



# The Hospitality Industry in Los Angeles County

SECTOR PROFILE AND OPPORTUNITIES FOR THE  
LOS ANGELES COUNTY WORKFORCE INVESTMENT BOARD



APRIL 2015

# Introduction

The hospitality sector is a vibrant and growing part of the Los Angeles County economy, offering quality employment opportunities to hundreds of thousands of local residents each year. Through collaborations among employers, training providers, local government, labor unions, and publicly-funded job centers, those positions can be filled quickly with employees who are ready, willing, and able to work.

To support the goals of hospitality employers and workers alike, the Los Angeles County Workforce Investment Board (WIB) engaged the Hospitality Training Academy (HTA) as a "sector intermediary" to assist the County's Workforce Investment Act (WIA)-funded America's Job Centers of California (AJCCs) by conducting outreach to and coordinating resources on the behalf of businesses in the hospitality, tourism and leisure industry. A first step in this process is this report, "Sector Profile and Opportunities for the Los Angeles County Workforce Investment Board," which contains a wide range of information and "industry intelligence" that will enable WIB policymakers and AJCC representatives to design and deliver sector-focused and industry-responsive services to hospitality businesses, their employees and job candidates seeking employment in the industry.

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This information includes:

- Background on sector-focused workforce development initiatives and the use of sector intermediaries
- An overview of the hospitality, tourism and leisure cluster's key sectors and sub-sectors
- Key factors/trends affecting hospitality industry employment, nationally and locally
- A general description of the industry within Los Angeles County
- Information on local demand occupations within the industry
- An overview of training requirements and some available training programs for various classifications of hospitality workers
- A summary of input obtained via structured and informal processes through which business representatives and other stakeholders were actively engaged
- A description of opportunities that exist to improve the Los Angeles County workforce system's services for the hospitality industry, along with some corresponding challenges
- Specific recommendations for policy, program design and service delivery improvements



# Background and Purpose of the Sector Profile

This report, which is best characterized as a "Sector Profile," describes the hospitality industry in Los Angeles County and provides insight into its prominence—locally, regionally and statewide. It is also the intent of this profile to communicate feedback obtained from employers and other industry stakeholders through a business engagement process that included a series of forums and roundtable discussions, along with individual interviews and employer surveys. Such input has provided critical "intelligence" about factors that affect hiring and retention of employees, including experience, training, and barriers to employment.

The workforce development environment in which this endeavor is being undertaken is one that is currently characterized by change. It encompasses workforce system trends to develop more business-responsive services and the promotion of "best practices" in the deployment of sector-focused strategies. In the midst of system-generated change, in July 2014, President Obama signed the Workforce Innovation and Opportunity Act (WIOA), which will replace WIA and require a wide range of enhancements, not the least of which are sector-focused services. As the nation prepares to implement WIOA on July 1, 2015, a significant amount of attention is being given to the development of strategies to transform the workforce system into one more capable of supporting regional economic vitality by focusing resources and efforts on the most promising sectors.

## The Workforce Systems' Intensified Focus on Sectors

Even prior to the passage of WIOA, the national workforce development system was moving toward making sector strategies the centerpiece of service delivery. In California, the state's 2013 Strategic Workforce Development Plan described the Governor's vision for transforming local WIBs' programs into a series of services that support the hiring goals and training needs of growth industries and other promising sectors.

In November 2013, the Los Angeles County WIB adopted a plan for "Redesigning the County's WIA Adult and Dislocated Worker Program." Among the policy recommendations embedded within this plan is "Focus on Regional Business Services," which states:

L.A. County is one of the largest and most dynamic regional economies in the world. Because the public workforce system has two primary customers—job seekers and businesses—the redesigned system must effectively serve both. A regional service strategy will allow for a more systemic approach to meeting the workforce needs of L.A. County business customers. A countywide business services strategy can help ensure training products, sourcing services, and other business-facing offerings are aligned with sector strategies, other economic development strategies, and the workforce needs of high-

growth industries and businesses in the region. The services provided under the regional business service strategy will be procured separately from the AJCC's as part of the broader system redesign.

Subsequently, the WIB published a list of "9 Major Tenets of Local WIA Redesign." Among these were:

### Target Training and Employment for High Growth Sectors

In 2011, based on research and analysis of local economic development data, the Local Board identified the top seven industry sectors with the highest projected growth for the region and developed training and employment strategies tailored specifically for these sectors: construction, transportation and logistics, engineering and green jobs (energy/utilities), healthcare, biotech, hospitality and tourism, and finance.

### Strengthen Services to Businesses and Employers

To meet the needs of the identified high growth sectors, the local Board committed to developing strategies to maximize industry utilization of the public workforce system to support their workforce development and employment needs. Those included aimed at improving and increasing outreach to businesses in these sectors to assess their current and projected employment needs, identifying related training requirement gaps, and ensuring the system prioritized training that would fill these gaps.

These actions provided the backdrop for the County's implementation of a "sector strategy" for the delivery of workforce services to job seekers and business customers. Enlisting the services of qualified "sector intermediaries" is pivotal to this strategy. However, the County's success in engaging businesses in the use of its workforce programs and services will require that effective strategies be devised to respond to the unique needs of each of the WIB's targeted industries.

### Role of the County's Sector Intermediaries

In order to meet its business services goals and to comply with the direction of the state's Strategic Workforce Plan, Los Angeles County identified within its Local Area Plan, the intention to use independent organizations as sector

intermediaries that would serve to address the following workforce system objectives:

- Analyze targeted industry sectors to facilitate the development and implementation of workforce solutions
- Coordinate employer and stakeholder resources
- Encourage investments in potential and incumbent workers
- Strengthen the partnership between labor, education, government, and community-based organizations in each sector
- Convene employers in targeted sectors
- Identify appropriate training and training partners, including community colleges, that will result in living wage jobs with a career path
- Monitor a sector's changing needs to develop and propose new employment and training strategies; and
- Evaluate existing training to assess the need to modify or develop new courses and/or curriculum to increase and strengthen the pipeline of competitive and qualified jobseekers

### Hospitality Sector Intermediary

The Hospitality Training Academy (HTA) was funded by the WIB to act as the intermediary and to begin the process of engaging employers within Los Angeles County's hospitality, tourism and leisure industry in a series of sector-based discussions and needs assessments.

The HTA is a 501(c)(3) non-profit organization and a labor-management partnership under the Taft-Hartley Act, established to provide benefits to both employers and members of the UNITE HERE Local 11 labor union. Along with grant funding, the HTA is supported by contributions agreed to in collective bargaining agreements to provide training to facilitate entry and advancement along extensive career ladders within the hospitality, tourism and food service industries, both through direct training services and through partnerships with educational institutions.

### HTA's Approach to the Role of Sector Intermediary

As part of fulfilling our WIB-defined role as the Hospitality Sector Intermediary, the HTA is committed to implementing and overseeing processes that embrace the broadest possible range of input and that hold promise for widespread benefit to both job seekers and businesses. HTA's approach has been one that:

- Actively engages businesses within the hospitality industry in a meaningful and on-going dialog about their needs
- Recognizes that there are a variety of stakeholders with an interest in participating in discussions about training and employment within the sector and involves them in discussions
- Links stakeholder input to opportunities for the workforce system to improve services to the sector.



- Incorporates respected research into the data gathering process
- Uses industry intelligence as the basis for recommendations on serving the hospitality industry and its workforce

### Our Sector Intermediary Team

Given the scope of our tasks and responsibilities as the Hospitality Sector Intermediary for the Los Angeles County WIB, the HTA assembled a team with diverse skills, experience and talents to work on developing this Sector Profile. Principal members of our team included:

- **Adine Forman, HTA Executive Director:** For nearly two decades, Ms. Forman has been deeply involved in programs that provide social support, advocacy, training and a variety of other services throughout Los Angeles County and surrounding communities. Her experience working in government, non-profit and labor settings provides her the perspective necessary to lead the Intermediary effort. In addition to putting together the project team, Ms. Forman was directly involved in virtually every aspect of the project, providing input and oversight to ensure that activities and outcomes meet the content and quality guidelines prescribed by the County.
- **Madeleine Brand, HTA Director of Administration & Grants:** With a strong background in managing grants, contracts and a wide range of government programs, Ms. Brand's administrative and management skills are ideally suited to managing the flow of information and data identified and developed from the project back to the County.
- **David Shinder, Consultant:** With more than three decades of experience in the field of workforce development, Mr. Shinder was charged with leading our efforts to engage stakeholders in discussions of the workforce needs of the hospitality industry. These efforts ranged from in-depth one-on-one discussions to facilitating large groups. Based on the "industry intelligence" gathered through the efforts of the entire team, Mr. Shinder was assigned the task of crafting the narrative that comprises this Profile.



We are extremely grateful to the LAEDC for this willingness to share information and for permitting us to utilize it as a complement to the industry intelligence we have gathered.

- **Abby Arnold & Larry Kaplan, Consultants:** With a wide range of experience and successes working with public and non-profit initiatives, Ms. Arnold and Mr. Kaplan brought numerous talents to the project, not the least of which was their ability to organize and convene stakeholders around points of common interest.
- **Elva Gutierrez, Consultant:** With many years of administrative and reporting experience, Ms. Gutierrez took charge of capturing input from stakeholders participating in the forums.

Finally, as is made clear throughout this report, the full composition of our team included dozens and dozens of hospitality industry stakeholders. They ranged from General Managers of major hotels, Vice-Presidents of companies, labor and non-profit leaders, community college leadership, and



training providers to those working with front-line staff at a broad range of hospitality, tourism and leisure venues across Los Angeles County.

### Collaboration with the Los Angeles Economic Development Corporation and Use of Industry Cluster Study Data

Early on in our efforts to assemble support that would enable us to meet the objectives of the Hospitality Sector Intermediary project, members of our team met with leadership from the Los Angeles Economic Development Corporation (LAEDC). At that point, we were already familiar with some of the excellent work being done by the LAEDC that was focused on the hospitality and tourism sector, including work done on behalf of the Los Angeles County WIB that was included in the LAEDC's April 2013 "Industry and Labor Market Intelligence Report." While our initial discussions were informal, they served to make the LAEDC aware of the intelligence gathering we were preparing to undertake as part of the project. LAEDC leadership continued to support our efforts in a variety of ways, including participating in the stakeholder forum we held in November 2014.

While our intent as a Sector Intermediary was never to mimic the efforts of economists in analyzing economic and workforce data, we did collect a variety of economic reports, data summaries and analyses pertaining to the hospitality industry workforce throughout the greater Los Angeles area. In early 2015, however, we became aware that the LAEDC had just completed a comprehensive industry cluster study: "Hospitality and Tourism in Los Angeles County—Its Economic Contribution and Occupational Forecast." News of the report's publication was a windfall for our project, in as much as it provided a single, detailed and current analysis of hospitality sector economic and workforce data, which we had previously been cobbling together from various sources. In a meeting with the study's lead author, Dr. Christine Cooper, and the LAEDC's Chief Operating Officer, David Flaks, it was agreed that our Sector Profile report would use the LAEDC's study as our principal source for statistics and data. Information and data graphics from the LAEDC's study are interspersed throughout this Profile, with appropriate acknowledgments. We are extremely grateful to the LAEDC for this willingness to share information and for permitting us to utilize it as a complement to the industry intelligence we have gathered.

# Overview of the Hospitality Industry in Los Angeles County

There are many ways to define the hospitality industry. As the LAEDC points out in its Industry Cluster Study, a common definition uses the NAICS<sup>1</sup> supersector "Leisure and Hospitality," a combination of the NAICS sectors 71 and 72. The LAEDC determined that for its purposes, this definition was too broad since it includes components of our entertainment industry. Instead, the LAEDC's definition provides a distinction between "traded clusters" (those which produce goods and services that are likely to be traded with markets outside the local economic region) and "local clusters" that produce goods and services for the local population.

In order to ensure that the Los Angeles County WIB and our workforce systems partners, who are the principal audience for this Profile, have a good general understanding of all facets of the broad industry (which we refer to herein as "hospitality, tourism and leisure"), we discuss this industry:

1. In terms of the supersector definition that includes sector and sub-sector breakouts; and
2. Using the LAEDC's distinction between "hospitality and tourism" (traded) and "hospitality establishments" (local). These distinctions are important from an economic development perspective as the LAEDC's Study focuses on those industries that are most likely to be the source of new money into the regional economy rather than recirculating existing funds

Because our focus is on job opportunities, a strict adherence to the LAEDC's definition is not required. However, this Profile will specify where this definition is used in our discussion of hospitality employment.

### Understanding Hospitality as an Industry

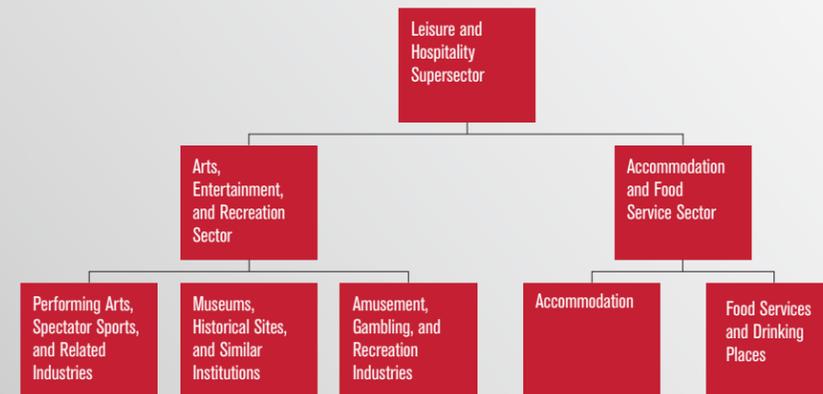
In order to respond to the employment and training needs of hospitality employers, an understanding of the various categories of businesses operating within this broad cluster of industries is essential.

### The Leisure and Hospitality Supersector

Leisure and hospitality is the "supersector" or industry cluster under which various specialized sectors and sub-sectors employing diverse categories of workers exist. The following descriptions are those published by the U.S. Department of Labor Bureau of Labor Statistics.

The hospitality supersector consists of businesses within the following two sectors:

### PRINCIPAL HOSPITALITY SECTORS AND SUBSECTORS



- Arts, Entertainment, and Recreation Sector
- Accommodation and Food Services Sector

### Arts, Entertainment, and Recreation

The Arts, Entertainment, and Recreation sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises:

1. Establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing
2. Establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and
3. Establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests

Some establishments that provide cultural, entertainment, or recreational facilities and services are also classified in other sectors.

The arts, entertainment, and recreation sector consists of three principal subsectors:

- Performing Arts, Spectator Sports, and Related Industries
- Museums, Historical Sites, and Similar Institutions
- Amusement, Gambling, and Recreation Industries

### Performing Arts, Spectator Sports, and Related Industries

Industries in the Performing Arts, Spectator Sports, and Related Industries subsector group are comprised of establishments

1. The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

that produce or organize and promote live presentations involving the performances of actors and actresses, singers, dancers, musical groups and artists, athletes, and other entertainers, including independent (i.e., freelance) entertainers and the businesses that manage their careers. The classification recognizes four basic processes:

1. Producing (i.e., presenting) events
2. Organizing, managing, and/or promoting events
3. Managing and representing entertainers; and
4. Providing the artistic, creative and technical skills necessary to the production of these live events. Also, this subsector contains four industries for performing arts companies. Each is defined on the basis of the particular skills of the entertainers involved in the presentations

#### Museums, Historical Sites, and Similar Institutions

Industries in the Museums, Historical Sites, and Similar Institutions subsector engage in the preservation and exhibition of objects, sites, and natural wonders of historical, cultural, and/or educational value.

#### Amusement, Gambling, and Recreation Industries

Industries in the Amusement, Gambling, and Recreation Industries subsector:

1. Operate facilities where patrons can primarily engage in sports, recreation, amusement, or gambling activities; and/or
2. Provide other amusement and recreation services, such as supplying and servicing amusement devices in places of business operated by others; operating sports teams, clubs, or leagues engaged in playing games for recreational purposes; and guided tours without using transportation equipment

#### Accommodation and Food Services Sector

The Accommodation and Food Services sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment.

The accommodation and food services sector consists of these subsectors:

- Accommodation
- Food Services and Drinking Places

#### Accommodation

Industries in the Accommodation subsector provide lodging or short-term accommodations for travelers, vacationers, and others. There is a wide range of establishments in these industries. Some provide lodging only; while others provide meals, laundry services, and recreational facilities, as well as lodging. Lodging establishments are classified in this subsector even if the provision of complementary services generates

more revenue. The types of complementary services provided vary from establishment to establishment.

#### Food Services and Drinking Places

Industries in the Food Services and Drinking Places subsector prepare meals, snacks, and beverages to customer order for immediate on-premises and off-premises consumption. There is a wide range of establishments in these industries. Some provide food and drink only; while others provide various combinations of seating space, waiter/waitress services and incidental amenities, such as limited entertainment. The industries in the subsector are grouped based on the type and level of services provided. The industry groups are full-service restaurants; limited-service eating places; special food services, such as food service contractors, caterers, and mobile food services; and drinking places.

#### Alternate Breakout—By Traded vs. Local Clusters

As stated in the introduction, the LAEDC's analysis in its recent Industry Cluster Study on Hospitality and Tourism in Los Angeles County used a breakout of industry components in accordance with their "traded" vs. "local" characteristics, as represented in the adjacent table.

#### Hospitality in Los Angeles County

As the LAEDC points out, hospitality and tourism are at the heart of the Los Angeles County economy. With attractions including world-class museums, performing arts venues, conference centers, the finest dining establishments and luxurious and boutique hotels—both historic and nouveau—Los Angeles draws millions of visitors to the region from around the world who, together with the resident population, spend billions of dollars annually on the goods and services provided by the hospitality and tourism industry.

#### Economic and Workforce Highlights

Some of the facts from the LAEDC's recent Study that provide a striking data backdrop for our "intelligence gathering" role as a Sector Intermediary, include the following:

#### Key Facts about Local Hospitality, Tourism and Leisure Sector

##### From LAEDC's February 2015 Industry Cluster Study

- Hospitality and tourism is a combination of an export-oriented "traded" sub-cluster, and a population-serving "local" sub-cluster
- The traded and local sub-clusters are quite different in terms of composition, workforce needs, intermediate purchases and economic impact
- With more than 97,000 rooms in 1,000 properties, LA offers diverse accommodation choices across the region
- The 42.2 million visitors who spent more than \$18 billion in 2013 supported 330,000 jobs in Los Angeles County with labor income of almost \$13 billion

## LOS ANGELES HOSPITALITY & TOURISM



- Relatively dormant since the Great Recession, hotel development has begun to pick up as occupancy and room rates increase
- Hospitality and tourism supported 678,400 jobs in Los Angeles County including direct accounting for 11.6 percent of all workers in Los Angeles County
- These workers earned \$23 billion in labor income and contributed 6.1 percent of the county's GDP
- While employment in the industry has increased by almost 18 percent since 2003, inflation-adjusted wages have fallen by 6.2 percent over that time period
- Almost 75 percent of all occupations in hospitality and tourism are food preparation and serving occupations
- Most of the 120,000 projected job openings over the next five years will be available to workers without a high school diploma and with no work experience
- Colleges and universities around the region offer a variety of programs to prepare workers for hospitality and tourism jobs.
- The impacts of the traded and local sub-clusters differ largely due to their regional purchases
- Although much smaller in terms of employment, the traded sub-cluster delivers a larger per dollar of revenue regional impact as its supply chain is more contained within the county.

#### Highlights of Key Subsector Activity and Projects Affecting Employment

Every aspect of the hospitality, tourism and leisure industry in Los Angeles County is growing. To highlight this point, a few major elements of this growth include:

**LAX renovations and expansion:** Los Angeles International Airport, now the second busiest in the nation, has \$8.5 billion in renovation, upgrade and complete transformation plans slated for the next decade and beyond. These changes are driven largely by the increasing number of visitors from around the globe. With each of these improvements comes change to workplace skills requirements and the need for more workers.

**A new football stadium:** While media reports have for the last several years announced plans for a new stadium adjacent to the convention center in downtown L.A., a multi-use sports and entertainment complex at the former Hollywood Park site in Inglewood, and a mega stadium complex in Carson that would serve both the Chargers and Raiders, no definitive plans for a stadium have yet emerged. It does appear clear that a stadium is likely in L.A.'s future and that with the complex will come the need for thousands of full-time, part-time, and seasonal employees.

**TOP 20 ATTRACTIONS VISITED IN LOS ANGELES AREA**

**NOTABLE HOTELS IN LOS ANGELES COUNTY**

- Santa Monica Pier
- Hollywood Walk of Fame
- Venice Beach/Boardwalk
- Hollywood and Highland Center
- Universal Studios Hollywood
- Rodeo Drive
- Griffith Observatory
- The Grove/The Original Farmers Market
- Universal CityWalk Hollywood
- L.A. LIVE/Staples Center
- Getty Center
- Chinatown
- Beverly Center/Melrose Blvd
- 3rd Street Promenade
- Olvera Street at La Plaza
- California Science Center/Endeavour
- Los Angeles County Museum of Art
- Old Pasadena
- La Brea Tar Pits
- Madame Tussauds Wax Museum

Sources: Destination Analysts LA Visitor Profile, 2013; 2013 TNS  
TravelsAmerica survey; 2013 Longwoods International L.A. Resurvey

**ICONIC AND HISTORIC ESTABLISHMENTS**

- |                                 |                       |
|---------------------------------|-----------------------|
| • Millennium Biltmore Hotel     | Downtown LA           |
| • The Westin Bonaventure        | Downtown LA           |
| • The Beverly Hills Hotel       | West Hollywood        |
| • Chateau Marmont               | Santa Monica          |
| • Hotel Shangri La Santa Monica | Hollywood             |
| • Sunset Tower Hotel            | West Hollywood        |
| • The Beverly Hilton            | Beverly Hills/Bel-Air |
| • The Georgian Hotel            | Santa Monica          |
| • The Queen Mary                | Long Beach            |

**BEST OF LISTS**

- |                                    |                     |
|------------------------------------|---------------------|
| • The Peninsula Beverly Hills      | Beverly Hills       |
| • Montage Beverly Hills            | Beverly Hills       |
| • Hotel Bel-Air                    | Los Angeles         |
| • L'Ermitage Beverly Hills         | Beverly Hills       |
| • Beverly Wilshire                 | Beverly Hills       |
| • Four Seasons LA at Beverly Hills | Los Angeles         |
| • Terranea Resort                  | Rancho Palos Verdes |
| • The Langham Huntington           | Pasadena            |
| • The Ritz-Carlton                 | Los Angeles         |

**CELEBRITY HOTSPOTS**

- |                                      |                |
|--------------------------------------|----------------|
| • Sunset Marquis Hotel & Villas      | West Hollywood |
| • Fairmont Miramar Hotel & Bungalows | Santa Monica   |
| • Shutters On The Beach              | Santa Monica   |
| • The Huntley Hotel                  | Santa Monica   |
| • Hotel Oceana Santa Monica          | Santa Monica   |
| • SLS Hotel at Beverly Hills         | Los Angeles    |

**New hotels:** The Hotel Clark, the Renaissance Hotel at LA Live, the Wilshire Grand Center, Grand Avenue Project (SLS Hotel), Empire Hotel, Shade Hotel, and the Waldorf-Astoria Beverly Hills are just some of the new hotels that will add thousands of rooms to the region's capacity and create hundreds of new jobs.

**Theme park additions:** Both of the County's major theme parks, Universal Studios Hollywood and Six Flags Magic Mountain have major new rides and attractions prepared to debut in 2015 and 2016. These expansions continue to serve as draws for both locals and visitors and grow the ranks of the parks' employees.

**Success of shopping and entertainment venues:** From the Americana in Glendale, to The Grove on Fairfax, the 3rd Street Promenade in Santa Monica, L.A. Live and more, Los Angeles County continues to experience success with large-scale entertainment, shopping, and dining venues that appeal to tourists and local residents alike and which create thousands of jobs.

The above lists from LAEDC's Industry Cluster Study further drive home this point.

**Sub-regional Distribution of Sectors and Subsectors**

The size of Los Angeles County—in both square miles and in population—makes it difficult to speak about the hospitality sector "countywide." In some communities, the arts, entertainment, and recreation sector is sizable, while in others, jobs in the accommodation and food services sector are more prevalent. Therefore, as a means of collecting data pertinent to the County's workforce development delivery system, we have identified five (5) sub-regions of the county:

1. Downtown Los Angeles
2. West Los Angeles/Beach Cities/LAX
3. Long Beach/Southwest Los Angeles/Harbor Area
4. San Fernando Valley/Santa Clarita Valley/Antelope Valley
5. Pasadena and San Gabriel Valley

In terms of predominant sub-sectors and employment opportunities, some key characteristics of each region include the following:

**Downtown Los Angeles and Hollywood:** The Staples Center, LA Live and the adjacent convention center complex define downtown hospitality sector businesses, as do the many

existing hotels (such as The Westin Bonaventure Hotel and Suites, JW Marriott and The Ritz-Carlton). The overall renaissance of downtown is driving the opening of many new restaurants and night clubs. Often grouped with downtown L.A. is Hollywood, which has seen a similar boom in the development of entertainment venues (Hollywood and Highland complex), new hotels such as the W Hollywood, and dozens of new eating and drinking establishments. These combined with traditional draws (like the Pantages Theater and the Walk of Fame) make the area a major destination.

**West Los Angeles/Beach Cities/LAX:** The beaches of our westside communities, combined with the location of the airport makes this region of the County the ideal spot for hotels and dining establishments, reflecting the fact that this is where many tourists prefer to stay. New hotels, along with renovations and expansions, are planned throughout the area.

**Long Beach/Southwest Los Angeles/Harbor Area:** From the Queen Mary, to cruise ship terminals, and day trips to Catalina, the Los Angeles-Long Beach harbor area is not only one of the world's largest commercial ports, it is a tourist destination in its

own right. In recent years, new hotels, including boutique w Los Angeles County and environs.

**San Fernando Valley/Santa Clarita Valley/Antelope Valley:** The northern region of the County is home to our two major theme parks and is also surrounded by mountains and valleys offering the opportunities for hiking, camping, boating and more. Between the hotels at Universal City to those at Warner Center, there are a significant number of both tourist-oriented and locals-focused hospitality venues in the region.

**Pasadena and San Gabriel Valley:** From the Rose Bowl to the Rose Parade, the Norton Simon to the Huntington, and Santa Anita Race Track to the Renaissance Faire, Pasadena and the San Gabriel Valley are home to many important events and locations that draw thousands upon thousands of visitors. Old Town Pasadena has also become a major draw and now is home to dozens of hospitality locations with growing workforce needs.



# Hospitality Industry Employment in Los Angeles County

As described in the preceding section, the hospitality industry is diverse and includes jobs in hotels, restaurants, entertainment venues, cultural attractions, sports parks, theme parks and other venues. Examples of occupations generally associated with each of the industry's sub-sector include the following. This list is far from exhaustive.

## Performing Arts, Spectator Sports, and Related Industries

Ticket sellers, food service staff, security, guides, equipment operators, and parking attendants

## Museums, Historical Sites, and Similar Institutions

Sales, security, curators, conservators, guides, and administrators

## Amusement, Gambling, and Recreation Industries

Dealers, sales agents, cashiers, gaming supervisors, security, and facilities management

## Accommodation

Desk clerks, housekeepers, porters, concierges, dining room staff, banquet servers, kitchen staff, parking attendants, and event-related staff members, such as audio-visual technicians

## Food Services and Drinking Places

Food service jobs include cooks, servers, dishwashers, runners, bussers, bartenders, hosting staff, and other helpers

## Demand and Promising Occupations

In 2013, the LAEDC developed a report for the Los Angeles County WIB titled "Industry and Labor Market Intelligence for Los Angeles County." In addition to providing detailed descriptions of the County's top growth industry sectors, the report provides information on demand occupations within these sectors, as represented in the adjacent tables.

Obviously, based on the size and diversity of the overall hospitality, tourism and leisure sector, there are many, many more occupations. The LAEDC continues to publish information on the top occupations in the hospitality industry and up-to-date information is available on-line. The adjacent graphic illustrates hospitality career ladder opportunities.

## Hospitality Employment Skills Requirements and Training Programs

LAEDC's recent Industry Cluster Study does an excellent job of capturing the general training requirements for the industry. The report indicates that entry-level and lower-skilled jobs associated with hospitality and tourism industries traditionally require primarily on-the-job training. For positions such as these, educational attainment has little to do with job preparedness. Rather, most jobs call for candidates with a high school diploma (or equivalent), and the educational attainment of a majority of low-skilled hotel, restaurant and transportation workers is less

### THE LADDER TO SUCCESS

A career in hospitality offers exciting professional opportunities in a field with limitless potential

- General Manager
- Controller
- Sales & Marketing Director
- Human Resources Director
- Executive Chef
- Director of Security
- Front Office Director
- Assistant General Manager
- Executive Housekeeper
- Sales Manager
- Convention Service Manager
- Sous Chef
- Line Cook
- Front Desk Associate
- Housekeeper



## OCCUPATIONAL DISTRIBUTION OF ACCOMMODATION INDUSTRY IN LA COUNTY

	Nat'l Share % of NAICS	Occupation Employment	Median Annual Earnings
<b>Building and Grounds Cleaning and Maintenance Occupations</b>	<b>29.4%</b>	<b>11,700</b>	
37-2012 Maids and Housekeeping Cleaners	23.7%	9,436	\$21,507
37-2011 Janitors and Cleaners, Except Maids and Housekeeping Cleaners	2.8%	1,110	\$22,747
Other Building, Grounds Cleaning, and Maintenance	2.9%	1,164	
<b>Food Preparation and Serving Related Occupations</b>	<b>25.1%</b>	<b>9,992</b>	
35-3031 Waiters and Waitresses	7.3%	2,925	\$18,868
35-2014 Cooks, Restaurants	3.3%	1,299	\$22,428
35-9011 Dining Room and Cafeteria Attendants, and Bartender Helpers	2.4%	971	\$18,753
35-3011 Bartenders	2.0%	810	\$19,222
35-3041 Food Servers, Non-Restaurant	1.9%	771	\$22,908
Other Food Preparation and Serving Related Occupations	8.1%	3,216	
<b>Office and Administrative Support Occupations</b>	<b>19.0%</b>	<b>7,564</b>	
43-4081 Hotel, Motel, and Resort Desk Clerks	12.3%	4,905	\$22,388
Other Office and Administrative Support Occupations	6.7%	2,659	
<b>All Other Industry Occupations</b>	<b>26.6%</b>	<b>10,588</b>	
Total Across All Occupations in the Industry	100%	39,844	

## OCCUPATIONAL DISTRIBUTION OF FOOD SERVICES AND DRINKING PLACES IN LA COUNTY

	Nat'l Share % of NAICS	Occupation Employment	Median Annual Earnings
<b>Food Preparation and Serving Related Occupations</b>	<b>90.2%</b>	<b>258,144</b>	
35-3021 Combined Food Preparation and Serving Workers, Including Fast Food	24.4%	69,772	\$18,953
35-3031 Waiters and Waitresses	20.9%	59,692	\$18,868
35-2014 Cooks, Restaurant	8.8%	25,097	\$22,428
35-1012 First-Line Supervisors of Food Preparation and Serving Workers	6.3%	17,998	\$27,326
35-2011 Cooks, Fast Food	5.0%	14,354	\$18,684
35-2021 Food Preparation Workers	4.3%	12,413	\$19,148
35-9021 Dishwashers	4.3%	12,171	\$18,891
35-3011 Bartenders	4.0%	11,541	\$19,222
35-9031 Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	3.1%	8,900	\$19,251
35-9011 Dining Room and Cafeteria Attendants, and Bartender Helpers	3.0%	8,451	\$18,753
35-3022 Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	2.9%	8,255	\$19,217
35-2015 Cooks, Short Order	1.4%	3,962	\$23,375
Other Food Preparation and Serving Related Occupations	1.9%	5,538	
<b>All Other Industry Occupations</b>	<b>9.8%</b>	<b>27,949</b>	
Total Across All Occupations in the Industry	100%	286,093	

than or equal to such qualifications. This implies that employers are likely to value transferable skills and experience more than educational attainment for such positions.

In recent years, trade and technical schools, as well as community colleges, have formed targeted programs aimed at reducing the time spent by new entrants in on-the-job training to create an occupation-ready workforce. Industry-specific curriculum has been developed to provide individuals interested in pursuing careers in the hospitality industry with

the knowledge and skills required to successfully perform their job duties. Included in these are: Food Service Certifications, Hospitality Management, Culinary Management, Culinary and Baking Arts, Tourism and Travel Marketing Operations, and Parks, Recreation and Leisure.

Programs offered by the community college system in and around Los Angeles County include those summarized in the following table.

### LA/OC CERTIFICATE DEGREE PROGRAMS IN RHT

	RETAIL	HOSPITALITY	TOURISM
OC COLLEGES	Coastline Community College	Certificate/Degree	
	Cypress Community College	Certificate/Degree	Certificate/Degree (Culinary, Hotel, Management)
	Fullerton Community College		Certificate (Nutrition and Foods)
	Golden West Community College	Certificate/Degree	
	Irvine Valley College	Certificate	
	Orange Coast College	Certificate/Degree	Certificate/Degree (Culinary, Hotel Management, Restaurant)
	Saddleback College	Certificate/Degree	Certificate/Degree (Culinary Arts)
	Santa Ana College	Certificate/Degree	Certificate (Culinary, Hospitality)
	Santiago Canyon College		
LA COLLEGES	Cerritos College	Degree	Certificate (Hospitality Management)
	Citrus College		
	East Los Angeles College		
	El Camino College	Certificate	
	Glendale Community College	Certificate	Certificate/Degree (Restaurant Management) Certificate (Hospitality)
	Long Beach City College	Certificate	Certificate/Degree (Culinary, Baking)
	LA City College	Certificate	
	LA Harbor College	Certificate	Degree (Culinary, Baking, Restaurant Management)
	LA Mission College		Degree (Food Management)
	LA Pierce College	Certificate	
	LA Southwest College		
	LA Trade Tech College	Degree (Retail Merchandising, Fashion Merchandising)	Certificate/Degree (Culinary Arts, Baking, Restaurant Management)
	LA Valley College		
	Mt. San Antonio College	Certificate/Degree	Certificate/Degree (Hospitality Management, Restaurant Management) Certificate (Culinary Arts)
	Pasadena City College	Certificate	Certificate/Degree (Hospitality Management, Culinary Arts)
	Rio Hondo College	Certificate	
	Santa Monica College		
West Los Angeles College		Certificate/Degree (Hospitality)	

### Labor Representation of Hospitality Workers in L.A. County

Hospitality has long been an industry where organized labor has played a major role. For those engaged in workforce development, an understanding of organized labor's presence in the industry and the opportunities that exist with labor-represented businesses is crucial to understanding the overall sector.

### UNITE HERE and Other Unions Representing Hospitality Workers

UNITE HERE represents 270,000 workers throughout North America who work in the hotel, gaming, food service, airport, textile, manufacturing, distribution, laundry, and transportation industries. The union was formed in 2004 by the merger of Union of Needletrades, Industrial, and Textile Employees (UNITE) and Hotel Employees and Restaurant Employees Union (HERE). Membership is diverse, with a predominance of women and people of color. Among many of the well-known Los Angeles area hotels represented by UNITE HERE Local 11 are The Westin Bonaventure Hotel & Suites, Millennium Biltmore Hotel, Sheraton Los Angeles Downtown Hotel, The Ritz-Carlton Los Angeles, W Hotels in Hollywood and Westwood, The Sportsmen's Lodge, The Beverly Hilton, Four Seasons Beverly Wilshire, Loews Santa Monica Beach Hotel, Le Méridien Delfina Santa Monica, Hotel Maya, and the Hyatt Regency Long Beach. Across Los Angeles and Orange counties, UNITE HERE Local 11 represents over 21,000 workers, principally within the accommodation sub-sector, but also at airports, amusement parks and other locales. Other unions representing workers in the hospitality sector include SEIU and a number of trades unions representing specialty occupations, such as electricians.

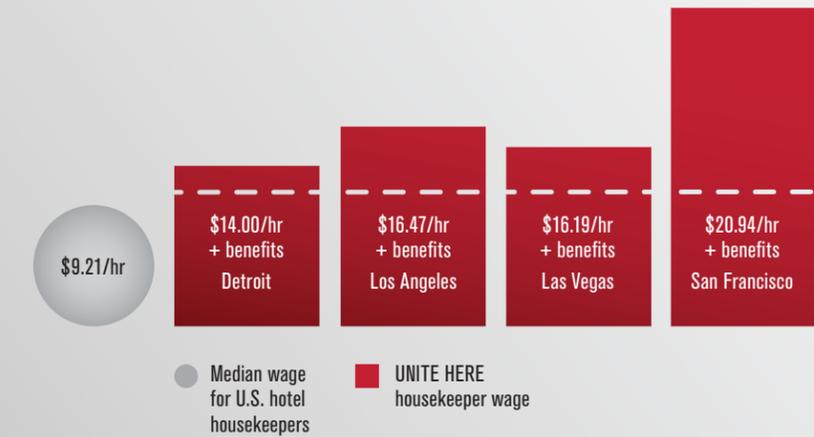
### Variances in Labor-Represented and Non-Union Employment

While workforce development programs have tended to steer clear of placing clients in hospitality occupations due to perceived low wages and limited opportunities, some entry-level positions within the sector pay a living wage. These are generally jobs at establishments with a collective bargaining agreement in place. On average, workers at union properties make 60% more than their non-union counterparts. The data in the following table provide just one example—for housekeeper wages.

### Issues Affecting Local Labor Market Demand

While our engagement with the business community and other industry stakeholders has served as the primary mechanism for securing information on key issues currently affecting hospitality employment in Los Angeles County, in our role as Sector

### UNITE HERE MEMBERS EARN MONEY



Intermediary, the HTA has reviewed numerous publications and media reports to supplement our organizational knowledge on local industry trends and drivers. Based on this research and data collection process, key issues identified are the following:

### Significant Expansion in the Accommodation Sub-Sector

The Los Angeles Economic Roundtable recently issued a report on the hotel industry in Los Angeles to inform efforts to establish a minimum wage for hotel employees.<sup>2</sup> While that report focuses on the City of Los Angeles, much of its data reflects trends in the industry countywide. The Roundtable's report recognizes that many of the rooms in the current inventory of hotels were built in the 1960s through the early 1990s, with a slowdown during the 1990s and the period through 2004. New hotel development began to increase starting in 2005, with most of the new rooms in larger (100+ rooms) hotels. The Roundtable report expects the number of new hotel rooms in the City of Los Angeles to continue to increase for the foreseeable future, with 2,846 new hotel rooms either under construction or planned for completion in the city by the year 2020.<sup>3</sup>

For the balance of Los Angeles County outside of the City of Los Angeles, hotel development equals or exceeds that in the city, and significant new hotel developments are planned, under way, or recently completed in Manhattan Beach, Santa Monica, Redondo Beach, Pasadena, Glendale, and Burbank. The City of Santa Monica, alone, has over ten new hotel development projects that are in the pipeline. "Once completed and opened for business, Los Angeles' countywide hotel room inventory will exceed one hundred thousand for the first time in its history, and amount to an 8.2 percent increase since 2000.<sup>4</sup> Only Las Vegas and New York City have larger hotel inventories.

### Local Ordinances Affecting Wages and Benefits

In September, 2014, the Los Angeles City Council passed an ordinance to raise the minimum wage for hotel workers in properties with more than 150 rooms to \$15.37/hour. This

2. Flaming, Daniel et al., "Repaying Hospitality: Economic Impacts of a Hotel Minimum Wage," Los Angeles Economic Roundtable, 2014.

3. Bachrach, Eve. 2013. "Mapping Los Angeles's 21 Hotels under Development Right Now," Curbed Los Angeles, Thursday, June 27 on-line edition. <http://la.curbed.com/archives/2013/06/>

4. Flaming, supra.



ordinance followed the passage of Measure N in Long Beach, which raised the hotel worker's minimum hourly wage to \$13. The Los Angeles Alliance for a New Economy (LAANE) states that "55% of hotel workers in Los Angeles are eligible for government assistance, and the rate of working poverty in Los Angeles' leisure and hospitality industry is the highest of any in the city, with over 40% of these workers living in poverty."

Like any major sector, the leisure and hospitality industry is impacted by changes in a wide range of laws and regulations. For example, restaurants in San Francisco and Santa Monica are passing on the cost of providing health insurance, soon to be required under the Affordable Care Act, to their employees by adding a three percent surcharge to every bill. An October, 2014, article in the Los Angeles Times reports that a number of higher-end eateries within the city have voluntarily instituted this practice and it is expected that other restaurants will adopt such a surcharge over the next year.

**Changing Demographics of the Workforce:** For decades, the entry-level occupations offered by the accommodations, food service and other sub-sectors of the hospitality industry have offered employment opportunities to new immigrants. Now, the industry is dominated by industrious immigrants and first generation Americans anxious for not just jobs, but career opportunities. These individuals may face various workplace challenges due to limited English language and other basic skills and to insufficient training in job-specific skills necessary to qualify for promotional opportunities.

**Changes Brought About by Global Tourism:** Globalization of travel continues to bring more and more foreign visitors to the United States and to the greater Los Angeles region, increasing average hotel rates and occupancy levels, as new visitors fill available rooms. Hospitality companies are hiring staff with more diverse language skills and cross-cultural

knowledge to meet the needs of large numbers of Asian and Middle-Eastern travelers that are arriving in larger numbers in Los Angeles County.

**Effects of Technology on the Industry:** New advances in technology continue to alter the relationship between hotels and guests. User-friendly and powerful smartphones and tablets are changing travelers' online preferences and habits, redefining how they research, plan and book a trip. Empowered with more knowledge and social media, today's hotel guests are pushing hotels for improved products and services in their travel experience. Advances in data analytics are transforming the hospitality industry with the potential to offer detailed insight into customer preferences. As the use of mobile devices, social media and advanced analytics continues to proliferate, and as online distribution channels become more accessible, technology has created new opportunities for hotels to drive operating efficiencies and engage with guests, from booking to checkout.<sup>5</sup>

**Threats to Traditional Hospitality Employment:** The advent of airbnb, VRBO, and other online community marketplaces offers a platform enabling the rental of private residences to tourists, which could, over time, pose real threats to employment within the accommodations sub-sector. While dozens of new hotels are still in the planning stages, a shift by consumers to these no frills, no service accommodations could mean lower occupancy rates, so that new properties never get built and there will not be the need for new workers. While it is unlikely that this trend will completely eradicate growth in the hospitality sector, those involved in workforce development should be aware of the threat and its lay-off and workforce implications.

## Hiring and Training Needs of the Local Hospitality Industry

Critical to the identification of the workforce needs of the local hospitality industry is input from key stakeholders, including businesses, educators, and organized labor among others. HTA implemented a multifaceted approach to securing maximum input from a wide range of professionals with significant knowledge of the industry. Following are descriptions of the processes used to engage stakeholders and obtain information, along with summaries of the actual feedback and sector-specific intelligence they provided.

### Identifying Needs: Business and Stakeholder Engagement

In order to determine the issues of greatest importance to the industry, the HTA implemented a stakeholder engagement protocol, which included the following processes designed to solicit feedback from individuals and organizations with an interest in the workforce issues affecting the hospitality industry. These processes included:

- Stakeholder Forums/Roundtables
- Individual Interviews
- Surveys/Questionnaires

Based on the responses provided in meetings, interviews and surveys, the HTA has identified a number of areas of opportunity for the workforce system to more effectively engage with the industry, along with a series of specific recommendations for actions that will help align Los Angeles County WIB-funded and other services with hospitality industry needs. We are prepared to continue to work to identify resources needed to meet the labor needs of the employers, which include training for new and incumbent workers and services to support hiring and retention.

### Stakeholder Forums/Roundtables

To obtain input on available jobs, training needs, and other factors affecting employment, the HTA organized regional meetings from November, 2014, through January, 2015. Each meeting featured an overview of data on the hospitality industry, factors affecting the sector in Los Angeles County, and resources available for employers. Questions posed to stakeholders addressed:

- Business challenges in recruiting and retaining employees for their businesses
- Training needs for new hires and incumbent workers
- Gaps between available training programs and the current training needs of the industry
- Services the publicly-funded workforce system could provide to meet the needs of businesses and workers in the hospitality industry. Two regional meetings were held in the following order:

- Downtown Los Angeles–November 24, 2014 at the JW Marriott/The Ritz-Carlton, Los Angeles
- West Los Angeles/Beach Communities/LAX–January 7, 2015 at the Loews Santa Monica Beach Hotel

Individuals attending the forums represented more than 50 organizations operating in locations in downtown L.A., on the Westside, and throughout Los Angeles County. A list of stakeholders who contributed to the development of this Profile (including those attending the regional forums) is included within the Acknowledgments that conclude this report.

### Surveys/Questionnaires

From July through September, 2014, HTA sent a "Hospitality Industry Employment Survey" to more than 120 businesses and achieved an approximately 15% return rate. The survey/questionnaire posed a series of questions centered on companies' hiring and training needs. In addition, the survey solicited information on businesses' experience and satisfaction with the content and quality of programs and services of the public workforce system and local education and training providers.

### Individual Interviews

Approximately a dozen in-depth interviews with key stakeholders have been completed. Among the companies/organizations participating in these sessions were: HMS HOST Concessions; LAANE; LAEDC; Los Angeles County Museum of Art; The Huntington; UNITE HERE Local 11; Universal Studios; The Sheraton Los Angeles Downtown Hotel; The Westin Bonaventure Hotel & Suites; The Beverly Hilton; Hotel Maya; Hyatt Regency Long Beach; Hyatt The Pike - Long Beach; LS Partners/Star Concessions; Westfield at LAX; and Anschutz Entertainment Group (AEG).



5. "Conrad Hotels empowers travelers with end-to-end mobile customer experience," Mobile Marketer, [www.mobilemarketer.com/cms/news/database-crm/18296.html](http://www.mobilemarketer.com/cms/news/database-crm/18296.html), accessed October 2014

# Opportunities for the Los Angeles County Workforce System

A significant portion of the "opportunities" and "recommendations" outlined in this report is drawn from feedback provided during these interviews. Among the questions posed to stakeholders were:

- What are your recruitment and hiring needs?
- What are the primary gaps between the skills of job candidates and the requirements of the jobs for which you are hiring?
- What strengths does the current applicant pool bring?
- What are common weaknesses among applicants?
- What skill deficits among candidates could be addressed by training?
- What skills deficits among incumbent workers could be improved through training?
- What are your anticipated future hiring needs?
- What other workforce development-related challenges is your company facing?

## Stakeholder Feedback

Each mechanism we used to solicit customer feedback resulted in a substantial level of feedback. Key themes among commenters varied slightly based on the types of organizations they represented. Commentary attributable to primary stakeholder groups included the following:

## Business and Industry Representatives

Overall, support for recruitment is only needed when there are new establishments or operations opening. There is need for training in English language skills, computer literacy, customer service, and, for some occupations, job-specific skills. Businesses in the hospitality sector have not connected in any meaningful way to the public workforce system.

## Organized Labor

Organized labor has long-time, strong, and productive working relationships with their business partners and provides excellent support for recruitment and training via their Taft-Hartley-funded training programs. Labor representatives are somewhat willing to work with their workforce system counterparts, but the system must become more agile and less time-consuming and "programmatic" to meet the needs of the companies where organized labor is represented.

## Other Stakeholders

Those from education, government, economic development, and other disciplines that were engaged in looking at hospitality employment all expressed an interest in working more closely with hospitality businesses and labor/Taft-Hartley training funds to meet their workforce needs, recognizing how important this sector is to the greater Los Angeles economy.

In its "Global Hospitality Insights-Top Thoughts for 2015" report, Ernst and Young Global Limited (EY) stated the following:

**The global hospitality industry entered 2014 on an upward growth trajectory; a greater sense of optimism was palpable across most regions, as accelerating capital markets, favorable supply and demand balances and strong investor appetites fueled higher transaction volumes and strengthened lodging fundamentals.**

While such a statement might seem to transcend the content and intent of this Sector Profile, it does shine a bright light on the fact that the hospitality industry growth we are seeing in Los Angeles County is not an anomaly, but rather a manifestation of a worldwide trend.

Hospitality—the industry that so many think of as offering low wages and limited career opportunities—is booming across the globe, throughout the nation and right here in Los Angeles County. And while it is indeed true that many jobs exist in the lower-paid, entry-level classifications, there are many opportunities to secure positions offering good wages, benefits and career mobility potential.

Given all that is happening in the local hospitality, tourism and leisure sector, it seems a natural fit for Los Angeles County's workforce system to be a major player in supporting the workforce goals of hospitality employers. However, our intelligence gathering revealed that few hospitality businesses were familiar with the County's workforce development delivery system and those who were aware of the system found it slow to respond, laden with regulations and incapable of providing "real time" solutions to immediate business needs.

As a precursor to the various specific recommendations that are summarized in this report, following are some general considerations with regard to the opportunities for the workforce system to better align with the workforce needs of the hospitality industry.

## Recruitment for a Growing Industry

Hotel executives and managers, along with those in charge of hiring and human resources at restaurants, entertainment and sports venues, and other businesses within the hospitality, tourism and leisure sector indicated that, in general, recruitment of new workers is not a major concern. In fact, a number stated that their current workforce was their greatest asset in terms of recruiting new employees, as they were likely to refer "family and friends" and did a good job of "selling" the job opportunities to these individuals. However, with rapid expansion occurring at present and projected well into the foreseeable future, it will take more than staff referrals to fill the thousands of jobs that will become available at the airport, in hotels, at stadiums and in surrounding restaurants, bars and entertainment venues. While organized labor does an excellent job of recruitment for



businesses it represents, these organizations are not adverse to support in the form of referrals of existing candidates.

The County's workforce system should develop strategies that will enable it to quickly and effectively respond to large scale recruitment needs of the hospitality sector, building into its approaches:

- Mechanisms to identify large numbers of potential candidates
- Methods of orienting and screening large numbers of applicants
- Processes for determining appropriate matches between candidates' qualifications and job requirements
- Processes for referring clients and ensuring that they are:
  - Ready to interview
  - Have all required paperwork
  - Are prepared to start work

## Developing and Maintaining a Skilled Workforce

As described, there are indeed training programs for various positions in the hospitality industry. But such programs tend to focus on higher level positions (e.g. hotel management) or on specialized skills sets (e.g. culinary arts). For the dozens and dozens of other entry-level occupations at cultural and sports venues, restaurants, bars, nightclubs, hotels, stadiums, airports, theme parks and more, there are few training options. The HTA is one such option. However, as a Taft-Hartley Training Fund, the HTA's focus is solely on those businesses that are party to a collective bargaining agreement.

More attention is needed to the training needs of the sector for both current workers and those just entering the industry. Because many of the skill sets needed are narrow, training, in many cases, need not be lengthy. In fact, short-term training





## Recommendations

While the primary purpose of this Profile is to provide the County's workforce programs with information about the workforce preparation and hiring needs of local hospitality industry businesses, its true value lies in specific recommendations for policy, program design and service delivery improvements that have resulted from our engagement with stakeholders. The content of these recommendations is derived from information obtained in several ways, including:

- Surveys
- One-on-One Discussions
- Group Forums
- Publications
- Observations of the Intermediary Team

Following are twenty (20) distinct recommendations that we have identified through our sector intermediary efforts. To put these recommendations into context, we have organized them around six (6) themes:

- Training for New Workers
- Training for Incumbent Workers
- Building a Pipeline of New Workers
- Promoting Hospitality Careers
- Recognizing the Value of Part-Time and Seasonal Jobs
- Support for Recruitment and Hiring

Additional recommendations that do not fall within these themes conclude the list under the heading "other." In providing these recommendations, it is our hope that the WIB will consider each and use them to create productive dialogue among commissioners, County staff, AJCC operators, and other system stakeholders about putting in place policies, programs and service strategies that better link the offerings of the Los Angeles County Workforce system to the needs of hospitality, tourism and leisure businesses.

### Training for New Workers

Around the learning needs of hospitality job seekers, concerns and commentary were expressed that resulted in the following recommendations:

#### 1. Improve Work Maturity Skills Training

As a large percentage of workers entering the hospitality industry are employed in positions with direct customer contact, the need to demonstrate strong work maturity skills and behaviors is even greater than in many other fields. Businesses require new workers to be on time, accept supervision, get along with co-workers, be attentive listeners, think critically, work as part of a team, and much more. The County should ensure that its AJCCs and Youth Program service providers have strong work-maturity skills training programs in place to make certain that applicants are well

prepared to demonstrate attributes required of workers entering hospitality employment.

#### 2. Identify Providers Capable of Designing and Delivering Short-Term, Modular Didactic Coursework

Across the various hospitality, tourism and leisure sub-sectors, there are many positions for which some didactic instruction (typically delivered in a classroom setting) may be useful. These positions exist at hotels, restaurants, sports and entertainment venues, theme parks, and other businesses. As hospitality employees continue to define evolving and changing skills needed by workers, the workforce system should be capable of responding by collaborating with one or more training providers to provide instruction.

#### Training for Incumbent Workers

The following recommendations concerning key training needs of incumbent workers could be equally applied to new entrants to hospitality industry employment. The needs reflected in these recommendations were expressed time and time again by virtually every business we engaged with.

#### 3. Increase the Focus of the System on Incumbent Workers

While WIA has always allowed the use of funds for incumbent worker training, the circumstances under which such training has been permissible have been limited. However, more recently, the U.S. Department of Labor had broadened the use of incumbent worker training to enable local boards to use funds more freely for employed workers. Because WIOA will further expand the use of resources (up to 20% of Adult and Dislocated Worker Program funding) to train incumbent workers, the County WIB should adopt policies that will enable hospitality businesses the opportunity to train workers in new skill sets, technology, and industry practices that promote their ability to remain employed and move upward in their careers.

#### 4. Improve Availability, Quality and Delivery Methodology of English Language Skills Training

Because the hospitality industry offers opportunities for unskilled individuals to work in entry-level positions, it continues to provide job opportunities for many new immigrants. A large number of work settings exist where monolingual Spanish-speakers (and other non-English-speaking individuals) are able to function with very limited English. However, opportunities to be promoted to positions interacting with the public require that workers be able to communicate in English. Therefore, the WIB should include among its offerings for current workers, programs that assist them in acquiring English skills. Such programs should be designed so that they are flexible enough to accommodate a wide range of work schedules and learning styles and provide vocational/contextualized ESL.



that is modular and can be fitted with additional training at a later date may be ideal for certain occupations and businesses. Also, the use of employer-delivered, work-based training models may be well suited to a wide range of jobs and employers.

As part of its overall approach to promoting sector-driven programs, the Los Angeles County WIB should devote resources, as necessary, to devising strategies for:

- Determining the gap between what training is available and what training is actually in demand by the industry
- Developing unique coursework for the hospitality industry
- Securing industry review and "certification" of content
- Implementing didactic, work-based and hybrid training models

#### Investing in Career Pathway Strategies

For the thousands of entry-level workers in the hospitality industry, the path to career advancement is not generally intuitive. Unlike other occupations, earning one more certificate, completing another course, or adding two additional years of experience do not necessarily equate to mobility. Also, options are not clear cut for many hospitality workers with regard to career opportunities. The workforce system's focus on developing career pathways would greatly benefit hospitality sector businesses and workers.

### 5. Make Available a Wide Range of Stackable Computer Literacy and Digital Learning Programs

Increasingly, every position requires the use of a computer, tablet or other "smart" device. For those with limited past work or personal experience using advanced technology, these requirements can be daunting. Many hospitality businesses have indicated that current employees could benefit from computer/digital literacy training to meet evolving job skill requirements of the industry and to enroll in many of the industry's benefit/health care programs.

### 6. Implement a Customer Service Training Certificate Program for the Hospitality Industry

Seemingly in unison, hospitality businesses with which we engaged in the development of this Profile stated that workers could benefit from structured customer service programs. Several offered examples of skills needed specifically in the hospitality industry, such as cultural sensitivity and awareness required in interactions with international customers. Several employers suggested that an industry-recognized certificate program, like the one offered by the HTA, could be viewed as valuable by hospitality businesses.

### Building a Pipeline of New Workers

As part of a strategic approach to workforce development for the County, the WIB should work regionally to ensure that youth and young adults are provided accurate and meaningful information about employment opportunities in the full range of Los Angeles County growth sectors, including the hospitality industry.

### 7. Partner with K-12 Education to Inform Students about Careers in Hospitality

More and more K-12 schools are implementing programs and strategies to provide information about jobs and careers to students at all levels. Because the Los Angeles County WIB has been purposeful in its identification of certain industries as the most promising, the board should develop a plan for working with schools to inform students about careers in these industries, including hospitality.

### 8. Provide Career Exploration for Youth and Young Adults

Whether through WIOA funds, state education funding, or another resource, the WIB should ensure that youth and young adult job seekers served by its programs and those of its partners have the opportunity to participate in a robust set of career exploration services.

### 9. Embed Career Pathway Planning throughout the County's Workforce Development Delivery System

Although a significant number of young workers land their first jobs within the hospitality industry, the vast majority do not stay, instead seeking "greener pastures" in another line of work. A structured program of career pathway planning could

help such workers become aware of and develop plans for career advancement.

### Promoting Hospitality Careers

The County's AJCC system, Youth Program service providers, partners and stakeholders together serve hundreds of thousands of customers annually. By harnessing the combined resources of these systems, the County could effectively promote employment in growth/promising industry sectors, including hospitality, thereby building workforce interest in careers offering the greatest opportunities for success.

### 10. Use the AJCC System and Allied Providers to Promote Employment within the Hospitality Sector

As part of a structured sector strategy, the County should ensure that its AJCCs and other providers actively promote employment opportunities within its targeted sectors. Promotion may include incorporation of sector-specific information into orientations, information displayed in the resource areas or online information campaigns.

### 11. Increase Representation of Hospitality, Tourism and Leisure Sector Businesses on the WIB

Because the hospitality, tourism and leisure sector are so large and covers such a wide range of sub-sectors and occupations, a greater number of business and labor seats on the local board should be reserved for representatives of the sector.

### 12. Embrace Organized Labor as an Ally in Helping the County's Workforce System Meet the Needs of Hospitality Businesses

Many of the largest hospitality employers in the County are represented by organized labor. Employment with these companies tends to be higher paid and offer greater benefits than positions with non-labor counterparts. The County and its AJCCs could offer their customers significantly greater employment options by developing strong, effective working relationships with organized labor and their Taft-Hartley-funded training programs.

### Recognizing the Value of Part-Time and Seasonal Jobs

For students, parents looking after young children, older workers and many others, part-time or seasonal employment may be ideally suited to their current needs. For some, such employment may reflect temporary circumstances and serve as a "stop" on the way to another career path. Yet, for others, part-time or seasonal employment may be perfectly aligned with their long-term employment needs. In either case, the County's workforce system and, specifically, its AJCCs should be willing to assist workers seeking all types of employment, particularly if such employment falls within a growth sector such as hospitality.



### 13. Provide Quality Employment Services and Support Part-Time, Seasonal and Low Wage Workers through the AJCC System

The AJCC system needs to be agile enough to address the needs of a wide range of workers, not merely those meeting a particular profile. The hospitality industry has a need for many part-time and seasonal workers and the system should be able to effectively identify candidates and refer them to industry employers.

### 14. Use the AJCC System to Assist Part-Time/Seasonal Workers in Building a Full-Time/Year-Round Schedule

An extension of the previous recommendation is the request that the AJCC build capacity to support workers in developing desired work schedules through combining part-time and seasonal jobs. For example, there are many individuals (including students) who work at sports venues (e.g. Dodger Stadium) during the applicable season. Many of these workers could benefit from employment at alternate venues when their stadium is not hosting any games.

### Support for Recruitment and Hiring

Much of the focus of the AJCCs is on matching job seekers to openings with local businesses. Despite the fact that hospitality employs more workers than any other industry in the County, very few businesses within the sector use the AJCC system as a resource for employee recruitment. Instead, the industry prefers to use "word of mouth," general website postings, "friends and family" of current workers, their labor/Taft-Hartley-funded partners, or sites such as Craig's List. Hospitality operates "at the speed of business," meaning that it must be prepared to meet ever-changing workforce levels to respond to customer needs. Of the businesses we spoke to, a few had worked with the AJCC system, and these businesses found the system either non-responsive or slow to respond. Not one company articulated a positive experience with a WorkSource Center. Based on employers' comments, we have formulated the following recommendations.

### 15. Develop Industry Expertise with the AJCC System

In order to provide effective support to the hospitality industry, the AJCCs will need to invest time and effort in learning about the sector. Assigning one or more staff to develop in-depth knowledge of the industry will make staff more effective in interacting with hiring managers of hospitality businesses.

### 16. Commit the System to Real Time Responsiveness

Airport expansions, sports stadiums, new hotels, more restaurants, and expansion of entertainment venues are all

on the horizon in L.A. County. This level of growth requires quick and effective reactions (vs. methodical, program-oriented responses) from the AJCCs.

### 17. Ensure that the County's AJCC System Is Able to Partner Effectively with Others to Support the Hiring Needs of the Industry

As hospitality venues recruit for large numbers of workers to reflect growing needs, companies, organized labor and their Taft-Hartley-funded training programs, community agencies, and a wide range of other organizations may be involved in recruitment and referrals of candidates. In order to take advantage of such opportunities on behalf of their clients, AJCCs must be capable of, and committed to, working in unison with other organizations.

### Other

In addition to recommendations corresponding to the six themes listed above, we have several additional suggestions for the County's workforce system, including the following:

### 18. Put Job Seeker-Oriented Services Where Job Seekers Can Reach Them

The County has indicated that it may adopt a model where certain of its AJCCs will concentrate on one or more target sectors. At one time, it was suggested that a hospitality-focused center would be located in Santa Monica. While there are certainly many hospitality businesses in Santa Monica, the vast majority of individuals who are employed in the sector reside in the largely immigrant communities of Central and South Los Angeles County. If a sector-specific center were to be established for the hospitality, tourism and leisure industry, it should be located in a community where workers live.

### 19. Be Agile, Flexible and Ready for Change

The County's workforce system, including the AJCCs, adopts protocols and approaches that become institutionalized around a certain model or approach to service delivery, thereby limiting flexibility to respond to industry—and company-specific needs. If the system wants to be sector-responsive, it must remain flexible and agile enough to respond to the ever-changing needs of business.

### 20. Don't Limit Services Based on Rules

Too often hospitality businesses have been told that what it needs does not match the requirements, restrictions or preferences of the system. The local board should examine every opportunity available to ensure that the local workforce system is business responsive.

# References and Data Sources

As indicated, to supplement information obtained through a multi-faceted engagement process with businesses and other stakeholders, the HTA has relied on a wide range of published material in the development of this report. These include:

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