# Hospitality Insights For a sustainable industry

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### **Hospitality Insights**

**Vision:** To communicate hospitality research to practitioners in the hospitality industry in order to inform their thinking, processes and practices.

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Hospitality Insights contains concise and accessible summaries of AUT's hospitality research. Our publication is aimed at a practitioner/industry audience, with a focus on relevant issues to help build a more sustainable hospitality industry for the future.

This journal will operate as a tangible vehicle for meaningful outreach with local and international hospitality communities. Our objective is to stimulate dialogue between academic researchers and industry practitioners, as well as other interested members of the hospitality community. We believe such a discourse can improve business practice, sustainability and workers' wellbeing, and lead to the creation of more healthy societies, whilst also engendering impact and uptake of academic research.

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### **Editorial**

#### Alison McIntosh, Shelagh Mooney and David Williamson

Kia ora whānau, kia ora tātou. Welcome to the second issue of *Hospitality Insights*. The journal continues to present concise summaries of cutting edge research and opinion that explore hospitality in all its contexts. Topics covered in this issue include: the critical issue of hospitality and tourism education in New Zealand secondary schools; the exploitation of migrant workers in the hospitality sector; sexual harassment in the Cook Island hospitality industry; the role of hospitaleness and artisanship in creating sustainable outcomes for hospitality businesses; definitions of success in small restaurants and the impacts of operational factors, stakeholder relationships and managerial processes on that success; and finally, a timely reminder of the crucial importance of hospitality as an act of giving pleasure.

The content of this issue is highly relevant to practitioners, researchers and all fellow travellers in the hospitality community. Our industry (both in New Zealand and internationally), currently faces intensifying challenges, particularly around labour sustainability. With migrant exploitation and sexual harassment featuring prominently in current media and public discourse, the research presented in this issue reflects many contemporary concerns. The aim of this journal remains, that by presenting this type of accessible research summaries to a wide audience, the resulting engagement will lead to a more successful and sustainable hospitality community.

# Hospitality and tourism as a subject in secondary schools: A worthwhile choice or a 'dumping ground'?

#### **Helen Andreassen**

Helen worked in the New Zealand wholesale travel sector for 15 years prior to commencing her tertiary teaching career in 2002 with Auckland University of Technology, New Zealand. She is now a senior lecturer and the programme leader for the Bachelor of International Tourism Management. She holds a Bachelor of Tourism Studies (BTS), Certificate in Tertiary Teaching, and Master of Philosophy (First Class Honours) from Auckland University of Technology. Her research interests include tourism education and the perceptions of tourism as a rewarding career, and the changing use of ICT in the tourism industry.



The tourism sector is now New Zealand's number one export earner, contributing 17.4 percent to New Zealand's total exports of goods and services [1]. In addition, the sector directly employs 8.4 percent of New Zealand's workforce and a further 6.1 percent are indirectly employed [2]. Given the obvious importance of hospitality and tourism to both the national economy and local communities, one would expect that a potential career in the industry would be something for a young person to aspire to. Sadly, this is not the case, and recent research has found that much of the poor perception of a career in hospitality and tourism stems from the delivery of hospitality and tourism education in New Zealand secondary schools [3].

In the New Zealand secondary school curriculum, secondary students gain New Zealand's Certificate of Educational Achievement (NCEA) by working towards a combination of achievement or unit standards. The Ministry of Education is the only developer of achievement standards, which are derived from the achievement objectives of the New Zealand Curriculum. Unit standards are developed by industry training organisations [4]. Both hospitality and tourism are deemed to be 'vocational' rather than 'academic' subjects in the NCEA structure and are delivered as unit standards. In a review of the list of approved subjects for University Entrance (UE) in 2011, only subjects delivered as achievement standards were eligible, hence the removal of hospitality and tourism after the revisions came into effect in 2014 [5].

Students are often introduced to the study of hospitality and tourism at secondary school and therefore their early perceptions of a potential career are formed at this stage. These perceptions can be influenced by several factors, including the position that studying hospitality and tourism does not prepare students for further or higher education as effectively as other subjects might. Criticisms of hospitality and tourism as secondary school subjects include that the curriculum lacks both serious and relevant content and academic rigour. The idea that hospitality and tourism classes are used as a 'dumping ground' for the less academically able students is damning. The attitudes of teachers, career advisors, school management and parents also play a significant role in the development of a positive or negative perception of the industry, with some actively discouraging students' interest. The removal of hospitality and tourism as UE approved subjects has only contributed to this poor perception both by students and the larger community, including parents [3].

There is an evident disparity between the importance of hospitality and tourism to the economy and local communities, and the perception of a career in the industry. Tourism Industry Aotearoa's *People and Skills* 2025 report [6] identifies that an extra 36,000 full-time equivalent workers (approx. 47,000 jobs) could be required to service the visitor economy by 2025. The current delivery of hospitality and tourism education in secondary schools does nothing to enhance the perception of the industry, but instead contributes to its struggle for recognition and credibility. To address this disparity, there is an urgent need for discussion and strategic planning by all stakeholders. The government's current review of the education system, including NCEA, provides this opportunity.

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# **Exploitation in New Zealand's hospitality sector**

#### **Christina Stringer**

Dr Christina Stringer is an Associate Professor of International Business at The University of Auckland Business School, New Zealand. Her research interests include a focus on labour and human rights abuses. She has published a number of articles on labour and human rights abuses in the former foreign charter vessel sector within New Zealand's fishing industry. Christina recently completed a two-year research project on migrant worker exploitation in New Zealand.



Disturbing accounts of exploitation in the hospitality industry recently reported in the media include: "Restaurant workers treated like modern-day slaves – judge" [1]; "Restaurant chain exploited, underpaid workers for years" [2]; "Christchurch restaurant to pay \$70K for underpaying staff" [3]. Such headlines are not new.

In December 2016, I released the findings from a research project entitled "Worker exploitation in New Zealand: A troubling landscape" [4] which I undertook for the Human Trafficking Research Coalition [5]. I interviewed 105 people, the majority of whom were migrant workers. What became quickly apparent was the vulnerability of workers in the hospitality industry, and, in particular, the food and beverage sector.

Common amongst those I interviewed was the non-compliance by their employers with New Zealand employment law, including the Minimum Wage Act 1983 and the Holidays Act 2003. A number of interviewees were paid less than the minimum wage and/or for less hours than they had worked. For example, one temporary migrant typically worked 90 hours a week but was only paid for 45 hours. Another worked 80 hours a week earning just \$350 to \$450 a week (\$4.37 to \$5.62 an hour). Staff in one Auckland restaurant, located in an upscale suburb, were not paid for two weeks as they were told there was no money to pay them. For some, their legal entitlements to holiday or sick pay were denied.

In some cases, workers were paid their legal entitlements through the formal wage system but had to return part of their wages back in cash. Others paid potential employers \$20,000 to \$40,000 in order to secure a job with the prospect of obtaining permanent residency (PR). One interviewee had a good job albeit one without the prospect of permanent residency. He was offered employment in a restaurant with the promise of support for his PR application. There he worked 80 hours a week, often for little or no pay. Eight months later his employer told him he would not support his visa application.

A number of interviewees felt their employers took advantage of their vulnerability, stating that "they know your weaknesses" including their inability to obtain other employment as their working visa was linked to their employer. In some cases, employers threatened the workers that they would be deported if they complained.

In April 2017, a new policy came into effect whereby employers who are found to have exploited migrant workers face a compulsory stand-down period in terms of hiring. In May 2018, 106 employers were listed on the Ministry of Business, Innovation and Employment's stand down list, including some from the hospitality

sector. The hospitality sector is a significant employer of temporary migrant workers, particularly those on working holiday or student visas. The contributions that migrant workers make to this sector must be valued and their entitlement to New Zealand employment conditions respected.

The original report that this article is based on can be accessed here <a href="https://www.workerexploitation.com/report">https://www.workerexploitation.com/report</a>

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### #Timesup – it's time to take action: Sexual harassment in the Pacific hospitality industry

#### Lisa Sadaraka

Lisa Sadaraka is a lecturer in the School of Hospitality and Tourism, Auckland University of Technology. Born and raised in the Cook Islands, Lisa spent many years working in the tourism industry in the Pacific before migrating to New Zealand in 2005. Her research interest focuses on the sustainability of the tourism industry in the Pacific, with emphasis on the impact of workplace sexual harassment. Lisa is the Programme Leader for the Bachelor of International Hospitality Management and teaches hospitality service management to undergraduate students.

Sexual harassment is prevalent in the hospitality industry with studies indicating that hospitality employees experience sexual harassment significantly more than employees in other industries. Studies also reveal that customers are generally the main perpetrators [1].

Like the Western world, tourism in the South Pacific has seen significant growth and is now the largest and fastest growing sector in the region [2]. However, despite tourism being the key economic driver for many Pacific Island countries, the prevalence of sexual harassment in this location is unknown. This study was conducted in the Cook Islands and investigated the sexual harassment experiences of hospitality employees, by customers. A qualitative approach was adopted involving in-depth interviews with 32 participants from across the industry. The study revealed a significant lack of awareness of sexual harassment and, given the lack of research attention in this region, it is anticipated that this problem is prevalent across the Pacific.

Consistent with previous studies [3], alcohol was considered to have the greatest influence on customer behaviour. Supporting Hayner's [4] 'moral holiday' perspective, employees were of the view that visitors behaved inappropriately simply because they were away from home and had a sense of anonymity. A key outcome of the study were the new themes that emerged on 'cause', which were unique to the study and its location. The commodification of Cook Islands culture, in particular, the sexualisation of traditional dance and costumes, was perceived to reduce the sexual inhibitions of visitors. A lack of awareness around cultural norms, the hospitable nature of Cook Islanders and titillating marketing messages were also perceived to inadvertently influence visitor behaviour.

The ramifications of sexual harassment are serious and cannot be ignored by hospitality employers and managers. The study found that employees experienced a decline in their work performance, productivity, and overall job satisfaction. These outcomes are detrimental not only to individuals, but also to organisations, as they can increase costs and impact the bottom line [5]. Of particular concern, the study found that employees were leaving the industry because of sexual harassment. In light of the current labour market pressures in the Cook Islands tourism industry [6], the implications of this are grave. The research identifies a vital need for education and training with a focus on sexual harassment awareness, cultural awareness, body language and socials skills. The implementation of workplace policies and procedures on sexual harassment is also recommended.



Implementing practical strategies at an operational level may also be beneficial for managers and owners. Bystander intervention is an effective approach and involves removing the harassed employee and replacing them with a colleague, before the situation escalates. Implementing host responsibility programmes to educate employees on the responsible sale and supply of alcohol is also recommended. Paramount to addressing the issue of sexual harassment, however, is a clear and visible commitment from management. Employers have an ethical responsibility to create a safe working environment for their employees. Our people are our greatest tourism asset. We need to protect them to ensure a sustainable tourism industry, both in the Pacific and elsewhere.

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## Hospitality artisans and sustainability: Disrupting the status quo

#### **Maree Stansfield**

Maree is a postgraduate researcher at Auckland University of Technology. Her research passions are generating practical knowledge to aid the operationalisation of sustainability in hospitality environments, which resulted in the completion of her Master of International Hospitality Management thesis on hospitality artisans and sustainability.



This article reports the findings of a study identifing modern artisans as potential harbingers of the hospitality fraternity, claiming an authentic sustainability consciousness embedded in the hospitality business DNA is a key ingredient toward success. The 'DNA' finding helps identify the importance and necessity for hospitality operators to reflect on their reasoning for pursuing a sustainable business model over the conventional equivalent. Artisans influence significant societal, economic and political change. With so much concern around sustainability, and the revival of artisan production, hospitality artisans are likely contemporary versions of their historic namesakes.

History portrays artisans as entrepreneurial, status-quo disrupters, challengers of social problems, and positive influences on the well-being of society [1–3]. It is said that the radical artisan voice revolted against a dehumanised way of life, cared for its society and was instrumental in generating hope for a better future [3]. Similarly, modern-day artisans identified with their historic counterparts and described their potential contribution to societal change in a sustainability context as hospitality artisans. A research participant demonstrated this:

And you look at where potential problems are in the food supply, you know if you want to create a dynamic food supply you need to encourage it. It's the small artisan producers which are on the cutting edge that influence the major cultural values of a country. (Research participant)

Indeed, the success of a hospitality sustainable business model lies in an operator's ability to understand, generate and embed a mind-set in the business that insists on environmental stewardship, social well-being and economic success. All eight artisans interviewed in this study demonstrated high levels of perseverance, innovation and like-minded network building when faced with obstacles that threatened their sustainable business model. Sustainability was deeply entrenched in what one referred to as his 'backstory', and in the 'DNA' of their businesses, and this appeared to fuel their determination when faced with challenges. Their spheres-of-influence (customers, regulatory bodies, industry and education providers) were at times perceived as road-blocks, hindering their sustainability-focused intentions. When this occurred, the artisans moved from being impacted stakeholders within a sphere-of-influence and, instead, turned into agents of change. They created, used and developed innovative mechanisms, internal policies, educational processes, and built tribes of enabling like-minded others to foster their sustainability practices.

The sustainability consciousness provides the fuel and resilience to navigate a new and progressive pathway to operational success. The artisans demonstrated an unrelenting drive to practice sustainable principles and found ways of overcoming any hurdles they came up against. The artisans, like their historic namesakes, were agents of change and the following research extract showcases the sustainability consciousness in action:

I think the more you make something exciting and sustainable the norm that's how you can change the world. You don't change it by sitting back doing nothing and waiting for someone else to do it and sipping on your Coca-Cola hoping that some other person's gonna save the boat, when it's filling full of water. If you want to change the world you know you need to get off your arse and do it. (Research participant)

This study sought to find practical solutions for hospitality operators considering the less-travelled road of sustainability. The artisans articulated why they were so intent on a sustainable business model, and this reasoning manifested as the sustainable DNA of their hospitality operation - the most important element enabling them to put this into action. This is important for operators because it illustrates the level of resilience and determination needed to embark on a less conventional business journey and to create, operate and maintain a successful and sustainable hospitality business. Most significantly, however, it suggests to operators that it may not be enough to know 'how' to operationalise sustainability in a practical sense. This study's findings illustrated that a sustainable model demands so much more from an operator than the conventional equivalent. It must be recognised that it may not even be enough if the operator has an entrepreneurial mind-set. It is advisable that the operators reflect on 'why' they want to pursue a sustainable business model. The importance of an authentic sustainability consciousness is highlighted as a more favourable starting point from which to orientate the journey and realise success.

Forward thinking hospitality operators will choose to navigate a sustainability-focused road, currently a road less travelled. Primarily, at the root of change, is the progressive thinking hospitality operator, an artisan producer with a sustainable consciousness that manifests as the resilience and fuel to carve a new road.

More information about this study is in the master's thesis document [4]. Pending examiners' approval, the thesis can be accessed from AUT scholarly commons: <a href="https://tuwhera.aut.ac.nz/open-theses">https://tuwhera.aut.ac.nz/open-theses</a>. Currently, a copy is available from the author.

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### What makes restaurants successful?

#### **Beverly (Shih-Yun) Chen**

Beverly (Shih-Yun) started her tertiary teaching career back in 2012, and she is now a lecturer at the Auckland Institute of Studies, Auckland, New Zealand. She holds a Bachelor in International Hospitality Management (BIHM), Graduate Diploma in Tertiary Teaching, and Master of International Hospitality Management (MIHM) from Auckland University of Technology, New Zealand. She is actively involved in New Zealand's regional and national culinary competition training and judging. Her research interests include the chef industry, food and beverage industry trends, gender and careers, and private training education performance.



Independent restaurants face multiple challenges to their survival, including low entry barriers that create intense competition, industry norms of low pay, long working hours and a hard-working environment that can render it hard to recruit suitable employees, and a lack of support from the industry to the restaurateurs. Evidence shows that independent restaurants suffer from higher failure rates when compared to franchise restaurants [1, 2]. This has been attributed to a lack of resources, especially when compared to the chained or franchised restaurants that have financial, technical and marketing support [3]. These challenges increase the failure rate for independent restaurants.

The aim of this research was to consider the notion of 'success' among Auckland's restaurateurs, and to gauge how the restaurant industry perceive their own definition of success and the main factors influencing restaurant 'success' [4]. Previous studies have predominantly measured the success of restaurant businesses by their profitable financial rewards [5, 6]. However, this measure ignores other important aspects of restaurant operation such as the longevity of operation, customers' satisfaction levels, relationships with employees and society, and restaurateurs' own personal achievements.

The research adopted a qualitative approach involving in-depth interviews with eleven independent restaurateurs to explore the underlying factors they perceived as affecting restaurant success. A qualitative research approach helps the researcher understand people and the social and cultural contexts in which they live and work [7]. The independent restaurateurs were selected through purposeful sampling to select information-rich cases [8]. The participants were owner-operators of independent restaurants in Auckland city, and the restaurants they owned were either casual/formal-dining or styles in between.

The study findings suggested different measures of success among restaurateurs, which have implications for how the industry comes to understand and gauge business success or failure. Notably, instead of the commonly reported financial criteria, restaurateurs in this study related success to their personal achievements and satisfaction; for instance, reaching their own personal goal(s) of opening and operating a restaurant, receiving culinary related awards, and gaining media attention.

The study revealed three main factors as the important influencing factors of a restaurant's success: the operational environment; stakeholders; and management factors.

Firstly, the operational environment of restaurants included intense competition, a constantly changing environment and changing consumer trends. In particular, the intense competition was considered to have a significant impact on the success of restaurants.

Secondly, the positive association between stakeholders and a restaurant's performance was also acknowledged. Four key stakeholders – restaurateurs, customers, suppliers and employees – were identified as influential in restaurant success. A good relationship with stakeholders was seen as beneficial to a restaurant's operation. A successful restaurant was perceived to have loyal customers, trustworthy suppliers, and employees with good skills and knowledge. Out of these stakeholders, the restaurateurs were considered the foundation of the success of restaurants, as they control the management factors. Because of this key role, restaurateurs are required to have an in-depth understanding of the restaurant industry and the ability to manage and operate the restaurant. At the same time, restaurateurs need to find a balance between their work and personal lives.

Thirdly, management factors were also felt to have an impact on independent restaurant success. This typically included decisions about the restaurant's location, purchasing and ordering, hiring and training staff, price and quality of products, and marketing and financial control.

The study provided a number of recommendations for how to successfully manage a restaurant. Firstly, thorough pre-entry research and a careful decision-making process will provide a good foundation for the business. Secondly, during the operation, tight financial control and effective marketing should be applied. Finally, a management system is needed in order to stay viable in the long term. A management system consisting of a standard operation manual and an extensive training programme can allow efficient restaurant operation without the restaurateur's continued presence.

In conclusion, this study found that restaurateurs in Auckland related the 'success' of their restaurants to factors other than just financial performance including personal success such as personal progression and the satisfaction gained during the operation. The operating environment, stakeholders and management factors were found to be important influences affecting restaurant success. The research recommends that a well-designed management system is vital for the long-term success of an independent restaurant business.

The full research project can be accessed here: <a href="http://aut.researchgateway.ac.nz/handle/10292/8431">http://aut.researchgateway.ac.nz/handle/10292/8431</a>

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# An interesting insight into hospitality work: It's all about giving pleasure

#### **Jill Poulston**

Associate Professor Jill Poulston has been teaching and researching at the Auckland University of Technology since 1998, prior to which she worked in hospitality management, including two general manager roles. She studies a wide range of ethical issues in hospitality, such as sexual harassment, discrimination and ethical food consumption. She currently teaches leadership to postgraduate students and supervises student research.



Turnover is such a persistent characteristic of the hospitality industry, it has the qualities of a legend. The Lawson Williams Staff Turnover Report [1] recently calculated turnover in the hospitality and fast food industry as 41.7%, the highest of any industry surveyed. Such high turnover set against a constant stream of willing newcomers to the industry warrants investigation. This study therefore examined not so much the nature of the industry, but more the act of hospitality in terms of motives and rewards.

The study interviewed 12 people in Auckland, including some who had never worked in commercial hospitality, to provide an insight into giving hospitality at home. Participants were asked to reflect on their reasons for serving others and their interpretations of hospitality and service, and encouraged to describe the emotions they felt in the moment of giving hospitality.

Rewards for giving hospitality were directly related to the pleasure received by guests:

It's the best, being able to look after people.

I liked the look of happiness on people's faces.

I enjoyed spoiling customers.

It's a reward, pleasure, out of making people happy. You take people on a journey and make them feel better. You can create amazing moments for people.

Some participants experienced the frustration of being unable to give pleasure, either because guests were difficult, or for reasons seemingly beyond their control:

I didn't like serving people who didn't know how to have a good time.

When I can't give good service, I don't like it.

Paid hospitality work was described as "emotionally draining" but was also part of the identity of some participants: "It's what I do – it's who I am." Results showed that, really, hospitality work is a labour of love and a form of self-expression that can bring happiness through serving others, which of course means the workers are vulnerable to exploitation. This passion to serve and bring pleasure was experienced in an environment that brought both pain and pleasure, expressed with metaphors such as "a love-hate relationship" and "marriage and war".

The main implications arising from this study largely relate to the pleasure of providing good service. Recommendations therefore include the need for managers to recognise the desire to provide excellent service, so this can be

facilitated, rather than impeded by faulty products, maintenance issues, understaffing, and other irritating problems that frustrate employees. It is also suggested that supervisors and managers reflect on their own desire to serve and take up service opportunities as they arise, rewarding themselves with positive experiences of human contact, rather than getting lost in administration and crisis management. Most are experienced in front-line work and were probably attracted to the industry by the same desire to provide pleasure that this study's participants expressed. It is therefore important to continue to express this, and help others express it, as part of the effort to reduce turnover by improving work satisfaction.

More information about this study is in the original article, which can be obtained from the author (details available after the review process is completed).

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