Tourism Reskilling for Non-Tourism Sector Workers

HOSPITALITY NEWFOUNDLAND & LABRADOR

FINAL REPORT

2017-2022

ReSkill *redefine your skills*

Tourism HR Canada / RH Tourisme Canada

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EXECUTIVE SUMMARY

Emerging evidence shows that workers who are displaced from their jobs or facing disruption have many skills to fill existing roles. However, barriers such as the lack of tailored support may be preventing transitions in tourism occupations.

Through the development of the Tourism Reskilling for Non-Tourism Sector Workers Project the partners worked to develop new learning models and identify job pathways to connect displaced workers, newcomers, income support clients, disabled workers and older workers with employers experiencing talent gaps in several destinations in the province. The goal was to reach, engage, empower and support unemployed individuals facing barriers to employment with a safe, flexible and supportive space to reskill with professional training opportunities, self-directed learning and on the job development with tourism operators, as they explore their livelihood potential in rural communities in the province.

During the implementation phase of this project the world, the province and the Tourism industry for the most part was shuttered do to heath restrictions and a world-wide pandemic. The pandemic also impacted the project and the way in which the partners could obtain the answer to the research question. The project went from an in person in community research and training project to a more in-depth qualitative research project to capture sufficient data to answer the research question below. The report outlines how the project proceeded pre and post March 2020.

The research question was - **Will reskilling for tourism allow unemployed workers from non-tourism industries to enter the tourism labour force and support the development and expansion of a destination's tourism product offering?**

On the one hand, there are clearly identified skills gaps, articulated by both tourism operators and by potential jobseekers, and providing training in those areas is relatively straightforward. It may be costly, and there may be barriers to participation in that training, but logistical issues aside, the infrastructure to develop and deliver specific skills training already exists.

However, that does not mean that providing skills training will necessarily attract workers into the sector. There are several external factors that affect willingness to work in tourism.
They include:
- negative perceptions of the workload-to-wage ratio
- a widespread understanding (particularly among younger workers) that tourism work is a steppingstone to a different career, and
- a lack of a clear career trajectory that may dissuade people from investing in developing the requisite skills.

The industry must develop a strong workforce action plan to address these issues.
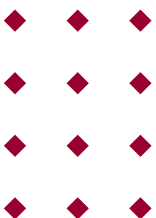
BACKGROUND

Tourism in Newfoundland and Labrador

Prior to 2020, tourism was one of the fastest growing sectors in the world and it is undoubtedly one of Newfoundland and Labrador's success stories. The tourism sector in Newfoundland and Labrador is a vital economic contributor with tourism expenditures consistently totaling $1 billion or more annually from 2011 to 2019.

Over a 10-year period from 2009 to 2019, tourism spending by residents and non-residents in Newfoundland and Labrador grew by approximately 3.6 per cent annually and the sector continues to support 20,000 jobs in tourism related industries. As an export sector, tourism generates new money for the provincial economy and for communities throughout Newfoundland and Labrador. Tourism has seen drastic changes in the past two years as a result of the Covid-19 pandemic and there are a number of key shifts and challenges that will impact the tourism industry through its recovery from the pandemic.

Tourism in NL

People Employed

As many as Agriculture, Fishery, Forestry and Aquaculture Combined.

Tourism Related Businesses (2021)

20K+

9%

2324

79%

Mostly Small Businesses owned by Entrepreneurs (2021)

1.2 B

$479.5 million

Revenue Generated

Direct GDP for NL
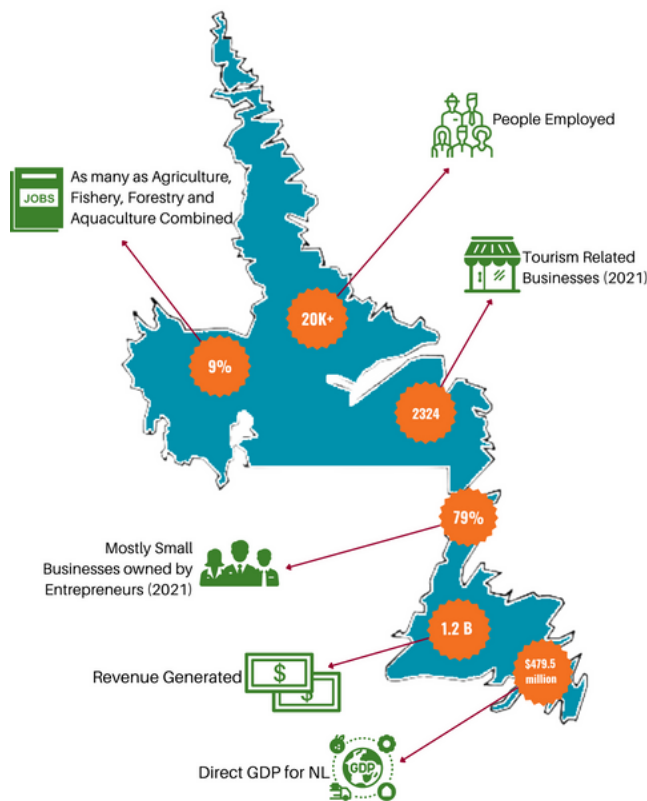
Infographic provided by Hospitality Newfoundland and Labrador. www.hnl.ca
Data from the Department of Tourism, Culture, Arts, and Recreation are pre-pandemic data for 2019 or indicated as 2021 data.

Sectors

ACCOMMODATIONS
Employers in this group include hotels, motels, resorts, campgrounds, and recreational vehicle facilities. They range in size from bed and breakfast operations with one or two bedrooms to multi-national hotel chains with hundreds of rooms.

FOOD & BEVERAGE SERVICES
Food and beverage outlets can include restaurants from fast service to fine dining, as well as pubs, nightclubs, cruise ships, and convention centres.

RECREATION & ENTERTAINMENT
Employers can be zoos, museums, theatres, sports facilities, amusement parks, government parks, heritage sites, hunting, fishing or outdoor adventure outfitters, and casinos.

TRAVEL SERVICES
People working in this group could be employed by retail travel agencies, wholesale tour companies, or corporate offices that have enough business travel to warrant their own booking divisions.

TRANSPORTATION
Employers in this group include companies that provide transport by air, land or water, and include airlines, bus companies, taxi companies, ferry services, and cruise ships.

Research Question
Will reskilling for tourism allow unemployed workers from non-tourism industries to enter the tourism labour force and support the development and expansion of a destination's tourism product offering?

This project set out to identify the training required in rural tourism destinations that have a high potential to expand their tourism industry but face high unemployment or low workforce participation. The project was designed to deliver training to employers and to individuals who are unemployed and require retraining to work in the tourism sector, or who have dropped out of the labour force but desire to work in tourism. The project was designed to adapt existing training opportunities to meet the needs of the destination and allow learners to acquire the tourism skills needed to work competently, safely and productively.

Initial research was designed to identify rural communities that have potential to grow their tourism sector and have a group of individuals that have the potential to work, but may require training to move into the tourism sector. Destinations were to be identified in each of the five regions using the destination development plans, Tourism Product Development Strategy and other available data.

Within each community, research would be undertaken to establish skills needs, with a focus on new and emergent transferable skills which were lacking. Potential trainees would be recruited from the community and assessed to determine the exact skill upgrading they require to work in the tourism sector. This research would also deliver a base line assessment of tourism business operations and leaner skills and knowledge which can be compared with post-training assessments.

As an additional piece of research, potential trainees who decline participation would be asked to explain their reasons for declining. This will allow for the identification of any barriers that keep potential workers from joining or rejoining the labour force. By identifying these barriers potential means of removing the barriers or providing incentives that would encourage potential workers to overcome them could be put in place in the future.

The business and trainee needs analysis would be followed by the adaptation and delivery of training. The specific training delivered would be based on the needs analysis but would fall within one of three overarching training models.

There would be ongoing assessment of learners, employers and the community to assess the efficacy of the project. All information gathered during the project would be compiled and reported on, including the initial assessment which would provide a base measurement against expected outcomes. The qualitative and quantitative benefits or improvements expected during or after training will be assessed using an ongoing evaluation process.

ReSkill redefine your skills

Where
Rural tourism destinations that have a high potential to expand their tourism industry but face high unemployment or low workforce participation.

Who
Deliver training to individuals who are unemployed and require retraining to work in the tourism sector, or who have dropped out of the labour force but desire to work in tourism.

What
Adapt existing training opportunities to meet the needs of the destination and allow learners to acquire the tourism skills needed to work competently, safely and productively.

Partners

In order to deliver on all aspects of this project, two partners with a long history of working together on projects that focus on building a strong tourism workforce in Newfoundland & Labrador and Canada as a whole.

The **Lead Partner** was Hospitality NL, the Tourism Industry Association of Newfoundland and Labrador, representing tourism/hospitality operators throughout the province in all sectors and regions. The mandate of Hospitality NL includes the responsibility to support the development of a professional workforce and improve the competitiveness, quality, and market readiness of the tourism industry.

The collective objectives of Hospitality NL and its partners has been in developing and offering professional development products, programs, and services to:

- Enhance the quality, market readiness and customer service of tourism businesses and attractions.
- Improve human resource management and training practices to reduce employee turnover and impacts of growing labour shortages.
- Increase training and professionalism.

The **Research Partner** was Tourism HR Canada (THRC), who specializes in tourism labour market analysis, research and development projects. Tourism HR Canada is recognized by the International Labor Organization and the United Nations World Tourism Organization as a leading authority on tourism research, and statistical information on the economics of tourism, employment in the industry and labour market information. In partnership with Statistics Canada, THRC were leaders in the development of the Human Resource Module of the Tourism Satellite Account, an internationally celebrated statistical instrument to reveal and analyze detailed information on employment in tourism industries.

Tourism HR Canada is also a recognized world leader in the development of competency-based training and assessment resources, and in setting national and international occupational standards. The organization has a long history of working with Essential Skills, Language Benchmarks, Occupational Standards and other job analysis models; it has also contributed to world-recognized methodologies for managing the application or use of these products in a wide range of labour market products.

Project Objectives

01
Improving the skills of employees in tourism operations.

02
Promoting professionalism among tourist service providers through the continuous upgrading of the skills of the people working in the tourism industry.

03
Upgrading the overall tourism experience offered by providing an enhanced tourist product with significant value added.

METHODOLOGY & SCOPE - PRE MARCH 2020

Phase 1: Project Initiation and Community/Employer Recruitment
The project analyzed the province's rural tourism economy to identify destinations with significant tourism growth potential and a pool of potential participants. This analysis used available economic measures such as visits, employment and unemployment and other data, including tourism destination development plans and tourism product development priorities.

Through this analysis and a call for expressions of interest, five destinations from around the province were selected to be the research and training locations.

These areas were:
- Port aux Basques & Area
- Baie Verte & Area
- Bonavista & Area
- Harbour Grace & Area
- Labrador

Phase 2: Community Based Skills Need Assessment
Within each destination, comprehensive labour market research established the skill needs, using methodology that relied on in-depth stakeholder engagement. The assessment was guided by training assessment tools and research on new and emergent transferable skills that are lacking in the sector.

Phase 3: Training Needs Analysis
These tools provided an understanding of the learning culture within the community, at each participating employer, and it determined appropriate supports and training goals. This assessment was conducted through a structured interview and considered factors such as current training activities and budgets, training priorities, level of local and in-house support, etc. These areas were measured to identify the degree to which there are improvements in key business areas.

Phase 4: Recruitment of Learners
Potential tourism employees were recruited in local communities. The target population was unemployed workers from other industries and people who are no longer in the labour force but desired to work. They included people with an aptitude and interest in a tourism job and then were offered training. As an extension of the research, candidates who declined participation were interviewed and surveyed to determine the reason for their lack of interest.

Phase 5: Participant Skills Assessment
This tool was used to conduct a baseline employee assessment. The assessment determined the required training program that the learner completed.

Phase 6: Training Curriculum Selection
Based on the identified training needs, learners were provided with training opportunities in the community or online. Most learners required training in food safety, customer service and some occupational specific skills.

Phase 7: Training, Employment and Evaluation
Prior to March 2020, training was delivered in the community for food safety and customer service. Participants also secured employment and completed a 90-day post learning evaluation.

METHODOLOGY & SCOPE - POST MARCH 2020

Virtual Learning

Community & Employer Engagement

Primary Research Expansion
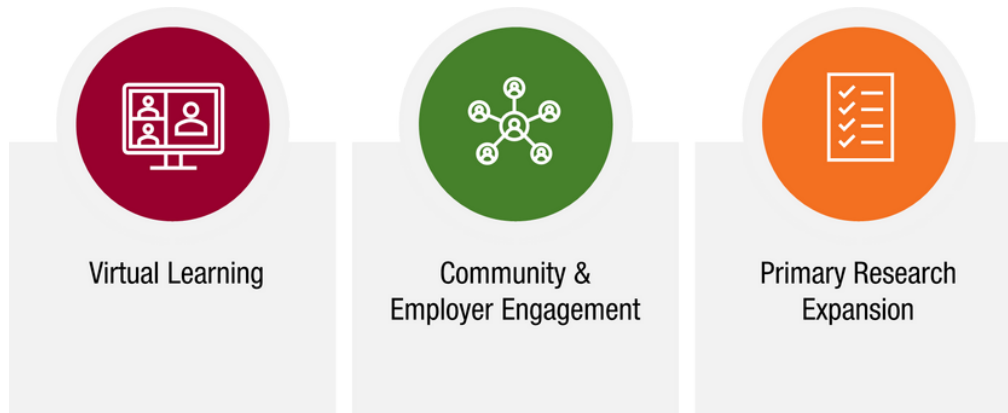
As the partners were ramping up activities in the next two project destinations and conducting the community needs analysis, the provinces tourism industry was shuttered by the COVID-19 pandemic and provincial health restrictions. The tourism industry was the first hit, the hardest hit and will be the last to recover.

Accessing the communities to deliver in person training and assessment activities became a barrier to the project for almost a year. The partners did adapt quickly and started to connect with stakeholders virtually where they could.

Also the learners who had gained employment in the first two destinations were furloughed due to the lack of employment. This also hampered the ongoing post employment evaluation activities.

After almost a year of restrictions, the partners were able to go back in person to the communities, only to find that labour market dynamics had changed due to many reasons as outlined in the findings of this project.

Due to these changes in the labour market, the partners in discussions with NLWIC decided to change the methodology and scope of the project in order to answer the research question. The partners decided to utilize more qualitative research options to analysis the current labour market issues impacting the industry.

These new research tools included:
- NL Tourism Labour Market Information Reports
- NL General Population Sentiment/Perception Surveys
- NL Tourism Employer Surveys

These were in market twice in 2022 pre and post the peak summer tourism season.

DESIGN & IMPLEMENTATION - PRE MARCH 2020

Here are the results of the training needs analysis in the first two destinations, more details on these can be found in the needs analysis reports in Appendix A.

In the **Port aux Basques and Area**, the training needs analysis identified that Customer Service (by a wide margin) is lacking in general. The job seekers tended to lack the knowledge and essential social and employability skills to work with tourists. Providing good overall presentation skills, appearance and positive attitudes is essential. Frontline employees lacked the knowledge and enthusiasm for local attractions and events. The analysis also indicated a need to train employees on how to be aware of events and attractions in their community, how to gather more information on the events or attractions and how to present that information to tourists and other guests.

Other than customer service and local knowledge training needs, other training in front line leadership, supervisory and occupational specific skills such as Tour Guide, Housekeeping Room Attendant, Food Safety, Food & Beverage, and Line Cook.

In the **Baie Verte & Area** the needs analysis identified that new employees needed to be trained to provide good customer service and basic training to ensure they have the skill set necessary to adapt to any number of jobs. Training recommendations for this area also included customer service and occupational skills training in Tour Guide, Front Line Leadership, Food Safety, Food & Beverage and Entrepreneurship.

Table 1 & **Table 2** provided an overview of what the partners were able to accomplish pre March 2020.

Table 1

Locations							
	Project Initiation and Community & Employer Recruitment	Community Based Skills Need Assessment	Training Needs Analysis	Recruitment of Learners	Participant Skills Assessment	Training & Curriculum Selection	Training, Employment & Evaluation
Port Aux Basques & Area	✅	✅	✅	✅	✅	✅	✅
Baie Verte & Area	✅	✅	✅	✅	✅	✅	✅
Bonavista & Area	✅	✅	✅	❌	❌	❌	❌
Harbour Grace & Area	✅	✅	✅	❌	❌	❌	❌
Labrador	❌	❌	❌	❌	❌	❌	❌

☑ Completed before March 2020   ☒ Unable to be completed

DESIGN & IMPLEMENTATION - PRE MARCH 2020

Table 2

Locations (# of people)						
	Project Initiation and Community & Employer Recruitment	Community Based Skills Need Assessment	Training Needs Analysis	Recruitment of Learners	Participant Skills Assessment	Training	Employment
Port Aux Basques & Area	38	18	18	20	20	17	16 (3 Self-Employed)
Baie Verte & Area	70	33	33	16	16	16	7 (2 Self-Employed)
Bonavista & Area	29	11	11	0	0	0	0
Harbour Grace & Area	26	16	16	0	0	0	0
Labrador	0	0	0	0	0	0	0

Here are some of the results of the post employment evaluations completed with the two group who gained employment before the lockdowns of the pandemic. In the evaluation thirty (30) project participants rated the extent to which they had developed employability skills using a rating scale from non-existent through to very strong.

Focusing on the percentage of participants who rated a skill as being fairly strong or very strong, the evaluation found that participants' ratings of the new skill being fairly strong or very strong increased over the duration of studies from the beginning, middle, and near completion of a course.

Research into participants' experience found that they generally valued the opportunity to reskill in the curriculum with respect to their employment prospects, but they sought greater opportunities through which they could learn the skills in practical settings and exposure to industry (i.e. customer service, front desk services, or short order cooks).

Career development learning embedded in work-integrated learning programs can provide opportunities for students to assess their skill development and plan to grow areas needing attention while they are still in a learning environment.

A synopsis report on this evaluation is contained in Appendix A.

DESIGN & IMPLEMENTATION - POST MARCH 2020

Perception/Sentiment Survey
- General population of NL
- Perceptions of work in Tourism
- February 2022 - 600 Respondents
- September 2022 - 600 Respondents

Monthly Labour Force Information
- Monthly Tourism labour market trends
- Economic Indicators
- Monthly 2022

Tourism Employer Survey
- Impacts of Labour Shortage
- Impacts of COVID-19 on recovery
- Training & Skills Needs
- March 2022 - 201 Respondents
- October 2022 - 97 Respondents

Here is an overview of the purpose and reach of this research activities:

NL Tourism Labour Market Information Reports
Over the course of 2022, monthly snapshot reports were prepared of the tourism labour market in Newfoundland and Labrador. The analysis underpinning these reports was based on the Labour Force Survey (LFS) conducted by Statistics Canada, which estimates participation in the labour market for all civilian, non-institutionalized individuals aged 15 and over. The LFS sample size is around 56,000 households, which captures information on around 100,000 individuals, and is stratified so that it is demographically and regionally representative. Although such sampled estimates are not fully accurate representations of the population, they nevertheless are very useful for noting broad trends and shifts in the labour market, and as they are conducted monthly, they provide incredibly valuable longitudinal data.

NL General Population Sentiment/Perception and Employer Surveys
There were two types of surveys conducted to support this research: employer surveys, to understand the operating conditions of tourism businesses in the province; and perception surveys targeting the general population of Newfoundland and Labrador, to gage overall sentiments towards the sector and the employment opportunities it offers. Both surveys were conducted twice, to reflect perceptions and experiences at two points relative to the high tourism season: once in the run-up to summer, and once again after the peak had passed.

To review these research documents refer to Appendix A

IN DEPTH FINDINGS

This project was a multifaceted examination of the tourism labour market in Newfoundland and Labrador, with a specific focus on exploring the possibility of reskilling workers from other sectors for work in tourism. The overall project involved conducting ongoing analysis of the provincial labour market, carrying out surveys of the general population and of tourism operators in Newfoundland and Labrador, and facilitating workshops around identifying and addressing skills gaps. Before addressing the core research question, the key findings from each of these research activities will be reviewed.

Needs Assessment and Skills Gaps

A core component of this research project was the comprehensive needs assessment conducted in several rural areas of Newfoundland and Labrador that met the specific conditions of:

(a) having high potential to grow their local tourism sector, and

(b) having a group of under or unemployed individuals in those communities who could be reskilled for work in tourism.

These needs assessments were twofold, considering both the needs of employers in attracting and retaining suitable staff members, and the needs of job seekers and learners who could potentially be integrated into the tourism workforce.

From both of these perspectives, the most prevalent skills gap identified was in customer service, this includes so-called 'soft' (or social) employability skills such as communication, good overall presentation skills, and maintaining a professional appearance and a positive attitude.

These skills were overwhelmingly understood as fundamental to service-oriented jobs, including those most commonly found in the Tourism sector (e.g. in Accommodations, in Food and Beverage Services, in touring and guiding operations). Other generalized employability skills that were identified included leadership and supervisory/mentorship skills, as well as entrepreneurial training and support. A number of job-specific skills were also identified as useful for fostering local tourism industries, such as food safety, food and beverage preparation and serving, housekeeping, and tour guide and interpretation. At a more general level, local knowledge of events and attractions, and the research skills and resources to quickly find that information, were also seen as important in the development of communities as tourism destinations.

Some of these skills link directly to existing training modules, programs, and micro-credentialing structures, meaning that they are (in principle) available to anyone. However, there are barriers that may prevent job seekers from engaging with those training opportunities, such as:

- a lack of awareness that they exist;
- a lack of awareness on an individual's part that they would benefit from training in those areas;
- limited accessibility, either to in-person training (e.g. reliable transportation to where the training is provided) or to online services (e.g. reliable internet of a high enough bandwidth to allow full engagement with online learning);
- financial constraints that limit participation in fee-paying programs; and
- perceptions of risk in investing in these training programs (e.g. uncertainty that the training is necessary or desirable for working in particular jobs).

From the business operator perspective, there was general agreement that having a skilled workforce was good for business, and employers were generally open to providing support of some form to employees as they upskilled or reskilled. Many businesses, particularly smaller ones, identified a need for more training in new technologies and software, assistance with government protocols and administrative processes for accessing business subsidies and supports, and in general HR practices. These skills gaps on the business side resonate with some of the gaps identified on the job seeker side: business operators may lack the resources and management skills to recruit and train employees in the areas in which they themselves need support.

This highlights the need for tailored job and employability-skills training programs, aimed at businesses as well as job seekers. Tourism operators may not see themselves as HR professionals, but increasingly they are expected to be able to work within an HR perspective or framework. Using existing training resources, or developing more locally-specific ones to support the development of a local tourism destination, can help to close these gaps in both employer and employee skill sets.

Labour Market Trends

Over the course of this project, monthly snapshot reports were prepared of the tourism labour market in Newfoundland and Labrador. The analysis underpinning these reports was based on the Labour Force Survey (LFS) conducted by Statistics Canada, which estimates participation in the labour market for all civilian, non-institutionalized individuals aged 15 and over. The LFS sample size is around 56,000 households, which captures information on around 100,000 individuals, and is stratified so that it is demographically and regionally representative. Although such sampled estimates are not fully accurate representations of the population, they nevertheless are very useful for noting broad trends and shifts in the labour market, and as they are conducted monthly, they provide incredibly valuable longitudinal data.

For this project, the analysis included detailed data on the five industry groups comprising the tourism sector (Accommodations, Food and Beverage Services, Recreation and Entertainment, Transportation, and Travel Services), as well as general information about the overall provincial economy, of which Tourism is one sector. This additional data provides important contextual information in interpreting and understanding what the sector-level trends are. Monthly reports considered both month-over-month changes and year-over-year changes, as well as including each month's figures from 2019 as a pre-pandemic baseline for reference.

Since May 2022, employment figures at the level of the overall provincial economy have been improving, showing a general upwards trend of recovery. Although the gap in Tourism employment between 2019 and 2022 has continued to narrow, the Tourism sector has not kept pace with the broader provincial economy. However, the tourism employment numbers in 2022 were substantially improved on those of 2021, and Newfoundland and Labrador often boasted the biggest relative growth (in percentage terms) of all of the provinces. From April 2022 onwards, monthly unemployment figures were lower than in 2019, although tourism workers worked fewer hours on average suggesting that employees may have been working reduced hours (i.e. a smaller volume of work being spread across the same pool of workers) as an alternative to being laid off.

Taken together, these trends paint a picture of a sector in recovery, with things continuing to open up following the devastating effects of the pandemic restrictions: international travelers arriving in Newfoundland and Labrador exceeded pre-pandemic levels in August 2022. The window of this labour market analysis spanned the peak summer season, when many businesses were operating at or near their usual levels, albeit with reduced staff. The number of active tourism businesses operating through the 2022 summer season remained below levels in 2019, but the sector as a whole continued to recover.

Survey Findings

On the employer side, the most represented industry group within the Tourism sector was Accommodations, followed by Food and Beverage Services, with other industries participating at lower rates. Consistent across both pre- and post-summer surveys were observations about difficulties in hiring and retaining staff, which negatively impacted business operations. The role of training was inconsistent across the sector: some operations (e.g. in Transportation) required formal technical credentials, others required job-specific certifications (e.g. in Food and Beverage Services), and others relied primarily on on-the-job training. While most business operators agreed that training was important, few formally measured the impact that training had on their business operations: those that did, tended to capture that information through customer feedback surveys or similar mechanisms. Most respondents noted the financial costs of offering training beyond the legally required minimum as an impediment, and different industry groups valued such training differently.

The role of training and education in the hiring process also differed by industry group: some operations required particular training to have been completed prior to offering a position (e.g. licensing in Transportation, university education or college diploma in Travel Services), while others did not take training into consideration at all when making hiring decisions (e.g. in retail), or relied primarily on previous industry experience as a deciding factor (e.g. in Food and Beverage Services). The ambivalence towards training as a pre-requisite within the sector is reflective of the diversity of job opportunities in Tourism, but it does illustrate the complexity of designing training-based supports to address skills shortages in the sector.

The perception surveys painted a complex picture of the relationship between training and employment. Younger respondents were less likely than older respondents to see work in Tourism as a career option: it tended to be seen as seasonal or part-time work while looking for something different or 'better'. Compensation was part of the issue, as there was a perception of low pay relative to the hours and stress levels. It was generally agreed that jobs in tourism equipped employees with valuable (and transferrable) 'soft' (social) employability skills, and that the work itself was interesting and exciting, but options for advancement were seen as limited, particularly by those with previous experience in the sector. The perceived lack of opportunities for promotion is likely tied to training/career progression which is also often tied to upskilling, and where no clear framework exists to support the development of new skills, front-line positions may be seen as viable short-term jobs only.

The seasonality of the sector is also an issue in retaining workers, and in perpetuating a culture of short-term thinking. Interestingly, women respondents to the survey were more concerned with this instability than were men: women were looking for steadier, year-round employment, while men were primarily motivated by compensation issues. Both are factors in the recruitment and retention of employees in the sector, but it points to the complex backdrop against which potential employees are assessing their employment options.

Will reskilling for tourism allow unemployed workers from non-tourism industries to enter the tourism labour force, and support the development and expansion of a destination's tourism product offering?

In effect, the central research question of this project encompasses two distinct but linked questions, each of which is itself complex to answer:

1. Will reskilling unemployed workers from other sectors bring them into the tourism labour force?
2. Will the resulting increased labour force support the development and expansion of a destination's tourism product offering?

On the one hand, there are clearly identified skills gaps, articulated by both tourism operators and by potential job-seekers, and providing training in those areas is relatively straightforward. It may be costly, and there may be barriers to participation in that training, but logistical issues aside, the infrastructure to develop and deliver specific skills training already exists. However, that does not mean that providing skills training will necessarily attract workers into the sector: there are a number of external factors that affect willingness to work in tourism. There are negative perceptions of the workload-to-wage ratio, a widespread understanding (particularly among younger workers) that tourism work is a stepping stone to a different career, and a lack of a clear career trajectory that may dissuade people from investing in developing the requisite skills.

In the case of Newfoundland and Labrador, geography and population distribution further compound these more generalized problems, as does a cultural tradition of remote self-sufficiency (e.g. working in primary industries such as fishing) that may make service-oriented work inherently unappealing. Long-term reliance on government support to sustain seasonal and transitory work such as fishing may also present a cultural barrier that needs to be overcome, and the reality is that the high wages needed to offset the shift away from government assistance are likely beyond the reach of many small operators. So while reskilling for tourism is in theory a good approach to addressing the labour shortage in the tourism sector in Newfoundland and Labrador, it is not clear that it actually presents a feasible long-term solution.

The second part of the question is whether an augmented local labour force can support the development of a destination tourism strategy for remote communities. As noted above, it is not obvious that the labour force could easily be supplemented through this type of reskilling, but assuming that it could be done, there are still barriers to establishing a rural or remote community as a tourism destination. While there is clearly enormous potential for growth of the tourism sector in the province – it boasts some extraordinary coastlines, breathtaking landscapes, picturesque towns and villages, vibrant artistic and performance venues – the geographic dispersion and infrastructure limitations of travelling within the province can make it difficult to draw casual visitors to remote areas. There needs to be a well-developed and easily marketable hook to draw people off the beaten path, and there has to be the capacity to deliver on that promise. A good model for destination development in the province is Fogo Island: there is wholesale community investment in the success of the destination, which is therefore able to deliver a small-scale but high value visitor experience, making it a profitable enterprise. But a simple reskilling of workers will not, in and of itself, deliver a destination package of that type. With the right mindset and investment, the Fogo Island model could be implemented elsewhere in the province, and with that larger infrastructure in place, reskilling workers and potential workers will become a key component of the success of such an enterprise.

However, there are larger issues that also need to be addressed to support this kind of investment. An ageing population places hard limits on the long-term sustainability of these endeavors, and attracting new Canadians and migrant workers into small communities comes with its own infrastructural demands that may not be feasible in and of themselves. Perhaps the clearest path forward to developing sustainable regional tourism in Newfoundland and Labrador is to approach the problem through investment in community development (housing, transportation, schools, health care, immigration and population growth) alongside destination development, which would include training a highly skilled workforce. This approach would rely on investment and policy commitment across several fronts, but also has the potential to transform the tourism sector – and the wider economy, by extension – in the process.

FINDINGS OVERVIEW

01 **Training Needs Job Seekers**

- Most prevalent skills gap identified was in customer service: this includes so-called 'soft' (or social) employability skills such as communication, good overall presentation skills, and maintaining a professional appearance and a positive attitude.

- Other generalized employability skills that were identified included leadership and supervisory/mentorship skills, as well as entrepreneurial training and support.

- A number of job-specific skills were also identified as useful for fostering local tourism industries, such as food safety, food and beverage preparation and serving, housekeeping, and tour guide and interpretation.

- At a more general level, local knowledge of events and attractions, and the research skills and resources to quickly find that information, were also seen as important in the development of communities as tourism destinations.

02 **Barriers to Taking Training for Job Seekers**

- Lack of awareness that training exists;

- Lack of awareness on an individual's part that they would benefit from training in those areas;

- Limited accessibility, either to in-person training (e.g. reliable transportation to where the training is provided) on to online services (e.g. reliable internet of a high enough bandwidth to allow full engagement with online learning);

- Financial constraints that limit participation in fee-paying programs; and

- Perceptions of risk in investing in these training programs (e.g. uncertainty that the training is necessary or desirable for working in particular jobs).

03 **Employer Perspective**

- There was general agreement that having a skilled workforce was good for business, and employers were generally open to providing support of some form to employees as they upskilled or reskilled.

- Many businesses, particularly smaller ones, identified a need for more training in new technologies and software, assistance with government protocols and administrative processes for accessing business subsidies and supports, and in general HR practices.

- Business operators may lack the resources and management skills to recruit and train employees in the areas in which they themselves need support.

- Tourism operators may not see themselves as HR professionals, but increasingly they are expected to be able to work within an HR perspective or framework.

04 **Monthly Tourism Labour Market Surveys**

- Since May 2022, employment figures at the level of the overall provincial economy have been improving, showing a general upwards trend of recovery.

- Although the gap in Tourism employment between 2019 and 2022 has continued to narrow, the Tourism sector has not kept pace with the broader provincial economy.

- However, the tourism employment numbers in 2022 were substantially improved on those of 2021, and Newfoundland and Labrador often boasted the biggest relative growth (in percentage terms) of all of the provinces.

Perception Surveys

- Younger respondents were less likely than older respondents to see work in Tourism as a career option: it tended to be seen as seasonal or part-time work while looking for something different or 'better'.

- Compensation was part of the issue, as there was a perception of low pay relative to the hours and stress levels.

- It was generally agreed that jobs in tourism equipped employees with valuable (and transferrable) 'soft' (social) employability skills, and that the work itself was interesting and exciting, but options for advancement were seen as limited, particularly by those with previous experience in the sector.

- The perceived lack of opportunities for promotion is likely tied to training, career progression is often tied to upskilling, and where no clear framework exists to support the development of new skills, front-line positions may be seen as viable short-term jobs only.

- The seasonality of the sector is also an issue in retaining workers, and in perpetuating a culture of short-term thinking.

Employer Surveys

- Consistent across both pre- and post-summer surveys were observations about difficulties in hiring and retaining staff, which negatively impacted business operations.

- The role of training was inconsistent across the sector: some operations (e.g. in Transportation) required formal technical credentials, others required job-specific certifications (e.g. in Food and Beverage Services), and others relied primarily on on-the-job training.

- While most business operators agreed that training was important, few formally measured the impact that training had on their business operations,those that did, tended to capture that information through customer feedback surveys or similar mechanisms.

- Most respondents noted the financial costs of offering training beyond the legally required minimum as an impediment, and different industry groups valued such training differently.

- The ambivalence towards training as a pre-requisite within the sector is reflective of the diversity of job opportunities in Tourism, but it does illustrate the complexity of designing training-based supports to address skills shortages in the sector.

INDEPTH RECOMMENDATIONS

This research was focused on the labour market crisis facing the tourism sector in rural and remote Newfoundland and Labrador, with a particular attention to reskilling people already in the community for work in the tourism sector. The findings of the project highlight some very specific skills gaps that can be addressed through targeted programming, and the Reskill project demonstrates one such avenue: targeted needs assessment linked to training opportunities. But there are further recommendations that will also be needed to bolster employment in the tourism sector, and these are worth considering carefully, as they directly impact recruitment and retention in tourism-related industries.

Some address government-level policy matters that will require coordinated effort between a number of agencies, some are organizational and procedural recommendations that can help address short- and medium-term needs in the tourism sector, and some are suggestions for longer-term strategizing to help build resilience into the sector as a whole.

Of course, these are not entirely discrete categories: there is considerable overlap between the various factors that influence the labour market at any given moment, and changes in one part of the ecosystem can have knock-on effects elsewhere.

Organizational and procedural recommendations

The tourism sector spans a number of industry groups, making it hard to devise one-size-fits-all solutions to the challenges being faced in this current labour crunch. The specific business needs of transportation operators are very different to those of hospitality businesses or adventure tourism groups, for instance, and there are also differences in scale (the needs of a small bed and breakfast being different from those of a multi-location hotel chain), between geographically disparate regions, and along the metropolitan-rural gradient. But where there are clear differences within the sector, there are also points of overlap and similarity, and these present opportunities to foster procedural and organizational parity across industry groups.

A clear example of this kind of alignment is around skills and competencies. While certain jobs require specific technical or professional skills, there are also a large number of social employability skills that are needed across the board for most jobs in tourism: listening, interacting with the public, problem solving, managing competing priorities, attention to detail, and a host of other core competencies. Many of these core competencies were alluded to in the needs assessments conducted in this study, although not always using the same language or frames of reference.

The application of those competencies will vary from job to job, the details that a restaurant server must attend to will be necessarily different to those of a hotel housekeeper, but someone with a developed attention to detail can be trained on the specifics of any given job.

This approach makes a distinction between skills (expertise tied to the performance of specific jobs or roles) and competencies (underlying and more generalized knowledge and learning abilities on which skills can be built). The recognition of competencies is often implicit in hiring decisions, but making those processes more explicit can simplify both attraction and retention.

Aligning jobs across the sector with coherent competency framework will help redress several of the concrete problems and mismatches that exacerbate the challenges of maintaining a workforce against a changing social and demographic backdrop, and will make it more straightforward to retrain and reskill employees from another sector:

- Developing an inventory of competencies associated with jobs will help businesses identify what is actually needed to fill vacant positions, and will simultaneously help job-seekers recognize and capitalize on the competencies and skills that they already have.
- Auditing the complement of competencies and skills within an organization can identify people whose abilities are currently being underutilized, as well as identifying specific training requirements to fill skills gaps.
- Highlighting transferrable skills and congruent competencies can help seasonal workers, part-time workers and workers in the gig economy engage with a wider range of job opportunities. This can help foster a local talent pool of casual employees that can be accessed by a number of employers to meet shifting needs throughout the year.
- Aligning jobs with competencies, and job progression with skill development, can help businesses retain employees by showing that there is a clear trajectory of career advancement and training opportunities.
- Focusing on competencies rather than on specific skills can make employment in tourism more accessible for new Canadians, displaced people, people with disabilities, people changing   careers, and those with eclectic or non-traditional educational or employment profiles.

The basic architecture for adopting a competency framework already exists, and can be adapted to suit the specific needs of employers and workplaces. Employment and Social Development Canada (ESDC) has introduced a new skills and competencies taxonomy as part of the new NOC 2021 system[1], which provides a detailed and structured inventory of over 250 skills and competencies and maps those to specific jobs across the whole economy. Tourism HR Canada (THRC) has developed a sector-specific competency framework for tourism, available through the Workforce Management Engine[2], which provides tools for employers to adapt job profiles to the specific needs of their business while still drawing on a centralized bank of competencies.

As noted above, a competency-based framework can help employers retain workers who may have entered the tourism sector as a short-term, temporary job. While it is inevitable that there will always be staff turnover in tourism industries, particularly in those sectors that rely on part-time and student employees, businesses need to have a core team that they can rely on. Converting 'jobs' into 'careers' involves careful management across several indices, adequate compensation (not limited to financial compensation but encompassing a wider range of factors); recognition and reward for work done well; access to appropriate training; employer support for professional and personal growth; and a clear path to job progression.

While some of these are essentially about creating a welcoming and supportive workplace where employees are invested in the business and its success, others would benefit from within sector and industry cooperation. National and provincial associations, and local chambers of commerce, can play a part in pooling resources to provide training opportunities, for instance, or in making health insurance and other financial benefits more accessible to small business operators through shared group policies.

[1]https://noc.esdc.gc.ca/SkillsTaxonomy/SkillsTaxonomyWelcome
[2]https://tourismhr.ca/programs-and-services/workforce-management-engine/

Long-term strategizing for tourism's resilience

Labour shortages present a serious problem for tourism right now, and the unprecedented (and sometimes unpredictable) effects of the Covid-19 pandemic continue to resonate throughout the sector. While some of the challenges faced in the past three years are particular to this moment, others are of a more longstanding nature, and the current situation has served to highlight cracks that have been present for a long time. What this disruption has provided the sector is an opportunity to rethink how the sector and its constituent industries operate, and to make some changes – or at least start to consider making changes – to how tourism interacts with the broader economy.

This study found mixed perceptions of tourism as a place to work. On the one hand, working in tourism provided people with the opportunity to develop strong generalized works skills and enjoy unique experiences, and was also a good fit for part-time work around school or other commitments. On the other hand, the compensation was generally regarded as inadequate, the opportunities for career advancement were not satisfactory, and there were few chances for formal training in technical areas. On the whole, the sector was not seen as a desired career track, although it was a good place to find temporary work while looking for something more permanent and more prestigious.

These findings highlight a reputational issue with regards to the tourism sector. In part this may have to do with a limited sense of the breadth of the sector, those who work professionally in tourism recognize that it encompasses a wide range of industries, but the general population's mental map of the tourism sector may be much more limited. But even if respondents to the survey were only considering a small subset of the tourism industries, the concerns that were raised do point to areas for improvement. Compensation is always a factor in how people perceive an industry, particularly in sectors where the work may require long hours and physically demanding tasks, but it is important not to focus solely on the monetary dimensions of compensation.

Other factors that can also be considered as part of a complete compensation package include scheduling flexibility; the possibility of remote or hybrid working (where possible – some jobs clearly require in-person service); the provision of free or subsidized childcare; access to housing and/or transportation to and from the work site; training opportunities offered through the employer (including, for example, ESL classes or conversation groups for newcomers to Canada and their families); the use of worksite recreation facilities; and offering clear signposting to develop a career path in the sector. For the demographic slice of workers that are needed in the sector, money is not the only – or even necessarily the primary – consideration in making job decisions.

Another aspect of the sector's reputation that could be productively reconsidered is the framing of tourism as a service industry. This conceptualization is likely a factor in the negative associations people have with working in tourism: the idea of subservience and deference may be unpalatable, particularly as a long-term career. While service provision will absolutely remain a necessary part of tourism and its industries, marketing the sector to potential employees through a different lens would likely help with both attraction and retention. Focusing on lifestyle elements, on valuable work experience, on flexibility and work-life balance, on meeting high standards, and on meaningful interactions would likely address some of these reputational issues. More research is needed in how best to shift these perceptions, and which marketing approaches and strategies will yield the highest return.

A further longer-term project for the sector to consider is how to leverage the digital economy more productively. This can include making use of greater online resources for interacting with a business (e.g. booking events online, making purchases, tailoring experiences for personal preference, pre-paying for services, making suggestions/comments), raising the visibility of a business through social media and other online platforms, using remote working and subcontracting to handle some of the administrative load associated with running a small business (e.g. outsourcing website maintenance, accounting and taxes), and making local attractions more digitally engaging (e.g. through use of augmented reality [AR] and other phone-based apps to create individualized interactive experiences). Digitalization can enable businesses to reach more potential customers, and to interact with them more efficiently. By engaging with customers in different ways, businesses can foster a different type of relationship with their customers.

For example, if customers' suggestions for food choices or for recreational activities can be incorporated into their tourism experience, they become co-creators of the product that they are consuming. This is a different way of conceptualizing business, but one that customers are likely to increasingly expect, meaning that high levels of digital competency are poised to become a key skillset in the sector. These skills can include software and web development, user experience design, search engine optimization, digital marketing, and data analysis. Many of these are technical skills that are normally acquired through formal education programs, so the educational profile of future employees is likely to shift as well. This also means that tourism could be positioned as an employment destination for computer science or IT graduates, potentially opening up another pool of workers.

Related to digitization, there is a more general shift in how businesses understand their operational environment. One way to adapt to a reduced or fluctuating workforce is to adapt the products that are offered, or in some cases to redevelop those products into different experiences. For example, a restaurant may need to reduce its menu in response to having fewer cooks and chefs who can produce certain meals – this may be a permanent change for the businesses, or it may be a dynamic situation where a restaurant has more than one menu, depending on the staff on site on any given day.

Technology – aside from e-commerce – can also help address workforce shortages: hotels may find self-check-in/out kiosks helpful in adapting to a reduced front staff roster. Likewise, attractions may come to rely on audio guides or self-guiding apps to provide visitors with a more interactive experience in the absence of facilitators. These types of operational changes can range from small tweaks to substantial overhauls, but they reflect opportunities for innovation and creative thinking that may be transformative for businesses in the long run.

Some of these recommendations are longer-term projects that will involve substantial reorganization and conceptual realignments at the industry and sector levels, but other can be implemented on a much more local scale. Programs around destination marketing can be useful resources to bring local businesses and communities/regions into contact with each other, and to support inter-businesses cooperation on these matters.

It is beyond the scope of this report, or indeed beyond the reach of any one sector council, to implement change at the provincial or federal levels of government. However, agencies that are well placed to influence decisionmakers, and who can support their arguments with research-based evidence, have the opportunity to shape policy as it is being drafted, reviewed, and implemented.
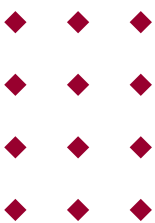
This project identified two domestic domains where government policy has a direct impact on the labour market in the tourism sector and beyond (unemployment support services, and housing) as well as the more international-facing area of immigration. Finally, although not directly addressed in this research project, an important dimension in long-term planning for tourism in Newfoundland and Labrador must be that of an Indigenous-led provincial strategy focused both on destination/experience tourism and on attracting and retaining Indigenous people in the tourism workforce.

Domestic Policy Recommendations

A key legislative change that could help address labour force shortages would be to overhaul the federal Employment Insurance (EI) program and the provincial Employment Plan, both of which provide financial support to job-seekers and those enduring short or long-term unemployment. Intended to provide temporary funding and assistance in re-entering the workforce, these programs can also disincentivize people from returning to work. This may be particularly true in rural and remote places, where employment opportunities tend to be seasonal, precarious, or low-paid.

Unemployed workers may be reluctant to take on part-time work because of a real (or anticipated) reduction in their support payments, which would leave them in a financially worse-off position than staying unemployed. Some business operators in the tourism sector in Newfoundland and Labrador who participated in this study called for a wholesale overhaul of unemployment support programs to force people back into work, although a more moderate approach of incentives and less punitive sanctions for taking on part-time work might be a more tenable solution overall. Whatever the preferred set of changes is, it is clear that some movement in either policies or payments is needed to allow businesses to cultivate a local pool of casual staff that they can draw on as needed throughout the year.

At a more local level, housing remains a serious pinch point to employment across the sector, and across the economy as a whole. Where affordable housing is scarce, it becomes impossible to move new workers into a community, meaning that either businesses must rely exclusively on workers already in the community, or workers being transported in from elsewhere. In rural areas, this can be a particularly difficult point to address, where 'local' workers may in fact come from a dispersed catchment area. Transportation can incur a heavy cost, either for business operators who provide transportation but whose financial position may be tenuous to begin with, or for the workers themselves who may not be able to afford a long commute. Access to affordable housing must become a core priority for communities in attracting and retaining employees, particularly as tourism businesses grow and the demand for short-term accommodation in small communities can make it unaffordable for locals to rent. For example, if vacation rentals such as Airbnb become more profitable than long-term renting, the housing crisis in a community becomes much more acute.

The responsibility for housing provision is not straightforward: at a governmental level, it falls between provinces and local authorities, but in some places there is a case to be made for businesses themselves providing housing for workers. This maybe more applicable in remote areas, where there simply may be no housing available, or for businesses that rely on seasonal staff, where it is unfeasible for workers to sign a long-term lease when they only have employment for a few months. But where housing is scarce or unaffordable, providing housing as part of a compensation package may be a competitive edge on attracting and retaining workers in a tight market.

While housing is clearly a social issue that is larger than the tourism sector, it has a direct impact on local businesses, and on the resilience and sustainability of the sector. Alongside taking direct action at a business level, adding the tourism sector's voice to local and regional discussions around the urgency of the housing crisis will be an important dimension in stabilizing the labour force shortages.

Immigration Considerations

It is well-established that the Canadian population is undergoing a dramatic demographic shift. People are living longer and having fewer children; these twin factors combine to create particular pressures on the labour force. As older workers retire, there are fewer young workers available to take up their jobs. A shifting economic landscape, paired with deeper existential crises such as climate change and global conflict, mean that the work expectations of younger people may not align with those of older generations, making employee retention as challenging as employee attraction. The Covid-19 pandemic saw a number of people leave the workforce entirely, further exacerbating pre-existing conditions. This effect has not been felt across the economy as a whole: many industries in professional and technical sectors, in education, and in health-care fields have grown over the past three years, while those in agriculture, hospitality, food services, and manufacturing have shrunk.

The result is that there is a vacuum at the so-called 'low-skilled' end of the job market, where perceptions of employment in sectors such as Tourism can make them seem unattractive to those just entering the workforce. Many people leave rural communities to live in more urban areas, where an expectation of higher-prestige or higher-paid work, coupled with a particular lifestyle unavailable in remote areas, makes them a more appealing place to live. Relying on inter-generational stability in small communities is simply not a tenable long-term solution to the labour market crisis.

One solution to this shortage is to bring in more workers, and supplement the existing Canadian workforce through immigration. The federal government has recently announced an increase in its targets for immigration, although how this will ultimately be applied across the economy remains to be seen. There are also provincial and regional immigration programs across the country, including the Newfoundland and Labrador Provincial Nominee Program and the Atlantic Immigration Program, both of which aim to allow different parts of the country to address their immediate and longer-term labour needs at a more local level. Both federal and provincial programs rely on occupational classifications, which are generally dependent on skills level or training and experience as a metric by which to prioritise certain worker profiles that are in demand.

Many of the jobs in the tourism sector have been classed as Skill Levels C and D in the National Occupational Classification (NOC) 2016 system, often making them ineligible for programs that target highly-skilled and -educated migrants[1]. Some international worker programs exist that can allow some workers into sectors such as tourism (such as the Temporary Foreign Worker [TFW] stream), but these are by no means an ideal solution to the challenges faced by the sector. Often they do not present clear paths to permanent residency for workers, and so they may be inherently unattractive to prospective new Canadians, or only attract seasonal or short-term workers that may help address peak demands, but also bear associated if overlooked costs of lost investment in training and low employee loyalty.

[1] The NOC 2021 system being phased in through the end of 2022 and into 2023 overhauls the A-D Skill Levels with a six-level system based on the Training, Education, Experience and Responsibilities (TEER) required for entry into an occupation. The new system is too new, and too untested, to be able to assess the extent to which it is able to facilitate tourism-related employment immigration, but it is unlikely that it will be able to fully close the gaps.

There are a number of policy reforms that could benefit the tourism sector enormously:

- Introducing new streams for immigration into jobs in 'lower skilled' areas, or opening up existing streams to allow for the participation of such jobs.
- Streamlining application processes for both employers looking to hire international workers, and for international job-seekers wanting to come to Canada, and to Newfoundland and Labrador in particular.
- Re-classifying key tourism sector jobs in NOC to more accurately reflect the required skill levels, and to make them more easily eligible for inclusion in various immigration programs.
- Introducing dedicated tourism programs or streams for immigration.
- Establishing clearer paths to permanent residency across different immigration streams, such as the TFW program, student visas, and working holiday programs.

The federal government has recently introduced a slate of temporary changes immigration programs which will go some way towards helping tourism businesses boost their workforce at peak period. While this is a good short-term measure that allows more flexibility for businesses that work through peak-trough cycles throughout the year, it does not address the longer-term problems around retention and creating a reliable, permanent workforce, and nor does it provide much support for businesses that rely more on full-time, long-term, professional employees. What is needed in rural communities, for both economic stability and long-term viability, is an infusion of skilled workers who are excited to be living there, and willing to invest in their futures in these areas. The tourism sector is a potentially good match for such newcomers.

An Indigenous-led Tourism Framework

The research conducted in this project engaged with a number of businesses in Newfoundland, none of which were identified in the project as being Indigenous-run organizations, and it was not possible within the broad scope to involve operators or workers based in Labrador.

This limitation in this study does not diminish the importance of considering Indigenous perspectives and knowledge in building a sustainable tourism sector in the province. Research conducted elsewhere in the country has highlighted three key dimensions in which engagement with Indigenous communities and stakeholders is essential for the sector:

- Tourism interest in Indigenous cultural experiences is growing, both domestically and internationally. Having a robust and responsive Indigenous tourism sector in the province can attract visitors, who will also participate in other elements of the tourism ecosystem alongside Indigenous attractions and businesses. Labrador in particular (but not exclusively) is well-positioned to offer a range of Indigenous-led tourism products, from cultural and historical attractions to outdoor experiences and wilderness excursions.

- Tourism is seen by many Indigenous community members and businesses as one of the paths towards truth and reconciliation. It provides space for a celebration of Indigenous cultures, histories, and traditions, and an opportunity to counter normative colonial narratives of Canada's foundation and development. It also allows Indigenous people to rediscover and reinvest in the practices and traditions that have until recently been persecuted and punished, while raising the profile of Indigenous cultures in the non-Indigenous population, nationally and locally.

- From a labour perspective, Indigenous youth represent one of the fastest-growing populations in the country, meaning they are an untapped pool of talent that could potentially support a wide range of tourism businesses and activities. Attracting Indigenous workers to tourism businesses may call for particular recruitment strategies, but one strategy that might deliver is the idea of entrepreneurial skills development: working (as an employee) in tourism can build skills towards future operations of independent companies and organizations.

It is not possible within this report to fully articulate the development of such a framework, but there are a number of core principles that should be incorporated into any such undertaking:

- Develop Indigenous-led attraction, development, and retention strategies at provincial and local levels.
- Develop skills/training programs and products that are aligned with Indigenous cultures and values, and make them widely accessible.
- Build capacity for Indigenous employment services in Indigenous communities, with emphases on collaboration, connection, coordination, and community
- Seeking appropriate and sustained financial supports for policy and program priorities for Indigenous tourism products.

Reaching out to existing Indigenous business organizations in the province is a good starting point for development in this area, and will ensure that all projects and policies aligned with this priority are Indigenous-led, and not just engaging with Indigenous communities and businesses as stakeholders.

RECOMMENDATIONS - OVERVIEW

01

A. Focus on Skills & Competencies
- Utilize the national inventory of tourism competencies.
- Understand the current complement of competencies in a business and identify specific training requirements to fill skills gaps.
- Build a local talent pool that can can be accessed by several employers to meet shifting needs throughout the year.
- Focus on competencies rather than on specific skills to expand labour pools.

B. Focus on Retaining Workers
- Provide adequate compensation (not limited to financial compensation but encompassing a wider range of factors).
- Recognize and reward for work done well.
- Access to appropriate training.
- Employers should provide support for professional and personal growth and a clear path to job progression.
- The provincial tourism association must provide a vital role to the industry, by providing training opportunities and other business supports, for instance, or in making health insurance and other financial benefits more accessible to small business operators through shared group policies.

02

A. Improve Compensation
- Compensation packages could include scheduling flexibility; the possibility of remote or hybrid working (where possible – some jobs clearly require in-person service).
- Provision of free or subsidized childcare.
- Access to housing and/or transportation to and from the work site.
- Training opportunities offered through the employer (including, for example, ESL classes or conversation groups for newcomers to Canada and their families).
- Use of worksite recreation facilities.
- Offer clear signposting to develop a career path in the sector.

B. Improve Image of Industry
- Focusing on lifestyle elements
- Valuable work experiences
- Flexibility and work-life balance
- Meeting high standards
- Meaningful interactions

03

A. Increase Digitalization & Technology

- Digitalization can enable businesses to reach more potential customers, and to interact with them more efficiently and productively.

- Making use of greater online resources for interacting with a business.

- Using remote working and subcontracting to handle some of the administrative load associated with running a small business.

- Technology – aside from e-commerce – can also help address workforce shortages.

04

A. Domestic Policy

- A key legislative change that could help address labour force shortages would be to overhaul the federal Employment Insurance (EI) program and Provincial Income Support program. These programs can also disincentivize people from returning to work.

- Housing remains a serious pinch point to employment across the sector, and across the economy as a whole. Access to affordable housing must become a core priority for communities in attracting and retaining employees, particularly as tourism businesses grow and the demand for short-term accommodation in small communities can make it unaffordable for locals to rent.

B. International Policy

- One solution to this shortage is to bring in more workers and supplement the existing Canadian workforce through immigration.

- There are several policy reforms that could benefit the tourism sector enormously:
  - Introducing new streams for immigration into jobs in 'lower skilled' areas or opening existing streams to allow for the participation of such jobs.
  - Streamlining application processes for both employers looking to hire international workers, and for international job-seekers wanting to come to Canada, and to Newfoundland and Labrador in particular.
  - Re-classifying key tourism sector jobs in NOC to more accurately reflect the required skill levels, and to make them more easily eligible for inclusion in various immigration programs.
  - Introducing dedicated tourism programs or streams for immigration.
  - Establishing clearer paths to permanent residency across different immigration streams, such as the TFW program, student visas, and working holiday programs.

05

A. Indigenous-led

- Develop Indigenous-led attraction, development, and retention strategies at provincial and local levels.

- Develop skills/training programs and products that are aligned with Indigenous cultures and values and make them widely accessible.

- Build capacity for Indigenous employment services in Indigenous communities, with emphases on collaboration, connection, coordination, and community.

- Seek appropriate and sustained financial supports for policy and program priorities for Indigenous tourism products.

APPLYING THIS RESEARCH TO OTHER SECTORS

Reskilling workers from other sectors, or indeed from long-term unemployed backgrounds, is one way to potentially meet the short-term needs of the tourism sector in Newfoundland and Labrador. It is unlikely to meet the long-term needs of the sector, however, for the reasons discussed above. The labour crunch facing tourism at the moment is by no means unique to this sector; it is a phenomenon that reaches across the entire economy, although not all sectors have been impacted equally. The demographic realities of current and projected workforces demand that sectors and industries adapt to rapidly proliferating changes: what workers want, and what they are willing to put up with to get what they want, is shifting away from traditional economic models. While this presents a number of challenges, it also offers opportunities to make the kinds of substantive changes needed to keep various sectors viable and sustainable in the long term.

Reforms to immigration policy and unemployment programs will produce changes that extend well beyond the tourism sector, although not all industries will feel the effects in comparable ways. However, as labour force deficits and the under-utilization of potential workers are pinch points that crosscut the economy generally, changes in these areas will benefit all sectors currently facing a labour shortage. Similarly, the crisis in affordable housing cuts across most (if not all) sectors, so addressing these underlying problems will also ameliorate labour shortages in a more general sense. Investing in workforce mobility is another solution that can have cross-sector and cross-industry impact, both at a regional/provincial level as well as nationally, and which intersects with the issues of immigration discussed elsewhere in this report. Particularly for businesses that operate seasonally, having the right workers in the right places at the right times is key to operational success. Formal schemas exist in some countries and jurisdictions that support workers moving to different locations for work, and promote mobility for learners as well, through formal recognition of transfer credits and work experience.

Currently, it is simply not financially worth the expense of relocating for temporary or seasonal work, and learners may be disincentivized from looking further afield for internships or placements, because of administrative complications associated with such arrangements. Support structures to facilitate these movements, and to incentivize this kind of productive mobility, are called for, and could alleviate some of the pressure points of available workforce in one region and high job demand in another. While it is beyond the reach of HNL to affect policies outside of the province, supporting the development of migrant networks within the province is an area that could provide support for tourism businesses throughout the year. This work would align with advocacy around improving transportation and housing throughout Newfoundland and Labrador, which would benefit all sectors of the economy.

Beyond these very generalized recommendations, the competency framework discussed could productively be implemented across the economy as a whole. This kind of explicit skills-mapping and organization around competencies will particularly benefit people who work in seasonal or otherwise discontinuous employment, the businesses that operate in this way, and the communities in which those businesses are based. A model that has been advocated for in the tourism industry as it recovers from the devastation of Covid-19 has been to build flexibility into the structure of the work team: relying on a small core of permanent staff, and supplementing this core with freelance or casual employees as needed.

Coordinating with other local businesses who also operate on this basis – whether in the tourism sector or not – can create a local pool of well-trained, adaptable workers who can be called on as needed. From a worker's perspective, this kind of gig-economy appeals to those who want to be in control of their work environments, but can also pose serious financial stress on those who would prefer more stable, full-time, year-round employment. Through careful partnerships between multiple employers, it is possible to provide this kind of stability, albeit spread across different businesses (and possibly different industries). By focusing on competencies, it becomes easier to identify where this kind of job/employee sharing becomes feasible.

Another transferrable application from this study is the benefit of doing locally-informed needs assessments. Each sector and industry that comprise the economy will have its own very specific needs, many of which may be unrecognized even by those who work in those sectors. Having an expert on skills- and competencies-auditing perform an assessment from both business and job-seeker perspectives can highlight these needs, determine the scale and domain of the skills gaps that exist, and make connections between industry employment and training opportunities. This is another area where a competency framework can facilitate both within and across-sector job movement: a needs assessment conducted on competencies will highlight transferrable sets of knowledge and abilities, which can simplify and streamline training requirements.

IMPACTS

The complexities of the issues identified in this project around tourism employment and the tourism labour force in Newfoundland and Labrador point towards some new directions for tourism development. Although reskilling underemployed people for entry into the tourism sector is unlikely to meet the needs of the industry on its own, this study has identified some key areas that can be productively focused on. Destination development is an approach to elevating tourism business that can run comfortably alongside reskilling and retraining programs but involves thinking about the whole package – the people, the place, the infrastructure, the resources, what is unique about the destination as a draw for tourists – rather than looking at labour issues in isolation. The province has enormous potential for tourism growth, and doubtless several of the rural and remote communities could be fruitfully developed as destinations, but not without support from Hospitality Newfoundland and Labrador, and from the provincial government, to make it happen.

Another priority focus that could impact the tourism sector in Newfoundland and Labrador is rebranding tourism as a field of employment. Currently, it is seen primarily as a good first job: somewhere to develop skills that can be transferred into a career elsewhere. While it is a sector that will always rely on part-time and seasonal employees to some extent, it also needs a core of full-time, year-round workers in order to be sustainable over the long term. Creating a narrative of tourism as a viable career route, with clear paths to promotion and economic stability, will help to shore up this core of tourism professionals: training is part of that narrative, as is revisiting compensation regularly so that the sector remains attractive. Developing and promoting off-season attractions to even out some of the peak-trough cycle that tends to dominate tourism destinations can also stabilize and anchor a core workforce throughout the year, and to make the sector a more attractive proposition for younger workers looking to start out in an interesting career.

Developing destination tourism enterprises relies on strong community support, particularly in smaller communities where tourism has a measurable impact on all local businesses and attractions. There must be local capacity to sustain tourism, including both appropriate infrastructure (transportation, accommodation for guests and workers, health services, internet access, cell phone coverage) and sufficient workforce to deliver on visitors' expectations. In many places in Newfoundland and Labrador, this likely means welcoming an immigrant workforce in sufficient numbers to trigger real change, but that also comes with infrastructure demands. Additionally, businesses should be supported in adopting new ways of doing business, particularly in digital areas such as e-commerce and tools such as augmented reality (AR) and artificial intelligence (AI), both of which can be leveraged to curate unique experiences tailored to customer needs, and which customers are likely to expect more of in the coming years and decades. Stable and reliable high-speed internet accessibility in outports and other remote communities will not only benefit tourism businesses, but also other sectors such as education, health care, and local businesses and entrepreneurs.

Tourism is a viable long-term sector for the province, but not without considerable investment from the government. Because of the disparate and far-reaching nature of tourism businesses and the sector more broadly, investments in tourism will have knock-on effects elsewhere in the economy. Where meaningful full-time, year-round jobs are created, people can be incentivized to stay in their communities, and attracting new Canadians with an entrepreneurial spirit can bring new energy and new opportunities to regions that have suffered as the traditional industries have atrophied.

As individual people begin to experience more stable economic situations, this will have a positive effect in communities: more people will be in reliable work and less dependent on social support systems to meet their basic needs. Concomitant policy changes in immigration and unemployment support programs, alongside progress in addressing housing shortages, will reshape the employment landscape in years to come.

Developing strong local and regional partnerships within and across sectors and building a strong network of industry associations that can organize in support of their members, can allow sectors and industries to adapt to these changes with confidence and resilience. Organizations such as HNL are well-positioned to take on a coordinating role across the sector, providing centralized services around capacity-building at both industry and business levels, creating coherence across the sector, and nurturing collaboration within regions and between industry competitors, to develop a workforce plan for tourism that will sustain the most businesses in the most equitable way.

02 Vision 2026

04 Broadband and Digital Innovations

01 NL Tourism Workforce Action Plan

03 Positive Community Growth and Economic Development

UNEXPECTED LEARNINGS & OUTCOMES

Attraction & Retention
The tourism sector is struggling to attract and retain workers.

Perception
Jobs in tourism often have relatively low prestige value and are seen as good starting jobs but not as solid with dependable career paths.

Compensation
Compensation continues to be a concern for both employees and employers alike.

Training
Training is important, but its role is inconsistent across the sector.

Much of what this project uncovered very closely parallels what is seen elsewhere in Canada: the tourism sector is struggling to attract and retain workers; jobs in tourism often have relatively low prestige value and are seen as good starting jobs but not as solid with dependable career paths; compensation continues to be a concern for both employees and employers alike; training is important, but its role is inconsistent across the sector.

The geography and sociocultural context of Newfoundland and Labrador presented some unique challenges, but also some unique opportunities. Business operators report struggling with retention in part because of widespread dependence on employment insurance support, for example, which is an issue particular to this province. On the other hand, Newfoundland and Labrador boasts a culture, history, and geography unlike those of anywhere else in Canada, making it an inherently interesting and attractive place to visit. The tourism sector has the potential to grow significantly in the province, on both national and international fronts.

The original study plan for this project was disrupted by the Covid-19 pandemic, as was the tourism sector itself. Such disruptions also create opportunities for innovation: programs and businesses that were pared down to the bare minimum over the past two years are slowly being rebuilt, and in the process, they can be re-thought and re-designed. The findings of this project suggest some different directions that the tourism sector in Newfoundland and Labrador can build into its plans moving forward and identified some specific dimensions that can help support new initiatives. This is a challenging but also exciting moment for the tourism sector: Newfoundland and Labrador can emerge from this current crisis, stronger and more resilient.

FURTHER RESEARCH AND COLLABORATIONS

Several of the key takeaways from this research call for further research, and for the development of more focused action plans through partnerships and collaborations. Broadly, these fall into three groups: destination development as a direction for the tourism sector, the broad application of competency frameworks to streamline more fluid cross-sector employment opportunities, and the development of innovative collaboration between employers and education providers.

Destination Development
Which communities in Newfoundland and in Labrador have the most potential for development of destination tourism? This will depend on the current and projected capacities of the community, as well as a willingness on the part of the population to commit to the project. Geography and cultural attractions will also impact which destinations have the most potential for development. This study focused on communities in Newfoundland, but Labrador likewise has scope to deliver exceptional and unique high-yield tourism encounters, although it will present a different set of challenges in getting such development off the ground. A comprehensive survey plan is called for, designed around soliciting community nominations, assessing the resources and contextual situation of each community through the twin lenses of destination development and more broad community development, and general economic impact modeling. It is not the case that every community can viably be developed into a tourism destination, so care must be taken to choose appropriately. Fogo Island stands as a good model, so a detailed case study of its incubation and success might also prove fruitful.

Competency Framework
Reskilling, although not a complete solution to the labour market problems currently faced by the tourism sector, is nevertheless an important tool in supporting and expanding tourism businesses, both through the destination development route as well as more traditional models of tourism and visitor economies. This project engaged with tourism businesses operators and with potential future tourism employees to identify skills gaps and training needs that were currently unmet. One drawback of this design is that it relies heavily on self-reporting, which necessarily means that it only includes gaps that people are aware of: it will overlook anything not currently on a business operator's radar, such as digital literacy skills, which are increasingly in demand across the sector. Another approach is to consider the competencies necessary for particular positions, and to map those competencies to job-specific skills. Such mapping tools already exist for a number of jobs (through THRC and through ESDC, for the economy more generally).

It would be productive to tackle the skills gap question from this perspective, and to work with education providers to develop modular learning systems (e.g., micro-credentials) around competencies that are common across different sectors and industries. This approach will make it easier for seasonal workers to recognize opportunities in other sectors and industries, and with the right supports and incentives, to develop customized employment pathways of full-time work shared between different employers at different times of the year.

Research will also need to be undertaken with industry partners to explore the practicalities and feasibilities of sharing workers in this way: pilot projects carried out in Quebec[1] demonstrated solid potential in this area, but also identified structural and administrative issues that complicated the process. More work in this area is needed, although it has great potential to offer continuous employment to workers in sectors that typically operate seasonally.

Employer-Educator Relationships
In a sector such as tourism, there is an important role of formal education – whether through college or university programs, through apprenticeships, or through micro-credentialling initiatives – in the development of a strong and sustainable workforce. Central to the value of that education is the emphasis on practical experience: this may surface as work terms or internships, or through recognition of previous work experience. This creates a unique and powerful dynamic relationship between employers and educators. As workplaces and job characteristics change, educators need to be responsive in the programs they offer; and as educators restructure their course offerings to better suit the demands of students, employers must be flexible in how they recruit and support young workers in their educational pursuits. This relationship has previously assumed a relatively static equilibrium: students study set curricula in established institutions, take part in formalized placements or internships, finish their studies, and enter the workforce. Economic pressures and changing expectations from learners about what 'education' looks like are destabilizing this relationship, but again, this is an opportunity for creative solutions to be experimented with. Closer collaboration between training institutions and the industries that want to recruit their graduates will highlight new ways of managing the learner-employee trajectory, and businesses that are open to innovations in this area – including investing in employees' education outside of the field of tourism – will do better in terms of employee loyalty and retention and will succeed in converting more 'job'-workers into 'career'-employees in the long run.

[1] Xavier Gret & Gabriel Vaillancourt (Conseil québécois des ressources humaines en tourisme [CQRHT]) presented on two pilot projects at the Labour Market Forum in Ottawa in September 2022.

APPENDIX A - RESEARCH & LOGISTICS REPORTS
(Click the links to download reports)

[Community Needs Assessment Reports](#)
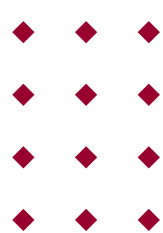
[Tourism Industry Perception Surveys](#)

[Monthly Labour Market Reports](#)

[NL Workforce Reports](#)

[NL Tourism Employer Surveys](#)

[Summary Needs Assessment Reports](#)

[Three Month Follow up with Learners](#)

APPENDIX B - ENGAGEMENT ACTIVITIES

25 Community Engagement Presentations/Speaking/Networking Opportunities
1.   HNL Board of Directors Meeting [16 attendees] P
2.   Provincial Representatives HNL Webinar [19 attendees] P
3.   Provincial Representative's HNL Board Room [WIC, AESL, TCII] (11 attendees) P
4.   Town of Port aux Basques |Needs Assessment Session [18 attendees] P
5.   Town of Isle aux Morts |Go Western Tourism Sessions [33 attendees] S
6.   Corner Brook |NL Outfitters Association [65 attendees] P
7.   Stephenville |Go Western Tourism Sessions [34 attendees] S
8.   Rocky Hr |Qalipu First Nations Indigenous Tourism Sessions [54 attendees] N
9.   Fleur des Lys |Adventure Central Tourism Sessions [20 attendees] S
10. Baie Verte |Needs Assessment Session [33 attendees] P
11. Springdale |Adventure Central Tourism Sessions [22 attendees] S
12. Gander |Adventure Central Tourism Sessions [20 attendees] S
13. Grand Falls/Windsor |Adventure Central Tourism Sessions [20 attendees] S
14. Carbonear |February Coffee Connections Session [15 attendees] P
15. Gander |HNL Convention & Trade Show [30+ one on one conversations approximate] N
16. St. John's |Community Employment Collaboration Group [18 attendees] N
17. New Perlican |Legendary Coasts/TCII Tourism Development Sessions [24 attendees] S
18. Bonavista |HNL Tourism Town Hall with TIAC and Legendary Coasts [86 attendees] S
19. St. John's |Business Round Table - Association for New Canadians [28 attendees] N
20. Bonavista |Community Needs Assessment [8 attendees] P
21. St. John's |China Readiness Workshop – HNL [54] N
22. St. John's |NLWIC Career/Workforce Development Lunch & Learn [30 attendees] N
23. Port aux Basques |Job Seekers Needs Assessments [16 attendees] P
24. Baie Verte |Job Seekers Needs Assessments [12 attendees] P
25. Conception Bay South |Tourism Week Luncheon [111] N

Legend = P – Presentation – (10) S – Speaking Opportunity (8)   N – Networking Opportunity (7)
Total reach = 797+ people
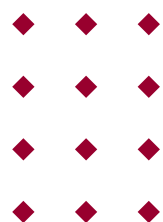
APPENDIX C - DISSEMINATION PLAN

DISSEMINATION PLAN 2023			
Activity	**Time Line**	**Lead**	**Status**
MEDIA RELATIONS			
Press Release	Q1	Hospitality NL	
GOVERNMENT RELATIONS			
Presentations to TCAR	Q2	Hospitality NL	
Presentations to IPGS	Q1	Hospitality NL	
Presentations to ACOA	Q2	Hospitality NL	
Presentations to IRCC	Q2	Hospitality NL	
SOCIAL MEDIA			
Twitter	All Year	Hospitality NL	
Facebook/Instagram	All Year	Hospitality NL	
LinkedIn	All Year	Hospitality NL	
Hospitality NL Website	All Year	Hospitality NL	
EXTERNAL COMMUNICATIONS			
Conference 2023 Presentation	Q1	Hospitality NL	
Hospitality NL Annual Report	Q1	Hospitality NL	
General Inquires	All Year	Hospitality NL	
Hospitality NL Board Presentation	Q2	Hospitality NL	
Presentation to DMO's	Q2	Hospitality NL	