

HR Practices

Many tourism businesses got started out of a love for a particular place or experience, but the past three years have introduced a number of new and unprecedented operational situations.

- As business margins are increasingly squeezed by rising costs, supply chain issues and a tight labour market, many tourism businesses are **still at risk of not being able to return to profitability** anytime soon
- The shifting demographics of the tourism workforce mean changes in what workers expect from their jobs – and **many businesses are struggling to understand** and meet the new needs of their staff
- Mental health pressures like **anxiety and burnout are widespread in tourism**, and the specialized skills and tools needed to support workers are resource-intensive and complex

At present, the **demand for tourism is growing at a much faster pace** than businesses are able to scale up their operations. Traditional financial thinking and existing HR models are challenging operators to explore new ways to balance costs and income. A smaller and more nimble labour force means working with fewer employees across broader fields of responsibility – and that means more careful management of the human capital at the heart of tourism businesses.

Some high priorities for the sector include:

- **Changing the narrative in tourism around labour costs:** transitioning to a total cost accounting approach where labour comes to be seen as an investment in growing the revenue potential of the operation, rather than an expenditure
- **Delivering HR and financial training to SMEs:** collecting and collating best practices from larger operators, and supporting smaller businesses in implementing changes
- **Developing tourism-specific financial/accounting processes and practices that reflect changed models of cost and revenue:** providing the tools for long-term financial stability, and adapting product offerings to dynamically reflect the changing landscape of the visitor economy
- **Standardizing approaches to diversity, equity and inclusion (DEI), to mental health support, and to sustainability across the sector:** supporting employees as they navigate a changing work-life ecosystem, and building tourism as a desired employment destination



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Immigration

With an aging population and a shrinking workforce, the tourism sector will have to draw increasingly on immigrant workers to meet its labour needs.

- Nationally, **only around 17%** of tourism businesses currently use any kind of immigration program to recruit workers¹.
- Tourism businesses in Alberta are making good use of the **Temporary Foreign Worker Program (TFWP)** program, with around one-third of all TFWs in the province working in tourism – but only around 2% of the tourism labour force is comprised of TFWs.
- The **International Mobility Program (IMP)** brings more workers to Alberta than TFWP, but only around 3% of them work in tourism and make up less than 0.5% of the tourism labour force.

There are a range of immigration programs that are currently available for tourism operators, depending on which positions they are looking to fill. While these can be very useful in meeting the short-term needs of the sector, there will need to be some fundamental changes to immigration policies if we want to come out of the pandemic recovery with renewed strength and resilience.

Some high priorities for the sector include:

- **Increasing the use of existing immigration programs** by tourism operators: helping businesses navigate the options available, and providing concrete and accessible support throughout the process
- **Reviewing the current classification of in-demand tourism jobs**, which impacts the immigration programs that key occupations are eligible for: streamlining processes for operators, and minimizing red tape
- **Adjusting current programs** to allow more flexibility in working conditions and program administration: taking seasonality into account, and incentivizing workers to stay longer in tourism jobs
- **Continuing to advocate for a dedicated tourism immigration stream:** informing policy with data on vacancy demand and program uptake, and ensuring that the solutions genuinely meet the needs of the sector



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1. Tourism HR Canada, 2023. Business Intelligence Survey, wave 2.
Accessible via <https://tourismhr.ca/labour-market-information/business-intelligence-survey-report/>

Education

While tourism is proud to welcome people from a wide variety of backgrounds, there is a strong business need for a core of well-trained, highly-educated employees to drive growth and innovation in the sector for years to come.

- Enrolment in post-secondary education (PSE) tourism programs **is in decline**, with some programs temporarily suspending their intake, or closing their doors permanently.
- Graduates of tourism and hospitality programs are **often recruited by other sectors**, reflecting the high standards of skills they have developed – these students need a reason to stay working in tourism.

Tourism in Alberta is often seen as a short-term job, not as a path towards a lifelong career. This is at least partly because there are so many different routes to leadership that are possible, many of which are not obvious. Clearer laddering for employees, linked to more accessible and varied options for education and accreditation, can help change this narrative. We need to plant the seeds of inspiration early, and offer adaptive and responsive training opportunities at every stage of an employee's career trajectory.

Some high priorities for the sector include:

- **Inspiring young students** to think about a career in tourism: producing educational material for elementary and high schools, and getting local businesses involved in school programs
- **Realigning post-secondary programs with sector needs:** expanding the role of private vocational colleges to close specific industry skills gaps, and shifting work terms and co-op placements to better correspond to seasonal operational staffing demands
- **Innovating in tourism education delivery:** developing alternative programs such as apprenticeships and micro-credentials, and formally recognizing and awarding work experience
- **Adjusting Alberta graduate visa programs** to increase graduate participation in the sector: making graduates of non-Alberta schools eligible, and opening the program up to graduates of private colleges
- **Providing financial incentives to PSE graduates** to stay working in tourism: including student loan repayment or forgiveness after a set period of employment, and offering government wage top-ups in key occupations



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Reputation

The tourism sector is hard to fully grasp: it spans a wide array of industries and occupations, and exists in every community across the province – making it easy to undervalue its economic and social impact.

- The tourism sector represents a significant portion of the provincial economy: in 2019, **tourism employment accounted for 10.5%** of all employment in Alberta – this fell during the pandemic, but by 2022 it had grown back to 9.2%
- In statistical reporting, the tourism sector is often represented in terms of impacts on the Accommodations and Food and Beverage Services industry groups: however, **there are many other tourism sub-sectors that are an integral part of Alberta's visitor's economy** and contribute significantly to jobs and GDP
- Around half of Albertans have worked in tourism at some point in their lives, **but very few see it as a lifelong career opportunity:** they see limited possibilities for promotion or advancement, and are not satisfied with the ratio of pay to workload

Because tourism is routinely underestimated, it can be tricky to exert political pressure in the right ways to bring about meaningful change in governmental policy and support. This lack of perceived cohesion of the sector also affects the social narratives that exist around tourism as a place to work: we have a reputation for low pay, long hours, and hard work. But there is **a complex relationship between perceptions of working in tourism and age, gender, and ethnicity.** The diversity of the population is reflected in the diversity of attitudes, which complicates recruitment efforts: not everyone is motivated by the same needs or ambitions, and tourism is not doing a very good job of attracting talent.

Some high priorities for the sector include:

- **Professionalizing tourism jobs** through increased accreditation and certification: highlighting career pathways in the sector, and supporting employees' professional and personal development
- **Mounting tailored recruitment campaigns** reflecting the needs of different demographics: recognizing the range of factors that motivate workers, and customizing total compensation offerings to suit individual circumstances
- **Making tourism a desired employment destination** in Alberta: emphasizing the socially- and environmentally-impactful aspects of tourism work, and promoting the lifestyle benefits and scope of career possibilities available
- **Raising the profile of the tourism sector** for governments: bringing coherence to the tourism brand, and ensuring that the full economic footprint of the sector is recognized and taken into account



Travel Alberta / Kaitie Goldie

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Workforce infrastructure

With a tight labour market, the tourism sector in Alberta will need to make some adjustments in the structures and systems that shape how we engage with our workers.

- Smaller operators may **lack the resources or expertise** to provide the training and development opportunities they would like to, contributing to common perceptions of tourism jobs as low-skilled and dead-end
- **The lack of affordable housing and transportation** in Alberta presents a serious barrier to employment, particularly around seasonal or temporary jobs
- The skills needed for jobs in tourism overlap in non-obvious ways with those in other sectors, which can **push tourism off the radar** for people looking for a new direction in their career

These structural problems generally become visible at the operational level of individual businesses, but they reflect broader issues and underlying pressures that cut across the sector in its entirety. Some of these problems are 'bigger' than tourism, but tourism needs to be part of the solution. We must be strategic and creative in how we train, manage, and share our employees – our most valuable asset.

Some high priorities for the sector include:

- Establishing regional or municipal bodies to **help local tourism operators provide training, address housing and transportation needs**, and make use of immigration programs: centralizing pooled resources across member businesses, and acting as a sector representative with governments and other key stakeholders
- Developing local or regional **employee sharing programs** to formalize co-employment arrangements: identifying and matching jobs with complementary seasonality, and providing year-round jobs for workers across multiple businesses
- **Increasing the consistency of skill and competency expectations**: making requirements more explicit and transparent for job seekers, and helping workers from other sectors recognize their transferrable skills
- **Incentivizing businesses to subsidize housing and transportation** for their employees: offering tax credits or other financial offsets, and facilitating resource pooling between businesses



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