

F&B WORKER 4.0

SERAPHCORP INSTITUTE

TalentKraft

Employability Partner:

e2i
Better Jobs For Life
Employment and Employability Institute

CONTENT PAGE

Page 2 | INTRODUCTION

Page 3 | TECHNOLOGY TRENDS IN F&B

Page 7 | IMPLICATIONS FOR SKILLS

Page 10 | IMPLICATIONS FOR TRAINING

Page 13 | ADDRESSING THE MANPOWER GAP

INTRODUCTION

Technological change is ***rapidly changing*** how industries work.

Automation, artificial intelligence and the Internet of Things are driving the move towards what is commonly known as Industry 4.0.

The food and beverage industry, which is service-based but suffers from a chronic shortage of labour, has not been immune.

To develop an in-depth understanding of F&B industry 4.0 and the implications for F&B Worker 4.0, we conducted an online survey with 125 F&B industry practitioners. This was supplemented with one-on-one interviews with 35 of them, allowing us the time to explore in greater detail the skill requirements for F&B Worker 4.0.

The required skills have been classified into 3 categories:

1) Technical Skills

Job-specific knowledge and skills

2) Technological Skills

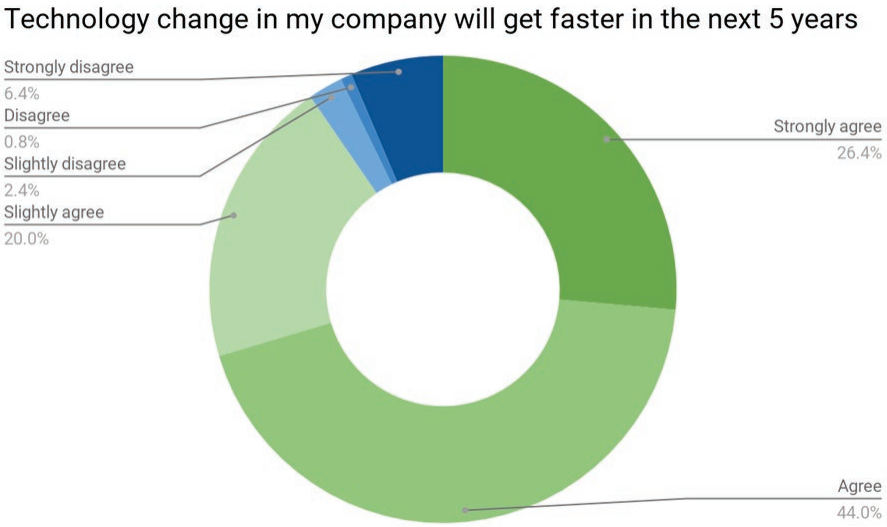
(General) knowledge and mastery of digital systems and programmes

3) Adaptive Skills

(General) ability to navigate and influence change and solve complex problems

This classification will allow the relevant authorities and agencies to better prepare the future F&B work-force for their roles.

TECHNOLOGY TRENDS IN F&B



To understand how the skill requirements of F&B workers are changing, we first need to understand the technology trends in the industry. As patrons, we have all already experienced some of these first-hand - the use of tablets to order food, increasingly sophisticated payment systems, etc. There are also many innovations changing how the food is produced in the kitchen. Mapping the technological trends is therefore the crucial first step.

Overall, 70% of F&B employers strongly agree or agree that technological change is going to accelerate in their companies in the next 5 years.

While F&B companies of all sizes are exploring the use of technology to reduce their manpower requirements, the outcomes are very different for large and small companies. It may seem obvious but larger companies are better positioned to take advantage of technology.

They can customize technology to their needs

They are specialized and have dedicated people in each role

They achieve greater returns on investment because the savings are applied to a larger operation

For example, when Old Chang Kee, the leading homegrown brand of curry puffs and hot savouries, wanted to automate and simplify their work processes, they engaged their in-house research and development (R&D) team to lead the project. The team worked with a European technology provider to customise machines designed for western pastries to their specific requirements, in order to automate the process of depositing the curry fillings and folding of curry puffs. This helped Old Chang Kee supply their more than 70 outlets islandwide. Their Chief Financial Officer, Song Yeow Chung, believes that the company will continue to increase the use of technology over the next 5 years.

In contrast, smaller F&B operations, such as one-outlet cafes, face a much tougher struggle

Common challenges faced by small F&B owners

The owners may not be familiar with the different types of technology

Without customization, technology may not suit their operations

The high initial cost is a greater barrier for small companies

They have less flexibility to send staff for the required training

There are, of course, success stories among smaller operations as well. One example is Empress Pot, a fried oyster and BBQ business located at a coffee shop in Jurong West. Founder Michael Goo is a strong advocate of using technology to improve business operations. He has effectively reduced queues and the need for service by introducing a wireless paging system to facilitate self-collection of food. Even so, his plans to purchase kitchen equipment, a self-ordering system and a POS system are running up against space and cost constraints.

Nevertheless, F&B employers agree that technology change will continue to accelerate.

Technology has already automated many tedious and repetitive tasks, freeing workers to do more value-adding activities. In smaller companies, this often means that workers need a wider range of technical skills, since they will have to play multiple roles.

Some technologies that are being widely adopted are:

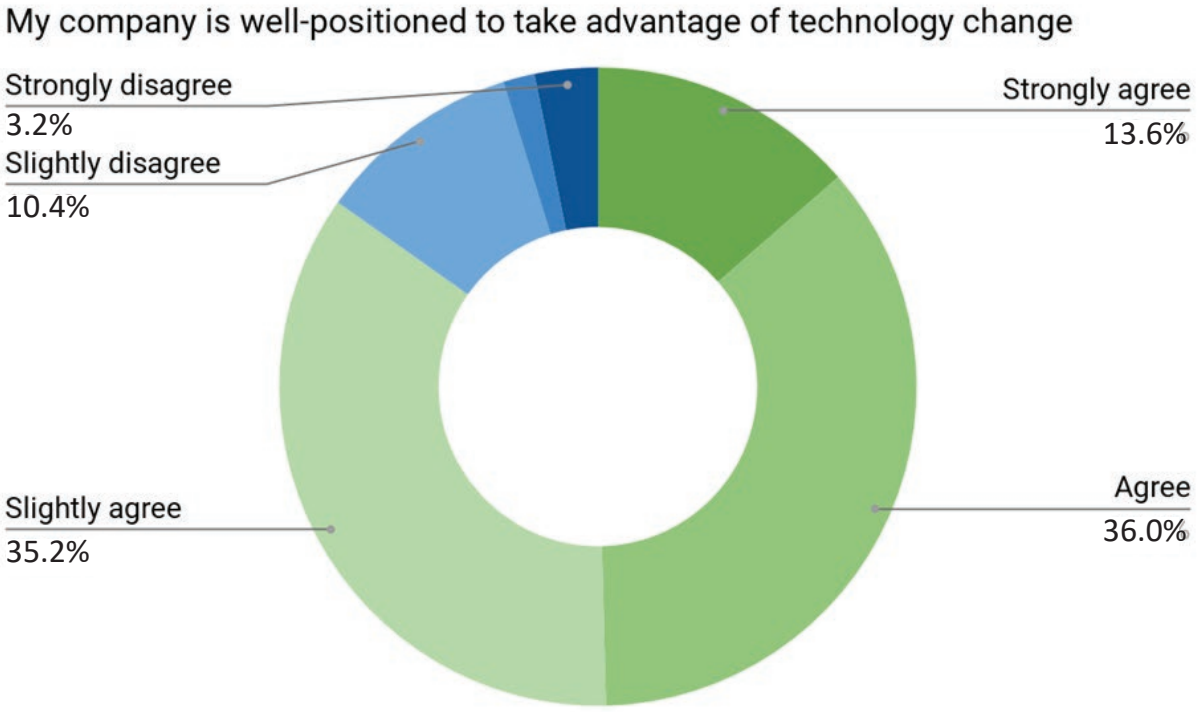
Front Of House Technologies

- Point-of-sale (POS) systems
- E-payment
- Online ordering
- Self-ordering and self-collection

Kitchen Technologies

- Food preparation automation
- Cleaning automation

In general, employers were optimistic about their ability to ride the wave of technology change.



About half of the employers surveyed were confident that their company was well-positioned to take advantage of technology change.

IMPLICATIONS FOR SKILLS

What are the most important skills for F&B workers?

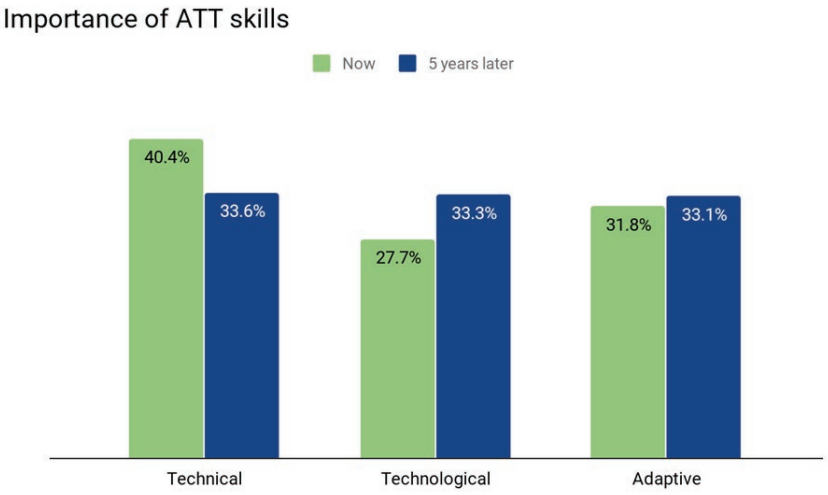
We asked our sample of 125 survey respondents what skills they felt were most important now, and in 5 years time. More than 30 different skills were named. The results are shown in the table below.

Rank	Top 5 Skills Now	Top 5 Skills In 5 Years
1	Customer-oriented	Customer-oriented
2	Teamwork & communications	Teamwork & communications
3	Culinary skills	Digital Marketing
4	Leadership & people management	Innovation
5	Upselling	Keeping up with change

The top skills identified as crucial both now and in the future were the adaptive skills of customer orientation and teamwork & communication, with 1 in 6 respondents highlighting them. Customer orientation was also the skill that as highlighted most often in our interviews. For example, Garry Lam, General Manager of Zingrill Holdings for Singapore, which owns and manages brands like Seoul Garden and Seoul Garden Hotpot, strongly believes that it is important for staff, both management and workers, to be customer-oriented. This was echoed by the majority of employers we spoke to.

Two of the three skills that fell out of the top five were technical skills - culinary skills, and upselling.

In contrast, digital marketing, a technological skill, went from 16th most important skill now to the 3rd most important skill in 5 years' time.



This is representative of a general trend away from technical skills towards technological skills.

Whereas technical skills were seen as most important for F&B workers now, and technological skills seen as least important, the gap disappears when we look 5 years into the future.

To get to the next level of detail, we analyzed the specific skills required for F&B Worker 4.0. We categorised F&B workers into three groups - managers, kitchen crew and service crew - to reflect the distinct nature, and hence skill requirements, of their roles.

MANAGER



Adaptive skills

Sub-category	Skill
Problem solving	Problem-solving mindset
	Innovation
	Quick thinking
Interpersonal skills (internal)	Teamwork & communication
	Leadership & people management
	On-the-job coaching
Interpersonal skills (external)	Stakeholder management (suppliers, vendors, etc)
	Dispute settlement
	Customer-oriented
Personal effectiveness	Taking initiatives
	Multi-tasking
	Stress & anger management
	Workflow streamlining
Openness to change	Personal learning and growth
	Adapting to new practices & processes

Technical skills

Sub-category	Skill
Operations (office)	Food costing & budgeting
	Inventory management
Growth & expansion	Sales & marketing
	Strategy & expansion (P/L)
Operations - outlet (non- customer facing)	Quality control
	Workplace safety
	Food/product knowledge
	Food hygiene

Technological skills

Sub-category	Skill
Software	E-payments
	HRMS/ MS office
	Data analytics
	Digital marketing
Hardware	Online ordering using phones & tablets,
	Cashiering/POS system

KITCHEN



Adaptive skills

Sub-category	Skill
Problem solving	Problem-solving mindset
	Innovation
	Quick thinking
Interpersonal skills (internal)	Teamwork & communication
	On-the-job coaching
Personal effectiveness	Taking initiatives
	Multi-tasking
	Stress & anger management
Openness to change	Personal learning and growth
	Adapting to new practices & processes

Technical skills

Sub-category	Skill
Operations - outlet (non- customer facing)	Workplace Safety
	Culinary skills
	Food/product knowledge
	Food hygiene

Technological skills

Sub-category	Skill
Hardware	Food preparation – using equipment and machines to prepare ingredients

SERVICES



Adaptive skills

Sub-category	Skill
Problem solving	Problem-solving mindset
	Innovation
	Quick thinking
Interpersonal skills (internal)	Teamwork & communication
Interpersonal skills (external)	Dispute settlement
	Customer-oriented
Personal effectiveness	Taking initiatives
	Multi-tasking
	Stress & anger management
Openness to change	Personal learning and growth
	Adapting to new practices & processes

Technical skills

Sub-category	Skill
Operations – outlet (customer facing)	Upselling
	Service Recovery
Operations - outlet (non- customer facing)	Workplace Safety
	Food/product knowledge
	Food hygiene

Technological skills

Sub-category	Skill
Software	E-payments
	Data analytics
Hardware	Online ordering using phones & tablets,
	Cashiering/POS system

IMPLICATIONS FOR TRAINING

In our interviews, we found that most employers were willing and able to provider technical skills training, but were less well-equipped to meet the technological and adaptive skill needs of their teams.

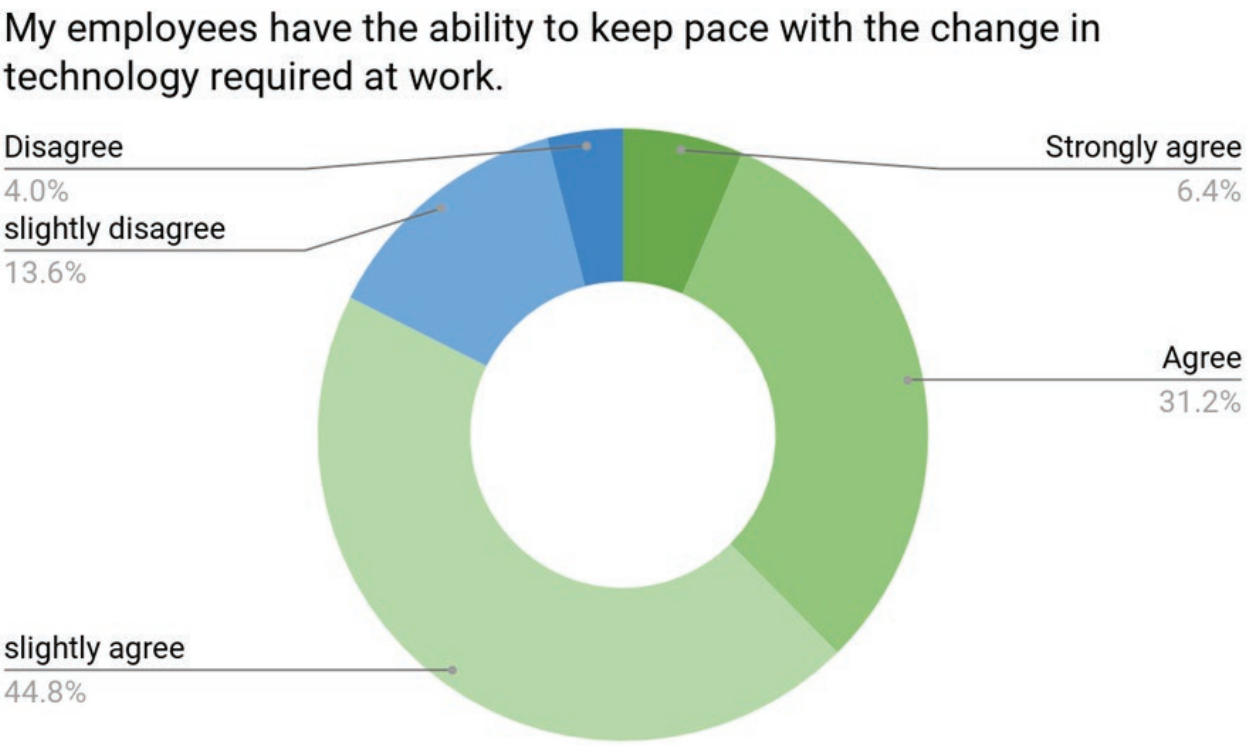
Many employers recognize that beyond the basics, they will need to train their staff on technical skills as these tend to be quite specific to the company, the cuisine they serve and the type of customers they attract. On-the-job training is therefore the most common form of technical skill development, and they are generally willing and able to provide it in-house.

This has always been the operating ethos for Hanbaobao Pte Ltd, the local McDonald's franchisee, which places a strong emphasis on learning and development of all its employees, from front line staff to managers.

They operate with a 70/20/10 rule for the learning and development of their staff - 70% on-the-job training, 20% coaching and 10% theory. This reflects the belief that on-the-job training is the most effective method for employees to pick up job-specific skills in the F&B industry.

In contrast,

employers are often unable to upgrade the general technological skills of their teams, as they do not have the required skills and knowledge. Instead, they can typically only provide the specific skills training needed to enable their staff to operate any particular piece of technology. It is also common practice for external vendors to provide user training at the time of purchase. Thereafter, the responsibility to train new hires will fall on the management. As a result, Peter Chia, co-owner of Myo Restobar, has decided that he will only implement new technology that is user-friendly for his staff and diners. Overall, only 37% of employers were confident that their employees would be able to keep pace with technological change.



Many F&B employers struggle to train "soft" adaptive skills, such as teamwork and communication or adopting a problem-solving mindset. The managers or owners themselves may not have the requisite skills, and even if they do, they lack the ability to train others in such skills.

One company which has directly addressed this concern is Starbucks which places equal emphasis on "soft" and "hard" skills. According to Celestina Lee, partner resources director at Starbucks Singapore, leaders undergo more intensive training than everyone else because of their impact on multiple partners and teams. Leaders frequently go back to class to improve their skills in aligning, communication, influencing, and motivating. This further help to improve effectiveness of on-the-job trainings, new implementations, or job changes.

Apart from coaching skills, the other constraint is time. According to the Chief Human Resource Officer of the Paradise Group, frontline managers are the ones who will need to nurture their service crew into employees who are confident about building rapport with customers and resolving customer issues. However, given the hectic nature of the work in the F&B industry, this can only happen if the managers have the necessary support and resources to rise above their primary operational duties and take on a training or mentoring role.

From our discussion, it appears that the biggest skills/training gap is in providing F&B workers with the adaptive (and, to a lesser extent, technological) skills they need to perform well in their roles, especially for the smaller F&B players. Employers believe that such skills are becoming more important, but they individually lack the capability to provide the necessary training. This suggests an important role for external providers.

Not all employers are taking advantage of training

Some common reasons why employers don't send their staff for training courses include:

Courses tend to be one-size-fits-all, resulting in ineffective training due to language barriers, differences in speed of learning, etc

Manpower is already lean, hence they cannot afford to release employees for extended periods of time to attend training (especially for small players)

Employers are unwilling to invest time and money on employees as they may not stay for long

Employers fear that trained employees may be poached by other companies, especially if they attend training with employees from other F&B establishments

Some ways to mitigate these concerns were highlighted in our interviews, including:

Structure multiple training sessions of 1-2 hours, rather than one long session

Provide incentives if employees stay on for a minimum period after training

Provide managers with the skills and time/ capacity to coach and motivate their team on the ground

ADDRESSING THE MANPOWER GAP

Manpower is the number one challenge for most F&B employers. While improving skills is important, the bigger challenge F&B employers face is the shortage of willing and able manpower. While there are some workers who are passionate about the industry, the majority see working in F&B as a last resort or short-term measure before they find another job. As Maggie Chen from King's Cart Coffee, puts it,

"F&B workers are usually either overqualified or underqualified, but almost never appropriately qualified".

To address the manpower crunch, it is necessary to both tackle the skills gap and the people gap. The skills gap has already been the target of significant effort. Continuing to build the culture of learning in the industry and increasing the range of training available will help to close the skill gap.

To address the people gap, there are two broad strategies. One is to continue to use technology to reduce the number of people needed. However, as we have seen, there is a natural limit to the level of technology adoption, in particular where the business model is built on a high level of personalised service.

The other prong must be to increase the number of people who are willing and able to work in F&B in the longer-term. Employers identified a number of frequently-cited barriers, such as

- Long hours
- Low pay
- Hard physical work
- Low prestige

Finding people who are passionate about this industry is an uphill task for all the employers we interviewed. The last thing any employer would want is to lose them after finding them. Benedict Tan, Assistant Director of Food & Beverage of Mandarin Orchard Singapore, sees the restaurants under his management as nurturing grounds for the next generation of F&B leaders. Apart from providing training for job-specific skill sets, he strives to cultivate an inclusive work environment where employees understand the value they are creating through their work, thereby generating interest in a long-term career in the industry.

Nor is high attrition an inevitability. Pamela Foo, assistant HR manager of Tim Ho Wan, attributed their high employee retention rate to having clearly defined career progression paths. With strong management support, many pioneer employees who joined Tim Ho Wan when it first launched in Singapore have progressed to take on more senior positions, and are now supporting the junior staff in their development of essential skills.

While there are no easy solutions to address the gap, it is notable that companies are making attempts to tackle deeply-rooted industry norms to become more attractive as employers. Such conscientious effort will be needed to gradually improve Singaporeans' perception and increase their willingness to explore a long-term career in the F&B industry.

We would love to hear from you!

Contact any of us if you wish to find out more about our study, or how our respective companies can partner you in any way:

SeraphCorp Institute
SeraphCorp is a leadership consulting firm that specialises in helping companies learn. Beyond learning, we work with leaders on consulting projects and anchor learning in executive coaching. SeraphCorp also has a body of work consulting and assisting hospitality companies with their service culture.
url: www.seraphcorp.net
tel: 6468 6008
email: enquiry@seraphcorp.net

TalentKraft
TalentKraft is a consulting firm that focuses on helping companies improve their recruiting process. We work with clients to build better talent pipelines so that they can hire more effectively and efficiently.
url: www.talentkraft.com.sg
email:zanyu@talentkraft.com.sg