

Almost half of the organizations (twenty) rate employee turnover at less than 25% per year, thirteen estimate 26-50%, seven 51%-75%, while three establishments estimate annual turnover at 76% or more. There appeared to be no correlation between rate of pay and turnover rate. One of the establishments in Washington, which had one of the highest rates of pay, also had the highest estimated annual turnover rate.

Participants were asked to cite three of the most common reasons employees separate. The three most common reasons mentioned for employee separation is that workers move out of the area, search for better jobs, or attend school. Ten of the participants cite “conflicts with guests or co-workers” as a common reason for involuntary separation. Better pay, not enough hours, and no benefits offered are common reasons given for voluntary separation.

Advice from an employer to another regarding employee recruitment and retention

Eighteen of the respondents feel that researching the background of perspective employees and/or interviewing thoroughly is the best advice for other employers in regard to hiring practices. Other interviewees suggest that paying close attention to personality and appearance as important determining factors for successful employee selection. A few of the employers commented that they would like to spend more time in employee selection, but don't seem to have enough time. One manager commented that they have had better results from hiring senior citizens.

In regard to retention, all employers feel that a sense of humanity is the key to employee longevity. Acknowledgement of the employees' work, giving praise freely, working with employee scheduling, and being upfront with workers are stated examples. Four organizations cite providing a “family environment” is critical to retention. Also mentioned by one employer was that by having a core of well-trained employees, more qualified applicants are attracted. One of the larger hospitality firms suggest that programs such as “employee of the quarter” is a key element of worker retention. Generally speaking, the organizations that cited these factors as keys to worker retention were the organizations that had lower annual turnover rates.

Skills that employees have but don't

Customer service and basic work ethics are two skills that many employers feel that employees lack the most. Self-motivation, communication, problem solving, and common sense were also mentioned by several as skills needed to perform jobs that many employees don't possess. A lack of people skills, sense of urgency, team-work dynamics, product knowledge, and sales training were also mentioned as skills that employees don't, but should possess.

Employee advancement opportunities, skill development, and on the job training needs

Interviewees were asked if they provide employee advancement opportunities or facilitate ways for workers to gain new skills. Common responses included internal hiring and cross-training. Several of the organizations mentioned that they send employees to off-premises training, while two of the organizations view themselves as too small to offer employee skill development.

In regard to the greatest on-the-job training needs, there was a myriad of responses. Customer service, problem solving, and a more thorough employee orientation were common needs cited by operators. One participant stated that the corporation he works for does not allow training to be budgeted.

Economic impact of not having enough trained workers to do the required work

There was a wide spectrum of answers to this question. Eight respondents believe that there is no negative economic impact due to no having enough trained workers. Eight more respondents feel that the negative impact of not having enough trained workers available is minimal. Six organizations stated that there is a substantial impact in not having enough trained workers. One respondent estimates a negative impact of 5% of gross sales, one 10% of gross sales, one from 25% - 30% of gross sales, and one a seven thousand dollar loss every four weeks. One owner stated that there is a major economic impact by not having enough trained workers because “locals don’t forget.”

Change of workforce and the impact of the Lewis-Clark Bicentennial event

Twenty-one of the organizations feel that their workforce will increase in the next five years, fifteen of the properties’ management view the workforce as remaining the same, and three properties anticipate a decrease in the workforce. When asked if the LC Bicentennial event is going to require more employees, twenty of the respondents feel that there is going to be a positive impact, four employers are hopeful, and fifteen feel that there will be no impact whatsoever. Two operators stated that they noticed an increase in traffic this last summer. A common theme (mentioned by five respondents) is that the impact may be somewhat overstated.

In regard to the Lewis-Clark Bicentennial event, LC Trail Information Orientation and Customer Service were the two needed areas of training that were mentioned most often. Communication, basic work ethics, problem solving, and team-work were also other training areas mentioned often, as needed in regard to the Lewis-Clark Bicentennial.