

BRIEFING FOR NATIONAL POLICY FORUM

Priorities for Tackling Labour Challenges in Tourism

TIAC Tourism Congress | November 30, 2021



Tourism **HR**
Canada



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PURPOSE

Facilitated by Huw Williams, President, Impact Public Affairs, the National Policy Forum aims to provide delegates the opportunity to help shape TIAC's advocacy priorities over the coming year to address chronic and systemic labour challenges.

Tackling the labour challenges will involve many strategies. Better utilization of tailored resources and supports, along with adapting business models and improving HR practices will be essential, but not enough. Addressing structural constraints requires an advocacy focus to better align public policy to meet both short-term and long-term labour needs in the tourism sector.

This document contains information to help frame the issue and serves as a backdrop to the policy discussions at the Forum.



UNPRECEDENTED SHORTFALL OF WORKERS, MAJOR STRUCTURAL CHALLENGES

The labour shortage is here to stay and adapting to new circumstances will mean a change in targeted policies to address chronic and systemic issues affecting the tourism labour market. The issues did not begin with the pandemic, but COVID has heightened and amplified the problem.

COVID-19 has caused significant disruption to the tourism labour market, much greater than the economy overall. The economic and social implications of an unequal and slow recovery will impact tourism disproportionately (with more persistent underemployment of vulnerable workers). Early research by Tourism HR Canada indicated that many workers were not going to return to jobs once they are restored, causing some of the greatest labour shortages ever seen¹. The short supply of workers, a growing skills gap, and increased barriers to employment have also contributed to reputational damage. Largely because of the protracted recovery period and the ongoing pandemic with continued health measures and restrictions, many jobs in the sector remain precarious.

As of September 2021, Canada employed the same number of people as it did in February 2020. Media characterized this as “100% of jobs lost during pandemic now recovered”. However, unemployment remains elevated while tourism businesses across Canada struggle to fill job vacancies.

¹ Tourism HR Canada, Growth Interrupted (September 2020) and Workforce Shortfall (February 2021)

Over the last 18 months, the creation of more jobs in growing sectors has led to a migration of workers from tourism to other industries. Data shows that by February this year (2021) a quarter million workers from the Food and Beverage and Accommodation sector found work outside the sector. Projections show that the available workforce will continue to diminish, further compounding the challenge to attract and retain workers.

The structural changes impacting tourism are part of a larger workforce context affecting all sectors. Destination Canada identified macro trends that “resulted in or accelerated profound socio-economic changes that will affect businesses of all kinds”². The industry is undergoing a great deal of change during a highly disruptive period, and the emergent business models also mean there are changing demands on the number and types of workers, and skills needed. The recovering job market is heightening Canada’s labour scarcity – and for tourism, the scale of the problem is largely affecting businesses in all regions of Canada.

The critical shortage of skilled labour hampers growth and recovery and contributes to higher operating costs and reduced profits. Without workers, businesses forego investments, lose their ability to compete, burn out staff, and ultimately anger and turn off customers.

The industry will need to employ several new strategies to attract and retain workers. Adopting new technologies, improving its human capital management practices, aligning with government-sponsored programs, are all part of operating in a post-pandemic environment. But these strategies and other employer efforts will not be enough to ensure there is sufficient supply of workers to sustain tourism operations, let alone expand and meet consumer demand. A focus on targeted policies that help secure a reliable supply of workers for the sector is needed.

² Destination Canada, Environmental Scan Report (October 2021)

The policies must address the shortfall in supply of workers, help address skill mismatches, and tackle barriers to employment. And since tourism is not alone in its efforts to gain workers, the industry must demonstrate its unique value proposition to the Canadian economy.



POLICY CONSIDERATIONS – PRIORITIES TO TACKLE THE PROBLEM

1. SUPPLY

Thematic Issue: Chronic shortage of tourism workers impacting all types of jobs and all regions of Canada.

Overall Aim: To align policies that will help secure a reliable source of skilled labour for the tourism industry.

1.1 IMMIGRATION REFORM / ALIGNMENT

Recovery and growth of tourism is dependent on foreign trained workers (increased migration). Current immigration streams provide a limited number of workers for the sector. Work is needed to identify where policy adjustments may contribute to larger quotas of workers. In addition, the sector should seek a dedicated (new) immigration stream for the tourism sector.

1.2 REPUTATIONAL DAMAGE / IMAGE

Marketing tourism as a ‘destination for employment’ must complement strategies that market tourism to visitors. Marketing of tourism jobs and careers should be included as part of Canada’s tourism marketing efforts and supported with the information and tools that will help build a resilient, competitive and inclusive tourism workforce.

1.3 INDIGENOUS WORKFORCE

Sustained investments in Indigenous-led efforts are needed, to prepare Indigenous entrepreneurs and build an Indigenous workforce. Funding for this work must be directed towards the right interest bodies to facilitate, coordinate, and enable the efforts (traditional channels and sources have not been effective, and tourism has not been prioritized).

1.4 TARGETED JOB READY PROGRAMS

Funding for pan-Canadian multi-year (sustained) job ready programs is needed. Historically, these types of programs have contributed to large numbers of workers with high levels of retention. The programs are designed to be tailored to the respective needs in each community.

1.5 DIGITALIZATION STRATEGY

Dedicated funds to help employers diagnose, plan, implement and sustain investments in technology are needed. (Tourism needs to secure its share of the allocated funds towards digitalization.)

2. SKILLS

Thematic Issue: Growing skills gap impacting recovery, productivity, and ability to compete globally.

Overall Aim: To align policies to ensure that tourism benefits from the appropriate types of training and skills investments commensurate with demand.

2.1 TARGETED, SUSTAINED INVESTMENTS

There is a need for targeted sustained investments to address skills training and job supports. Work is needed to review the way federal funding toward training initiatives are managed, and to address the issue of the funding shortfall, as well as other considerations such as duplication, quality of programs, program sustainability, and more.

2.2 INVESTMENTS IN EMPLOYER HR CAPITAL PRACTICES

Investments and supports towards improved operations and human capital management are needed, to improve productivity and profits through improved work context and opportunities.

3. MOBILITY

Thematic Issue: Employment barriers and structural constraints contribute to “people without jobs, jobs without people”, the inability to compete for workers, and worker retention. The barriers and constraints generally fall into three categories:

- » Structural, for example: seasonal imperatives, geographic disparity, immigration constraints, regional development and planning factors (e.g. housing, transportation, settlement)
- » Worker-related, for example: workplace policies and practices, compensation, employment law (evolving), EI structure, global/remote worker mobility factors (e.g. income taxes, corporate taxes, social security, employee tracking/data)
- » Education-related, for example: credit and credential recognition, accessible programs

Overall Aim: To align policies that will address employment barriers and constraints impacting tourism operators.

3.1 IMMIGRATION REFORM / ALIGNMENT

Same as 1.1

3.2 POLICIES AND PROGRAMS TO PROMOTE IMPROVED LEARNER AND WORKER MOBILITY

Advocate for new programs that promote and enable learner and worker mobility. For example, programs to enable people to: relocate, work while on holiday, or experience Canada as a travelling student working in tourism.

3.3 WORKFORCE AS INTEGRAL TO POLICY AND INVESTMENTS ON DESTINATION DEVELOPMENT

Advocacy towards enhanced investments in affordable housing, affordable and accessible transportation, affordable daycare, community supports (cultural, religious, disability).

3.4 EDUCATION, TRAINING REFORM

Advocacy to ensure that academic credentials are portable, and for more responsive programs that are aligned with workplace integrated learning.

This briefing document is co-sponsored by Tourism HR Canada and the Tourism Industry Association of Canada’s Provincial and Territorial Tourism Industry Associations Committee.

TOURISM HR CANADA

Building a Resilient, Competitive, and Inclusive Labour Market

Tourism HR Canada is a pan-Canadian, non-profit organization with a mandate aimed at building a world-leading tourism workforce. Tourism HR Canada facilitates, coordinates, and enables human resource development activities that support a globally competitive and sustainable industry and foster the development of a dynamic and resilient workforce.

Tourism HR Canada works on behalf of the industry to provide the most exacting and current labour market information, articulate workforce issues, and identify solutions. Tourism HR Canada provides essential labour market intelligence to inform policy and program decisions.

TourismHR.ca

TOURISM INDUSTRY ASSOCIATION OF CANADA

The Voice of Canada's Tourism Industry

TIAC is the national private-sector advocate for Canada's tourism industry. TIAC's leadership and advocacy work involves promoting and supporting policies, programs and activities that will benefit the sector's growth, development, and global competitiveness.

TIAC's membership reflects partnerships among all sectors of the industry, and provincial, territorial and regional tourism associations, enabling the association to address the full range of issues facing Canadian tourism.

TIAC-AITC.ca

The Provincial and Territorial Tourism Industry Associations Committee (PTTIA) brings together provincial and territorial advocate organizations for the tourism industry in a coordinated way that results in a strengthened voice for the tourism industry on national priorities.

Member organizations are listed on the following page.

