



Labour Market Study of Alberta's Tourism Sector:

Detailed Recommendations
Summary to Spark Discussion
March 2023



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A note about terminology

In this report, the **tourism sector** is defined as consisting of the following industries:

Transportation:

Transport of passengers via air, rail, road or water for transportation or sightseeing *e.g. bus operators, airlines, taxis*

Accommodation:

Providing short-term lodging for travelers, vacationers and others *e.g. hotels, campgrounds, resorts*

Food and Beverage Services:

Preparing meals, snacks and beverages, to customer order *e.g. restaurants, clubs, pubs, cafes*

Recreation and Entertainment:

Entertainment and recreational services and attractions *e.g., museums, parks, ski hills, theatres and festivals*

Travel Services:

Travel arrangement and reservation services *e.g. travel agents, event organizers*



Executive Summary

Travel Alberta / George Simhoni

There is a serious labour shortage in Alberta's tourism sector, with most businesses reporting difficulty in filling their vacant positions. Recruitment, retention, and competition from other sectors exacerbate general operating issues. These problems are further compounded by uncertainties around larger economic volatility, shifting visitor expectations, and current climactic and geopolitical instabilities, which make business planning more complex than ever. There are several factors which directly impact labour issues:

- **Demographics:** The Canadian population is aging, and many older workers left the workforce entirely during the pandemic. Younger workers have different expectations of work, making retention particularly difficult in some tourism industries.
- **Immigration:** Bringing new labour into Canada is necessary to offset domestic demographic trends, but current immigration streams are cumbersome, inefficient, expensive for businesses, and are not well-suited to the specific needs of tourism businesses.
- **Mental health:** Many businesses in Alberta reduced their workforce during the pandemic, and those employees who stayed on tended to take on more responsibilities. As businesses reopened, workload increased but staff numbers did not, and there is a serious risk of burnout, particularly among supervisors and managers.

Sustainability can be understood not only environmentally, but also in terms of the workforce.

These labour issues do not exist in a vacuum. Throughout the research, a number of overarching themes emerged as central to addressing chronic and acute labour pressures facing the tourism sector in Alberta.

Problems with **housing** and **transportation** underlie many of the labour issues facing tourism.

These problems are not unique to tourism, but tourism businesses by nature of where, when, and how they operate are particularly affected by them. If people cannot afford to live where they work, or to travel from where they live to where they work, they will work elsewhere.

The tourism landscape in Alberta is as diverse as it is vast: **sub provincial bodies** will help support regional and local initiatives.

DMOs in Tourism Development Zones (TDZs) can meet some of the needs of businesses, but there is a strong need for specific supports around immigration, HR practices, training, employee sharing programs, housing and transportation, and pooling resources between businesses within a defined geographical region.

The **profile of the tourism sector** needs to be raised, both in terms of government traction and employment desirability.

Because of its internal variability, tourism is rarely seen as a coherent sector when it comes to policy making, so its economic impact is generally underestimated. Relatedly, tourism is not seen as a career destination but as a starter job to develop transferrable skills. Both perspectives need to change.

Tourism needs to rethink the **total cost of labour** in its business models.

Labour is traditionally seen as a cost rather than an investment, so the economics of operating margins consistently underestimates the ROI of having happy and well compensated staff. Increasing labour costs will also entail rethinking which customers businesses attract, and adapting product offerings to meet changed expectations.

By adopting a range of research approaches, this project has been able to identify several of the key issues and pinch-points constraining the tourism labour force in Alberta. Recommendations have been developed to support the continued recovery and growth of the sector, with particular focus on human capital development and strategic planning.



Travel Alberta / Mike Seehagel

Key Problems Facing Alberta's Tourism Labour Force

- Aging and shrinking Canadian population
- Difficulties in recruiting and retaining immigrant workers
- Mental health and wellbeing pressures across existing and incoming workforce

Significant Findings from this Study

- Infrastructure is fundamental to the tourism sector and needs to be improved to meet tourism workers' needs, particularly around housing and transportation.
- Due to the diversity and complexity of tourism labour force and employment landscape, regional bodies are needed to coordinate business resources, facilitate labour-related programs, and to develop HR practices within the region.
- Tourism occupations are generally seen as low-prestige and unattractive; the profile of the tourism sector needs to be improved.
- The business model in tourism needs to be changed, so that labour expenses are seen as an investment rather than a cost.

Recommendations

- Changes to the current immigration streams and programs
- Engagement with educational institutions to raise students' awareness of tourism careers and professionalism in the sector

- Structural changes to how the tourism sector organizes its engagement with the workforce
- Changes in how businesses are managed with HR practices
- Reframed narratives of tourism employment, to improve the sector's prestige and increase attraction and long-term retention
- Improved awareness of tourism's economic footprint in the province

Directions for Future Research

- Keep monitoring the labour market situation
- Conduct annual perception surveys to track perception changes, particularly as campaigns are rolled out
- Research economic models and total cost accounting to develop appropriate tools for understanding staff contribution to business profits
- Interview students from partnered educational institutions to understand perceptions and expectations from future sector workers and leaders
- Follow up on implementation of recommendations, as noted



Recommendations

Travel Alberta / Mike Seehagel

Many of the issues that emerged in this research, and that have informed the analysis, are too big and too far-reaching for the tourism sector to address alone.

Notes on Recommendations

Many of the issues that emerged in this research, and that have informed the analysis, are too big and too far-reaching for the tourism sector to address alone. However, there are nevertheless changes that relate to the sector that can help alleviate some of these pressures.

The following pages list a number of recommendations, grouped around the themes of Immigration, Education, Workforce infrastructure, HR practices, and Reputation. In each of these areas, a number of recommendations are presented, along with an estimated time frame, the key actors responsible for implementing each recommendation, and a suggestion of KPIs that can be used to assess the success or failure of implementation. The thematic categories are not entirely independent: there is some cross-pollination that serves to illustrate the fundamentally interconnected nature of the challenges facing the tourism sector.

It is not anticipated that all of the recommendations presented here be implemented within the next five years. Political, social, and economic drift can change the priorities within the sector, and even if the path ahead were fixed, the workload associated with the full complement of recommendations is likely beyond the scope of TIAA in its current manifestation. The recommendations can be understood as a menu of possibilities: any subset or combination will help address the needs of the sector, so choosing which to focus on is a question of **priority, capacity, resourcing and responsiveness to new issues** that arise in Alberta's visitor economy.

Immigration

Changes to the various immigration streams and programs currently available will involve careful work with industry bodies and both provincial and federal governments. Changes will likely be slow to be implemented.

Education

Recommendations around education range from engaging with elementary schools to raise sector/industry awareness, through to modifying the post-secondary programs on offer.

Workforce Infrastructure

The infrastructure needs addressed in these recommendations address structural changes to how the tourism sector organizes its engagement with the workforce.

HR Practices

Changes to improve the labour force crunch in tourism necessarily include changes in how businesses are managed. Upskilling operators in new business practices, and changing the economic model used in tourism, will improve business conditions, particularly for SMEs.

Reputation

Changing the narratives of tourism will improve the sector's employment prestige and awareness of its economic footprint in the province.



Immigration Recommendations

Recommendation	Time Frame	Key Actors	KPIs
<p>1.1</p> <p>Evaluate NOC 2021 TEER classifications of high-demand tourism jobs, and recommend changes to ESDC to reflect the actual requirements of the occupation in the context of Canadian tourism.</p>	<p>3-9 months</p>	<ul style="list-style-type: none"> • TIAA to coordinate • Industry associations and business operators to provide input • ESDC to implement recommended changes 	<ul style="list-style-type: none"> • ESDC recommendations submitted (either solely or with other organizations) • NOC 2021 TEER system adjusted to accurately reflect tourism jobs
<p>1.2</p> <p>Collate, curate, and distribute a best-practices toolkit/guide for SMEs who have never used immigration programs (federal and/or provincial) before.</p>	<p>3-9 months</p>	<ul style="list-style-type: none"> • TIAA to organize • Industry associations to disseminate 	<ul style="list-style-type: none"> • Toolkit/guide available in time for SMEs to hire for summer 2024 season
<p>1.3</p> <p>Arrange temporary LMIA exemptions for tourism occupations that have a consistent track record of approval in the province.</p>	<p>6-24 months</p>	<ul style="list-style-type: none"> • TIAA to collect evidence and advocate for change • Governments of Canada and Alberta to enact program changes 	<ul style="list-style-type: none"> • Temporary LMIA exemptions granted for top 2 or 3 jobs • If successful, could be made permanent and/or extended to other occupations
<p>1.4</p> <p>Increase tourism's share of temporary international workers (TFW, IMP, IEC) who are employed Alberta.</p>	<p>1-3 years</p>	<ul style="list-style-type: none"> • Tourism operators to increase use of programs • DMOs to promote Alberta tourism to IEC workers 	<ul style="list-style-type: none"> • Tourism's share of provincial TWF, IMP, IEC workers doubled in 3 years

Recommendation	Time Frame	Key Actors	KPIs
1.5	<ul style="list-style-type: none"> Increase Alberta’s share of immigrants who come to Canada through existing immigration programs. 	<ul style="list-style-type: none"> Government of Alberta to rework PNP Tourism sector to use wider range of programs 	<ul style="list-style-type: none"> Alberta’s share of immigrants doubled in 5 years Tourism’s share increased proportionally
1.6	<ul style="list-style-type: none"> Amend working conditions in TFW program to (a) allow job flexibility within a sponsor’s business, and (b) to be consistent in time frame for PR status being granted. 	<ul style="list-style-type: none"> TIAA to advocate for change Government of Canada to amend TFW conditions 	<ul style="list-style-type: none"> Employers able to vary work conditions or jobs (e.g. offer promotions) TFWs guaranteed to stay in sponsored employment for full 2 years
1.7	<ul style="list-style-type: none"> Develop dedicated immigration streams for tourism: temporary (seasonal sponsorship across multiple years, no LMIA) as well as permanent (with stepped shift to PR to retain workers in sector for longer) 	<ul style="list-style-type: none"> Provincial and federal tourism bodies to advocate and advise Governments of Alberta and Canada to introduce new streams 	<ul style="list-style-type: none"> Programs in place
1.8	<ul style="list-style-type: none"> Grant legal status to dedicated regional organizations to act as sponsors for temporary work visas, with workers able to work for more than one business within the organization’s membership network. 	<ul style="list-style-type: none"> NGO or other groups to establish organizations Governments of Canada and Alberta to grant legal status 	<ul style="list-style-type: none"> Program piloted in 1 or 2 TDZs that have sufficient capacity (e.g. businesses that operate in different peak seasons, such as skiing and golf)

Education Recommendations

Recommendation	Time Frame	Key Actors	KPIs
<p>2.1</p> <p>Increase sector participation in education programs to raise career awareness: develop materials for elementary through secondary school, engage with mediators (e.g. teachers, guidance counselors), strengthen links between businesses and PSEs.</p>	<p>3-24 months</p>	<ul style="list-style-type: none"> • Industry associations to develop content • Operators and industry associations to work with schools and teachers 	<ul style="list-style-type: none"> • Increased participation of local/regional businesses in co-op and work term placements • Increased representation of tourism at careers fairs
<p>2.2</p> <p>Explore the scope for new private vocational colleges offering tourism training programs through non-traditional structures (e.g. sequenced micro-credentials, work experience accreditation, etc.).</p>	<p>3-24 months</p>	<ul style="list-style-type: none"> • Industry associations to itemize educational or skills needs • Colleges or investors to produce feasibility studies • Premier's Skills Council to advise and endorse 	<ul style="list-style-type: none"> • Report produced on the possibilities and practicalities of private colleges to meet sector needs
<p>2.3</p> <p>Realign public PSE tourism programs with industry needs, particularly around timing of work experience and co-op placements.</p>	<p>3-24 months</p>	<ul style="list-style-type: none"> • TIAA to lead • Industry associations and operators to define appropriate seasons or periods • Schools and governments to adjust programs • Premier's Skills Council to advise and endorse 	<ul style="list-style-type: none"> • Work experience and co-op placements aligned with peak- and off-seasons rather than traditional academic calendars

Recommendation	Time Frame	Key Actors	KPIs
<p>2.4</p>	<p>Diversify pathways to formal educational accreditation and recognition of acquired skills in tourism industries (e.g. apprenticeship, work experience recognition, micro-credits).</p>	<p>1-3 years</p> <ul style="list-style-type: none"> • TIAA and industry associations to lead • Schools (public and private) and governments to invest in new programs 	<ul style="list-style-type: none"> • Pilot micro-credit or micro-credential program for general management • Identify tourism occupations with potential for apprenticeship pathway
<p>2.5</p>	<p>Expand Alberta graduate visas to (a) graduates of private colleges and (b) graduates of tourism programs outside of Alberta.</p>	<p>1-3 years</p> <ul style="list-style-type: none"> • TIAA to advocate • Government of Canada (IRCC) to amend visa requirements 	<ul style="list-style-type: none"> • Increase in international students entering or staying in tourism employment in Alberta
<p>2.6</p>	<p>Introduce financial incentives for tourism graduates to stay working in sector, such as student loan forgiveness or repayment assistance after 4 years of continuous work, or wage top-up (similar to early childhood educators).</p>	<p>2-5 years</p> <ul style="list-style-type: none"> • TIAA to advocate • Governments of Alberta and Canada to enact changes to relevant programs 	<ul style="list-style-type: none"> • Increased retention of PSE tourism graduates in sector
<p>2.7</p>	<p>Increase awareness of multiple pathways to professional careers in tourism through accumulated micro-credentials or other sequenced programs, as these programs are rolled out.</p>	<p>5+ years</p> <ul style="list-style-type: none"> • TIAA, Tourism Alberta and other DMOs, industry associations to lead 	<ul style="list-style-type: none"> • Province-wide campaign showcasing varied success stories and linked to training opportunities

Workforce Infrastructure Recommendations

	Recommendation	Time Frame	Key Actors	KPIs
3.1	Standardize use of competency-based occupational standards across the Alberta tourism sector.	1-3 years	<ul style="list-style-type: none"> • TIAA to lead • Industry associations to push membership • Businesses to adopt standards 	<ul style="list-style-type: none"> • Tourism job descriptions and advertisements make explicit use of standards
3.2	Incentivize tourism businesses to provide or subsidize housing and transportation for employees, through government subsidy, tax credits, or other financial regulatory mechanisms.	1-3 years	<ul style="list-style-type: none"> • TIAA to advocate • Governments of Alberta and Canada to implement necessary 	<ul style="list-style-type: none"> • Increase in staff accommodation or transport among large operators • Provisions included in business plans and projections among SMEs
3.3	Establish regional or municipal bodies to provide local centralized services to businesses, to support immigration applications, to provide HR and financial training to operators.	2-5 years	<ul style="list-style-type: none"> • Regional/local DMOs/regional economic development alliances to either assume responsibilities (diversify role) or to support establishment of new bodies • Governing agencies to grant relevant and necessary powers to bodies • Industry associations to share resources with membership 	<ul style="list-style-type: none"> • 1 or 2 bodies set up in appropriate TDZs as pilot program to evaluate scope and uptake

	Recommendation	Time Frame	Key Actors	KPIs
3.4	Develop local employee sharing programs in businesses with complementary seasonal employment demands, to be able to offer full-time year-round work spread across multiple employers.	2-5 years	<ul style="list-style-type: none"> • Industry associations to lead HR audits and standardization • TIAA to develop overarching policy on employee sharing • Operators to enter into formal agreements 	<ul style="list-style-type: none"> • Pilot programs established in 2 or 3 appropriate locations
3.5	Address chronic and varied housing and transportation issues at local, regional, provincial, and federal levels.	5+ years	<ul style="list-style-type: none"> • Governments at all levels to act in concert with private businesses to facilitate solutions and improve practice 	<ul style="list-style-type: none"> • Measurable improvements in housing (availability and affordability) and transportation (scheduling and coverage)

HR Practices Recommendations

	Recommendation	Time Frame	Key Actors	KPIs
4.1	Provide training to SME operators in HR and financial practices.	3-12 months	<ul style="list-style-type: none"> • Industry associations to collect and collate best practices, and to develop and disseminate guidance/toolkits • TIAA to supplement delivery 	<ul style="list-style-type: none"> • Guides/toolkits available • Improvement in business outlook for struggling SMEs
4.2	Standardize approaches to diversity, equity and inclusion (DEI), mental health supports, and sustainability across tourism operators.	3-24 months	<ul style="list-style-type: none"> • TIAA to lead and coordinate partnerships • Industry associations to develop resources for members 	<ul style="list-style-type: none"> • Reputation of tourism as an employment destination improved • Decreased staff turnover in low- and mid-level positions
4.3	Conduct economic modeling research into 'cost' of labour on tourism businesses, with respect to turnover/retention, customer satisfaction, product offerings and prices, customer profile, and taking into consideration different compensation levels and structures.	1-3 years	<ul style="list-style-type: none"> • TIAA to lead • Industry associations to promote research • Operators to participate 	<ul style="list-style-type: none"> • Concrete evidence produced on the impacts of changing business models in tourism to ensure long-term viability of businesses
4.4	Develop tourism-specific total cost accounting processes and practices.	2-5 years	<ul style="list-style-type: none"> • TIAA to lead • Operators to adopt 	<ul style="list-style-type: none"> • Businesses operating with more financial stability and fewer labour issues

Reputation Recommendations

	Recommendation	Time Frame	Key Actors	KPIs
5.1	Launch campaign to highlight range of career trajectories and skills development opportunities in Alberta tourism.	3-24 months	<ul style="list-style-type: none"> • TIAA and Travel Alberta to lead • Industry associations to contribute 	<ul style="list-style-type: none"> • Campaign reach throughout province and across multiple platforms to maximize engagement
5.2	Develop messaging and resources for engaging meaningfully with job mediators (e.g. parents, teachers, counselors, staffing agencies, etc.) to raise profile of sector as more than entry-level employment.	3-24 months	<ul style="list-style-type: none"> • TIAA to lead • DMOs and industry associations to contribute 	<ul style="list-style-type: none"> • Increased representation of tourism sector jobs in job-search materials • Increased retention in tourism jobs
5.3	Conduct research to collect comprehensive data on economic and social scope, impact, and reach of sector, to inform advocacy and support policy recommendations.	1-3 years	<ul style="list-style-type: none"> • TIAA to lead 	<ul style="list-style-type: none"> • Studies launched on economic and social dimensions • Data banked as resource for future work
5.4	Develop targeted recruitment and retention campaigns for different demographic profiles of tourism workers.	1-3 years	<ul style="list-style-type: none"> • TIAA and industry associations to lead • Operators to engage 	<ul style="list-style-type: none"> • Evidence-based profiles generated of workers, including expectations and motivations • Profiles mapped to total compensation packages

Reputation Recommendations continued

	Recommendation	Time Frame	Key Actors	KPIs
5.5	Professionalize sector through recognized accreditation and certification.	2-5 years	<ul style="list-style-type: none"> • TIAA to lead • Training institutions to deliver • Industry associations to adopt 	<ul style="list-style-type: none"> • Graduated incentivization for businesses and workers to invest in micro-certification programs • Increase in participation in training programs
5.6	Change social and cultural narratives around tourism as an important economic driver and as a career destination.	5+ years	<ul style="list-style-type: none"> • TIAA to lead • Industry associations and operators to contribute 	<ul style="list-style-type: none"> • Increased governmental support for tourism initiatives • Significant improvement on sentiment surveys in general public • Increased staff retention in tourism workplaces



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