

INTRODUCTION

Small Medium Enterprises (SME) in Singapore are defined as companies with at least 30% local shareholding, group annual sales turnover of less than \$100 million or group employment size of not more than 200 workers (Skills Connect, 2013). Out of 180,000 SME's in Singapore, 70% of them have a turnover of less than a million and commonly referred to as micro-SME's (Scully, 2014). Together, they make up 99% of the country's enterprises, employ 70% of our workforce and contribute more than 50% to the economy (Teo, 2013).

In 2014, there were close to 6,900 food and beverage outlets that employed about 137,000 Singaporeans (Department of Statistics Singapore, 2015). Due to the perennial manpower shortage in this sector, many SME's look to alternatives to fill up their work force and one affordable alternative are interns from government and private education institutes (PEI). The author who works in a PEI overseeing the internship department the past three years conducts regular surveys on a bi-annual basis with students who have completed their internship. The common feedback from interns who chose the food and beverage sector are that they are usually viewed as quick fixes for operational gaps, work longer hours than others due to lower overtime allowances and most food and beverage outlets usually lack a structured on-job-training (OJT) programme for interns resulting in unmet learning objectives.

This paper identifies the challenges faced by the food and beverage sector in luring manpower from the many segments available. Besides the resident labour force between the ages of 15 – 64 years old and the elderly, other potential segments for recruitment include people with disability, ex-offenders, housewives, students as casual workers and hospitality interns. Unfortunately, the latter, just like the rest of new hires, have largely been

mismanaged to the disadvantage of the individuals concerned as well as the restaurant's sustainability and the perception of the sector as a whole. The importance of internship as part of their learning journey cannot be overstressed and instead of mismanaging or abusing OJT, this paper encourages embracing a structured approach that serves all stakeholders well with the potential of increasing the sector's attractiveness and future flow of manpower.

Hospitality Industry Challenges

The food and beverage sector together with the accommodation sector is commonly termed as the hospitality industry. Though the food and beverage sector can be viewed as small in Singapore and contributes only 1% to the economy, it is an integral component of the tourism industry supporting Singapore's reputation as one of Asia Pacific's eating capitals (Spring Singapore, 2013). In the latest ranking of best Asian restaurants, several Singapore restaurants made it to the top ten rankings and a local restaurant chain also won the Best Pastry Chef of Asia (Goh, 2016). The rise of Singapore as an epicurean destination and lifestyle hub shows the potential of this sector; however, to manage a food and beverage outlet requires various ingredients as this paper will show.

The operating receipts of 6,859 food establishments in 2014 were \$8,746 million but the operating expenditure of \$8,501 million reveals a rather slim operating surplus (Department of Statistics Singapore, 2015). It comes as no surprise when Accounting and Corporate Regulatory Authority data showed 511 restaurants closed last year, up from 469 in 2013 (Lim, 2015, para. 16). Lamenting the above is Mr Wei Chan, owner of Next Door Deli and Baguette, "Our profit margins are so thin already, and now, we even have to turn customers away as we don't have enough people to serve them," (Lim, 2015, para. 8).

In the 2015 labour force survey of the food and beverage sector which is made up of food caterers, restaurants, bars, canteens, fast-food outlets, cafes, cafeterias, snack bars,

cocktail lounge and pubs, this sector employed 139,000 local residents with a median salary of \$1,800 making it the lowest within the services industry (Ministry of Manpower, 2016). The median age for this sector is 49 years old while school leavers between the ages of 20-30 years old make up a small minority of 11,100 workers (Ministry of Manpower, 2016). Interestingly, for those aged between 50 and 70 years old, the data reveals close to 65,000 workers employed and leads one to conclude a rather greying hospitality industry with a host of upcoming challenges.

Moving forward, a gloomy outlook lurks as projection of total workforce growth in Singapore is set to decline to about 1-2% growth per year till 2020 and post-2020 will see it decline even to 1% per year (National Population and Talent Division, 2013). Currently the sector's labour turnover for 2015 stands at an industry high of 4.3% even though job vacancies are equally high at 5,400 (Ministry of Manpower, 2016). The training participation rate for this sector was also the second lowest after construction at a mean of 1.7 days per adult (Ministry of Manpower, 2016). A low median salary coupled with high turnover and low training is just some of the reasons this sector is facing manpower problems. Mr Wee Liang Lian of famous chicken rice chain Wee Nam Kee adds, "The work is not glamorous and Singaporeans who decide to give it a go leave after a few months" (Lim, 2015. para. 12). Besides increasing the median income and creating a favourable work environment such as changing the mentality towards training can certainly be part of the solution for luring the youth. Mr Steven Hansen, director of F&B consultancy Steven Hansen & Associates adds, "Youth will be proud to work in the hospitality industry only when the stigma of it being an occupation of last resort has been erased" (Lim, 2015. para 16).

Food and Beverage Sector Manpower Options

The traditional options for manpower in the food and beverage sector have always been the resident labour force or foreign workers from traditional sources such as Malaysia, China, Hong Kong, Macau, Taiwan & South Korea. However, levies for foreign workers currently hover between \$400 -\$700 per worker and together with the other benefits, each foreign worker can potentially cost in excess of \$2,000 (Ministry of Manpower, 2016). The next option are dependents of foreign workers on Work Pass or Long-term Pass holders since no quota or levy is required but with the government recently introducing a minimum wage of \$5,000 before dependents such as spouses or children can enter, they form the minority (Chuan, 2015).

Local students as part-time workers are another option to consider but are a seasonal segment due to school commitments while foreign students from Private Educational Institutes (PEI) are generally not allowed to work in Singapore. However, there are a few government approved foreign educational institutions where foreign students are allowed to work but their working hours are limited to 16 hours per week and are allowed to work only during specific months (Ministry of Manpower, 2016). As mentioned earlier, other manpower options include the elderly, people with disability, ex-offenders, housewives, students as casual workers but for this paper the author will focus on hospitality interns as an example of all the other segments.

Hospitality students from government and private hospitality school are usually required to undertake relevant internship ranging between 3 – 24 weeks to fulfil course completion requirements. These students are usually from Institute of Technical Education, polytechnics, public-funded universities, private universities, government affiliated educational institutions and private educational institutes. In a recent report by the Ministry of Education (2015), full-time hospitality course enrolment for 2014 into ITE, Polytechnics and Universities with internship requirements stood at 1,368 students. In the private education

institutes, there are currently 312 PEI's in Singapore with 151,704 students commencing a course in 2014 and hospitality courses makes up 10% of students (Council of Private Education, 2015). As most of them require internship too, about 10,000 PEI students can be expected to be available for internship annually. In the author's institute which is predominantly made up of foreign students, about 150 students qualify for local internship per year while another 50 students seek internship abroad. One reason foreign hospitality students seek internship abroad is because they require a Training Work Permit for internship in Singapore which is subject to strict quota requirements and sometimes employers have insufficient quota to hire them. From the above statistics and the author's experience in the education industry for the last nine years, he estimates the number of government and PEI interns available for the hospitality industry to be in the range of 10,000 – 11,000 thousands per year.

Benefits of Internship & Knowledge Required

As previously mentioned, internship for students is not only a pre-requisite to complete their education but according to Gault, Redington and Schlager (2000), provides the opportunity to learn and improve skills, access job sources or land a full-time job. Ross, Beggs & Young (2011) add internship fulfils six key roles which are:

1. Realistic expectations: Students transiting from school to the food and beverage sector learn fist-hand the demands and challenges of the job such as the physicality and long work long hours
2. Career goals: Students use the experience to determine if this where they see themselves working in the future, clarify the overall career picture and identify goals and objectives to reach them.

3. Competency development: On-job-training allows one to mould knowledge into competencies and develop further
4. Career directions: Reaffirms the career direction or realizes this is not the best career path
5. Establishing networks: Expands professional networks through meeting employees and guests
6. Establishing employability: A good internship experience can help to establish a reputation as capable professionals ready for a full-time job

Embarking on internship within the food and beverage sector usually requires one to start as novices and possess both cognitive and psychomotor elements. These are necessary for novices to be aware of company's policies, culture, mission, goals and requirements of work area and use specific knowledge, skills and attitude to perform the job (Jacobs 2003). As Eraut (2000) highlights, the process of knowledge acquisition is affected by the learning context and for the hospitality context the cognitive elements are mainly declarative, procedural and dispositional knowledge. Beven (2012) suggests that in order to undertake real-world tasks and demonstrate technical expertise successfully one requires both declarative and procedural knowledge while dispositional knowledge is developed and enriched through a variety of experience over time. Since most interns joining the food and beverage sector usually start off with operational tasks, psychomotor skills is an important part of the learning as it leads the learner to apply coordinated muscular movement of basic physical tasks such as bussing or serving food and drinks. Psychomotor skills according to Smith and Ragan (2005) should be complemented with a cognitive element which the declarative and procedural knowledge serves. Part of this knowledge may have been taught in

school however since most food and beverage provides different styles of services, cuisine and aesthetics, interns are usually required to start as novices.

Benefits of Structured On Job Training

From an educational perspective, the importance of internship cannot be stressed further but students entering the food and beverage sector for internship are usually devoid of structured on job training (OJT). The term 'structured' according to Jacobs (2003) means that the training has undergone adequate forethought and planning and emphasizes mentoring, one-on-one contact between experienced and novice employees as the primary means of conveying training content. Jacobs (2003) points out well that just like Singapore, OJT in most countries usually occurs without much advanced planning or involvement by management which Swanson and Sawzin (1975) refers to as unstructured OJT. Unstructured OJT occurs when trainees learn through trail & error, imitating, unclear explanations or demonstrations which basically results in unmet OJT objectives (Jacob, 2003). Untrained staff for any food and beverage outlet results in more cost and errors, lost of productivity, bad publicity for the outlet. According to Mr Arthur Kiong, the CEO of Far East Hospitality, such actions eventually results in many hospitality students shunning the sector (Hardasmalani, 2015).

On the other hand, the benefits of structured OJT develops new hires expertise, assists in improving organisational performance, develops competency, increases productivity, lowers defect rates and achieves other outcomes of importance (Jacobs, 2003). According to the Mr Joanna Le Henaff, owner of a French restaurant in Singapore, some of the reasons structured training is lacking in this sector is due to low sales resulting from the lack of manpower and corresponding service staff to increase sales. This makes sending staff for training or restructuring seem impossible despite government incentives being available (Lim, 2015) As

Mr Andrew Tjioe, President of the Restaurant Association of Singapore adds, “Without manpower, you cannot run your business and this hits profit margins which affect everything else” (Lim, 2015).

Conclusion

The author, prior to entering the education industry, has 15 years of experience managing chains of restaurants in Asia and currently provides part-time consultancy and structured training for the food and beverage sector agrees with Mr Steven Hansen, director of F&B consultancy Steven Hansen & Associates that a ‘paradigm shift’ is needed (Lim, 2015. Para. 16). The author also believes that starting a restaurant requires careful homework and training in the form of structured OJT should be high on the cards even before opening the doors. Recently, the government has embarked on a national strategy called Enhanced Internship which requires all ITE’s and Polytechnic’s to make internship compulsory for all courses by 2020 (Skills Future, 2016). For the food and beverage sector to benefit from this flow of manpower which can increase service and profits, embracing structured OJT within their strategic human resource development plan is critical. Workplaces as authentic learning sites provide the platform leading to mastery of skills and making this sector attractive and a place of choice for future trainee requires a ‘paradigm shift’ towards training. The next paper seeks to justify and evaluate a response to the above issues by drawing on various literatures to discuss possible solutions and draw some conclusions and recommendations.

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