



**Best By DOING Project/interview**

**to determine present and future restaurant management competencies.**

**Abstract**

**Restaurant managers** are responsible for the daily operation, coordination of staff, and profitability in the one million plus restaurants in the IT,HU, ES, SLO.

However, the **restaurant industry** has a high management turnover rate and the identification of any process that may help restaurant owners identify, hire, and retain qualified managers is vital to the success of any operation, and the industry as a whole.

Clearly identifying competencies that are needed for a manager to be successful might help in lowering the turnover rate and ensure that operations are successful. Not only will the identification of competencies benefit operators, it will also provide information for faculty in hospitality programs to build and **adapt curriculum to meet the demands of industry**. Few studies have focused on restaurant manager competencies and most are over 20 years old, and no studies have explored future competencies.

**Specific questions include:**

***1. Which competencies are necessary for entry-level restaurant managers?***

***2. How will entry-level management competencies change in the next 5 years?***

### ***3. What is the magnitude of change between current and future restaurant manager competencies?***

The sample for this interview and study included \_\_\_\_\_ of restaurant managers in the 5 EU Project Country, and yielded a \_\_\_\_\_% response rate.

Most of the highest ranked competencies are soft skills.

Managers ranked leadership skills as the most important competency, while education was ranked lowest.

Interestingly, when exploring individual competencies, results of present compared to future competencies showed a slight decrease in mean score.

Managerial implications, limitations, and directions for future studies are discussed.

#### **Definition of Terms**

1. **Ability:** The power or skill to do something.
2. **Competencies:** An achievable job-related behavior.
3. **Competency model:** A descriptive tool that identifies the knowledge, skills, abilities and behaviors needed to properly perform inside an organization.
4. **Curriculum:** A set of courses with an identified course of study with specific objectives, subjects and teaching methods. Is a common knowledge for preparation in degrees for hospitality management.
5. **Hospitality Industry:** Businesses that provide food, beverage or lodging to travelers.

6. **Hospitality:** The definition is: that a host is ready to receive a guest requirements like: food, beverages and lodging while the guest is away from home.
7. **Knowledge:** Information, understanding, or skill that one can learn from experience or education.
8. **Restaurant:** Any public space that specializes in the sale of prepared food.
9. **Skills:** An ability that can be acquired through training, they can be innate or acquired.
10. **Competencies:** The literature has defined competencies in many different ways, therefore it is difficult to establish a standard definition. The most common definition found in the literature includes knowledge, skills, abilities, beliefs, values, interests, or any characteristic that can be associated with high performance on the job or to acquire work objectives.

**A competency model is a tool that helps identify these knowledge, skills, abilities, and behaviors required to work effectively inside an organization.**

Even though competency models and job analysis are very similar, competency models are worker focused, while job analysis are worker and task focused. Competency models provide important tools for the human resources systems.

**For example competency models can help guide:**

- **Recruitment and selection, by establishing skills necessary to perform the job properly.**
- **Training and development, by identifying gaps between required skills and the current skills employees have.**

- **Performance appraisals**, by guiding what is important for the company, like desired behavior thus providing a tool for meaningful evaluation, therefore what will be monitored.
- **Coaching and mentoring**, by having 360 degrees feedback, supervisors can use the information to help reinforce desired behavior.
- **Rewards systems**, by linking desired attributes with rewards, this will also help to attract, motivate, and retain employees.
- **Career development**, they can help to create a path to what are the next skills needed to advance to the next position.
- **Succession planning**, to identify possible successors for important positions and making clear the requirements needed for a candidate readiness.
- **Change management**, companies may work towards the future by creating future competencies and what skills will be required.

**Competency models can be used to design curriculum, recruit, select, coach, and help develop career and succession planning. Competency models can also help guide VET Institutes in the process of designing curricula to meet industry needs.**

In the literature, a competency model has been identified as a tool that educators can utilize to identify the knowledge, skills, abilities, and behavior necessary to perform properly in an organization.

For the purpose of this *BEST BY DOING PROJECT* Interview process we will utilize the definition proposed by *CEDEFOP 2016 "New Skills for new jobs"* which define competencies as a set of achievable job-related behaviors.

This definition was selected because it has been used in previous hospitality industry interview.

### **Hospitality Industry Competencies**

The development of managers is key to the future of the hospitality industry, which is impacted significantly by globalization and competitiveness . The average turnover for the restaurant industry in 2018 was 102% for line employees and 33% for managers (*Michelin Guide 2018*). David Howard, president of Washington, D.C.'s noted that a restaurant chain could have up to 225% turnover rate for managers. Howard states that up to 90% of manager turnover occurs within the first 90 days of employment. Such a high turnover rate increases the cost for training and development among manager and employees. Research has indicated that up to 70% of exiting employees in the hospitality industry would stay longer with better training (Howard 2018). These studies mention that better training could help lower the turnover rates. The academic curriculum outcomes must be aligned with the needs of the industry in order to satisfy the work requirements of the restaurant industry and lower employee and manager turnover. According to David Howard, president of Washington, D.C.'s The Neighborhood Restaurant Group the identification and implementation of competencies and selection of students from hospitality schools known for producing students with strong potential as future managers can help reduce the

turnover intention rates in the industry. Howard mention the largest hospitality companies hire between 30% to 90% of their management trainees from hospitality schools. **Therefore, it is important that hospitality schools align with the growing and evolving restaurant industry.** Hospitality faculty should consider the traits of the most successful managers in the industry when they are educating students and determining the content of curriculum. Moreover, educators must provide students with realistic expectations from the prospective of hiring companies.

### **Issues for Future Managers in the Hospitality Industry**

The most cited competencies that trouble current managers, include human resources, safe food handling, effective marketing strategies, and innovation. Regarding human resources, retention, taxes, government regulations, and legal liabilities are the concerns noted that managers don't know how to effectively address. However, other articles note that the most important competencies are related to listening skills, accounting, ability to motivate others and manage employees, and knowledge of legal issues. According to Testa and Sipe (2017), one of the main concerns industry has noted for future managers is the constant and growing competition, which means managers must achieve their goals with fewer resources in order to maintain competitive advantage. Many managers in different hospitality industries have to deal with turnover rates. Since the hospitality industry deals with high turnover rates, some researchers had taken steps towards decreasing these rates and therefore helping the hospitality industry. High turnover rates can negatively impact the overall performance of the industry. This situation can be translated into direct

monetary cost and also customers and coworker's dissatisfaction. Turnover intention is not only high among operational workers but on managers too. Importance of Hospitality Education It is extremely important that hospitality education lead the restaurant industry instead of following. This acknowledges the central role that hospitality schools play in the future of our industry. The main goal for hospitality schools is to prepare students to achieve skills and knowledge to perform successfully in a continuously changing environment. In order for a college or university to have a high quality and industry-focused education, educators must identify competencies necessary for successful managers indicated there are new challenges that hospitality schools must face compared to 25 years ago. These challenges are the understanding of multinational, and therefore multi-ethnic backgrounds of the workforce and preparing students to manage in this diverse environment. There is an increasing number of international students in hospitality programs. This increase has led to cross cultural differences in the classroom and an increase in the differences in learning styles and linguistic patterns. These changes have made it difficult to engage students in the classroom.

These findings may help educators guide the design of curriculum to adapt to the requirements, needs, and learning styles of a diverse and cross-cultured international student body. This study is important because it highlights the importance of having foreign languages as courses required for hospitality students as noted in previous studies.

### **Competencies for Hospitality Managers**

**Best By Doing partners** explored the following essential competencies for hospitality management graduates:

- 1. Listening skills,**
- 2. financial accounting,**
- 3. ability to manage subordinates,**
- 4. motivation of others,**
- 5. revenue management,**
- 6. a passion for service,**
- 7. ability to handle food and beverage events,**
- 8. how to plan and conduct meetings,**
- 9. knowledge of legal issues were the top competencies identified.**

The interview identified that educators view the technical skills of improving revenue and accounting processes as more important than listening/communicating skills, which the industry professionals ranked as the most important. However, there were no significant differences in the most essential competencies. As an example, industry professionals ranked communication skills as a top competency, while the educators ranked this as the third most important competency.

One of the highest ranked competencies by both educators and industry professionals was the ability to understand financial accounting processes. One of the emerging findings of this study was that accounting, marketing, foreign language, communication, and quality management should have more importance in hospitality education. The interview notes that unlike research done, foreign language classes are important, because most of the business in many hotels comes from international travelers,

especially from EU. In this interview, a significant relationship was noted between having the required competencies and career success. Partners noted that the most important competencies were adaptability, communication skills, and fluency of a second language.

They also suggested that hospitality educators should teach cross-cultural communication as part of the curriculum. Another study analyzed the employer expectations of graduates and noted that people skills, communications, problem solving, and people management are the top expectations for graduates from hospitality programs . The authors noted that educators have to introduce some skill development into their programs to have a balance between the theory and the practice. They conducted a study to identify entry-level competencies for hospitality managers. The purpose of the questionnaire was to obtain the knowledge, skills, abilities and attitudes of hospitality managers in 5 Partners Country. The study mentioned the identification of current and future job competencies could lead to improved selection processes.

The competencies were ranked on a 5-point, where the top competencies were:

- **ability to work as a part of a team**
- **effective listening, verbal and writing skills**
- **ability to project a professional image**
- **knowledge of grooming and professional image standards**
- **ability to empathize with guest experience**

Most of these competencies comes from the skills and abilities section of the questionnaire, enforcing previous research on the affective component of expected competencies.

Competencies have been developed for various segments of the hospitality industry including:

- ❖ general managers of hotels,
- ❖ corporate offices for chain restaurants of hospitality management programs.

**Competency: Human Resources**

**Score:**

*Very Unimportant*    *Unimportant*    *Neutral*    *Important*    *Very Important*

- Motivates personnel to perform effectively \_\_\_\_\_
- Maintains accurate and appropriate records for personnel management \_\_\_\_\_
- Monitors progress of others and redirects efforts when necessary. \_\_\_\_\_
- Performs interviews and selection of personnel \_\_\_\_\_
- Uses employee performance evaluation effectively \_\_\_\_\_
- Understands rights of management and labor in collective bargaining \_\_\_\_\_
- Develops job description and specification for personnel \_\_\_\_\_

**Competency: Marketing**

- Knows the strengths and weaknesses of competitors \_\_\_\_\_
- Plans menus that identify food items accurately \_\_\_\_\_
- Develops methods for evaluating customer satisfaction with food and service \_\_\_\_\_
- Uses marketing analysis for decision making \_\_\_\_\_
- Uses effective merchandising techniques in the presentation of food to customers  
\_\_\_\_\_

**Competency: Professionalism**

- Considers ethical implications prior to taking action \_\_\_\_\_
- Maintaining professional appearance and poise \_\_\_\_\_
- Knowledge of business management and ethics \_\_\_\_\_
- Ability to project a professional image \_\_\_\_\_
- Knowledge of grooming and professional image standards \_\_\_\_\_

**Competency: Innovative**

- Implements changes in methods and procedures to solve problem with operation \_\_\_\_\_
- Stays informed about industry practices and new developments \_\_\_\_\_
- Maintains current knowledge of new methods in food service management \_\_\_\_\_
- Reduces redundancies in processes and procedures \_\_\_\_\_
- Implements new ways of accomplishing objectives \_\_\_\_\_
- Ability to make creative decisions to achieve service standards \_\_\_\_\_

**Competency: Financial Management**

- Realizes that profit is an important goal \_\_\_\_\_
- Administrative skills for cash/credit settlements, forms and reports \_\_\_\_\_
- Prepares accurate, timely and appropriate reports \_\_\_\_\_
- Justifies purchases of new equipment \_\_\_\_\_
- Uses financial analysis to evaluate operational performance \_\_\_\_\_
- Uses the balance sheet and income statement for decision making \_\_\_\_\_
- Education Knowledge of basic terminology used in the industry \_\_\_\_\_

- Previous career experience \_\_\_\_\_
- Bachelor degree in related area \_\_\_\_\_

**Competency: Cost Control**

- Uses appropriate techniques for purchasing food and supplies \_\_\_\_\_
- Implements effective procedures for food and beverage control \_\_\_\_\_
- Ability to minimize use of resources while providing services \_\_\_\_\_
- Develops selling prices based on operational costs, expected profits and competition  
\_\_\_\_\_
- Plans a budget that conforms to financial requirements \_\_\_\_\_
- Analyzes menu for costing, selling, price, and customer satisfaction \_\_\_\_\_
- If necessary modifies menu \_\_\_\_\_

**Competency: Coaching and Training**

- Trains personnel to produce customer satisfaction \_\_\_\_\_
- Coaches others in skill development \_\_\_\_\_
- Performs in-service training of personnel \_\_\_\_\_
- Performs orientation of new personnel \_\_\_\_\_
- Develops orientation and in service training programs for foodservice personnel  
\_\_\_\_\_

**Competency: Results Oriented**

- Understands the agendas and perspectives of owners, staff members, managers, and other \_\_\_\_\_
- Spends time on the most important issues, not just the most urgent \_\_\_\_\_
- Translates business strategies into clear objectives and tactics \_\_\_\_\_
- Develops long and short range organizational goals and objectives \_\_\_\_\_
- Develops methods for evaluating customer satisfaction \_\_\_\_\_

**Competency: Communication Skills**

- Maintains effective communication with personnel \_\_\_\_\_
- Effective listening, verbal and written communication skills \_\_\_\_\_
- Ability to empathize with the guest experience \_\_\_\_\_
- Listens to people without interrupting \_\_\_\_\_
- Encourages others to express their views, even contrary ones \_\_\_\_\_

**Competency: Legal Issues**

- Understands the different laws that affect food service operations and management \_\_\_\_\_
- Identifies state, local and federal labor laws relating to personnel management \_\_\_\_\_
- Maintains accurate and appropriate records for fiscal control \_\_\_\_\_
- Plans sanitation schedules and procedures that conform to state and local regulations \_\_\_\_\_
- Plans safety/security procedures to conform to regulations \_\_\_\_\_

- Ensure compliance with health and safety, hygiene, licensing and other regulations

\_\_\_\_\_

**Competency: Cross Cultural Differences**

- Promotes respect and appreciation for diversity and individual differences

\_\_\_\_\_

- Welcomes diversity \_\_\_\_\_
- Ability to work with all nationalities \_\_\_\_\_
- Displays intercultural understanding \_\_\_\_\_

**Competency: Technical Skills**

- Ensures that daily food production schedules are used \_\_\_\_\_
- Maintains quality and quantity control through routine monitoring of food items produced and served \_\_\_\_\_
- Ensures that standardized recipes are used to provide consistent basis for quantity and quality control \_\_\_\_\_
- Coordinates purchasing with food preparation and preparation with service \_\_\_\_\_
- IT competence \_\_\_\_\_
- Plans a master schedule for personnel \_\_\_\_\_
- Determines man-hour requirements that relate to menu and service \_\_\_\_\_
- Establishes a maintenance schedule for equipment and facilities \_\_\_\_\_

\_\_\_\_\_

- Has technical skills in management of food and beverage production (cooking, bartending, dishwashing) \_\_\_\_\_
- Coordinates labor equipment and personnel with area \_\_\_\_\_
- Write a standard operating procedure \_\_\_\_\_
- Plans menus that incorporate principle of good menu planning (color, texture, shape, variety, and nutritional content) \_\_\_\_\_
- Plans menus that incorporate new trends in the restaurant industry \_\_\_\_\_
- Develops purchasing specifications for food and supplies that ensure quality and quantity control \_\_\_\_\_

**Competency: Leadership**

- Motivates personnel to perform effectively \_\_\_\_\_
- Treats people with respect \_\_\_\_\_
- Displays consistency between words and actions \_\_\_\_\_
- Ability to generate an attitude of trust among coworkers \_\_\_\_\_
- Ability to work as part of a team \_\_\_\_\_
- Ability to deal with daily uncertainties and changes in routine \_\_\_\_\_
- Team Building abilities \_\_\_\_\_
- Defines self as empathetic to the needs of others \_\_\_\_\_
- Gives others the authority necessary to accomplish their objectives \_\_\_\_\_
- Pursues continual learning and self-development \_\_\_\_\_

## Major Findings

Which competencies are necessary for restaurant managers?

The lowest ranked competency was “has a bachelor degree in a related area to the industry”, As found in previous research, education, and experience had the least importance when entering the restaurant industry. The highest competency evaluated by managers was “ensure compliances with regulations” , which falls into the category of essential competencies.

This research found that all the competencies asked on the survey were ranked at least as moderately important. Except the competency of “bachelor degree in related area”, most of the competencies fell into the considerably important competencies. According to the findings of this study, all of the competencies ranked are necessary for entry-level management. This means that future managers will need abilities like leadership and communication skills, but also will need to have the knowledge required to perform properly in an ever changing industry. When the KSA were divided by sections the set of most important competencies were “leadership’s competencies”. Abilities like leadership and professionalism are the characteristics sought by the industry. These findings support the idea the industry is looking for managers with personal characteristics, while the knowledge can be given through on the job coaching. Most of the “essential competencies” can be considered as soft competencies. Hospitality program will have to focus not only on the knowledge required, but also help the

students develop the required personal characteristics to properly perform in a restaurant setting.

### **How competencies will change for managers in the next 5 years?**

In the present questionnaire we evaluated present and future competencies and compared them utilizing an independent sample t-test to observe differences in current entry-level management competencies versus competencies that will be required in 5 years. This study found that there was only one competency that showed a significant increase, “possess a bachelor degree in a related area”. This finding could be very important for hospitality schools, due to the importance current managers are placing on students pursuing a degree in hospitality and related programs.

On the future competencies, this study found only eight competencies ranked as “essentials”. Most of these competencies continue to be related to “leadership”.

Seven out of these eight competencies were also ranked as “essential” on present competencies. The only competency that was not considered “essential” on present competencies was “ability to work with all nationalities”. This means that industry will continue to select managers that have the personal characteristic to lead personnel and to improve the restaurant industry, while having the ability to understand and comprehend different backgrounds. Analysis by domains reveals that future and present competencies are

very similar and there is no big change between the highest ranked sections of the report. And even though domains like communication skills lowered their mean average it continues to be one of the top characteristics sought by the industry. Four domains like “education” increased their average mean score, however their differences were not significantly higher. The findings of this study show that competencies will not have a big change in the next 5 years. But this study reinforces the idea of previous research that mentions the industry will select for attitudes and behavior and not necessarily for the knowledge. However, the only exception might be possessing a degree in a related program. The finding that education was the only competency who showed an improved can be encouraging for hospitality programs and educators. This finding shows that hospitality faculty are doing a good job and that students with a degree differentiate themselves from other workers. Educators can also utilize this study as a guide to reinforce their programs on those areas on which they are weaker, compared to the most important competencies found on this research. The findings of this study showed that the restaurant industry is looking for future managers with leadership, therefore it may help hospitality programs to recruit students that have these personal characteristics. The selection of students with the required skills and abilities combined with education can supply the demands for the future of the industry. The findings of this study could help restaurant managers, hospitality program students, educators and human resource practitioners. The development of these competencies and the instrument utilized in this study can be used by management to evaluate, train, select and promote entry level managers.

Based on the importance of required knowledge, skills, and abilities managers can look for the most important characteristics of new hires or before promoting employees inside the company. Even though different types of restaurants select their managers according to their particular needs, it can be noted that certain characteristics are ranked more important than others. The instrument developed for this research evaluates KSA in the most critical areas of management. The use of this tool could help restaurants to evaluate the performance of managers and not only at the entry-level. The ranking of these competencies may be used to succession planning and to help train and coach future managers to strengthen their skills and aptitudes. Managers and future managers can use the present competencies to evaluate and self-evaluate themselves to improve the KSA that needs improvement. Some single unit restaurants can use this tool as a guide for selection and retention of the personnel with the proper KSA to perform on the job. Limitations This study introduced the idea of predicting future competencies for future restaurant entry-level managers and determine which KSAs restaurant managers are looking for. The instrument tool was self-administered and can cause common bias from the respondents like social desirability and errors in self-observation. Caution should be used when interpreting the results of this study. On the development of the study it was not included any geographical questions to record the geographical spread of the responses, therefore we cannot determine from where the data was collected. Therefore, there is a potential to continue analyzing that needs of the industry in the coming years. This study found that education, in particular having a degree in

hospitality management might guide the future of the industry, future studies should continue analyzing competencies and observe if these predictions are accurate in the next 5 for the restaurant industry. This study tried to analyze the KSAs required for entry-level management, however research should be conducted to determine if current manager possess the “essential” competencies found in this study, and how to develop these characteristics in managers across the industry. Additional research could be conducted on leadership competencies that can help improve hospitality programs and students. Leadership is one of the top domains that the manager are looking for, therefore studies that help to better understand how leadership can impact the industry may be necessary to help the development of the restaurant industry. Research on why the managers rank education as the lowest domain of the study may help understand why the industry does not give importance to have bachelor degree in this area. To better understand the current and future needs of the industry can provide schools with the required knowledge to keep helping the development of the industry, studies where managers can explain the KSA required for the industry may be beneficial for all the parties involved.