

THE LABOUR CHALLENGE

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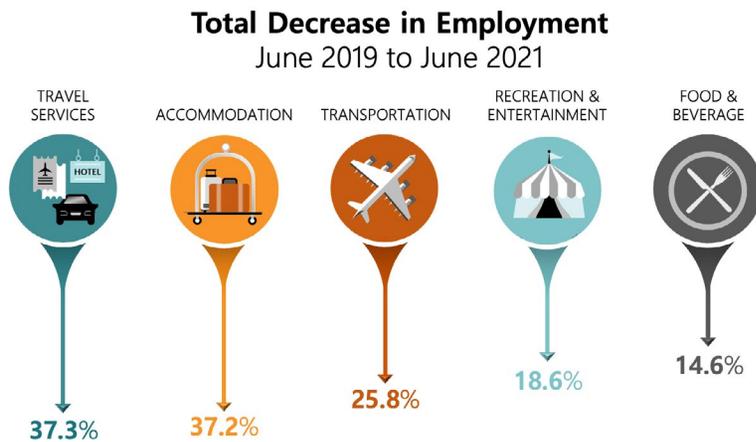
Tourism HR
Canada



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Canada

The Labour Challenge

COVID-19 has caused significant disruption to the tourism labour market, much greater than the economy overall – disproportionately impacting youth and minority populations. On average, the tourism unemployment rate is nearly double that of the overall economy. Before the pandemic, there were over 2 million individuals employed in the tourism sector. Through COVID-19, the tourism industry has now lost over half a million jobs.



Research conducted by Tourism HR Canada shows that many workers do not plan on returning to tourism jobs once they are restored; this is causing some of the greatest labour shortages ever seen by Canada’s tourism industry, and hampering recovery. COVID-19 has heightened and accelerated systemic issues and barriers to employment in this sector.

According to a survey by Tourism HR Canada conducted in November 2020, 50% surveyed have a negative view of being employed by the tourism industry – respondents who have worked in tourism were significantly more likely to indicate that their view of the industry has become more negative in the aftermath of COVID-19.

Tourism plays a key role in supporting small business and creating jobs. One in 10 Canadian jobs is tied to tourism (9.8%), which is nearly 2 million jobs from coast to coast to coast. Tourism jobs exist within all regions across Canada, and the industry employs Canadians in every province, territory, and electoral riding. Communities and small businesses rely on tourism to create jobs and enhance overall quality of life for Canadians. The tourism industry recovery is essential to the overall recovery of the economy, and will only be possible with a comprehensive strategy to restart the tourism workforce.

The economic and social implications of an unequal and slow recovery will impact tourism excessively – with more persistent underemployment of vulnerable workers. During the winter, only 5.9% of tourism businesses could fully open without any limitations or restrictions on their operations. Most businesses were placed under tighter restrictions, and 62.5% reported having to release staff due to those restrictions.

Over half of tourism businesses took on debt to survive, and three-quarters have maintained their core staff—even at a financial loss—to keep their businesses operating. Among businesses that have taken on debt, most are concerned that it will hamper their ability to recover. Almost half of the businesses were using the CEWS to subsidize wages.

[source: <https://tourismhr.ca/2021/06/1>]

It is important to recognize that the tourism recovery will happen at different speeds, depending on industry and region. Tourism industries such as restaurants and recreation facilities that derive significant demand from locals will have opportunities to recover earlier than those that rely on domestic tourists. Businesses that rely heavily on international tourists face the longest recovery outlook. Regardless of whether they serve locals or tourists, summer remains a key season for the industry. Tourism businesses in regions that opened in June, July, and August 2021 had an advantage over those that could not. That said, the tourism operators' greatest concern is another lockdown. Another shutdown would further devastate the sector.

An April 2021 survey found that another shutdown is viewed as the greatest threat to tourism businesses (86.2%), followed by the inability to hire staff at 48.7%. Key barriers to finding workers this summer among the 48.7% that are concerned are as follows:

- » Potential workers choosing Employment Insurance payments over returning to work (69.4%)
- » Shortage of labour in your region (64.7%)
- » Competition for staff from other industries (59.5%)
- » Wage expectations of potential employees are too high (59.3%)
- » Potential workers fear contracting COVID-19 on the job (56.7%)

CURRENT TOURISM LABOUR SHORTAGES EXPLAINED

The Main Reasons Why Businesses Are Having a Difficult Time Finding Workers

COVID Induced Short-term, immediate concern



COVID Heightened Long-term, systemic, policy-emphasis



There were many promising supports proposed in the 2021-22 budget to help address tourism workforce recovery efforts. The Canada Recovery Hiring Program was a welcome initiative with the impending decline of CEWS and CERS supports. However, upon careful analysis, this program is unlikely to work for the tourism industry due to timing and inadequate level of subsidy, which is simply not enough for cash-strapped businesses. It also cannot be used to recall furloughed workers, which is the main supply businesses are hoping to bring back as they scale up operations.

Tourism HR Canada recommends priority strategies to restart Canada's tourism workforce to fall under the following four categories:

- » **Supply:** Prioritizing redeployment and re-employment is essential to the recovery of the tourism economy.
- » **Skill:** Training, reskilling, upskilling – new skills are needed for tourism to be globally competitive and resilient. The tourism industry is going to rely heavily on accessible virtual learning that enables job seekers and workers to obtain micro credentials and tailored learning products.
- » **Sentiment:** Real time labour market information and the ability to synthesize, analyze and inform policy decisions are crucial at this junction.
- » **Strategy:** Tourism's workforce relies on community-led models that must involve collaboration between employers, governments, workers, education providers and various support services.

The tourism economy is a significant source of employment for newcomers to Canada. Prior to the election call, the Tourism Industry Association of Canada (TIAC) was working with Tourism HR Canada and in consultation with industry and government to develop a comprehensive made-for-tourism immigration strategy.

Our focus is on a pan-Canadian workforce strategy that is aligned with the marketing efforts and other recovery activities to overcome the reputational damage to the tourism industry as an attractive career choice, while improving overall sentiment of the value of tourism to communities across the country.

[Source: <https://tourismhr.ca/labour-market-information/tourism-facts/>]

Recommendations:

In consultation with Tourism HR Canada:

- » Conduct a comprehensive review of all current Immigration, Refugees and Citizenship Canada (IRCC) programs to identify opportunities and align policies that will work for tourism, and to create a dedicated immigration pathway for the sector;
- » Develop a comprehensive pan-Canadian workforce strategy that complements new investments in marketing and other recovery efforts;
- » Launch a campaign to promote employment opportunities in the sector and to address reputational damage or growing negative sentiments of the industry;
- » Undertake continued labour market research to measure the ongoing effects of the coronavirus and assess the recovery of tourism businesses and the tourism labour force in order to make recommendations on investments that will enable greater resiliency;
- » Work with Tourism HR Canada and the ITAC to invest in a comprehensive Indigenous tourism workforce strategy to increase the number of Indigenous workers in the sector and boost the skills and cultural knowledge to help Indigenous tourism businesses thrive while firmly establishing Canada as a premiere destination for authentic Indigenous tourism experiences.