

## WHAT'S INSIDE:

This report presents the findings from the 14 focus group sessions conducted as part of the CTHRC's Labour Supply and Demand project. The study quantifies the implications of long-term demographic and economic trends on the supply and demand for labour in Canada's tourism sector, and outlines potential labour shortages by industry and occupation, as well as by province.

The Future of

# Canada's Tourism Sector:

Focus Group Report October 2009 - December 2009

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## **Introduction**

Canada's tourism sector is facing a potentially severe shortage of labour over the next 15 years. The latest update of the Tourism Labour Supply and Demand study shows that as demand for labour grows, the pool of available workers will have an increasingly difficult time keeping up. This update incorporates the effects of the economic recession of 2008–09 to determine its impact on the long-term outlook for labour supply and demand in the tourism sector. The recession in 2008–09 temporarily slowed the onset of workforce shortages, as mounting job losses slackened Canada's labour market. The economic recession did not affect labour markets equally across the country or across different segments of the tourism sector. Many regions across Canada continued to report labour challenges in certain areas despite the slackness in the overall labour market, providing a glimpse of the segments that may be hardest hit in the future when severe workforce shortages re-emerge.

### **Regional Focus Groups—October to December 2009**

During the final three months of 2009, a series of 14 focus group meetings were held across Canada. The purpose of these consultations was to obtain industry feedback about the Conference Board's latest projections for the supply and demand for labour in the tourism sector, updated to take into account the effects of the global economic recession in 2009. Participants were also asked about the impact of the economic downturn on the tourism sector in their own regions.

The meetings involved a cross-section of tourism sector stakeholders, representing all five tourism industries: transportation, accommodation, food and beverage services, recreation and entertainment, and travel services. Participants ranged from business owners and operators, human resource managers, and representatives from tourism human resource organizations.

In all, a total of 97 individuals participated in these consultations.

It should be noted that as a research methodology, focus groups are used to identify issues and concerns related to a particular topic among a selected group of individuals. They are not meant to quantify the magnitude of the issues, nor do they necessarily elicit views that are totally representative of the general population, in this case the tourism sector.

The focus group sessions began with a presentation of the Conference Board's preliminary updated projections for labour supply and demand in the tourism industry out to 2025, with a particular focus on the impact of the economic recession of 2008 and 2009. The presentation was followed by a discussion that covered the following key points:

1. The impact of the economic recession on the tourism sector in 2009, in terms of tourism revenues and labour supply and demand
2. The outlook for the tourism sector in 2010
3. Labour and revenue challenges facing the tourism sector over the next three to five years
4. Priority areas the tourism sector and government must address to respond to future labour shortages effectively

## *Summary of Key Findings*

This summary presents the key findings from the focus group consultations. The summary includes common themes that emerged across all regions, as well as regional differences.

### **Impact of the Economic Recession**

There was a substantial change in attitude among focus group participants in the final three months of 2009 compared with the previous series of sessions held in February 2009. In the early part of the year, tourism businesses were still reporting a significant number of labour market challenges in many regions of the country, and were only beginning to feel the effects of the economic recession. By the end of the year, the labour market had loosened substantially, and nearly all participants agreed it was much easier to recruit and retain staff than it had been a year earlier.

The downturn in the global economy had a severe impact on domestic and international tourism in 2009, keeping travellers closer to home. Thus, it was not surprising that tourism businesses in the transportation and accommodation industries, which rely more heavily on tourists coming from other parts of the country and from abroad, tended to report the most severe revenue losses in 2009. Other industries, such as food and beverage as well as recreation and entertainment, were able to benefit from an uptick in regional and local demand that stemmed from the “staycation” trend that emerged.

In fact, many food and beverage occupations continued to present staffing challenges for businesses in many parts of the country, despite the overall slackness in the labour market. Chefs, other kitchen workers, and entry-level counter staff were among the jobs that continued to be difficult to fill in 2009. Some occupations in the accommodation industry, such as housekeeping room attendants, also remained challenging to fill.

Another aspect of the economic downturn that affected human resources in the tourism sector was the increase in last-minute bookings and walk-in business. Many participants with small businesses said this trend had made it much more difficult for them to plan their staffing needs.

### **Regional Perspective**

**British Columbia**—Most of the focus group participants from B.C. reported a sharp drop in tourism revenues in 2009 from the previous year in all travel segments. Corporate business and visits from the United States were the two markets cited as having decreased the most, especially in Vancouver.

In response to the downturn, most businesses said they had avoided laying off their full-time staff, but had reduced their use of part-time or seasonal workers. Some said they tried to move staff around to increase the efficiency of their workforce. A number of participants had imposed a wage freeze, but none reported rolling back wages. On the upside, most businesses in attendance had experienced a reduction in staff turnover, and found it much easier to recruit employees than they did a year earlier.

**Prairie provinces**—In the Prairies, responses about the effects of the economic recession were mixed. Generally, participants in Alberta reported the greatest change in revenues and labour conditions

compared with a year earlier, while the impact of the downturn in Saskatchewan and Manitoba appeared to be much softer.

The Alberta economy was hit hard by the global recession. Most participants reported a sharp downturn in tourism revenues and a considerable turnaround in labour market conditions compared with a year earlier. It was suggested that northern regions of the province suffered the largest downturn in tourism demand, mainly because of the impact of the recession on the oil and gas sector in that area.

Attractions in the province appeared to fare better in 2009 than other types of tourism businesses because of a pronounced “staycation” trend in Alberta. Residents tended to vacation close to home in 2009, helping to boost local visits to Drumheller, the Calgary Zoo, and many other Alberta destinations.

In response to the downturn, some smaller businesses reduced their hours of operation to cut back on costs. Most participants had greatly reduced staff hours while trying to avoid laying off workers.

Nearly all had experienced a considerable reduction in staff turnover, and almost all of the participants found it much easier to recruit workers than they did a year earlier. According to some, layoffs in the oil and gas sector had significantly loosened labour market conditions in the province.

However, there were still a number of labour challenges brought up during the Alberta focus groups. A participant representing a mountain resort still found it difficult to find seasonal workers willing to relocate to the area. In addition, participants from Calgary and Edmonton continued to employ temporary foreign workers throughout the economic downturn for jobs that remained challenging to fill, such as housekeeping, because they were unable to find local residents willing to do those jobs. Moreover, a number of participants noted that the decrease in advance bookings and increase in walk-in business had made it difficult to plan staffing needs.

In sharp contrast, participants in Saskatchewan were much more upbeat about business conditions in 2009. They reported seeing fewer visitors from outside the province, but said this decline had been largely offset by a rise in travel within Saskatchewan. In general, participants from Regina and surrounding areas were most positive about tourism demand in 2009, while some of those in other rural areas of the province and in Saskatoon reported small declines in revenues compared with 2008.

Most of the Saskatchewan participants did have an easier time recruiting staff in 2009, even in rural areas. They reported an increase in applications for job postings, a marked decrease in turnover, and a greater level of stability in the labour force, overall. Nevertheless, many of the tourism occupations that have faced the most acute labour shortages in recent years, such as housekeeping and serving jobs, remained difficult to fill in 2009.

One participant said his hotel company had expanded its workforce in 2009, and had transferred employees to Regina from other locations in Alberta, including a number of temporary foreign workers. Another participant had anticipated a downturn in tourism because of the recession, and had therefore hired fewer seasonal workers. However, tourism activity did not decrease, so the organization was forced to increase efficiencies with fewer staff.

The economic recession did put pressure on demand for meetings and conventions in Saskatchewan. This trend prompted a few participants to be more cautious about hiring, particularly since corporate clients were looking for ways to reduce event costs. But, since most large events are booked years in advance, the effects of the economic recession are expected to have their greatest impact on the meetings and conventions segment in the future. In addition, one rural participant noted that his organization relied heavily on government funding and other donations, which had decreased during the recession.

In Manitoba, feedback from focus group participants suggested the economic recession had only a mildly negative effect on tourism revenues. Domestic, U.S., and overseas visits all declined in 2009, but the strength of the local economy helped offset the weakness in tourism demand. Still, tourism businesses increased their efforts to reduce operational and labour costs in response to the downturn. They also saw customers reining in their spending and, in some cases, trading down to less expensive goods and services in response to the economic climate.

Participants from Winnipeg found that hiring challenges and staff turnover had eased in 2009, although many labour market issues remained a problem. It continued to be difficult to recruit workers for entry-level positions in food and beverage occupations and for other typically hard-to-fill positions like housekeeping. Skilled tradespeople were also in high demand. Several participants said they had turned to immigrant communities in Winnipeg as a source of labour, with a great deal of success.

Outside Winnipeg, labour issues appeared to be even more acute. One participant said his restaurant company continued to face significant challenges with staffing its remote northern location. Another participant reported that changes in Transport Canada's marine licensing rules had had a devastating effect on small fishing resorts in the north, resulting in a severe shortage of licensed guides for resorts in remote areas.

**Central Canada**—Among all the focus groups, participants in Ontario reported the most severe effects of the economic recession in 2009, particularly in Toronto and Niagara Falls. Participants from those regions reported sharp decreases in tourism revenues, largely because of a significant drop in U.S. visitors, as well as a moderate decrease in overseas visitors.

On the other hand, participants from Ottawa and surrounding areas appeared to experience a softer impact from the recession. Several reported an increase in demand from local residents and surrounding regions, which helped to offset the loss in revenues from visitors coming from outside the province.

Most participants in Ontario said they had reduced staff hours and scaled back their hiring, especially in Toronto. Yet many noted that the higher incidence of last-minute bookings made it difficult to plan staffing needs. Virtually all participants in Ontario said they had found it much easier to fill positions—except for the resorts outside urban areas, which continued to face challenges in recruiting seasonal staff because of their locations.

Similar to Ontario, many participants in Quebec experienced a decrease in tourism revenues in 2009, especially in Montréal and Québec City, where the tourism sector was hurt by the decrease in U.S. and overseas visitors. Outside the major centres, reports tended to be more positive, as many participants in

rural areas were able to benefit from an increase in travel within the province. Some rural attractions, such as parks and campgrounds, saw significant year-over-year growth in visitors.

But unlike in Ontario, labour issues in Quebec did not appear to ease much at all in 2009, despite the decrease in overall tourism demand. Montréal was the only location in the province where participants reported a decrease in hiring. However, nearly all participants from Montréal and rural areas of the province agreed there was still an acute shortage of cooks and chefs, while some also reported a shortage of servers.

Many participants from Quebec talked about the seasonal nature of tourism in the province and the huge challenges associated with filling seasonal positions, especially in rural areas. In fact, the economic recession seemed to exacerbate these issues, because businesses were unable to guarantee hours, making seasonal jobs even less appealing. Issues with hiring university students—who are a good fit for many seasonal tourism jobs, but who must quit their jobs to return to school a full month before the end of the tourism season—were mentioned frequently.

**Atlantic Canada**—Among all the focus groups held in Atlantic Canada, participants in Prince Edward Island tended to be the most pessimistic about the impact of the economic downturn on tourism demand. Participants reported that tourism revenues had decreased substantially in 2009, with virtually no boost in local or regional demand to help offset the drop in tourism. The province relies heavily on tourists from Asian markets, which were hit severely in 2009 by a combination of the global economic recession and the H1N1 flu pandemic. Those in rural areas appeared to be hit the hardest by the downturn in tourism.

The tourists who did travel to and within the Island tended to seek out less expensive travel options, such as staying in campgrounds rather than at a hotel or bed and breakfast. The Canada Summer Games were held in P.E.I. in August 2009, and they provided Charlottetown with a significant short-term boost, but the spin-off benefits of the event did not appear to extend out to the rural areas of the Island.

In response to the downturn, many tourism businesses in the province were forced to lay off employees. Nevertheless, some positions remained difficult to fill, including chefs, housekeepers, and various seasonal jobs. Participants discussed the challenge of hiring university students for seasonal jobs, who must return to school before the end of the tourism season. As a solution to this problem, one participant said her company had restructured its recruitment framework to hire more part-time workers, to accommodate student schedules.

Participants in New Brunswick also reported a decrease in tourism revenues in 2009. However, similar to Quebec, participants indicated that a rise in local and regional tourism helped make up for the loss in visitors from outside New Brunswick. As a result, rural areas appeared to fare better through the downturn than urban areas, as many provincial attractions recorded an increase in visitors from a year earlier. Conversely, tourism businesses in Saint John were hit hard in 2009 by a decline in business travel, resulting in a significant drop in revenues for the year.

None of the participants in New Brunswick reported laying off staff in 2009, but some reduced staff hours and scaled back their hiring for the year, increasing staff efficiencies by implementing cross-

training regimes. Still, when asked if it was easier to recruit staff in 2009, participants suggested that filling certain food and beverage positions remained as challenging as ever. One suggested that tight labour markets in previous years had led to complacency among some workers that persisted during the recession; in other words, some workers felt they did not have to try as hard, because during periods of acute labour shortages, employees had the upper hand.

Generally, it appeared that businesses in New Brunswick saw an increase in the overall number of available workers in 2009, but not necessarily an increase in qualified workers. One participant suggested that the economic downturn made it more important to find competent staff in order to be competitive, which meant that staffing challenges had worsened with the recession.

In Nova Scotia, reports about the impact of the economic recession were similar to the feedback heard in New Brunswick, although labour challenges appeared to have eased even less in Nova Scotia. A few participants from Halifax reported laying off staff or scaling back on their hiring, and most agreed that staff turnover had fallen. But some of the rural businesses said they were reluctant to cut back on staffing because recruitment continued to be difficult, especially for food and beverage jobs, and they were afraid they would not get the workers back when they needed them.

In fact, most participants, whether in rural or urban areas, reported continued shortages in kitchen staff, chefs, and front-line management positions. Some jobs in the accommodations industry, including front desk and housekeeping personnel, also remained challenging to fill.

Among all Atlantic Canadian participants, those in Newfoundland and Labrador were the most positive about their financial performance in 2009. Tourism revenues were down in St. John's, dampened by a decrease in cruise ship visitors and a reduction in business travel, but participants said that businesses in other parts of the province had experienced growth over the previous year.

Many participants praised the province's promotional efforts for the tourism sector, suggesting that its marketing campaigns had boosted travel within the province and attracted more visitors from other parts of Canada. The recreation and entertainment industry appeared to reap the most benefits from this uptick in domestic visits.

Some businesses reduced staff hours, but mainly because the province had raised its minimum wage in 2009, which increased labour costs. Although labour issues in the province had eased somewhat, tourism businesses said they still found it difficult to recruit workers, especially young people, for entry-level food and beverage jobs. French-speaking workers were also in high demand.

### ***Tourism Revenue and Labour Market Outlook (2010 and Beyond)***

**British Columbia**—Participants in Vancouver expected a short-term boost from the Olympic Games, but beyond that were cautious in their outlook for tourism demand. The province's harmonized sales tax regime, scheduled to come into effect on July 1, 2010, is expected to have a negative effect on B.C.'s tourism sector. Participants from outside Vancouver did not expect to benefit greatly from potential spin-off tourism from the Olympics, and expected conditions would stay about the same in 2010 as they were in 2009.

Most participants expected staff shortages to be acute in Vancouver during the Olympics, and some said they were working with local colleges to recruit students to help fill the gap. One attendee noted his company was using the strategies learned during the recent labour shortage to recruit and retain staff over this period. However, once the games ended, participants expected to see a flood of available workers enter the Vancouver labour market.

Looking further ahead, tourism demand throughout the province was expected to improve gradually over the next several years. One participant commented that it would likely take years before labour market conditions in the province returned to those seen before the recession.

**Prairie provinces**—Similar to those in B.C., participants in Alberta did not anticipate labour market conditions would change over the short term. They expected tourism demand would stay the same or perhaps decline slightly in 2010 compared with 2009. Most indicated they would keep a tight rein on staffing levels over the next year, and some said they may cut back even further on part-time and seasonal workers. Over the medium term, Alberta's labour market was expected to begin tightening again once the oil and gas sector picked up, and participants believed this would have the greatest effect on the labour supply in smaller communities.

One Alberta participant said his company was taking advantage of the slower tourism demand period by ramping up staff training. This was helping the company prepare for future periods of high demand by converting some part-time employees to full-time status, and by moving staff up into positions of higher responsibility.

A number of Alberta participants said they would like to hire more temporary foreign workers to fill current and future staffing gaps. They tended to be quite positive about the quality of workers they had hired through the program, but found the application process to be so burdensome that it prevented them from using the program more extensively.

Participants in Saskatchewan and Manitoba were slightly more optimistic about their growth prospects in 2010. Some said they planned to keep their staffing levels stable over the short term, while others planned to increase hiring minimally. Most agreed that labour shortages would rise steadily over the next several years. Businesses were particularly concerned about the future supply of workers aged 15 to 24 years old, as they are increasingly difficult to recruit; moreover, enrolment in tourism courses is declining.

Still, many Saskatchewan participants believed that migration from other provinces would continue to augment their province's labour force in the coming years. Many also saw a great deal of potential in engaging workers from Aboriginal communities. A few attendees discussed their concerns about succession planning and their ability to recruit middle and upper management positions in the future, especially as baby boomers leave the workforce.

**Central Canada**—Participants in Toronto and other parts of southern Ontario were the least optimistic in their short-term outlook for tourism among all focus group participants. Toronto attendees, in particular, were very concerned about the persistent weakness in U.S. visits. Those in Ottawa and

surrounding areas were slightly more positive, expecting higher growth in tourism demand in their region than they had seen over the past several years.

However, all participants in Ontario agreed that labour issues would ramp up over the medium and long term. Many were concerned about the decreasing availability of younger workers, and one person suggested that the minimum age for workers could be lowered to help address this challenge. Participants were also concerned about succession planning and filling management positions in the future. Some said they would like to hire more temporary foreign workers but, like participants in Alberta, found the process to be prohibitively onerous and time-consuming.

Participants in Quebec generally anticipated a prolonged recovery period for the province's tourism sector. Businesses in Montréal expected staffing levels to stay lower over the short to medium term than they had been in recent years. Yet, at the same time, participants expected labour issues to keep worsening.

Many attendees in Quebec viewed the provincial government as a logical source of potential solutions to worsening labour challenges. The most frequently cited issue was the structure of provincial social programs, such as employment insurance and old-age benefits. Many believed that by making the programs more flexible, recipients of these programs could increase their participation in part-time or seasonal jobs. One such suggestion was to loosen rules around the amount of time seniors could work while still collecting old-age benefits.

**Atlantic Canada**—Expectations for tourism in Atlantic Canada over the short and medium term were mixed. Participants in Prince Edward Island were the least optimistic, with some expecting further declines in tourism demand in 2010. However, others suggested that labour shortages could return to the Island by 2011 or 2012, mainly because of an overall increase in the demand for labour on the Island as the economy recovers, as opposed to a rise in tourism demand. One participant noted that older workers and new immigrants to Canada had been helping to fill labour gaps in the region; he viewed these two labour pools as offering significant potential in addressing labour shortages in the future.

The outlook for tourism in 2010 was slightly more optimistic in New Brunswick and Nova Scotia, with most participants expecting demand to either stay flat or grow slightly. Many expected labour shortages to return by 2012 as a result of the recovery in tourism demand. When asked about potential sources of labour, tourism businesses believed older workers could help fill future labour gaps.

In New Brunswick, First Nations communities in the province were also mentioned as a potential source of labour supply growth, although it was noted that the region would need to develop strategies to engage these communities. Another suggestion was to break down job duties and distribute them differently so that workers could potentially cover duties associated with more than one job.

Tourism businesses in Newfoundland and Labrador appeared to be the most optimistic about growth prospects for the tourism sector in 2010 and beyond. Most expected tourism demand to increase over the short and medium term, fuelled in part by growth in the oil and gas sector. Furthermore, the provincial government has set a goal to double provincial tourism revenues over the next 10 years.

Consequently, participants expect rising tourism demand will greatly increase labour market pressures in the province. They are very concerned about potential sources of labour, given that the province's population is aging and is projected to shrink over the long term. It was also noted that the province cannot rely on international immigration to boost its labour supply the way many other provinces can. Participants saw great potential in engaging more older workers to help fill labour gaps, even though employers must accommodate their personal schedules and physical limitations.

### **Potential Sources of Growth for Labour Supply**

The tourism sector is experiencing a temporary reprieve from the labour shortages seen in recent years, but it is clear that labour markets will tighten again as economic conditions recover. Focus group participants were asked where they expected to find workers in the future, as the demand for labour ramps up. Participants highlighted the following labour pools as potential sources of growth in labour supply for the tourism sector:

**Older workers**—A growing number of tourism businesses in Canada are hiring older workers, with largely successful results. The vast majority of focus group participants agreed that mature workers enhance the work environment, by setting a good example for younger workers and by contributing good customer service skills. Given that the average age of Canada's population is projected to rise significantly over the long term, this pool of workers could be a key source of labour supply growth over the long term. And since Canadians now entering retirement age tend to be healthier and more fit than previous generations, many are interested in working part-time after they retire from their primary career, to stay active and engaged in the community.

However, to attract and retain older workers, businesses have to be prepared to offer part-time, flexible hours and to accommodate physical limitations. One company noted they had restructured their seniority system to allow workers aged 55 and older to reduce their hours and still retain seniority. It would also be helpful to identify the jobs best suited for older workers, and structure the jobs in a way that would enhance their appeal for this labour pool. Participants suggested that older workers would be well-suited for tour guide positions. It could also be helpful to set up job banks geared specifically to older and semi-retired workers, similar to the job banks set up for hiring students.

**New immigrants to Canada**—This labour pool is typically considered to be a more viable option for larger centres where immigrants tend to settle, such as Toronto, Ottawa, Montréal, and Vancouver. Yet a growing number of businesses in other areas, including Calgary, Regina, Winnipeg, and Charlottetown, acknowledge the potential of this labour pool. In fact, some participants viewed international immigration as a crucial source of labour supply growth in the future, since it will be a key driver of long-term growth in the Canadian population.

Participants in the latest series of focus groups were generally quite positive about their experiences with hiring new immigrants to Canada. However, there was little discussion about ways to facilitate the integration of new immigrants into the Canadian labour force. In past focus group sessions, participants offered a number of suggestions for enhancing labour force integration, including creating mentorships,

developing partnerships with community agencies that serve new immigrants, and occupation-specific training to improve language and customer-service skills.

**Temporary foreign workers**—Tourism businesses across Canada have hired temporary foreign workers in recent years through the Temporary Foreign Worker Program run by Human Resources and Skills Development Canada and Immigration Canada. However, nearly all of the participants who have used the program believe that the inflexible and burdensome application process severely limits its potential for increasing the future supply of labour. The problems with this program were discussed extensively in the sessions held in B.C. and Alberta, where labour shortages were particularly acute leading up to the recession, and many companies had used this program to recruit workers.

Unfortunately, the current framework of this program is not perceived as being well-suited to the tourism sector, where many jobs are part-time or seasonal. The national occupational classifications used by the program do not necessarily correspond with how employers classify their employees. A frequent suggestion among focus group participants was to share seasonal temporary foreign workers with countries that have complementary tourism seasons: for example, hotel workers from Mexico could work in a Canadian hotel during the summer, then return home to work in the Mexican hotel industry during their high season in the winter.

**Aboriginal communities**—Increasing the participation rate of Aboriginal people in the tourism sector workforce was discussed in Saskatchewan, Alberta, and New Brunswick. Many believed this labour pool offered significant potential for growth that was largely untapped in Canada, except in Saskatchewan.

There are social and cultural sensitivities that need to be considered when hiring Aboriginal workers, and employers need to be aware of the transitional difficulties involved with moving out of remote aboriginal communities and into cities. Some focus group participants in Saskatchewan appeared to have made significant progress in forging relationships with provincial Aboriginal communities, and these success stories could help guide other businesses hoping to reach out to these communities.

### **Increasing the Productivity of the Labour Force**

In addition to seeking out new sources of labour to grow supply, it may also be possible to help alleviate future labour shortages by increasing the productivity of the current workforce.

The adoption and integration of labour-saving technology is a key method of improving labour force productivity for many sectors of the Canadian economy. However, focus group participants continue to be reluctant to include technology among the list of potential solutions for future labour shortages in the tourism sector. Participants believe that good customer service is crucial to a positive experience for tourists, and human interaction is an essential element of this.

But, that being said, participants brought up a number of ways in which technology could be used to reduce labour requirements. For example, a tourist attraction in Calgary plans to invest in electronic kiosks to replace some of its front-line workers. In addition, several participants mentioned that transferring some operational systems to online platforms had helped increase management efficiencies.

Aside from technological solutions, focus group participants also mentioned other ways they had increased labour efficiencies. For example, a number of businesses in Atlantic Canada said they had increased the productivity of kitchen operations by purchasing prepared ingredients to reduce in-house prep time, and by installing new ovens that reduce cooking times.

In addition, a participant in New Brunswick suggested that occupations could be broken down into job duties, to provide employers with a greater degree of flexibility in covering those duties. In this way, duties could be redistributed among a smaller number of workers, or redistributed among workers with special needs or physical limitations.

In some cases, it could also be helpful to break down jobs into units of hours, to help employers develop methods of increasing productivity or redistribute job duties. It could also help facilitate the development of policies for job-sharing among employees or for sharing staff with other businesses.

### ***Priorities for Addressing the Looming Labour Shortage***

Throughout the consultations conducted for this study, participants identified a number of urgent issues the broader tourism sector and all level of governments must address to respond effectively to looming labour shortages. The following list presents the priority actions stakeholders have identified as having the greatest potential effect on expanding the supply of labour and on improving labour force productivity in the tourism sector.

#### **Priorities for the Tourism Sector**

**Enhance the image and appeal of tourism jobs**—The tourism sector must ramp up its efforts to collectively promote tourism as a viable career option for young people. This point continues to be brought up by focus group participants in every region of Canada. Boosting the image and appeal of tourism jobs is viewed as crucial to the sector’s ability to recruit and retain workers over the long term. Participants regularly presented a number of suggestions for accomplishing this goal:

- **Showcase the professional benefits of a tourism career to students:** this could be done through informal activities, such as school presentations, or more formal methods, such as developing co-op programs; another frequent suggestion was to develop promotional campaigns, similar to the way the Canadian Forces uses television ads to present military careers as exciting and adventurous. One participant suggested that destination marketing could also play a role in this, as people may be more excited about working in their local tourism sector if they are more excited about the image of their city as a tourism destination.
- **Adjust to the needs and expectations of younger workers:** successful recruitment and retention of younger workers often involves innovative approaches that go beyond wage incentives. It requires businesses to adjust their management styles to accommodate the needs and expectations of young workers, which typically include schedule flexibility and other non-traditional benefits. In past focus group sessions, participants have mentioned strategies such as offering MP3 players as a retention bonus or providing staff with gym memberships. Many companies in the information technology sector have successfully developed workplace cultures that cater to the needs and expectations of

- **Increase the focus on skills training:** employee training was often brought up as key to enhancing perceptions of tourism as a career, as workers can only move up in an organization if they have the skills to do so. Mentorship programs and leadership training were mentioned as important elements of successful training efforts, and may also help address issues with employees' work ethic.
- **Expand the number of standardized certification programs:** enhancing the sector's professional image through standardized certification programs was another frequent suggestion. In Europe, workers in a wide range of tourism occupations receive formal training and certification, which gives those positions a sense of professionalism. As an example of this, focus group participants in Prince Edward Island mentioned that the Red Seal program for chefs at the culinary school in Charlottetown had helped restaurants in the area retain staff.

**Create partnerships to share workers**—creating partnerships to share seasonal workers among tourism businesses was an idea frequently brought up in focus group sessions. For example, a partnership between a ski lodge and a golf course could result in full-time jobs for those who work part of the year at one business and then the rest of the year at the other. This could be an effective method of attracting and retaining workers who might not otherwise want a seasonal job. A participant in Saskatoon took this a step further and suggested that Canadian businesses could share staff with businesses outside Canada with different tourism seasons.

This strategy could also work for businesses interested in sharing part-time workers to create full-time opportunities. By coordinating employee schedules for part-time workers, businesses could give these workers the equivalent of full-time hours, thus attracting workers looking for full-time work.

**Develop international work exchange programs**—in previous sessions, focus groups have discussed the possibility of developing international work exchange programs specifically for the tourism sector, to attract young workers from other countries. A number of existing worker exchange programs could also be further investigated.

## Priorities for Government Action

**Address shortcomings in the Temporary Foreign Worker Program**—As mentioned earlier, many tourism businesses in Canada have turned to the Temporary Foreign Worker Program to help alleviate worker shortages. Yet nearly everyone who had used the program agreed it was hampered by onerous and lengthy application processes. Additionally, the program is perceived to be tailored for other sectors of the economy and therefore ill-suited for tourism businesses.

Participants suggested that to be more useful for the tourism sector, the program's occupational classifications and contract specifications needed to be more flexible. In fact, participants generally believed that the program should be tailored differently for each industry. If this program were improved, it could vastly increase its potential as a solution to help fill future labour shortages.

**Revise Employment Insurance and Canada Pension Plan regulations**—In Quebec and Atlantic Canada, employment insurance (EI), Canada Pension Plan (CPP), and Quebec Pension Plan (QPP) programs are viewed as presenting major obstacles for tourism businesses seeking to hire more seasonal and semi-retired workers. Participants cited restrictive clawback rules as a strong disincentive for EI, CPP, and QPP recipients to re-enter the workforce, even as a way to supplement their income. Participants generally believed that if EI, CPP, and QPP restrictions were loosened to allow recipients to increase their weekly hours of work without losing benefits, it could boost the pool of seasonal and part-time workers.

**Facilitate the transition of new immigrants into the workforce**—Focus group participants pointed to new immigrant communities as an important source of labour force growth for the tourism sector. All levels of government could play a larger role in helping to integrate new immigrants into the tourism workforce. This could include providing industry-specific language training and customer service training, as well as other community resources. At the same time, businesses could be provided with more resources to help them work with new immigrants.

Moreover, participants also cited the need for changes to immigration regulations that would open up international immigration to workers who could help fill tourism occupations projected to see the most acute shortages. These tend to be lower-skilled jobs that do not fit into current immigration profiles.

**Provide tax incentives for training**—a number of participants suggested tax incentives or grants for training would be very useful for small businesses wanting to offer their workers opportunities to upgrade their skills. Larger companies, such as hotel chains, have resources for training, and some even offer tuition fee supplements for workers enrolled in tourism programs. However, small businesses—which represent the vast majority of tourism businesses in Canada—rarely have the resources for this.

**Increase tourism marketing efforts**—in some regions of Canada, participants viewed tourism promotion as the single most effective way in which governments could support the tourism sector. Effective marketing of Canada as a world-class tourism destination helps to increase international travel to Canada and to boost Canada’s appeal for international immigration.

**Increase awareness of current programs and services**—focus group participants continue to ask for more effective communication of existing government programs and services to help tourism businesses hire and retain employees.