

# RESILIENT AND LOOKING AHEAD

## THE IMPACT OF COVID-19 ON THE HAIR, BEAUTY AND BARBERING INDUSTRY

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## Introduction

This report provides a state of play on the impact of COVID-19 on the Hair, Beauty and Barbering industry.

HITO offers this report to its stakeholders at a key moment for the industry and for industry training, including the upcoming transition of roles and responsibilities for apprenticeship training in the vocational education sector.

## Background

On the 25th of March 2020 New Zealand entered a nationwide lockdown due to the presence of COVID-19 in the country. This meant all businesses not deemed essential services were required to close and were not able to physically operate during the lockdown period. During the two years that followed, New Zealand largely followed an elimination strategy with respect to COVID, which necessitated intermittent national and regional lockdowns, most notably the Delta lockdown affecting Auckland, Northland, and Waikato regions between August and November 2021.

In mid-2022, the time is right to reflect on how the industry has responded to the impacts of COVID-19. By and large, New Zealand has reached a point where most of the population are vaccinated against the virus (95 percent of the eligible population over 12 years of age) and most restrictions have been lifted. At the time of writing, over 1 million have been infected, and over 1,000 have died.

People and businesses alike are coming to grips with a 'new normal' and what this means for their lives and businesses. Much is yet unknown, including the impact of recurrent infections, the potential emergence of new variants, or the development of more effective vaccines and treatments. In New Zealand and around the world, we may reach a new equilibrium, when the novel virus is no longer novel. But it is certain that the pre-COVID normal is not coming back.

The COVID period also coincides with 'generational' change in the vocational education sector which sees HITO, along with 16 Institutes of Technology and Polytechnics and 10 other Industry Training Organisations, variously transitioning as part of the reforms. The end of the ITO era provides a good opportunity for the industry reflect and consider the desirable training models and initiatives that will meet the industries' skills needs into the future.

## **We undertook data analysis...**

To understand how the hair, beauty and barbering industry has fared through the first two years of COVID-19 we used education and labour market data to examine:

- education participation and attainment
- employee and enterprise numbers
- labour market forecasts, and finally,
- to comment on the level of training required to meet the industries' needs.

## **... and we asked hair and beauty employers to tell us their stories.**

We'll get to the numbers, but before we go any further, as we all know, numbers never tell the whole story.

Every statistic is also a human story - people, employers, employees, business owners, families, whanau, and communities. In preparing this report we've heard stories of surviving, overcoming, commitment, and determination. But equally, of sleepless nights and heart-breaking business decisions.

What the spreadsheets cannot tell us is that it's been an incredibly stressful and difficult time for many in the industry - so we've tried our best to get underneath the numbers.

Unsurprisingly, but reassuringly, within the first few interviews clear themes emerged that validate the shared experiences and common challenges faced by the industry.

We believe the voices in this report are reflective of the industry reality, and in that respect we are humbled by and grateful to our interview subjects for sharing so freely with our researchers, including broaching very difficult situations, and reliving terrible times.

In this short report we cannot do justice to their lived experience, nor do we claim this to be a comprehensive capture of the range of views out there, but we have done our best to honour their messages and insights, coming as they do from the industry itself.

## The Numbers

### What's happening with education and training?

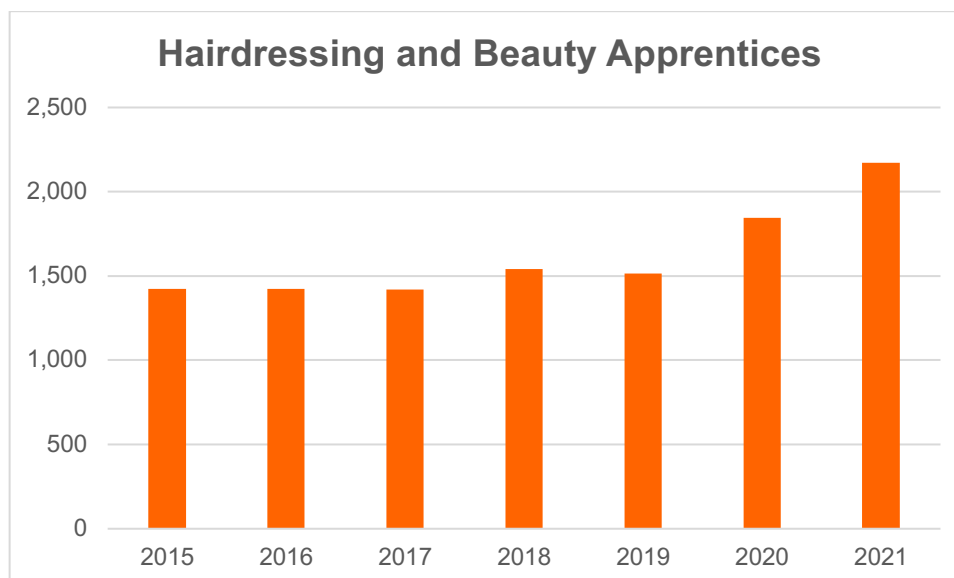
At the system level, 'generational' reform of the vocational sector (RoVE) is underway involving enormous change. RoVE creates significant opportunity and significant risk. At this point, both fully implementing RoVE - or unwinding it - would be years in the making.

But for this discussion, just two things matter right now: apprenticeships are up, but completions are down.

Total apprenticeships were 2,140 in 2021, up from 1,845 in 2020 – an 18 percent increase in a single year [figure 1].

In the COVID context, that's quite a result. The reasons can be summed up in four words: **"Closed Borders"** and **"Apprenticeship Boost"**.

Figure 1

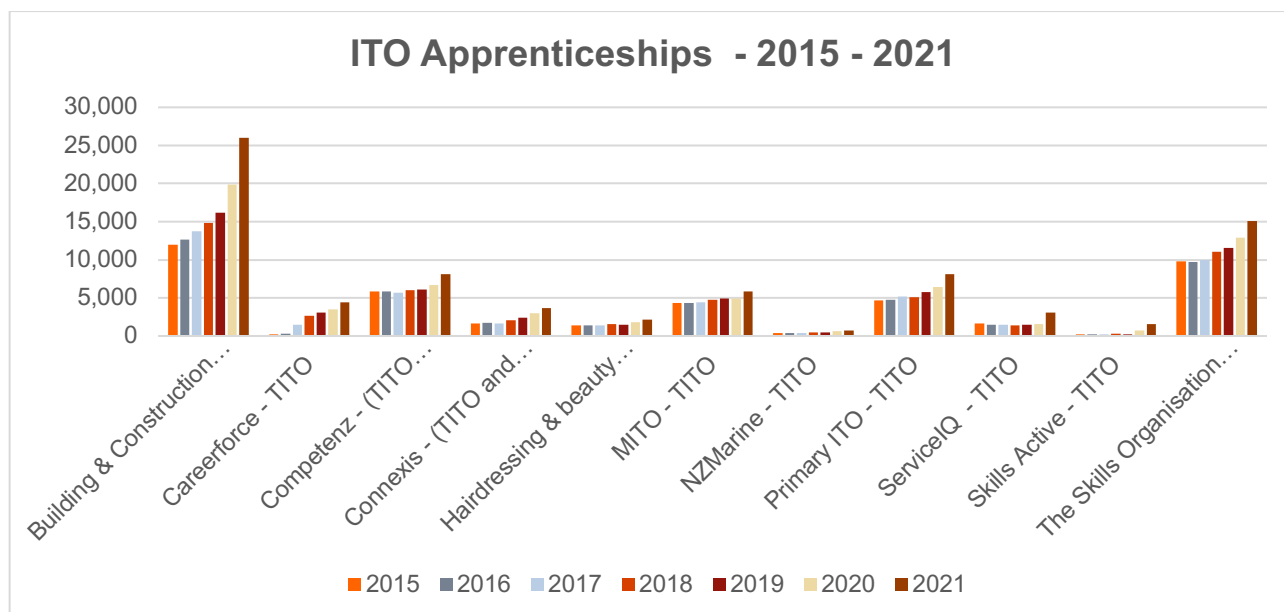


source: educationcounts.govt.nz

### Apprenticeship Boost

Apprenticeship Boost has been extremely successful, encouraging and enabling more employers to take on Apprentices. Effectively a wage subsidy for 1<sup>st</sup> and 2<sup>nd</sup> year apprentices, the Apprenticeship Boost was introduced as a COVID response policy to support employers to keep apprentices on, in the face of anticipated job losses that ultimately never eventuated.

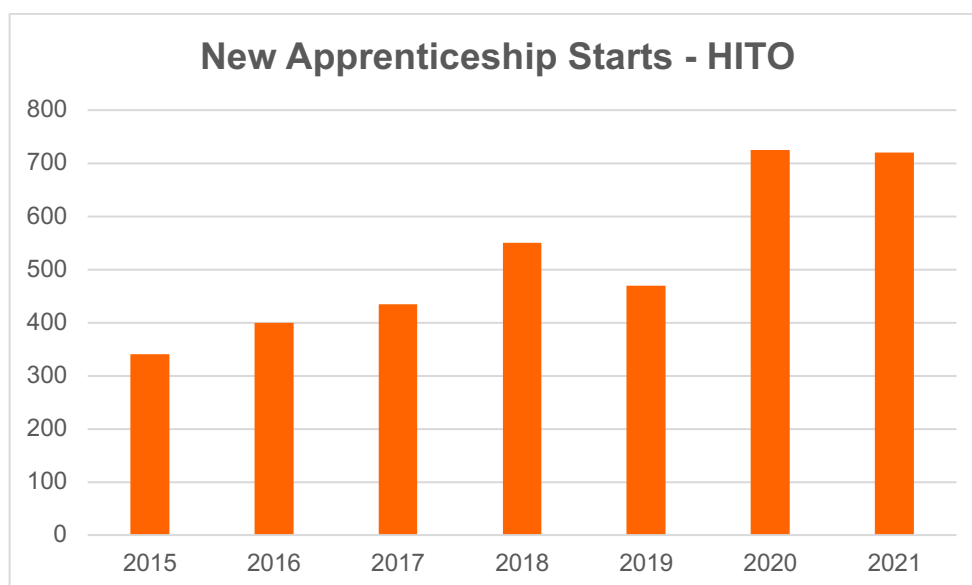
Combined with no access to immigrant workers, this necessary focus on "growing your own" skills has resulted in an uptick in Apprenticeship numbers across the board [figure 2]



source: [educationcounts.govt.nz](https://educationcounts.govt.nz)

Apprenticeship Boost, – and to a lesser extent the Trades Training and Apprenticeship Fund - has had a direct impact on uptake of Apprenticeship in the system, as can particularly be seen in the trends for HITO's new entrant trainees and apprentices [figure 3].

Figure 3



source: [educationcounts.govt.nz](https://educationcounts.govt.nz)

The Apprenticeship Boost is a good thing and has now been expanded to the end of 2023 (albeit the monthly payment for first year apprentices is being halved to \$500 from September 2022).

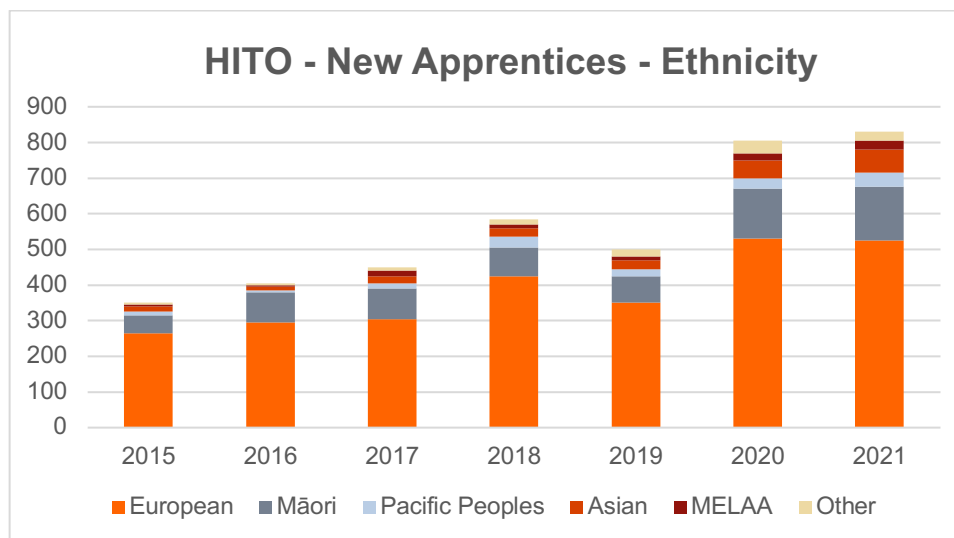
In the normal run of things, just as it subsidises public and private providers for training outside the workforce, the government ought to offset the costs to employers of training, when people are achieving the same national standards and qualifications. Only better, since they have done so in a real workplace in the context of a real job.

## New Entrants

It is worth considering new entrant apprentices, separately from the overall industry picture, since this points to the future shape of its workforce and when thinking about how it meets its future skills needs.

73 percent of new apprentices in 2021 were European: that's the same as in 2018. The overall numbers are growing, but the proportionality is largely stable and reflects the general population [figure 4].

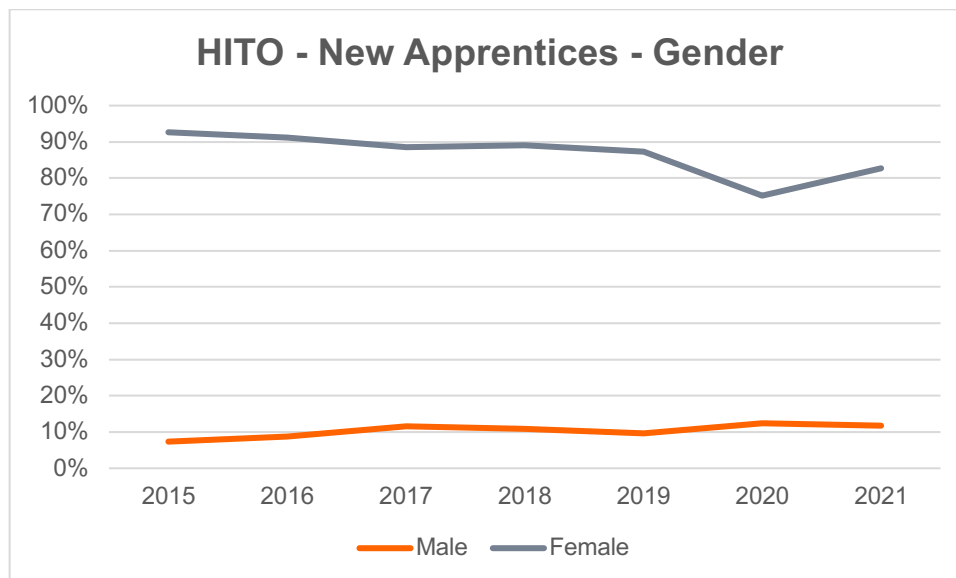
Figure 4



source: [educationcounts.govt.nz](https://educationcounts.govt.nz)

Males now represent 12 percent of the Apprentice intake, up from 7 percent in 2016 [figure 5]

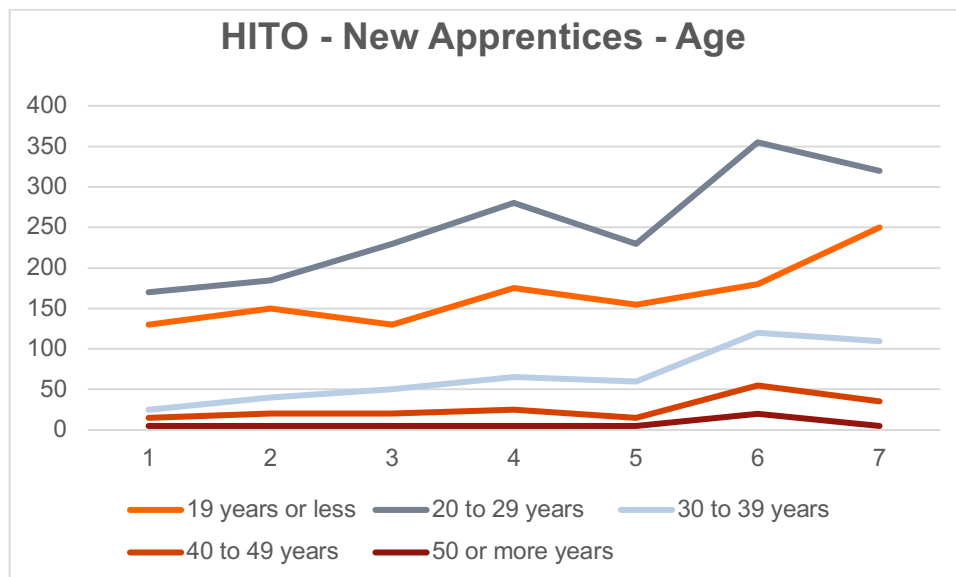
Figure 5



source: [educationcounts.govt.nz](https://educationcounts.govt.nz)

Hair and Beauty also continues to attract a very young workforce, and there is notable growth of under-19s in the COVID years [figure 6].

Figure 6

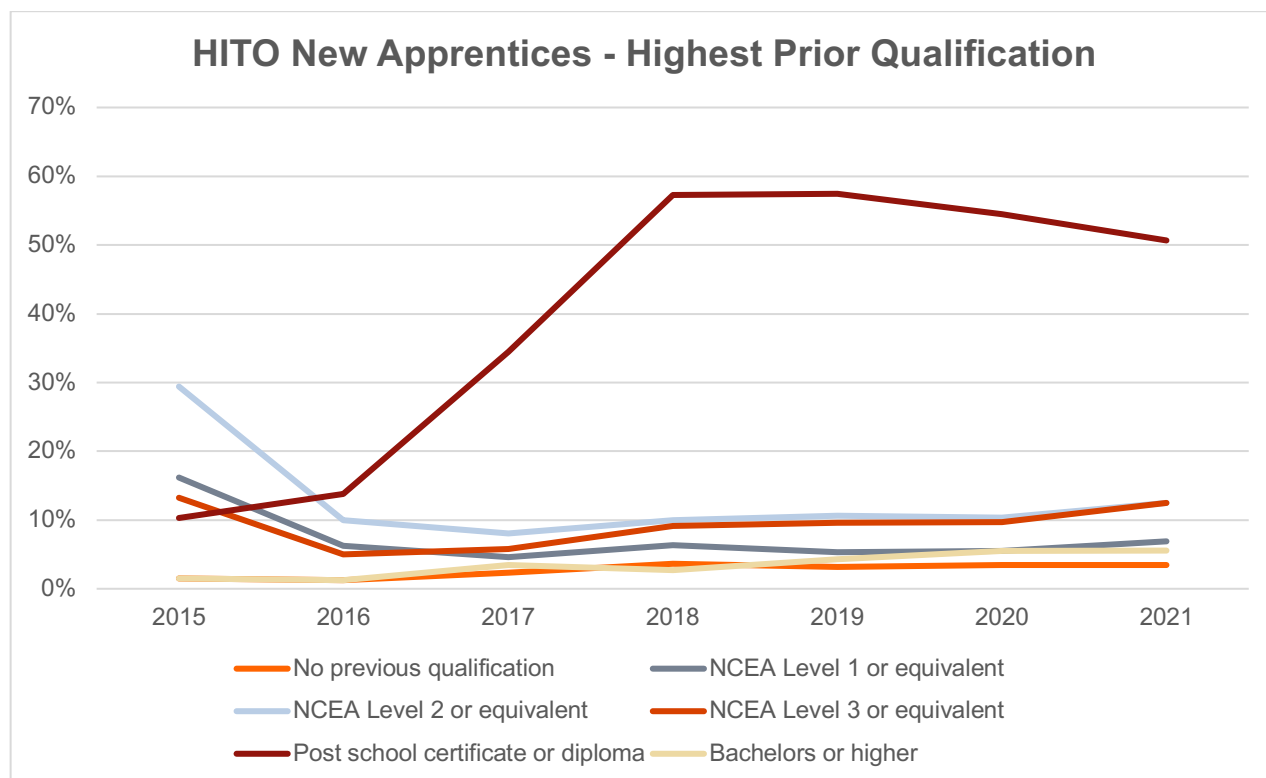


source: [educationcounts.govt.nz](https://educationcounts.govt.nz)



But perhaps the most striking change is that the new Apprentices are coming with more and higher prior education. People with post-school qualifications were just 15 percent of the Apprentice intake in 2016, now they are over half. In 2016, 1 percent of new apprentices had completed a degree, in 2021, it was up to 6 percent. [figure 7]

Figure 7



source: [educationcounts.govt.nz](https://educationcounts.govt.nz)

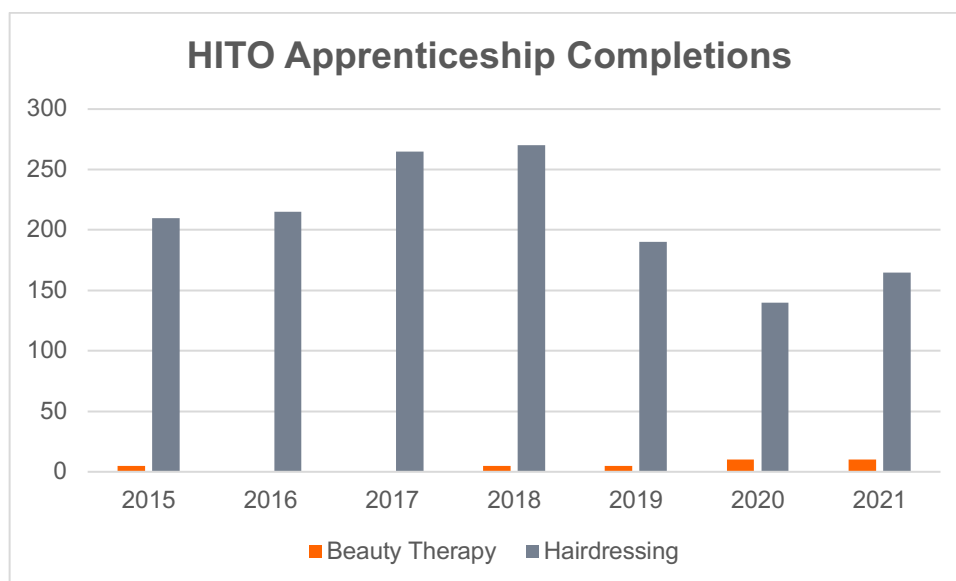
## Completions

The five-year qualification completion rate for HITO Apprenticeships currently sits at 39 percent, compared with the ITO sector average of 50 percent.

This is a fair result, especially given the makeup of the industry, and the lack of regulation of the industry and low wage rate. Many apprentices gain the skills required to operate but do not see the need to gain the full qualification. There are also high termination rates for apprenticeships as the job is often found to be more demanding than expected. One would not expect the same completion rate for Hairdressers as Electricians (58%) or Carpenters (51%) as these trades operate within regulated industries where they require the qualification to practice. Given this range of industry dynamics – especially its youth and gender mix, it is a fair result.

Remember the participation results too: There were 720 new starts in 2021, and 175 graduated as qualified industry professionals [figure 8]. That's generating a "throughput" of around 25 percent in a year. The upside is that this industry does not struggle to attract people in the first place.

Figure 8



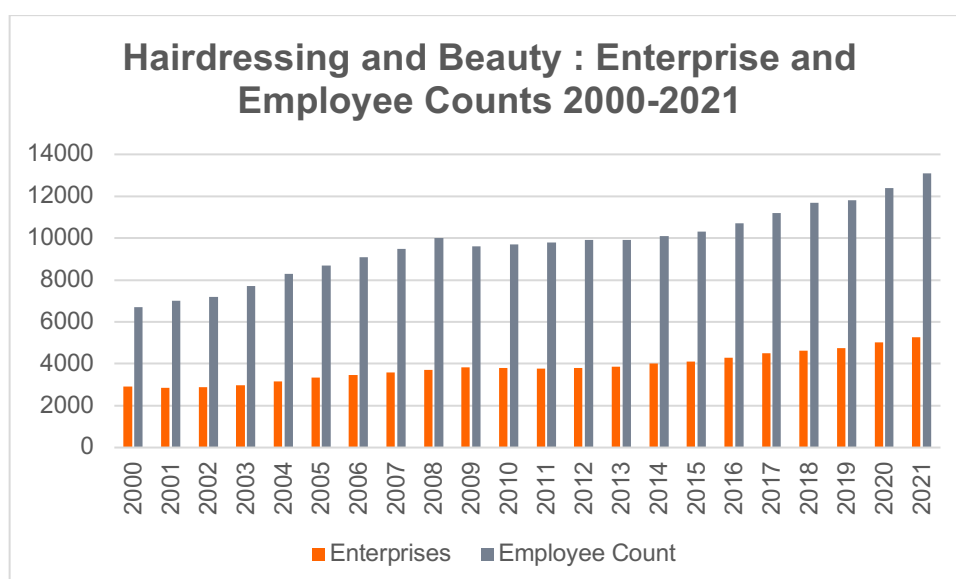
source: [educationcounts.govt.nz](https://educationcounts.govt.nz)

Note that the majority of hair and barbering completions are from the apprenticeship pathway, rather than from providers. Beauty apprenticeships are new to the industry and the majority of Level 4 beauty therapy completions are through providers.

## What's happening with employment?

Overall, employment trends for the sector are stable and encouraging. According to the available business demography data, the industry is growing steadily and there is no apparent disruption to that trend coinciding with the COVID period, both in terms of employee counts, and enterprise counts [figure 9]. This also shows the small size of the enterprises in these industries.

Figure 9



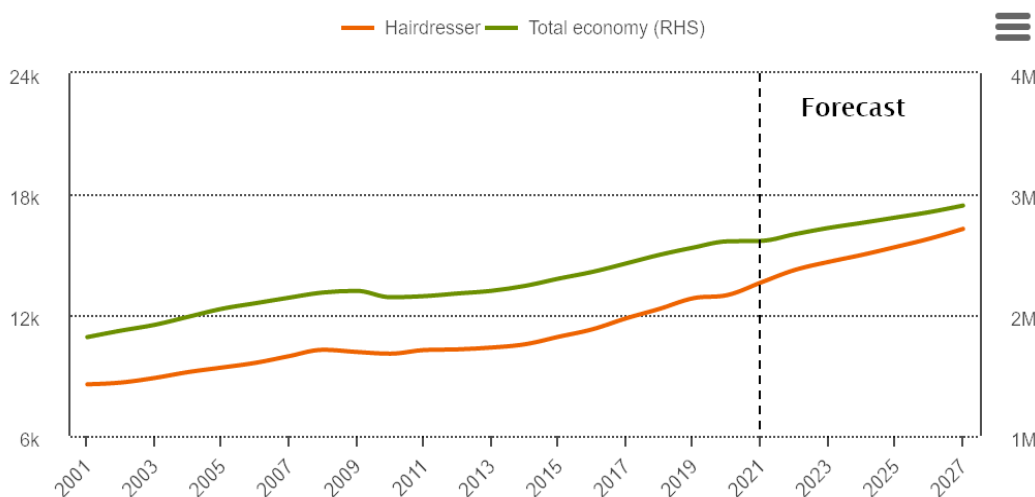
Source: Statistics NZ Business Demography dataset.

Preparing this report midway through 2022, we heard reports that a number of businesses have downsized or closed – the duration of the red-light setting being a straw that broke a few camel’s backs.

Unfortunately, we won’t see that in the data until next year, and it may well be offset by net growth in the industry elsewhere. We also know that many skilled stylists and therapists joined the informal segment of the economy, plying their trade from home. In an unregulated sector, this is a segment of the industry that has always existed, however for some the vaccine mandates made this the *only* option to ensure they had an income.

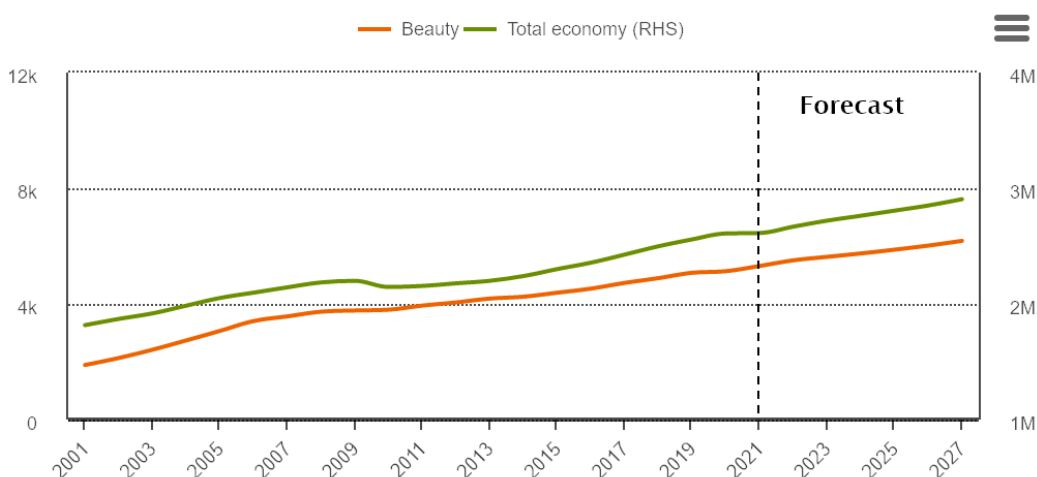
Infometrics’ Labour Market Forecasts for employment growth for Hairdressing (which includes Barbering), and for Beauty Therapy through to 2027 is for a steady continuation of current growth. In the case of Hairdressing the growth rate is slightly outpacing the total economy [figure 10, 11].

Figure 10: Actual/forecast employed hairdressers (includes barbers)



Source : infometrics

Figure 11: Actual/Forecast number of employed Beauty Therapists.



Conclusion? Your industries are not going anywhere.

## **What's the right number of apprentices?**

It's a commonly asked question, with no simple answer. How fast an industry can grow, and how many apprentices it can absorb are notoriously movable targets. It depends on a lot, particularly the size of businesses within an industry, and the prevailing economic conditions: right now, the Hair and Beauty industry may be about to head into a relatively stable period of growth, but at the same time inflation may erode the amount of spending people do in our businesses.

This is also an unregulated industry – people don't have to train in order to operate, nor are the qualifications linked to any industry licence to practice. These are the situations that lead to poaching and resentment, when the few do the training for the many.

What is a worry is if there is a gap in the creation of skilled stylists and therapists, which is why it is important to continue to attract and train apprentices for the overall good of the industry.

Every skills-based industry needs a good balance of people just starting out, skilled practitioners, and advanced practitioners. But the immutable law is that everyone starts at the beginning. Skilled stylists and therapists are made, not born. That means the pipeline of new talent must continue to be refreshed, and the supply of skilled stylists and therapists actively managed by the industry itself. The Salons and Spas around the industry can and do compete like mad, but it's in everyone's interests that we collectively invest in skills, because that how the industry as a whole will survive and thrive.

So the numbers in the industry look good, but the industry must keep training, and retaining, and continue to encourage apprentices to continue until they get the full qualification as this will allow them to train others for the future.

The key is retention: a pattern where participation is up and completions is down will not sustain the skills supply. With border restrictions, it is highly uncertain right now where an alternative pool of senior stylists and therapists might come from. This means it is important that the industry continues to grow its own skilled professionals.

We know that in 2021, HITO had 720 new starts, and 2170 Apprentices overall, and 175 Level 4 graduates emerged.

This is in a workforce that, according to Infometrics, employed 13,610 people the same year. This suggests that fully 16 percent of the Hair and Beauty workforce is apprentices. That too speaks to the industry's youthfulness, mobility, and turnover.

***16 percent of the Hair, Barbering and Beauty workforce are Apprentices.***

***2.6 percent of the overall workforce are Apprentices.***

In the overall workforce, Aotearoa has 78,000 apprentices in a workforce of 2.9 million – meaning 2.6 percent of the total workforce is made up of apprentices.

This clearly indicates the Hair, Barbering, and Beauty industry is currently making an enormous investment in training, far more, proportionally, than many other industries. In particular, our commitment to the apprenticeship model is second-to-none.

But it needs to stay that way, to keep up with its skills needs. The only way to reduce that training effort, is to retain more people in the industry for longer.

And that might not be just about training: it's working conditions and progression and wages, but it's also about the fit for purpose training that means that apprentices and employers “meet in the middle” on the realistic and achievable qualifications and pathways that are in terms of duration and the realities of the employment market.

Infometrics predicts in the next five years the industry will add a net increase of 2,000 roles. Given the unregulated nature of the sector, these new roles are unlikely to all be Level 4 qualified.

However, given the changes in the VET sector, we are likely to see some effort and convergence between the learners trained on the job and those provided a pathway to the industry through Te Pūkenga and Private Training Establishments.

The RoVE vision is that between the work-based learning offerings by providers and the stipulations of Workforce Development Councils, that the graduates from any pathway meet industry's mark.

Our recommendation is that the industry should set a target to start 1,000 apprentices per year. It is certainly a guesstimate, given all the changes happening in the industry and the training system. But in and of itself, setting a stretching but achievable target would be the first step in galvanising the industry around a national mission to upgrade its skills.

***Aim to engage 1,000 new Apprentices per year,  
by 2024.***

## The Stories

### We conducted a series of interviews with salon owners from across the country

We interviewed salon owners about the impact COVID-19 has had on their business, staff, and clients. These were semi-structured interviews – we asked these same questions to help guide our analysis – but ultimately, we wanted our subjects to tell their stories, the way they wanted to tell it. We also asked about their responses during the COVID period, and their perceptions of the future for the industry, particularly as borders around the world reopen, including New Zealand's.

Five key themes emerged from our discussions. These were:

- The impact of the government required vaccine and mask mandates
- The financial impact of lockdowns and the omicron outbreak
- Staff wellbeing during the period
- Customer service and behaviour
- Their perceptions of what the future may look like for their business.

### The vaccine mandate caused significant stress in the industry

Under the government's initial vaccine mandate all salon owners and staff were required to be fully vaccinated against COVID-19 to open to the public. Under these restrictions clients were also required show that they are fully vaccinated using their COVID-19 vaccine pass and salons were expected to enforce this.

Nearly all interview participants reported that this requirement caused them and their staff stress and anxiety.

***“Staff were scared of what would happen if they didn't get vaccinated, it caused a lot of animosity among staff that wanted to get vaccinated and those that didn't”.***

The government requirement for staff to be fully vaccinated meant that some salon employees lost their job after choosing not to be vaccinated.

For many owners letting staff go caused considerable stress. Of the nine salon owners interviewed, four salons lost staff because staff didn't want to be vaccinated. In one salon alone they lost three staff members.

Adding to the stress was the requirement to pay these employees out during a time when salons were closed, and cash flow was tight.

There were also a couple of reports from participants of staff leaving (due to vaccination status) and working at other salons that did not enforce the mandate order.

***“The unvaccinated staff we lost got a new job at another salon down the road working illegally. It felt really unfair as we had followed the rules.”***

Replacing lost staff during this time was difficult for some salons. While not all can be directly contributed to COVID-19, participants reported that COVID mandates didn't help an already difficult employment market. Examples of difficulties include:

- workforce shortages especially for senior stylists
- closed borders meant no access to international hairdressers
- staff being poached by other salons, and
- inadequately trained candidates.

Other salons reported no issues with staff getting vaccinated. Some participants supported the government mandate from a health standpoint, and it also meant they didn't have to make the decision themselves.

***I feel like the government didn't give our industry a choice. We did all the right things and the way we were treated when compared to hospitality was unfair”***

### **The mask wearing mandate was easier for salons to manage**

Owners reported only a few issues related to the mask mandates. For the most part, owners, staff and the public are largely compliant with the mask wearing requirement.

There were only a few reported incidents where clients acted aggressively towards staff due to the mask and vaccine mandates.

***“All customers have been great about mask wearing. We will still likely keep wearing them even when/if the government changes the requirements.”***

## CASE STUDY: True Grit



True Grit is a multi-award-winning hair salon and spa located in Christchurch. Its owner Jacqui Victor is a master stylist with years of experience in the industry.

Jacqui was happy with the government requirement for vaccination and mask wearing for the industry as it meant she didn't have to make the decision herself. She felt too scared to operate during the initial phase of the pandemic, but once the decision was made for mandated vaccination this made it easier for her to talk to her team about getting vaccinated. Prior to this, the uncertainty had caused her considerable stress and concern.

As the pandemic went on, she sensed growing anxiety from her staff, especially the younger employees and apprentices whom she felt were impacted more than the older more experienced staff. True Grit lost a couple of staff members; one apprentice decided hairdressing wasn't for them and one employee left due to the vaccine requirement right before Christmas.

These resignations were stressful for Jacqui and her team as it added to the overall uncertainty of the situation. It also resulted in additional financial impact to her business at a time when they were still recovering from losses incurred during lockdowns.

This is an example of how the government's COVID decisions had real life impacts on people and businesses, both financial and emotional, and caused genuine anxiety for some in the industry. These were decisions employers had no control over and created a situation that disrupted careers for people on both sides of the vaccination debate and caused much heartache in the business.

Overall, salons disliked having to 'police' their clients and having to ask to see vaccine pass or for clients to wear masks. One participant had to train staff on how to talk to clients about COVID requirements and in one instance a salon hired someone to be at the front door to check vaccine passes and remind clients to wear a mask.

***“For months covid was all anyone would talk about, and clients would ask if staff were vaccinated. I had to train staff on how to talk to clients about covid mandates.”***



On a positive note, one participant expressed that this is the first time the hair, beauty and barbering industry has been discussed so much in the media. They felt this attention has highlighted the importance and value of the industry to the public.

## **Every participant reported their business had been financially impacted by COVID-19**

During lockdowns salons couldn't physically operate, as a result, all participants reported a financial loss. Once lockdowns were lifted, participants described being extremely busy as clients returned and caught up on missed appointments. This helped mitigate some of the financial loss, however most salons reported that this wasn't enough to offset the amount lost.

***“Lockdowns were difficult because of there was no revenue coming in. The first lockdown was scary as it was so unknown. I was worried about staff and them being paid and paying bills”***

Having to let unvaccinated staff go and paying them out had considerable financial impact on some salons. This was especially difficult during the lockdown period where they had no money coming in.

Most salons received some financial assistance during the COVID-19 period.

During the first lockdown, a few participants received reduced rents from their landlords. However, as the pandemic continued landlords didn't provide any further reductions for subsequent lockdowns. One landlord reportedly told the salon owner that “they weren't a charity”.

All participants reported receiving the governments wage subsidy. This enabled many to continue paying their staff and to help protect their jobs. Some did report that it wasn't enough to cover senior stylist wages or rent.

Some owners also topped up the wage subsidy to 80% or 100% of the employee's salary.

All participants reported that the apprenticeship boost was useful and allowed them to support or take on new apprentices.

***We did get the apprenticeship boost...that helped. We wouldn't have been able to afford an apprentice otherwise.”***

Some salons reported difficulty in accessing haircare products and supplies with products taking longer to arrive. This is contributed to either supply chain issues or later in the pandemic, warehouse workers and couriers being unable to work due to the Omicron outbreak.

The emergence of Omicron has also had financial implications for salon owners and staff.

Where staff have caught Omicron or were close contacts, they were unable to work. This has led to staff shortages meaning salons have had to cancel and reschedule appointments. The same issue is occurring for clients with Omicron. Salons have found they need to be more flexible to accommodate sudden cancellations and rescheduling.

***“Staff have been resilient. They’ve all had covid in the last two months meaning we’ve had to shuffle things around.”***

COVID-19 has also provided an opportunity for salons to reconsider their operating model.

Some salons have discovered they don’t need to operate in the same way as they had prior to 2020.

With more people working from home and/or not going into the city centres, some salons have changed their operating hours and days. Some have extended their hours during the working week to include more late nights, while others have decided to close on weekends. While this is partly in response to the change in client behaviour, for others it was a prioritisation of staff and owner wellbeing.

Some salons have also taken the opportunity to review their pricing structure. With the increased attention and value placed on the industry, some salons have used this to justify an increase to their prices. Some areas have also seen a change in their client demographic enabling salons to re-price their services accordingly.

***“With the value of industry being highlighted, clients have realized the value of hairdressers...smaller areas that were well behind the pricing point can now justify increasing prices”.***

## **Salons care about their clients, and many found ways to assist their clients during lockdowns.**

Where possible, many salons continued to support their clients during lockdown periods either by delivering haircare/beauty products or providing social interaction from a distance.

Some salons were able to drop hair care/beauty products or vouchers to client’s homes. Note, this option was only available to some salons, for many barbers and walk-in salons this wasn’t possible.

A few salons found that clients missed the social interaction they usually had with staff. One salon reported that they received several calls from clients that just wanted someone to talk to. Other salons used social media to stay in touch with their clients. Some posted ‘how to’ videos to help their clients with at home haircuts or colouring.

***“We kept in contact with clients via social media and letting them know that we were there when restrictions changed. We dropped off products to clients and made them aware that we were all in it together.”***

***“We had a TV1 new reporter contact us asking for help in cutting his hair for his job. We made a video to help walk his wife through how to cut his hair.”***

Post lockdown periods were extremely busy for all salons with clients rebooking missed appointments. Some salons worked longer hours to accommodate demand. One participant noted that for some clients it took three to four months for them to get back into a normal appointment cycle.

Participants reported a mixture of losing and gaining clients.

The vaccine pass requirement meant some salons lost clients who weren't vaccinated. There were some anecdotal reports of clients going to salons or 'underground' hairdressers that didn't adhere to the vaccine mandate.

Other salons reported clients weren't coming into city centres to work. Whereas some suburban based salons noted that they had gained clients due to people working from home or because people are scared to go into the city for fear of catching COVID-19.

***“Clients tell us they don't want to go where it's busy”***

***“We have one salon in the city and one in the suburbs. The city suffered more as people weren't coming into the city anymore to work or shop.”***

One participant reported that clients were spending more money. They thought this may have been due to fewer people going on holiday and more being aware of the need for self-care. While another participant felt that the increased cost of living has meant clients now aren't spending money on non-essentials like haircuts.

## **The impact of COVID on salon staff and their wellbeing has been a challenge.**

The stress of lockdowns and vaccine mandates has taken a toll on the wellbeing of salon staff. Most salon owners reported they have been acutely aware of their staff's wellbeing and the need to support staff during this time.

***“I made sure I looked after my staff. Made sure staff felt valued and emphasized wellbeing.”***

During the initial COVID-19 lockdown period uncertainty of what was happening and what might happen next caused a lot of stress among staff. Owners reported that they did what they could to support and reassure staff, but many said they weren't sure how to best support them.

***“The biggest issue was dealing with the anxiety of people and staff around me, mostly caused by the uncertainty of the whole situation.”***

However, a few found that staff adapted well to the uncertainty and for some it provided an opportunity to re-evaluate their working lives and priorities.

***“Staff enjoyed having that time off, it has changed staff working habits – some have dropped their hours. They now realized they don't need to work as much.”***

The government wage subsidy helped alleviate some of the anxiety for staff around job security and a few said they wouldn't have survived the lockdowns without that assistance.

There were a couple of examples where salons have changed their culture to respond to staff wellbeing and improve the overall workplace environment.

***“This period has made us rethink and we've had the chance to reshape the team and culture. We've learned to roll with it...”***

## CASE STUDY: Bloke



Bloke is a barber shop located in Dunedin designed to deliver traditional barbering services with modern techniques. Owner Keri O'Connor is a master barber with 30+ years' experience.

Overall, Keri and her staff have managed well through the COVID period. She found the initial lockdown in 2020 difficult financially and because of the uncertainty about what was going to happen next. Concerns about how to pay staff and her bills were top of mind, however once this was sorted, the business, her staff and her clients seemed to embrace the situation.

Now, her business is getting busier. Clients are coming back to the barber shop, and she finds that when issues arise it's not as stressful. Keri and her team have had challenges around staff and clients getting COVID and having to reschedule appointments, sometimes up to five people a day. However, she now doesn't panic if this happens. She and her team work together to do what they can. She finds that her clients are understanding of the situation and that generally *'men aren't as dramatic as women if they can't get their haircut'*.

For all participants interviewed, business has increased since the easing of restrictions. While there are concerns about how to manage staff and client illness due to COVID, resiliency in the sector is strong and owners are future focused and seem well positioned to continue growing their businesses.

## Focusing on the future: what does it all mean?

The industry has had an extremely torrid time, but it is by no means broken.

Businesses have closed, but more business have started. Employee numbers in the industry have held up – and the trends in terms of new trainees and apprentices are also encouraging.

There are some concerns about training in terms of ensuring a pipeline of skilled people coming into the industry at a senior level. More experienced staff need to be attracted to, and retained in, the industry. That means completing apprentices, not just starting them.

Critical to this will be the development and maintenance of relevant and fit-for-purpose credentials, skills standards, and industry curriculum. In the reformed VET sector, these will be critical matters for the relevant Ohu Mahi Workforce Development Councils, Toi Mai and Toitū Te Waioira. Even more critically, the views and preferences of the industries must be heeded and reflected in what the Workforce Development Councils produce.

Returning to the day-to-day, many salons reported they are moving on from COVID-19 and are adjusting to the new way of doing business.

Salons continue to be busy, and this is helping them recover from the losses occurred over the past two years. Many are looking to grow and are focused on the needs to their staff and business.

However, when asked what they thought the future looked like for them, a few were anxious about what may happen next, other variants, but most replied that they were looking forward to growing and developing their business for the future.

***“The first round taught us resilience and now the focus is how to adapt.”***

## Conclusions and Recommendations:

The report has shown that the Hair, Barbering and Beauty Therapy industries have proven to be resilient through COVID-19. They have been challenged, have faced adversity and have not only adapted but have grown,

The industries continue to grow in terms of numbers of employees and number of businesses. The size of businesses within the industry remains small.

The Hair and Beauty industries do more than their share of apprenticeship training and the commitment to the apprenticeship model is second-to-none. While just 2.6 percent of the overall workforce are Apprentices, 16% of the Hairdressing, Barbering, and Beauty workforce are apprentices. The apprenticeship model in hairdressing has continued for more than 50 years and the industry should advocate to ensure this model continues through any changes to the wider education system brought about by the government's Reform of Vocational Education (RoVE).

We believe the industries should aspire to engage 1,000 new apprentices per year to ensure the creation of skilled stylists and therapists to meet ongoing demand and industry growth.

To reduce the training effort expended by the industries, they should focus on retaining more people in the industry for longer. This means a focus on wellbeing, working conditions, progression and wages, as well as achievable qualifications and pathways. The industries must ensure the respective Workforce Development Councils are made aware of the needs of the industries as they are responsible for the design of the skill standards and industry curriculum for apprentices and learners in providers.

The investment of small businesses undertaking training of apprentices has been recently supported by the Apprentice Boost. The industries should continue to advocate for the continuation of the Apprentice Boost, or similar subsidy, to reflect this investment in the future of the industries.

The heavy reliance of the industries on overseas senior professionals has been challenged by the border closures imposed by COVID-19 restrictions. The industries should continue to invest in growing their own senior and fully qualified workforce.

The impact of COVID-19 on individual employers and employees within the industries should be acknowledged. It will be important for the industries to monitor the ongoing effects of increased stress caused by vaccination mandates, additional work to catch up missed appointments, financial hardship and loss, and business closure, and for businesses to continue to adapt how they operate in order to successfully develop and grow.

On a positive note, the media and public's recognition of the importance and value of these industries has been heightened by the lockdowns. The industries should continue to be proud of and celebrate the value they bring to individual clients and the overall wellbeing of New Zealand. They should use this heightened awareness to continue to attract, retain, and train the young apprentices of today to build and grow the industries for the future.

## **Appendix One : Research questions for Hairdressing ITO project**

1. Can you tell us about how your business was affected by COVID-19 restrictions and mandates?
2. How were your staff impacted by the vaccine mandates? Did you lose staff or have staff resign due to the vaccine mandates?
3. How did your staff and clients manage over the period?
4. Were you able to attract and retain new staff easily during the last two years (2020-2022)?
5. Were there ways you met the government requirements and continued with your business? Innovations? changes to business approaches?
6. Tell us about the impact the different government COVID levels had on your business, if at all?
7. How will the opening of the borders affect your business? If at all.
8. What do you think the next 12 months will look like for you, your staff and your business?
9. Is there anything else you'd like to tell us?