

Chapter for: **How Demography Will Shape the Future of the Tourism and Leisure Industries: *Where Have all the People Gone?***

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Demographic Changes and the Labour Market in the International Tourism Industry

Abstract

This chapter considers likely impacts of demographic change over the coming two decades on the workforce in the tourism sector. A global assessment of demographic trends to the year 2030 points to a continuing decline in the rate of population growth and a consequent aging workforce, although the pattern of this trend is certainly not even across all regions and countries. The pattern of demographic change, globally and specifically in the context of developed economies, will pose major challenges for all labour markets in both quantitative and qualitative terms and is likely to become one of the main areas of resource competition between nations.

Tourism is a sector which is and will likely remain highly labour intensive. Tourism has traditionally depended heavily on the engagement of younger workers to meet its requirements of labour intensity. Therefore, the consequences of changing demographic structures, especially in the developed world, are potentially very serious for the sector and its competitiveness. Changing workplace demographics can also have consequences for the delivery of “authentic” tourism experiences within some locations where people lie at the heart of the tourism marketing offer.

Based on available projection and analyses, this chapter assesses the possible and wide-ranging implications of global population change on the tourism sector in the developed world context from a labour market perspective and will propose long-term strategies that could be adopted by policy makers and the industry in response to these implications, drawing on current labour market scenario planning for the tourism sector within the European Union.

Introduction

Imagine this scenario.

It is March 2030 and David Schwartzkopf (68), Assistant Marketing Manager for New Zealand Fruit Exporters Ltd, who is in Japan on a gruelling round of sales calls,

walks into T.G.I. Friday's in the Tokyo district of Shibuya for a quiet dinner and drink. He is met at the door by floor co-ordinator Aki Sato (75) who leads him to his table. He notices that this is very much an after work office hang out and there are groups of workers, ties loosened, enjoying a beer and snack meal with colleagues before heading home to the suburbs. However, most of them are of a similar age to him so David feels well at home. His server is Kaemon Kobayashi, at 69, the youngest member of the service team and David is delighted to find that Kaemon is assisted by Haeata Devlin (43), a Kiwi exchange student who fills David in with some good places to go in Tokyo. After an enjoyable meal, he is visited at the table by restaurant manager, Morio Tanaka (77), who asks him about his meal experience. David rounds off the evening with a quick drink at the bar, served by Hiromi Ito (81), who so loves her job that she has stayed on a couple of years past the normal retirement age on a part-time basis.

Fanciful dream or nightmare? No, it is an extreme but very possible scenario of tourism service in our future. The storyline is one that presents imagery with which we may be uncomfortable or, at least, unfamiliar. Our normal picture of tourism service workers is one that is predominantly centred on youth and, indeed, this is central to the marketing message of most tourism businesses, whether they are seeking to attract customers or new employees. As our discussion here will show, Japan is an extreme case of a process of workforce ageing in the developed world but similar trends are evident in most parts of the economically prosperous world.

Notwithstanding the undoubted impact of technology on the distribution and delivery of tourism services, people remain a critical dimension within the successful delivery of tourism services. 'The story of successful tourism enterprises is one that is largely about people—how they are recruited, how they are managed, how they are trained and educated, how they are valued and rewarded, and how they are supported through a process of continuous learning and career development' (Failte Ireland, 2005, p. 8). Put another way, "New Zealand's *100% Pure* positioning depends first and foremost on the people at the coalface of the tourism and hospitality industry. People are the lifeblood of the tourism game – it is the industry's people who deliver upon the promise of a *world-class visitor experience*" (Tourism and Hospitality Workforce Strategy, 2006, pV).

In today's tourism environment, worldwide, the pressing issues facing the tourism sector as employers relates to a combination of the impact of recruitment and retention; labour turnover; skills shortages; training and development opportunities; and workplace conditions. It is difficult to foresee a context within which this human dependence and the issues that underpin it will change radically although, undoubtedly, the nature of work that people undertake within tourism will continue to evolve into the future (Baum, 2007).

This said, however, it is important to recognise the extent and nature of change that is occurring within the external environment and to plan for such change into the long-term future. This chapter is concerned with the impact of demographic change on the tourism workplace. In addressing this concern, we first address the nature of this change in the global context and then focus on the specific case of the European Union, where a scenario planning approach to assessing the possible impacts of demographic change on the tourism labour market has been undertaken. Our broad

timeframe for this analysis is the next 20 years, up to 2030 and beyond (depending on available data sources).

The global demographic picture

A global assessment of demographic trends over the coming two decades points to a continuation of the current situation of a declining rate of population growth, although the pattern of this trend is certainly not even across all regions and countries. The key determinant of this is the birth rate across the main centres of population, which continues to decline. However, notwithstanding this overall trend, the global population is projected to rise from a current 6.5 billion to between 7.5 and 8.5 billion by 2030.

Although overall growth rates are declining, Shackman et al (2002) anticipate forward trends that echo population growth figures over the past four decades. They point out that the growth rate for less developed countries continues to be higher than that for more developed countries, building on data which point to a disparity of close to three times between 1960 and 1980, and almost five times between 1980 and 2001. As a consequence of the higher growth rate among less developed countries, the population in these locations has become an increasingly large proportion of world total, growing from 70% in 1960 to 81% in 2001.

Within this environment, the main regions of future population growth will continue to be within the currently developing world, notably south Asia and other areas with a significant Islamic population. Overall, the International Labour Organization estimates that the global labour force will increase by nearly 1 billion over the next decade, with most growth coming from the developing world, thereby putting significant pressure on already weak economies to create hundreds of millions of new jobs. The shortage of professional entry-level jobs will be a particular concern. Unemployment in the Middle East, for example, is currently most severe among young semi-educated city dwellers who have received enough education to raise expectations and aspirations and are reluctant to take manual, low skills and low status jobs. This situation is likely to become even more acute over the next two decades.

By contrast, population stagnation or decline will feature in many currently developed regions, notably Europe and Japan. Growth will continue in North America but, primarily, through an increase in immigration. An assessment in 2001 talked in terms of a global picture where

The world will be older and far less Caucasian, and it will be far more concentrated in urban areas; these population shifts will demand concessions of political influence at the expense of the young and middle aged and at the expense of traditional rural constituencies, as well as from traditional US allies and toward states currently outside our orbit of influence. (CIA, 2001:5)

This world view is supported by Little and Triest (2002:47) who argue that

The United States will face dramatic demographic changes over the next one hundred years. Indeed, the country will be entering largely uncharted territory. In the twenty-

first century, the population is expected to grow more slowly than ever before over an extended period. The population will also age rapidly, with the share of the population over 65 climbing to a succession of new record highs. Finally, the United States will once again become a nation of immigrants. But because the source of this inflow has shifted from Europe to Latin America and Asia, this new wave will change the voice and face of America forever.

These assessments point to one of the key features of change within the currently developed world, which is that of a rapidly ageing demographic. For example, the working-age population (15-64) in Japan is expected to decline by 37 percent by 2050 and, in Italy, the working-age population will drop by 39 percent by 2050. Germany's working-age population will fall by more than 18 percent during that same period while France and the United Kingdom fare better, with projected working-age population declines of 11 percent and 12 percent respectively. In a wider European context, the European Commission's (2007:13) analysis highlights this picture in noting that

According to Eurostat's baseline population projection, the median age of the EU will increase between 2004 and 2050 from 39 to 49 years. The number of young people (aged 0-14) in the EU will continue to decline in absolute terms from around 100 million in 1975 to some 66 million by the year 2050. The population of working age (15-64) will be most numerous around the year 2010 (331 million) but will subsequently decline to about 268 million by 2050.

Table 1: Western Europe: Median Age (years), 2000-2035

2000	38.9
2005	40.5
2010	42.2
2015	43.7
2020	44.7
2025	45.2
2030	45.6
2035	46.1

Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, *World Population Prospects: The 2006 Revision and World Urbanization Prospects: The 2005 Revision*, <http://esa.un.org/unpp>

Ageing is a concern that will impact at a national level to varying degrees. The old-age dependency ratio (number of people over 65 divided by the number of people aged 15-64) will reach around 53% in 2050 for the EU-25 (up from 25% today), with the highest rates projected for Italy and Spain (66-67%) and the lowest for Denmark, Luxembourg, Malta, the Netherlands and Sweden (around 40%). The consequences of this shift are fairly dramatic. In order to hold dependency ratios steady and therefore benefits and tax rates constant, by 2030 retirement will need to begin at 78 in Japan, 74 in France, 73 in Italy, and 72 in the United States. The alternative of cutting benefit levels is a politically charged issue and may not be palatable, especially in Europe. The impact of ageing in economic terms is clearly projected to be most severe in Japan, for a combination of demographic and socio-cultural reasons (MacLellar et al, 2004), hence the potency of the scenario outlined at the start of this chapter.

Turning to levels of preparedness for this change, particularly in terms of engaging a higher proportion of the older workforce in continued employment, the United States may be more culturally predisposed to this notion than other countries and is, therefore, more likely to benefit from an active elderly population. Moreover, labour flexibility options are already more widely available in the United States than in Europe, and such options may hold greater appeal to the 65+ group. Currently, 17% of Americans in this age group are working while in Germany and Italy only 4 percent of males aged 65 and older are still in the labour force.

In Europe, the employment rates of older workers are projected to increase considerably from 40% in 2004 to 47% by 2010 and 59% in 2025. This increase represents a turnaround of a long-term trend towards earlier retirement from the labour force. Older workers have accounted for three-quarters of all employment growth in the EU in recent years, and about half of the projected increase is due to the effects of recent pension reforms that have curtailed access to early retirement schemes and improved financial incentives for older workers to remain in the labour market. This is a trend that is set to continue and accelerate.

An ageing workforce is not only a numerical issue in labour market terms. There are mixed arguments with respect to the quality of work that can be expected from an older workforce. The European Commission (2007a) note suggestions that an individual's productivity may decline with age, and that consequently a rising share of older workers in the labour force may reduce overall labour productivity in the economy. It is also feared that older workers may be less likely to embrace innovation, be more resistant to the introduction of new technologies and that ageing societies may also be less inclined to make long-term investments, notably in education and Research and Development. However, counter-arguments suggest that

The problem of an ageing workforce for future productivity often appears to be exaggerated. The negative effects of ageing per se are not particularly strong and can be more than offset by higher education levels, although this can only be achieved over relatively long time spans. Instead of focusing on whether productivity declines with age, a more relevant question is how to adapt education and lifelong learning policies in the context of an ageing society. Ageing should actually increase the economic returns to education, as the benefits of higher productive potential can be exploited over a longer time horizon, provided skills are updated throughout working life. (European Commission, 2007a:66)

Building an answer to demographic change through harnessing an older population in the workplace requires what the European Commission describe as a life-cycle approach aimed at enabling people to remain much longer active and productive, including through lifelong learning and better health protection.

Alongside labour market implications of ageing in the global population, the social and financial consequences are of equal importance to policy makers and planners, particularly the reality that, for many countries, increasing healthcare requirements will have to be met from a falling tax base. This may be the major demographic challenge facing developed and, increasingly, developing countries and is one which,

because of the labour intensive nature of the care that will be required, poses direct competitive challenges to tourism businesses within the labour market.

Harnessing an older workforce is one approach to accommodating change within the structure of the labour market. Facilitating wider participation of other groups in society, who are currently under-represented in the workforce, also represents an important strategy for both developed and developing countries. These groups include women, those with disability, minority groups and those with lower skills and educational attainment profiles. Although, in many countries, social and cultural factors do influence the workplace environment, as a general assessment, their participation rates are such as to create considerable potential to compensate for projected shortages. In the European Union, “thanks to higher education levels and greater labour force attachment of younger cohorts of women, female employment rates are projected to rise from just over 55% in 2004 to almost 65% by 2025” (European Commission, 2007a:13). This process, however, will delay but not eliminate the overall demographic challenge. The increase in female participation will come for the most part from cohort effects. Older women with low participation rates will be replaced by younger women with a higher educational attainment and consequently a stronger attachment to the labour market. Likewise, policies designed to reduce the effects of disability as a barrier to work, through health, attitudinal and technological means, will permit more people to join, remain in or rejoin the workforce than is currently the case.

A global assessment of labour markets, however, points strongly to migration as the means by which countries will seek to overcome both numerical and qualitative deficiencies in their workforces over the next twenty years. Migration is by no means a new phenomenon in the economic and social development of major industrialised countries but will become the main instrument in combating indigenous population decline in most currently developed countries as well as some rapidly developing states. However, for migration to stabilise the population of major industrialised countries presents significant challenges in political, social and cultural terms.

In Europe, were immigration to be maintained at current levels, the working age population would continue to grow until around 2030 rather than starting to decline by the end of the present decade. However, such a perspective raises growing concerns about the integration of immigrants into the host community. Indeed, the degree of integration of populations of immigrant origin already present in many Member States is often seen as highly problematic but, notwithstanding this, multicultural migration will transform Europe’s population structure (European Commission, 2007a).

Numerical responses to demographic change in the labour market, through a focus on increasing participation rates on the basis of age, gender and disability or through pro-migration strategies can provide some answers to meeting challenges that face developed economies. However, a quantitative approach alone will not suffice as a means to ensure that labour market needs are met in a manner that enables economies to remain competitive. There is a clear need to consider the labour market in qualitative terms as well, with a focus on the specific and generic skills needs of key economies. This means addressing the implications of demographic change on the skills profile of the workforce. Zimmerman (2005:427) rightly argues that

Human capital is the ultimate resource of the 21st century. All developed economies face a strong and increasing excess demand for skilled labour, fostered by technological change, population aging and a subsequent decline in the future native European workforce. The upcoming needs cannot be satisfied sufficiently by the local labour force or the educational system in the particular countries. Europe is more and more drawn into a competition to provide the institutional settings for its companies to attract international skilled labour to fill the gaps.

Human capital is key to achieving the productivity gains that are essential if a population under numerical pressure is to survive. In the American context, Little and Triest (2002) note that recent immigrants have had relatively little schooling compared with the indigenous workforce. Thus, while the renewed inflows of migrant workers will enlarge the supply of labour, “their arrival may also reduce average levels of educational attainment and possibly slow U.S. productivity growth relative to what they otherwise might be.” (Little and Triest, 2001:47).

Zimmerman (2005:425) expresses further concerns in skills terms when he argues that

A lack of flexible high-skilled workers and the aging process has created the image of an immobile labour force and the eurosclerosis phenomenon. In such a situation, an economically motivated immigration policy at the European level can generate welfare improvements. A selective policy that discourages unskilled migrants and attracts skilled foreign workers will vitalize the labour market, foster growth and increase demand for unskilled native workers.

Without such policies, a lack of qualified workers may decrease the incentives for businesses to hire low-skilled workers. The increasing demand of companies for high-skilled workers in excess of supply levels is then associated with the growing gap in jobs for the low-skilled. If there is a failure to train enough people or to attract high-skilled migrant labour, there will be soon a pressing need to develop markets that supply jobs for unskilled labour. As a consequence, the future may see developed economies grappling with a split labour market that is characterized by high levels of unemployment for low-skilled people and a simultaneous shortage of skilled workers. In this context, the development and maintenance of a viable tourism industry may play an important long-term role.

This opportunity is recognised in the analysis of the European Commission (2007a:59) when they note that

Given that low-skilled jobs are not going to disappear there could be future bottlenecks in the commercial services and in the health and long-term care sectors. This could perhaps be avoided by improving the attractiveness of less qualified jobs, not only in terms of pay but also in terms of general working conditions... .. This evidence of the need to improve the attractiveness of low-skilled jobs confirms the present direction of the European Employment Strategy, which is as much concerned with job quality as with getting more people into work.

As a consequence, this expected continued demand into the long-term future for less-skilled workers, including those required by the tourism sector, may imply a need to reconsider immigration policy to ensure that this shortage is overcome..

Interpreting demographic change for tourism's workplace

It is, therefore, evident that demographic change will impact significantly on the tourism workplace over the next 20 years. This will be particularly true in developed countries but there will also be consequences for work in tourism in the developing world. We will now turn to a selective interpretation of demographic change in terms of the workplace in global tourism but also in the specific context of the European Union. This interpretation must be tempered by recognition that tourism demand (with its consequent impact on requirements for labour) will not remain static in either numerical or qualitative terms.

At a macro-level, competition for labour, as a resource, will remain an acute challenge for both developed and developing economies. Globalised economic relationships have already seen the movement of much productive capacity, especially in those areas requiring high inputs of labour, to locations where employment costs are low, currently Asia and parts of Central and South America. Within this context, tourism faces particular challenges because of the limited extent to which it can relocate its production and delivery of services to destinations offering lower labour cost opportunities. The place-specific nature of much of cultural and natural heritage tourism means that any shortages of labour have to be met through attracting new sources of labour, including the inward migration of workers. Some aspects of tourism development, however, may respond over time to labour cost considerations in choice of location. Major created attractions, such as theme parks, are already migrating to regions of high consumer demand which, concurrently, are also located within cheaper labour markets. Disney's theme park developments in China are examples of this and other providers will undoubtedly follow suit over the next 20 years. Experience substitution, such as that already practiced within the World Showcase at EPCOT in Florida (and in a similar vein, some of the resort concepts in Las Vegas and Macau), enables location specific and themed attractions, often icons, to provide a taste of (mainly) developed country culture, staffed by imported labour from those locations and may be a model which is replicated further within future tourism development. Mega events can also locate where labour costs, particularly in terms of the construction of facilities, are lower so that the future destination of Olympic Games and football World Cups may well be influenced by labour market considerations.

Demographic trends are predicted to further fuel a global "war for talent" and this will continue a process already in place whereby the world's stronger economies, notably the United States and Western Europe, seek to attract talent from elsewhere, in part to fuel economic growth but also to compensate for a decline in the growth of their own populations. The competition for talent is likely to take a three-dimensional form, both geographical in terms of competition between countries and regions and sectoral in terms of a striving between professional and vocational fields, seeking to access a shrinking pool of global talent. This competitive environment is likely to be particularly challenging for tourism as the sector operates within local, regional and international labour markets. However, talent, in the context of tourism, does not necessarily mean the same thing as it might in other sectors of the economy (Baum, 2008). Our understanding of skills encompasses a bundling that goes beyond the technical to incorporate emotional, aesthetic and informational processing and

analysis dimensions with a strong focus on the delivery of service to diverse consumers (Baum, 2007) While there is a strong argument that

the most important property is now intellectual property, not physical property. And it is the hearts and minds of people, rather than traditional labour that are essential for growth and prosperity. The emergence of the knowledge society means an ever-increasing demand for a well-educated and skilled workforce across the whole economy” (Fáilte Ireland, 2005)

This analysis requires specific interpretation in the context of tourism. The challenge for the tourism sector, in the future and in the light of the demographic challenge that it faces, is to evaluate the skills and know-how that underpin its business operations, particularly with respect to an interpretation as to what talent means in this sector context, and to consider how such talent can be most effectively developed across the hospitality and tourism workforce. With this re-evaluation of talent for tourism, competitive pressures in relation to other sectors may not be as acute in the future. However, numerical competition for talent will remain an issue for many locations such as Scotland where pressure from neighbouring countries such as England will create long-term difficulties for the tourism labour market but also within the global labour market, from countries such as the United States. In a wider context, the challenge for skills which already places pressure on sectors of the labour market in many developing countries which lose much-needed specialist skills to the developed world (medical, technical) is also likely to impact on the ability of these countries to compete effectively in international tourism.

Migration, which lies at the heart of the talent war in tourism and other sectors, will constitute a significant “reserve army of labour” by which the sector will, in the future, be able to draw on additional skills to meet local and global needs. Demographic change, as we have already shown, points to the future need for economies, particularly in the developed world, to draw upon currently untapped sources of labour in order to meet skills shortages. These sources of new workers will see a higher proportion of under-represented sections of society drawn into externally remunerated work – women, minority communities, the less-abled and, probably most significantly, older workers. The challenge for tourism in this context is how moves to be more inclusive in terms of its employment profile will sit with the growing pressures of employer branding, defined by Minchington (2006) as “the image projected by employees through their behaviours, attitudes and actions”, and the linked focus of tourism businesses on aesthetic dimensions of their workforce (Warhurst et al, 2000; Nickson et al, 2003; Nickson and Warhurst, 2007). The ethical dilemma here is that presenting the “right” image through its employees may be important to many sectors of the international tourism industry and a failure to attract employees with that image, possibly because enforced recruitment from these alternative sources of labour, may damage tourism’s competitiveness in some markets. The issue of cultural authenticity in destinations such as Scotland in the future is also likely to be challenged as a result of the employment of new sources of labour within tourism, particularly from external, migrant sources. Baum et al (2007; 2008) have raised this issue in terms of current and projected developments in the Republic of Ireland and it is likely to be a theme of increasing concern into the future.

An ageing population, however, is likely to have the most significant impact upon the tourism labour market of both developed and developing countries. In the case of the latter, the impact will be through the pull of migration as a means of sustaining standards of living and providing the care necessary for aging communities. As a result, key workers in developing countries will continue to leave and impact on the quality and competitiveness of the local tourism sector. In the case of developed countries, considerations such as pension deficits are likely to keep more older workers in employment for longer, potentially benefiting flexible work environments such as those in tourism. However, sustaining workers in employment for longer or recruiting an older generation as first time tourism workers will have implications for both human resource development/ training in the workplace and for the design and management of the workplace and organisational environment. Furthermore, an ageing population in the future will lead to increased competition between tourism and the growing care sector for lower skills labour, whether drawn from local or migrant sources. The challenge of aging, in terms of tourism, may lead to a questioning of investment plans for the sector, as countries such as Scotland follow the lead of Saxony in Germany and start to apply a “demographic test” to policy making in areas such as education and employment (including tourism) so that all new policies and investments address likely consequences in terms of current and projected demographic criteria. With older consumers and older workers in the tourism sector of the future, we may well see, therefore, a rephrasing of the Ritz Carlton credo for 2030 to read “We are elderly ladies and gentlemen serving elderly ladies and gentlemen”

Visioning tourism’s workforce of the future: the case of the European Union

In 2008, the European Union (DG Employment, Social Affairs and Equal Opportunities) embarked on an ambitious exercise in order to map out the likely future shape of the workforce across 19 key sectors and 27 countries. These sectors provide coverage of approximately 60% of the total workforce in the EU. The approach was qualitative and developed alternative economic and social scenarios from which employment outcomes were extrapolated. Although tourism was not identified as a specific area within the study, two sectoral studies impinge directly on tourism, namely transport and Horeca (Hotels, Restaurants and Catering).

Although the 27 states of the European Union are by no means homogenous in their current and projected demographic structures, Table 2 illustrates how overall trends point to a future that will see a significantly aging population, with consequences for workforce structure, recruitment, training and development and organisational culture.

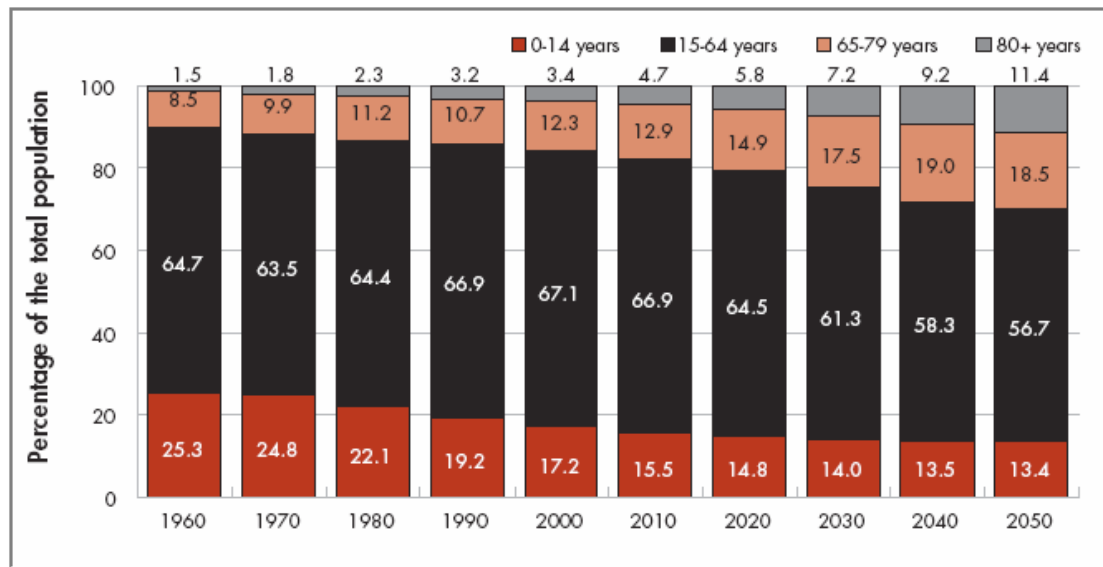


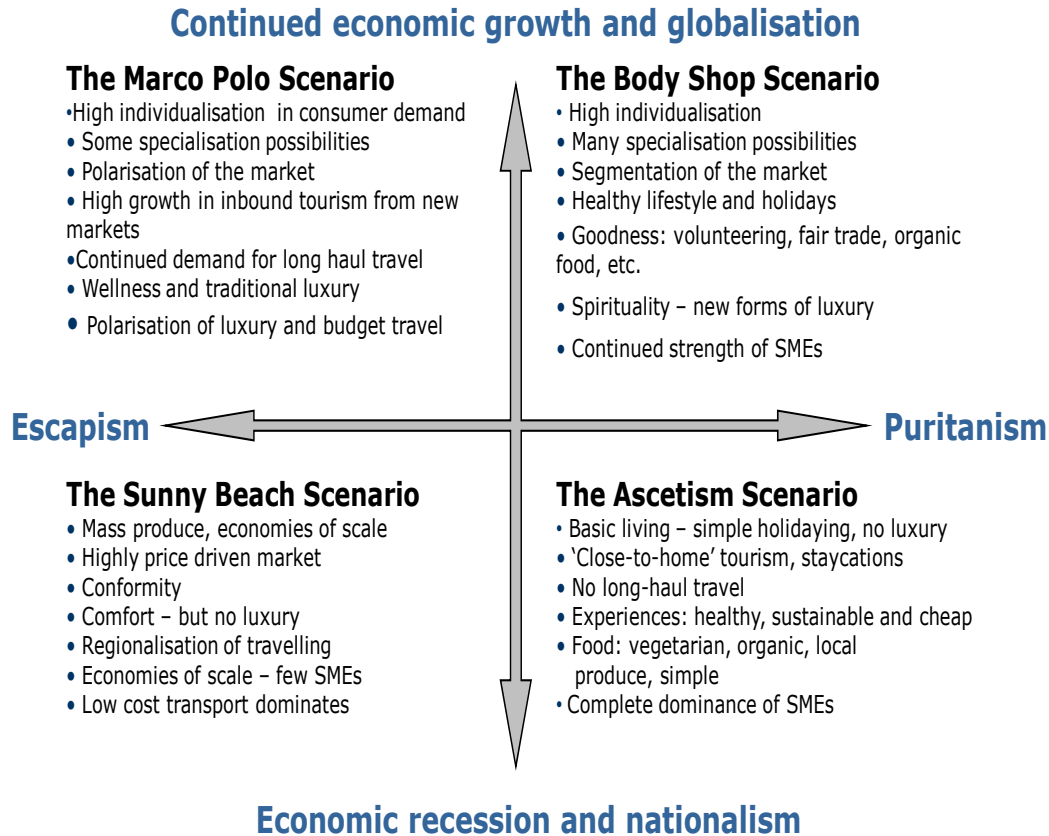
Table 2: Population structure by major age group for EU-25 countries (1960 to 2050 estimates)

European Commission (2007b)

Taking this demographic change process as a starting point, the European Union embarked on their comprehensive sectoral analysis of emerging competencies and economic activities in the European Union in order to build a picture of future employment and skills requirements. A common methodology was applied across the nineteen sectors, based the identification of key change drivers of change and interpreting their implications through four possible scenarios. In the case of the hotel, restaurants and catering sector, these drivers were identified as the ageing population, changes in lifestyle, increased influence of ICT, and general economic development and globalisation with increased competition and internationalization. In further developing the key future scenarios, these drivers were distilled in two dominant themes based on a) levels of economic prosperity and b) lifestyle preferences.

Figure 1: The Four Scenarios, 2020

Characteristics of the four scenarios



Source: Modified from Oxford Research (2009: 59)

The analysis provides further elaboration of these scenarios (From Oxford Research, 2009:60-64).

Scenario 1: The Marco Polo Scenario

In 'The Marco Polo Scenario' the combination of economic growth, globalisation and escapism as the main consumption driver creates rapid growing consumer demands concerning both quantity and quality. The scenario can in many aspects be said to be a direct continuation of trends and developments of today. It takes its name after the great Italian trader and traveller creating connotations of globalisation, adventurousness, international trade and a burgeoning global economy and consumerism longing for exotic and extraordinary goods and experiences.

Scenario 2: The Sunny Beach Scenario

The name 'The Sunny Beach Scenario' refers to rapid development of discount tourism and mass consumption in the Sunny Beach area of Bulgaria. In this scenario consumers are still driven by escapism and the taste for 'bigger, better and faster' goods and experiences. The economic recession, however, puts strong limits on the consumer's ability to spend. Hence, price becomes the most important driver favouring economies of scale and mass production. Large international companies will dominate. Only a small number of SME's will be competitive enough to survive the fierce competition with small profit margins, and the market contains few and small niches with possibilities for specialisation.

Scenario 3: The Body Shop Scenario

In the third scenario we have a combination of stable economic growth and increased globalisation with a puritan tendency among consumers. The general economic growth and growing spending ability of most consumers also generate growth in the Hotels and restaurants sector. But growth will mostly be within new and much specialised niche markets. The Body Shop, being an international chain specialised in alternative and 'politically correct' cosmetics, captures the development in this scenario. People do not cut down consuming or travelling – they just do it in new, alternative and more 'politically correct' ways. Consumers go for genuine healthy lifestyles and holidays and seek more spiritual luxury and values. Wellness is replaced by goodness and things such as volunteering fair trade and sustainability become important for most consumers.

Scenario 4: The Asceticism Scenario

In 'The Asceticism Scenario' the combination of puritanism and economic recession and nationalisation creates almost ascetic consumers. Simple living and basic holidaying become crucial mantras. Experiences should be healthy, sustainable but also cheap. International travelling and tourism decline and close-to-home tourism becomes the preferred. Luxury and comfort is reduced to an absolute minimal niche market whereas do-it-yourself experiences increase.

These four scenarios provide the basis for interpretation in terms of labour market outcomes in both numerical and qualitative terms. Clearly, both scenarios which focus on sustained economic recession and retrenchment from global free trade imply a stagnation or decline in the total labour force engaged in tourism-related work, particularly within larger multi-national companies. However, a decline in absolute numbers required may be offset by increased requirements for specialist skills across the tourism sector. By contrast, sustained growth at the high end of the market, within the industry, has the potential to generate demand for increased numbers of both skilled and unskilled workers, worldwide. Coping with larger numbers may well have consequences in terms of diluting the skills levels within the workforce.

A common theme across all four scenarios is a likely polarisation of skills, with relative growth in demand for managerial and professional roles at a leadership level alongside continued high level requirements for low skills workers to operate in labour intensive service delivery. The middle ground in terms of skills, based on craft skills and junior/ middle management that has been in decline since the mid-1990s,

will continue to shrink in most business settings, creating challenges for opportunity in terms of internal promotion and development within tourism organisations.

Conclusions: Implications for Policy and Practice

It is clear that changing world in terms of both customer expectations and demographics will impact directly upon the nature of work and the skills that are required in the tourism industry of the future. This conclusion is further influenced by the changing nature of the workforce itself in many countries, particularly within the developed world. Workforce changes are influenced by similar demographic processes of aging as that found within the sector's customers. They are also driven by changes in workplace expectations of those entering the workforce today and likely to do so in the future. The perceptions of the workplace held by "Generation Y" are well documented with respect to the service sector (see for example Broadbridge et al, 2007; 2009) and it is likely that future generations, whatever their segment label, will also have work attitudes and behaviours characteristics that are significantly different from those found within the "traditional" tourism workplace in terms of balancing their public and private commitments in life. Likewise, the employment expectations of a likely older workforce will be very different from those of those that have traditionally worked in the tourism industry. Consequently, it is clear that, given demographic pressures, tourism businesses of all types and sizes will need to take greater cognisance of these attitudes and behaviours in developing workplace relationships with their employees through increased and reciprocal flexibility (Bolton and Houlihan, 2007) and more creative use of alternative remuneration packages.

In terms of organisational practice and public policy, changes in workforce demography in developed countries are likely to create new and different pressures on the tourism industry as well as on labour market agencies and education providers offering programmes in the tourism area. These wide-ranging impacts have the potential to change the character of the consumer experience in the sector in some destinations; the nature of human resource management roles and functions in tourism; and the content and delivery of educational and training programmes for the sector. At the same time, the challenges facing developing countries, seeking to retain their best human resources in the face of labour market competition from more developed countries, will apply pressures of a very different order and may impact on their ability to compete effectively in the international tourism marketplace.

Perhaps the most significant impact on the tourism industry in developed economies will be the effect of changes to the age profile of those who are working in the sector, who will increasingly be drawn from a significantly more mature local labour market supplemented by economic migrant workers from less developed regions. Tourism and hospitality is a sector that has long branded itself as an industry of "youth" and many of its products services are closely allied to aesthetic images which are drawn from an employee profile located within the 18 to 35 age bracket. Consumer expectations of the sector have been tuned to such images and work-place culture and practices within the sector have evolved accordingly. Changing consumer expectations will be a challenge for long-term marketing in the tourism industry – the experience of the airline sector, where the service delivery of some operators have witnessed a shift in personnel profile from youth to maturity over the past 25 years for

somewhat different reasons, has been mixed (Whitelegg, 2007; Baum 2010). Given that the profile of tourism's consumers will also shift in a similar age direction to the main body of its workforce over a similar timescale, such changes might not be as fraught as some anticipate.

Changing workplace assumptions with respect to culture, conditions and, above all, flexibility is something which some employers in the industry have taken aboard (Deery, 2002) but which will require far greater focus in years to come. The sector's record on labour turnover and the premature burnout of key employees, due to high workplace pressures, are issues that require addressing in the light of impending demographic change. In particular, a greater recognition of the need for reciprocal flexibility (Bolton and Houlihan, 2007) with respect to tourism work will be required in the organisation of the workplace environment in order to accommodate a workforce with diverse personal requirements. Indeed, the tourism industry will be required to give far greater recognition to the individual needs of a more varied workforce in the design and organisation of both the workplace and the operational environment that is in place within it.

Likewise, educational and training provision at both vocational and advanced levels for the sector has, hithertofore, been focused, in content and structure, upon the needs of a predominantly school leaver population. In some contexts, too, the assumptions underpinning such provision were on a local participant profile although recent experience in many countries in Europe and elsewhere has forced some change in this regard (Baum et al, 2008). The educational and training requirements, at all levels within the tourism sector, of a demographically mixed community of students presents challenges in terms of the differing experience profiles that participants will bring into the classroom as well as varied learning and study organisation needs. In particular, wider access to on-going learning and development opportunities, delivered through a diversity of media and in locations to suit participant needs, are essential to meet the needs of potential participants.

Implications of demographic change within the workforce of developed economies, at a national policy level, raise questions with respect to a raft of areas which are not always addressed in an integrated manner. These include the need for tax and pension structures that enable and incentivise extended engagement and re-engagement in the workforce for older workers on a full-time or part-time basis as well as support (financial and practical) at a state level for engagement in on-going education and re-training that is value to the tourism sector.

This chapter has focused, primarily, on the impact of demographic change upon tourism and its workforce in developed economies where population decline or stagnation combined with ageing will present very evident challenges over the next 20 years. The impact in the developing world is likely to be somewhat different. Demographic projections are that the supply of labour in most developing countries will continue to grow for the foreseeable future and, therefore, on the face of it the kind of problems we have been discussing will not apply. However, the impact of change in the developed world will cascade beyond those countries and will have consequences elsewhere in the world. The power of "pull" factors will draw talented, well educated and trained personnel away from the poorer countries of the developing world to seek opportunities in developed economies on an ever increasing scale. The

impact that we are currently witnessing on, for example, the medical profession in parts of Africa will spread to other work areas, including tourism so that those with ability in such countries will be attracted to work elsewhere. Likewise, an ageing developed world population will require an increasing proportion of state human and financial resources for its care and support and these countries will be less likely to provide technical and other aid to the developing world for tourism development, education and training. As a consequence, the competitiveness and viability of tourism industries in these countries will be compromised and may decline.

Looking into any future is fraught with difficulties, as a 20:20 hindsight for the past 20 years will readily demonstrate, whether we are talking about international tourism in a wider sense or about the sector's workplace. The argument (Baum, 2007) that both nothing and much have changed with respect to human resources in tourism in the 25 year period up to 2007 is indicative of confusing messages in this regard. There is little reason to suppose that the next 20 years will generate a perspective on change that is any different. This analysis speculates about the impact of demographic change and merely touches on some of the evidence that is to hand about how such change will shape up in a global and local sense. The hard evidence of change is already with us but its interpretation in the context of tourism work remains substantially speculative and, in this paper, selective. This is a chapter designed to provoke initial thought and stimulate debate.

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