

Chapter 2. Strengthening the tourism workforce

Workforce issues are a long-standing vulnerability for the tourism sector and have been exacerbated since the COVID-19 pandemic. Tackling existing and emerging workforce issues in tourism requires new and whole-of-sector responses to improve the quality of tourism jobs, strengthen the tourism offer and reduce tourism's (over)exposure to future crises. This chapter analyses policy approaches to support the sector to attract and retain talent across all skills levels and areas within the sector since the pandemic. It highlights the actions governments can take to create the right framework conditions to enable policy-led change, in collaboration with the private sector to build a more resilient tourism, considering the impacts of the green and digital transitions. Key policy considerations are identified to strengthen the tourism workforce.

Tourism is a significant employer and contributor to economic growth. Prior to the COVID-19 pandemic, tourism is estimated to have accounted for 6.9% of employment in OECD countries (OECD, 2022^[1]). Tourism employment also provides important social and economic functions which are not always recognised. As an important employer of youth, women, migrants and other workers frequently marginalised from the workforce, the sector builds social capital and agency and contributes to overall social, economic and political outcomes, including in rural or remote communities.

Workforce issues are a long-standing vulnerability for the tourism sector and have been exacerbated since the COVID-19 pandemic. Tourism businesses have struggled to attract workers back into the sector amid tight labour markets and cost-of-living pressures, which deepened the impacts of the crises and further exposed tourism to labour market challenges. The interconnected nature of tourism saw shortages in one part of the tourism system have knock-on impacts throughout the sector and constrained the sectors ability to recover and cater to the post-pandemic demand for tourism services.

This has spurred a greater focus on building resilience in the tourism economy, including by addressing persistent challenges to attract, retain and develop workers. Tackling existing and emerging workforce issues in tourism requires more innovative and whole-of-sector responses to address these challenges and will in turn improve the quality of tourism jobs, strengthen the tourism offer and help avoid tourism's (over)exposure to future crises.

The chapter reviews and analyses policies and measures designed to support the sector to attract and retain talent across all skills levels and areas since the pandemic. It highlights the actions governments can take to create the right framework conditions to enable policy-led change, in collaboration with the private sector. The chapter is informed by a survey of OECD member and partner countries and two workshops, including a dialogue with the private sector. The need to tailor workforce resilience approaches to the specific policy needs of destinations is highlighted. Priority issues are identified, and considerations for policy-focused action are proposed to increase resilience across the tourism sector.

Importance of the tourism workforce for building resilience

A vibrant and sustainable workforce is key to the development of a resilient tourism system. Tourism is highly labour intensive and offers strong potential to support a job-rich economy for people of all ages and skill levels across a variety of job types and activities. At the same time, the sector is highly dependent on quality human resources to manage, develop and deliver a competitive tourism offer, and to adapt and benefit from the green and digital transitions. However, the positive aspects of jobs in tourism and the opportunities this can provide for workers to enter and move around the labour market are often lost amid wider issues, including the nature of tourism jobs and working conditions in the sector, which are frequently associated with unstable, low-wage work.

Tourism jobs can offer opportunities for people to enter the labour market and provide a stepping-stone for workers who face higher barriers to employment, such as young, low-skilled and migrant workers. Other benefits include social mobility, socially vibrant workplaces, intercultural learning, opportunities for rapid career progression, entrepreneurial prospects and the development of transferable skills. Analysis of tourism job advertisements shows that a huge diversity of skills, from more social and interpersonal skills to highly specialised and technical skills, are sought after in tourism work (CEDEFOP, 2020^[2]). The interpersonal nature of tourism means that its workers often have highly developed emotional intelligence, communication and teamwork aptitudes, and it is these 'high touch' or 'interpersonal/people skills' that are highly transferable and make tourism workers desirable to other sectors. Working closely with the private sector, workers and employers organisations, policy makers can use tourism jobs as a vehicle to improve the lives of underserved populations, and the economy as a whole, by improving labour market participation.

However, there is a need to address tourism workforce issues and decent work challenges which have been a long-standing vulnerability for the sector. Many countries faced labour shortages and skills gaps in tourism before the pandemic, generated from a complex web of underlying drivers including: a lack of skilled workers; the prevalence of casual and informal work; variable and long working hours; low wages; limited access to social protection; gender-based discrimination; poor occupational safety and health practices; and the weak regulation, enforcement and organisation of labour (ILO, 2022^[3]). These issues have contributed to poor perceptions of work in the tourism sector and need to be addressed to challenge attitudes that dismiss work in tourism as low skilled and dispensable (ILO, 2023^[4]) while improving the quality of tourism jobs to attract and keep workers in the sector.

The COVID-19 pandemic caused significant disruption for the tourism workforce causing many workers to leave the sector for jobs elsewhere in the economy, with people in casual or informal employment disproportionately impacted. Despite a strong rebound in tourism, the sector has been unable to attract a sufficient inflow of workers to tourism jobs. This has highlighted the transferability of skills required by tourism work which are desirable to other sectors. It also brought awareness to the structural issues facing the workforce and prompted government and industry to take action to address these.

The private sector has a lead role to play to address these issues, by implementing measures to change those factors within its control while working closely with government, the role of which is to create appropriate framework conditions. The contribution of policy is to ensure co-operation across government to build better work environments and to leverage other areas of government (horizontally and vertically) to address a range of factors external to the sector (migration, housing, care, community services) that may limit the capacity of the private sector to change.

Building resilience in the tourism economy requires addressing the new and existing fragilities in a systemic way. Tourism demand has bounced back strongly, showing strong resilience amid slow economic growth and geopolitical uncertainty. However, this masks new and existing underlying structural weaknesses on the supply side that continue to impede the resilience of the tourism economy.

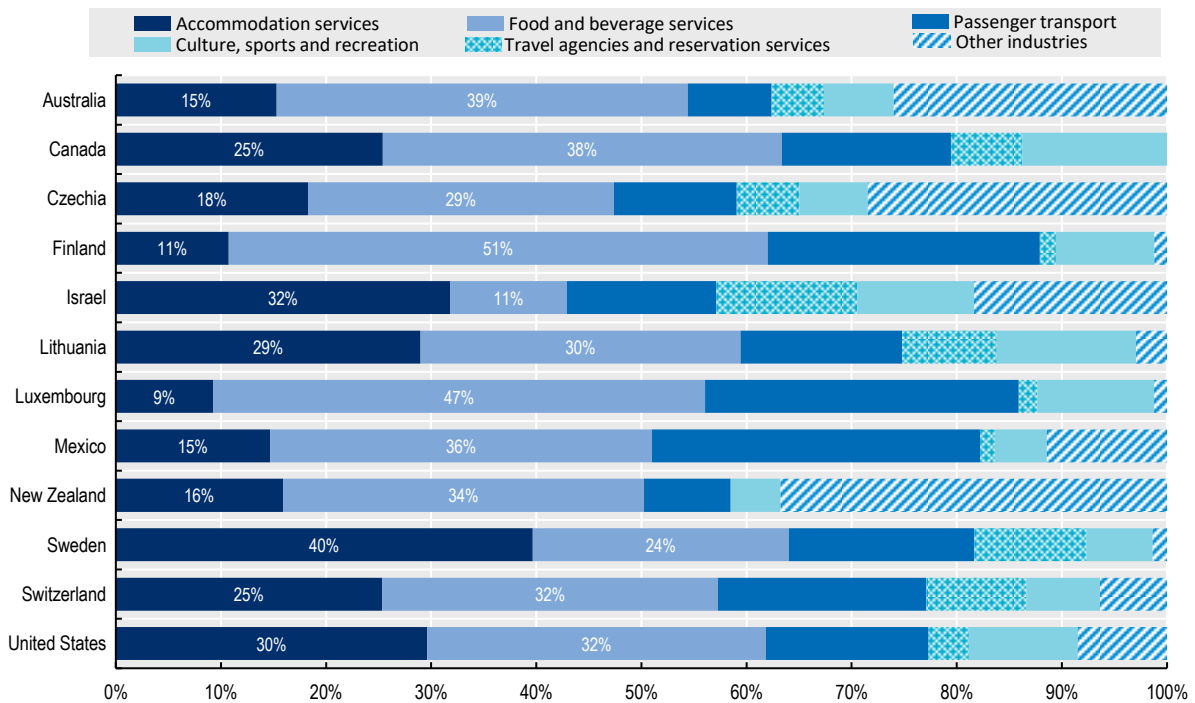
Beyond enabling the sector to adapt and respond to crisis, a forward-looking systemic approach is needed to mitigate emerging risks and drive resilience in preparation for future shocks. There are also opportunities to learn from other sectors that like tourism are highly reliant on services and human capital, such as the health sector where some countries have taken steps since the pandemic to offer better working conditions and build the resilience of the health workforce (ILO, 2023^[4]).

Understanding the complexities of the tourism workforce

Tourism is a hugely diverse sector, and this is reflected in the employment opportunities and nature of work on offer across the tourism workforce. This diversity is reflected in the range of sub-sectors that make up tourism (Figure 2.1) as well as its dispersal across different locations and the range of businesses, from micro and SMEs through to global corporations with diverse ownership and operating models. The emergence of the platform economy in tourism has added further complexity to the sector's operating environment and nature of tourism employment.

Building resilience in tourism requires understanding of the complexity and breadth of the tourism workforce and recognition that not all areas of the tourism sector are facing the same issues. For example, while both hospitality and aviation have faced an overall workforce deficit in recent years, the reasons are different, reflecting working conditions in the former and blockages caused by problems with the costs of training, accreditation and clearances in the latter.

Figure 2.1. Share of tourism jobs in subsectors of the tourism economy in 2019, selected countries



Note: The shares are shown for selected countries with available TSA data for all tourism sub-sectors in 2019. The base year 2019 was selected as it shows the breakdown of tourism employment uninterrupted by the impacts of COVID-19.

Source: OECD Tourism Statistics (Database).

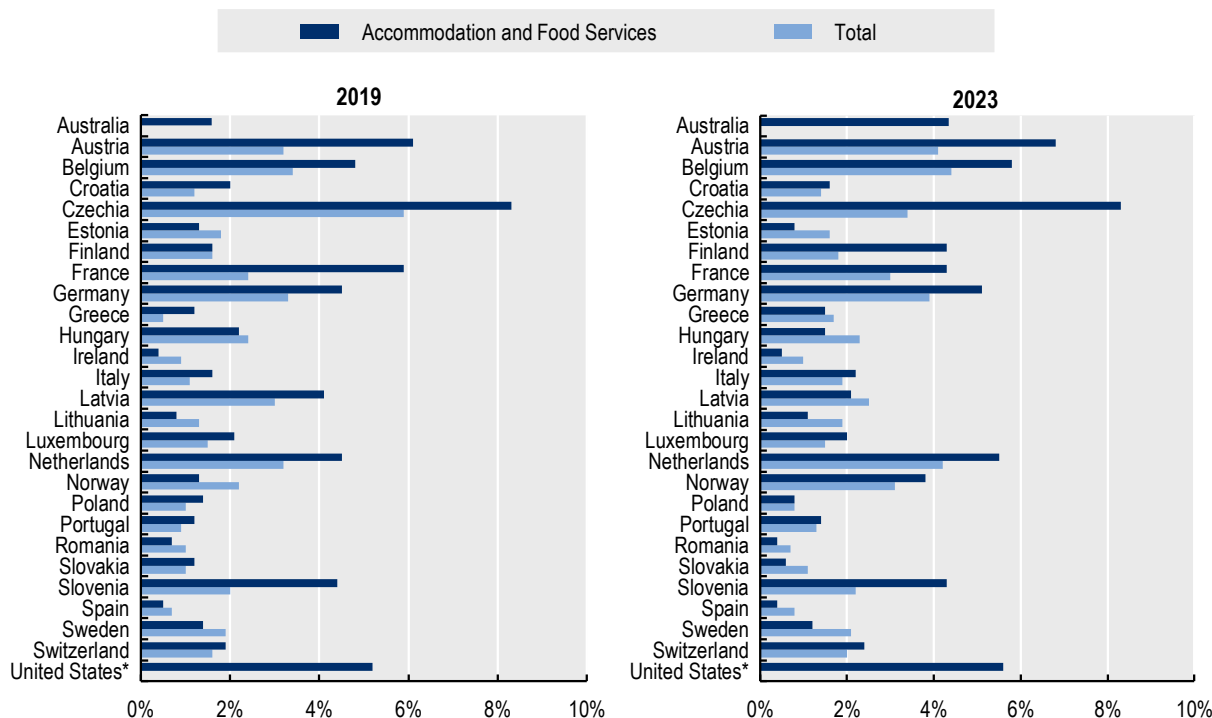
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The complexity of the sector creates significant diversity in employment opportunities and the wide range and level of skills required in the tourism workforce. Understanding the range of jobs within the sector and the different issues this brings for attracting, retaining and developing workers is an important first step to developing targeted solutions. There is no one-size-fits-all solution to workforce challenges in such a diverse and fragmented sector as tourism. However, one constant is that accommodation and food services jobs account for more than half of all tourism jobs, based on available TSA data from countries (Figure 2.1). It is also these sub-sectors that experience persistent workforce shortages across many countries – before, during, and post COVID-19 (Figure 2.2).

Supply and demand imbalances in labour markets are now easing, with unemployment remaining at or close to record lows across OECD countries (OECD, 2024^[5]). Job vacancy rates, which measure the share of jobs in the economy or sector that are vacant, are falling across most countries. However, in 2023 the vacancy rates in the accommodation and food services industries were still higher than the rate for all industries, in general (Figure 2.2). While job pressures have continued to ease, job vacancy rates in the accommodation and food services industries remain higher than in 2019 and the shortage of skilled workers is a key challenge for accommodation businesses in the short term (Booking.com, Statista.com, 2024^[6]). Addressing core issues in these sub-sectors to improve employment in the sector is therefore a common challenge across countries.

Figure 2.2. Job vacancy rates in tourism compared to the wider economy, selected countries

Job vacancies in accommodation and food services sectors compared to all industries in 2019 and 2023.



Note: Australian vacancy rates have been derived from available data. Time periods relate to Q4 of the stated year. *United States vacancy rates are seasonally adjusted.

Source: OECD calculations.

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Priority issues for a stronger tourism workforce

The extended closure and disruption caused by the COVID-19 pandemic led many workers to leave the tourism sector for job opportunities elsewhere in the economy and restricted worker mobility. The resulting labour shortages and skills gaps are not new for tourism, but have deepened since COVID-19, despite unprecedented support to maintain workers in jobs and as many workers who left the sector have not returned. The pandemic also exacerbated the early retirement of many workers in the sector and created disruptions in the education and migration pipelines for some countries. This comes on the back of historical shortages in the sector, even in countries such as Austria, where numerically the tourism workforce has recovered beyond its levels in 2019, the sector still faces labour shortages and skills gaps.

The wider economic and employment environment further exacerbated the situation. High demand for workers amid low rates of unemployment and labour shortages put tourism in direct competition with other sectors, while inflationary pressures disproportionately impacted lower paid workers. Attracting workers back to the sector to fill the existing shortages and retaining existing workers to prevent further gaps is therefore a priority for businesses and policymakers, and workforce shortages pose one of the biggest risks to making the system resilient, including for tourism (OECD, 2023^[7]).

Evolving tourism and wider trends, including the green and digital transitions and ageing populations, are also changing the nature of work in the sector. This has highlighted the need to upskill and reskill the tourism workforce to adapt and respond to changing consumer and business needs. Ensuring that the workforce is equipped with the right skills to meet future needs is key to building a stronger tourism workforce. A strategic approach to skills development is necessary to create an attractive, productive and sustainable sector. Effective training and career development strategies, as well as worker satisfaction and retention, may positively impact the sectors productivity (ILO, 2022^[8]).

Attracting and retaining tourism workers amid competitive labour markets

Attracting and retaining appropriately skilled workers to fill the labour shortages and skills gaps in the tourism workforce is a key priority for countries. The sector faces the challenge of a workforce deficit in a world where competition for skilled labour has intensified through a global race for talent (European Commission, 2023^[9]). While labour shortages across the economy have eased in recent months, unemployment rates across the OECD remain close to historical lows (OECD, 2024^[5]). Tourism therefore continues to directly compete with other sectors for workers and impacts the ability of the sector to attract workers.

Demand for flexible working conditions has also been accelerated since the pandemic, as workers across many sectors shifted by necessity to work remotely, highlighting the possibility of flexibility in many jobs. Based on evidence from the United Kingdom and Australia, the option to work from home on a regular basis is equivalent in value to workers to just over 20% of the average annual salary (OECD, 2023^[10]). The challenge for tourism is how to respond to this desire for employment flexibility. The front-line nature of many tourism jobs may make it less desirable for those seeking such flexible working arrangements.

The loss of corporate knowledge and skills from workers leaving the tourism sector, either to move to other sectors or to exit the workforce, for example through early retirements, has in some cases led to inexperienced workers being promoted to fill shortages in higher level positions. This has amplified the mismatch in skills between the needs of the tourism sector and the available workforce, with consequences for maintaining the quality-of-service delivery.

Workforce competition extends beyond high skilled workers. In countries where temporary migrants are an important source of labour to fill the shortages in their tourism workforce, including international students and working holidaymakers, these pipelines and flows of workers were cut off during the pandemic. These workers are often more readily available to respond to seasonal surges in destinations during peak tourism seasons. Attracting these workers back to countries requires horizontal co-ordination across government, on visas and other issues.

Adapting to the changing needs and values of tourism workers

Post-pandemic, the employee value proposition has changed. Job seekers are increasingly looking to find more meaning in their work, with wellbeing and work-life balance now key differentiators. Competitive salaries and benefits remain important to workers but are now closely followed by the importance of work-life balance and job security (Randstad, 2022^[11]). The traditional professional career model is increasingly being rejected in favour of work as a means to an economic and social end. Mobility within working lives has taken on added attraction and significance (European Commission, 2022^[12]).

Adapting to more flexible ways of working can be difficult for the tourism sector, where service delivery models often require employees to interact with tourists in person, often at specific and sometimes antisocial hours. Many people entering or returning to the workforce are now opting for shorter hours and greater flexibility in their working conditions. Iceland has implemented pilot projects to shorten working hours, with over 2 500 workers moving from a 40-hour week to a 35- or 36-hour work week without a pay cut. This pilot demonstrated successful outcomes in both worker wellbeing and productivity. Similarly, a

number of OECD countries have piloted a four-day working week of equivalent hours as an alternative to the traditional working week. Understanding and implementing these flexible working models will be a challenge to overcome for the tourism sector.

Rapid changes in the world of work are also associated with greater job instability across all sectors, with potential costs for companies, workers and society (OECD, 2023^[10]). Across the OECD, the average length of a job held by the same worker declined by around nine months between 2012 and 2019, with the main reasons for switching jobs being low pay, feeling undervalued and lack of advancement (OECD, 2023^[10]). These are core issues commonly linked to tourism jobs and can have detrimental impacts for the retention of workers.

Understanding the changing workforce environment, especially in relation to the expectations of young people entering the workforce, has led organisations to address and seek to change their workplace cultures in order to be in tune with what their existing and future employees are looking for. To address cultural issues after the pandemic, Intercontinental Hotel Group has focused on lifestyle, flexibility and wellbeing of a diverse workforce, particularly celebrating inclusion of diversity within their teams (Box 2.1).

Box 2.1. Creating an inclusive work culture at the Intercontinental Hotel Group

Intercontinental Hotels Group's (IHG) response to a challenging environment for recruitment has been to focus on creating an organisational culture that is more aligned with the expectations of the post-pandemic labour market, respecting individual needs with a focus on employee wellbeing.

In 2022, IHG launched myWellbeing, a framework to support employees across a range of important areas, including their health, lifestyle and workplace. The myWellbeing resources include an employee wellbeing handbook, wellbeing guidelines for people managers and financial education materials, designed to provide a holistic wellbeing offering, which employees can access quickly and easily.

In response to the global shift to hybrid working, IHG also took steps to create more flexible workspaces to allow employees to adopt a balance of remote and office working where practical. The 'myFlex' HR system allows employees active under the system to self-schedule their own hours at any IHG managed hotel in Australia. Employees can work as and when they want while being paid under the full terms and benefits. The new highly flexible arrangements are an effort to appeal to new and experienced workers across the accommodation and hospitality landscape and address a critical skills shortage.

Harnessing the green and digital transitions in tourism

Many aspects of contemporary tourism are shaped by the growing and transforming influence of technology. Technology drives the tourism experience for guests from searching for the initial idea, travel planning, engagement with providers and operators, financial transactions, the sharing of experiences and, increasingly, service delivery. The tourism sector is rapidly evolving due to all aspects of this digital transformation. The platform economy for example is transforming the way work is organised and performed, with new challenges emerging in ensuring that workers on platforms have access to decent work (ILO, 2024^[13]). Customers of all generations now expect a seamless experience with the technology with which they interact and a consequent high level of digital maturity from service providers.

The rapid development of generative Artificial Intelligence (AI) and robotisation in the world of work and the wider digitalisation of the economy spur both innovation and productivity growth, but also changes the way that work, and production, are organised, creating in turn challenges for jobs and skills. While the adoption of AI is still relatively low, rapid progress including with generative AI, falling costs and the increasing availability of workers with AI skills suggest that OECD countries may be on the brink of an AI revolution (OECD, 2023^[14]). This has important repercussions for work in the tourism sector.

Tourism is traditionally a labour-intensive sector and the digital transformation in tourism creates opportunities and challenges for the workforce. Digitalisation has already contributed to job displacement in tourism through automation and online transactions in areas such as reservations and check-in for airlines and hotels. Such trends will continue to gather pace. At the same time, some areas of tourism work may remain relatively immune to the impacts of digitalisation in the short- to medium-term, given the customer-facing nature of service delivery and centrality of people-to-people interactions as part of the tourism experience.

Small businesses, which make up the majority of operators in global tourism, face significant challenges in availing of and adopting digital transformation due to costs, budget constraints, labour shortages and complexity in implementation. Tourism SMEs will need to invest in their digitalisation to thrive in the future. This means small tourism business owners and employees need adequate skills and knowledge to take advantage of these digital tools, which can sometimes seem out of reach for SMEs.

Technological solutions can make an important contribution to a green transition in the workplace. However, digital transition also affords challenges and opportunities in the workplace as companies adopt robotisation and harness the power of AI in the delivery of tourism products, services and experiences. There is also a need for tourism to adjust to new, greener practices to comply with net-zero targets, and enabling businesses to transition towards a greener future requires new skills sets at all levels within organisations (OECD, 2023^[15]).

In practical terms, the green transition will require tourism employees to upskill to understand and comply with new sustainable standards within the sector in areas such as energy use, food standards and waste management. The availability of the right skills paves the way for the transition to carbon-neutral, environmentally sustainable and socially inclusive economies and decent work (ILO, 2022^[16]). This transition has implications for who is recruited into the sector, the pre-entry education and training they receive and for the upskilling needs of employees within the sector. The transition is therefore conditional on investment in training to develop skills to meet new requirements and avoid skills mismatches, particularly for smaller businesses in tourism. Forward-looking skills strategies are necessary to train young people and reskill the current tourism workforce to meet the skills needs of the new jobs generated in the transition process.

The green and digital transitions present challenges, but also opportunities for the tourism workforce. Digital technologies like AI can automate repetitive tasks that are often seen as unattractive and low paid, increasing productivity. This could lead to a redistribution of some work in the sector towards more creative and high-skilled jobs, which can in turn help to raise the average wages and make the sector more attractive. Striking the balance between increased innovation and productivity while maintaining human-centred experiences will be an ongoing challenge for the tourism sector. Coherent policies, together with social dialogue, have an important role to play in promoting a just transition (OECD, 2022^[17]).

Understanding external structural factors impacting the workforce

Tourism's workforce challenges and opportunities do not exist in isolation and are not exclusively tourism issues. There is a complex inter-relationship between tourism employment and the wider economic and societal ecosystem with which the sector interacts. The resilience of tourism employment is affected by a wider range of locational, structural and infrastructure policies, practices and related factors over which tourism policymakers and wider sector interests may have limited influence.

Tourism activity often takes place in seasonal or remote locations, which may have limited other economic opportunities. Housing availability and affordability is an important issue, for example. The cumulative impacts of successive crises significantly increased the cost of living while real wages remained stagnant. Even before the COVID-19 crisis, house prices had been increasing dramatically in OECD countries, especially for renters, and the supply of affordable housing has failed to meet demand (OECD, 2024^[18]).

The pipeline of resources to increase housing stocks also experienced blockages through the pandemic slowing construction. The expansion of short-term rentals has also created increased pressure on housing availability and affordability during peak season in some destinations, a time when the need for housing workers is greatest.

Tourism destinations developed to cater solely to the needs of tourists may miss the essential community services required to attract and retain a stable workforce. Some key considerations can include: public transport appropriate to the needs of work shifts; access to education and health care for dependents; childcare that suits the needs of tourism worker shift patterns as well as community infrastructure, more generally, to give tourism workers opportunities to participate fully in community life. The impact of tourism in communities often sees increases in the cost of living, making it more difficult for local residents. Integrating tourism into wider economic and regional development plans and ensuring that policymakers consider the needs of people and the community when implementing new programmes is important to address these issues.

Tackling tourism workforce issues for a more resilient tourism economy

Creating policies for a more resilient tourism economy requires addressing the current weaknesses, while also anticipating the future needs of the sector. Long-standing workforce issues within the sector have been exacerbated by the recent disruptions, compounding the challenges for the tourism sector to attract and retain workers in tight labour markets. While there is pressing need to address these issues in the short term, this should be done within the frame of longer-term changes impacting the workforce.

Immediate and short-term actions have relied on retaining the existing force and attracting new workers into the sector to fill shortages. Some countries, like Australia, Colombia and Peru, have explored strategies with older workers or people underrepresented in the workforce including women, youth, culturally diverse and indigenous workers. Australia for example has introduced a Work Bonus to increase earning potential of pensioners before impacting their income support, to help address worker demand and provide relief from the cost-of-living crisis (Box 2.2). The tourism sector has also provided employment opportunities for the influx of refugees, mainly women, from Ukraine following Russia's invasion, including in Estonia and Poland. Other initiatives included positioning tourism as a vehicle for the empowerment of women. Tourism is a prioritised sector under Mexico's Gender Parity Initiative, a public and private sector initiative to identify and reduce barriers preventing women from accessing job opportunities on equal terms.

Identifying the broader trends and what they could mean for the tourism sector, specifically the workforce, will help to better shape initiatives that are prepared for future challenges and shocks, helping to build resilience within the system. Megatrends including climate, demographic and technological change have emerged and have the potential to profoundly transform societies in the coming decades (OECD, 2023^[19]). For example, shifting consumer trends in tourism, like nature tourism and digital nomads, could change the type of workers that are needed in the sector, while a greater dispersal of tourists out of popular destinations could require the workforce to live in different areas, which could require the development of new community services and infrastructure.

The private sector has a key role to play in tackling workforce issues, with government working to ensure that the right policy and regulatory frameworks are in place to support businesses, including through the education pipeline. At the same time, the trend towards values-driven work, work-life balance and wellbeing means the role of community has become increasingly important in workforce policy considerations. Continuing the good collaborative frameworks established through the COVID-19 pandemic can provide greater communication, consultation and co-ordination within government and with the private sector and education providers to create processes for smoother and well-established extensive collaboration and co-ordinated action.

Box 2.2. Leveraging economy-wide scheme for older workers for tourism vacancies in Australia

Australia identified older workers as an untapped market to address workforce shortages in the tourism sector. In September 2023, there were 90 500 less workers in the sector than in December 2019. With years of knowledge and skill to offer employers, older workers can help address the demand for workers while obtaining relief from the cost-of-living crisis. A Work Bonus incentive was introduced to increase workforce participation and provided the opportunity for pensioners to earn an additional AUD 4 000 from employment income between 1 December 2022 and 31 December 2023 before income support payments.

Implemented by the Department of Employment and Workplace Relations and the Department of Social Services, these benefits were automatically credited to eligible pensioners. This reform was not limited to tourism vacancies, but the Tourism sector has benefited significantly from this economy-wide initiative, experiencing a yearly increase of 85 600 employees as of September 2023. From 1 January 2024, all new eligible entrants to Work Bonus can earn an additional AUD 4 000 (previously AUD 0) in employment income with additional income maximum of AUD 11 800 (previously AUD 7 800).

Improving job conditions to promote a strong and skilled tourism workforce

Pay, working conditions and job quality are widely recognised issues in many parts of the tourism sector, and are key contributing factors in the long-standing skills gaps, labour shortages and high turnover rates experienced by tourism businesses in many countries. Addressing these at a policy and, where appropriate, regulatory level offers one route to change, with outcomes that can benefit attraction and retention of employees and ultimately contribute to the resilience of tourism businesses (ILO, 2017^[20]).

A longstanding approach has been policy actions to promote tourism jobs while positioning the sector as a dynamic place to work and build a career to help attract talented youth workers, and similar initiatives are also being used post-pandemic. As part of France's Destination Plan launched in 2022 to strengthen the attractiveness of the tourism sector, the Tourism Careers Week initiative aims to raise awareness of tourism training and professions, promote opportunities, and attract young people and job seekers to the sector. A third edition is planned, following the edition held in 2024 which mobilised public and private stakeholders from the education and training sector at national and sub-national level to organise more than 2 300 events across the country. This included an event sponsored by Michelin-starred chef Mory Sacko, who is also an Ambassador for the French President's Make it Iconic, Choose France initiative. National campaigns have also recently been launched in Austria and Slovenia to promote careers and professions in tourism to raise the profile of hospitality and tourism professions and enhance enrolments in tourism-related education programmes.

Putting worker welfare and motivations at the forefront has become a priority to address working conditions. Promoting tourism as a place for rewarding work and careers can only succeed if the negative realities of the sector are addressed. Supporting businesses to enhance the attractiveness of the industry to prospective employees is a strategy employed by Fáilte Ireland's Employer Excellence Programme (Box 2.3).

Box 2.3. Promoting better tourism employment practices in Ireland

The national tourism development agency Fáilte Ireland created the Employer Excellence Programme to address longstanding challenges related to staff attraction and retention in the tourism sector. The Programme aims to address this by supporting tourism businesses to attract talent, drive retention, and embed a culture of quality employment practices in the sector and position the tourism and hospitality sectors as rewarding and appealing places to work.

Launched in 2022, the Programme spotlights employers over three years to profile the sector as a rewarding and attractive place to work to prospective employees. The key components of the programme are:

- A confidential employee survey and actionable insights provided by an expert in employee engagement.
- Online training in the fundamentals of people and performance management.
- Providing support to develop and implement an action plan to improve employee engagement and build the appeal of the workplace.
- Creating marketing materials to promote businesses as an Excellent Employer.
- Providing access to continuous improvement supports.

In its first year, the Programme saw 225 businesses registered and 2 100 managers completed the training. Following this positive experience, the focus is now moving to support smaller businesses with less than 20 employees in 2024.

The often unstable, irregular, and seasonal nature of tourism work remains a barrier for long-term employment in the sector. Measures to extend seasons through marketing and new product innovation can help to safeguard employment in tourism and create more stable, long-term positions in the sector, to the benefit of individuals, their employers and their communities. This is particularly important in highly seasonal destinations such as mountain and coastal destinations seeking to diversify their offer to extend the tourism season, for example through events and festivals or developing the meetings, incentives, conferences and events (MICE) market activities.

A core priority of Croatia's Sustainable Tourism Development Strategy 2030 is to extend the season through the development of tourism products with high added value and through investments in public tourist infrastructure and promotion, including through targeting domestic tourism. One key aim of the Strategy adopted in 2023 is to help reduce the number of tourism workers on short fixed-term contracts.

Modifying the tourism offer to extend the season is not viable for all destinations, and as such more creative measures are being considered. France developed a government-led 3-year plan to support and train seasonal tourism workers between 2023 and 2025 in response to raising concerns in recruiting tourism workers, especially in the lead up to the 2024 Paris Olympic Games. As part of this plan France is establishing a network of centres of excellence for training, increasing services to assist seasonal workers in their personal, administrative, and professional lives, and to offering housing solutions to meet their accommodation needs. The French Government will also work to develop local partnerships with companies interested in using or sharing the skills of seasonal workers to retain seasonal workers throughout the year.

In Finland, tourism employers have developed well-functioning co-operation between businesses operating in different high seasons to offer year-round or longer-term employment and maintain their skilled workforce. For example, employees working in a tourism safari company for the winter season have the opportunity to transfer to a hotel or a restaurant in the same location for the shoulder seasons and summer season. Similarly, the TUI Group is exploring opportunities for employee sharing across its business functions to help address seasonality issues and diversify the skills of employees. Potential exists to expand practices such as these, which remain limited in the sector.

Employee benefits, labour protections and stable employment are an ongoing area for government intervention to address structural weaknesses in the tourism workforce. Türkiye has put in place mechanisms to ensure local entrepreneurs operating SMEs in tourism comply with international labour standards and regulations ensuring a respectful, safe, and secure working environment that upholds the rights of workers. Businesses are further supported to understand and address issues and expectations related to salary levels, working conditions, and job security through employee satisfaction surveys, aiming to create a fair and respectful work environment.

The introduction of competitive collective bargaining agreements or competitive minimum wages are possible mechanisms to improve employee benefits. In Slovenia, negotiations with the trade union for tourism employees have led to an agreement on the minimum annual leave allowance and the setting of a basic minimum salary. However, it is also important to consider the impact of mandating higher wages, especially where business and labour costs are already relatively high, and the cost of living and doing business has been negatively impacted by recent crises. Collective agreements can help tourism businesses and workers find tailored and ad hoc solutions to fairly share the cost of inflation and avoid a wage-price spiral (OECD, 2022^[21]).

Decent wages are central to economic and social development and to advance social justice. The idea of a living wage, which is a wage that provides workers and their families with enough income to live on at some level considered adequate, has experienced a resurgence of popularity in recent years. While a living wage is not a silver bullet to in-work poverty, which in OECD countries is often the result of underemployment rather than low pay, living wages can be useful in establishing a norm of fair pay and providing valuable information on the cost of living that firms and social partners may embed in their wage-setting processes, including in tourism (OECD, 2023^[22]). In March 2024, the ILO Governing Body endorsed an agreement reached at a Meeting of Experts on the issue of the living wage and called on the ILO to continue to provide support to governments and social partners toward strengthening wage-setting processes and activities related to living wages (ILO, 2024^[23]).

Individual initiatives help to improve conditions for tourism workers, but a suite of actions may be required to build a strong and stable workforce. New Zealand launched a Better Work Action Plan in 2023 which featured 14 initiatives to address key systemic issues facing the workforce including demand fluctuations, pay and conditions, firm maturity and scale and the current and future skills gap. The Plan aimed to enhance employment practices; improve the education and training system for tourism; provide for more consistent and stable employment in an industry where there is seasonality of work; improve cultural competency to build more diverse and inclusive workplaces; lift technology uptake and innovation; and showcase career pathways and people in tourism.

Promoting digital uptake to ease tourism workforce pressures

The evolution and application of new technologies are profoundly changing the way people live, work, travel and do business. It is also transforming and reshaping tourism, with implications for the nature and organisation of work in the sector. More consideration is needed on how new technologies can be adopted to improve productivity and working conditions in the tourism sector (e.g. AI, virtual reality, robotisation), and the consequences and impacts on the tourism workforce.

Rapid developments with AI in particular have the potential to drive significant further changes to work and productivity (OECD, 2023^[14]). The resulting opportunities present challenges to the level playing field, including a growing gap between tech-driven and globally connected tourism businesses and traditional micro and small businesses, as well as between urban and regional destinations. Automation powered by customer data, machine learning and generative AI risks widening the technology gap for SMEs.

Embracing digitalisation throughout the tourism ecosystem is also key to building resilience, including through investing in human capital and skills to retain and develop a skilled workforce (OECD, 2021^[24]). It will in turn increase demand for skills that support the development and application of such technologies by tourism businesses. Responding to the ever-increasing pace of technological advancement will require tourism workers to develop a wide range of skills, including digital skills which should interface with soft, technical and hard skills in formal and informal training (OECD, 2023^[25]). Continued changes in tourism consumption patterns will have implications for experience delivery, new workplaces/spaces and the skills required. Ensuring that the workforce is equipped with the right skills to meet future needs will require working closely with the industry, including workers' and employers' organisations, and education providers.

Technology-driven innovation in tourism is led by the private sector. Airlines, travel intermediaries, tour operators and large accommodation providers have long been at the forefront of adopting new technologies in the sector, often revolutionising the interface between the consumer and service provider. Tourism providers have demonstrated innovation in the technological solutions to personalise experiences for their guests. Hilton Hotels for example has invested in digital check-in and keyless entry systems to streamline the guest experience while improving guest satisfaction scores.

The digital transformation also provides opportunities for small businesses to address their current workforce shortages. A small rural hotel in Scotland, Brambles of Inverary, invested in digital technology to maintain and improve the quality and efficiency of service delivery when faced with ongoing recruitment difficulties (Box 2.4).

For many tourism SMEs and business owners, the opportunities that digital tools present are often unknown or seem out of reach. There is a need to establish support programmes to inform and engage effectively with eligible tourism SMEs and integrate their staff development with digital uptake. The Integration and Interface Support for Tourism Sector Software initiative in Estonia looks to assist in the digitalisation and automation of work processes for tourism service providers. It supports the adoption of software, such as new resource management software which integrates with the cash register system and accounting software.

Countries are now working on policy documents and tools to support tourism stakeholders, as well as additional support in data management, the use of big data, and AI. Luxembourg's Tourism Strategy aims to drive digitalisation of the sector, including by encouraging investment and attracting qualified workers into the sector. Romania's Competences for Competitiveness Project meanwhile aims to improve the digital skills of 380 employees across the tourism and hospitality industries in specific regions to increase their professional capacities and make them more adaptable to changing sectoral needs.

Box 2.4. Using technology to address workforce shortages in a small rural hotel in Scotland

In response to the severe workforce shortages experienced in the wake of the COVID-19 pandemic, Brambles of Inveraray in Scotland have turned to digital solutions to reduce the burden on existing staff. As a small business located in a remote and highly seasonal destination, the inability to attract and retain an adequate workforce had led to concerns about the viability of the business. The goal has been to reduce labour needs by digitising and automating, without distorting the positive and organic customer experience tourists expect.

The owners, who have a background in IT and data analytics, explored alternative ways to reduce the labour need, by slowly introducing technology to match requirements of customers and staff. To date several initiatives have been implemented, including:

- QR code food and drinks ordering – introduced as an alternative to the traditional ordering style, this has become popular with those who are more digitally minded or groups who like to pay separately. It takes pressure off wait staff and there is an aim to have at least 30% of guests use this method to order.
- Revenue management app – app automates the changing of room prices to meet demand.
- Accounting and financial apps – financial apps can sync with traditional accounting systems and when working alongside an accountant takes the burden out of filing and posting administrative paperwork.
- Wellbeing apps for employees – the promotion of employee wellbeing has been a core focus. Some wellbeing apps include an Employee Assistance Program and Virtual GP and when used alongside HR support and 'coffee catchups' with management have been beneficial.

There are many existing automated systems which are yet to be adapted for a small business model. The business owners expect that when AI becomes more common place (and cheaper) there will be a positive place for it in a smaller businesses.

Better aligning training with the needs of the tourism workplace

Promoting the acquisition of skills, competencies and qualifications for tourism workers throughout their working lives is at the heart of a human-centred approach to crisis recovery and the future of work (ILO, 2022^[8]). For example, skills development and lifelong learning can help workers find new jobs, develop the necessary skills for the digitalisation and greening of the sector and build resilience into long-term recovery strategies. To facilitate a flexible and future-oriented approach to emerging occupational skills, Canada has implemented a Future Skills Framework to support tourism education (Box 2.5).

A focus on education and training for tourism at all levels features in the post-pandemic responses of many countries. Many introduced free online training platforms to help tourism employees to upskill through shutdowns, which they have continued to develop and adapt.

Costa Rica launched a free virtual training platform, ICT CAPACITA, to improve workforce participation in the tourism sector through the pandemic. Post-pandemic, the platform continues to support tourism entrepreneurs and businesses on tourism resilience and sustainability issues such as access to sustainable finance and certification. Luxembourg launched the Tourism Academy platform to centralise vocational training related to the tourism sector. Available on the Luxembourg Travel website, it provides a collection of online resources on the latest communication and digital marketing techniques, and how to put these into use for tourism professionals.

Box 2.5. Framework to address future tourism skills and labour challenges in Canada

Canada's Future Skills Framework is designed to strengthen the tourism sector and address the skills and labour challenges. Through a library of competency elements that are easily updated to adapt to the increasing pace of change within today's workplace, the Framework aims to eliminate costly and time-consuming processes associated with updating occupational skills on a job-by-job basis. The Framework provides tourism stakeholders with a better way to align the skills of individuals in the Canadian labour market, minimising gaps and mismatches. It is being informed by ongoing feedback to ensure the Future Skills Competency Framework will best meet the needs of potential users. Canada is actively engaging with employers, Indigenous tourism business representatives and hospitality students nearing the end of their studies to inform this important discussion. It provides a complete picture of the entire sector, making it easier to collect, analyse, and map information.

As part of the recovery from COVID-19, Greece implemented a programme for the upskilling and reskilling of the tourism workforce, funded by the EU's Recovery and Resilience Facility. The programme delivered brief vocational programmes to equip the workforce with the skills needed in the labour market in line with the green and digital transition. Training vouchers to support participation in the programme are expected to be issued to 18 000 beneficiaries by 2025. Greece also announced the creation of the country's first tourism academy in 2023, to offer contemporary tourism education, monitor the needs of the tourism market, and improve employment opportunities in the sector under government supervision.

Other initiatives focus on building a pipeline of workers and supporting students and young people to transition from formal education to the workplace. Türkiye has restructured the education of tourism vocational high schools to provide practical training in tourism facilities in line with the needs of the sector. Similarly, in Canada the tourism sector is included in the Student Work Placement Programme, which has been introduced to create quality work-integrated learning opportunities for students.

Slovenia's strategic Development Partnership for Innovation in Tourism implements a special programme to promote the enrolment of young people in vocational, secondary, and higher education programmes for hospitality and tourism. The programme activities are aimed at young people who are thinking about further education, upskilling, or reskilling as well as their parents, teachers, and school counselling services.

Australia introduced the First Nations Tourism Mentoring Programme, which matches First Nations businesses with skilled and experienced mentors. This programme is designed to support mentees to grow their tourism businesses and achieve their business goals while mentees will have access to expert advice, tailored learning, and culturally respectful industry specialists.

Skills mismatches remain a critical issue for the sector, despite the opportunities for education and learning. Curricula need to keep pace with and meet the ongoing needs of the sector, considering the employing foresight to pre-empt the skills needs in the sector when the student enters the workplace. Building closer linkages between the world of work and educational and training institutions, and more closely incorporating education and training into the workforce system can complement on-the-job learning, including through internships and close collaboration with the private sector in the development and delivery of the curriculum. As part of the Agenda for Tourism Professions, Portugal is implementing the International Tourism Academy which will integrate higher education, vocational education, research and development, and entrepreneurship. Les Roches International School of Hotel Management collaborates with the private sector to provide master classes that inform students about current trends and needs of the sector in line with topics covered in the curriculum.

The changing needs of the sector have seen much consideration given to the curricula of tourism and hospitality training institutions, with many countries undertaking reviews of their existing education

systems. Morocco has implemented a training programme aimed at middle managers in the tourism sector, with a new public-private partnership model for vocational training management. This includes efforts to reposition the International Higher Institute of Tourism in Tangier as a reference centre for hotel and tourism management and leading business school, with the creation of six new competency-based programmes. Another vocational training institute, the Ouarzazate Institute, has created four new programmes and adapted one programme also using a competency-based approach. In Germany, the dual vocational education system which comprises training in the vocational school with on-the-job training in the business has proved to be effective over time. To further enhance the attractiveness of this kind of training to prospective students and workers, seven new or updated hospitality professions containing adapted training regulations have been created.

At European level, the EU Pact for Skills in Tourism sets a vision to address current and future challenges by 2030 (Box 2.6). At international level, the UN Tourism Academy Partnership in Education initiative fosters partnerships with educational institutions to develop tailored training programmes. The ILO e-learning module on social justice in rural areas through decent jobs in tourism is part of an online course that provides an opportunity to learn about innovative approaches, tools and methods for promoting decent work and advancing social justice in the rural economy. The Brazil G20 Presidency and the Italy G7 Presidency have also put human capital and skills issues in tourism as priority issues in the respective workstreams in 2024, building on outcomes from the India and Indonesia G20 Presidencies.

Box 2.6. Addressing the future skills needs of tourism across Europe

The EU Pact for Skills in Tourism was implemented as a recovery strategy to implement an upskilling and reskilling framework, maximising the potential of the tourism sector, building resilience and meeting the challenges of the green and digital transition. Launched in 2021, under the broader EU Pact for Skills initiative, the tourism initiative sets a vision of 12 objectives and indicators, to be achieved by 2030 across Europe through a close co-operation between social partners, training and education system, and public authorities. Some of the key objectives include to:

- Improve and extend the skills of the full tourism workforce
- Raise awareness of and access to training for all tourism services
- Provide training and education for 10% of the tourism workforce each year between 2022 and 2030 to tackle the skills gaps in the tourism ecosystem both for the current workforce and new entrants.
- Create more hands-on learning and training through blended concepts
- Increase training activities and participation by 40% of the employed workforce and 80% of the unemployed workforce by 2025
- Detect new and emerging skills through data mining and provide training opportunities to avoid gaps
- Retain current workers and attract new employees to work in tourism
- Develop more stable and better paid contracts due to higher qualification.

Promoting private sector-led workforce initiatives

Private sector-led initiatives provide opportunities to target workforce issues at a more granular level, taking into account the issues on the ground and allowing for tailored solutions. However, government intervention can help to improve operating conditions and leverage existing private sector programmes to make them more accessible across the sector, particularly for SMEs. Addressing structural issues in the

tourism workforce through private-public co-operation can help to ensure local implementation, ongoing feedback and adaption of existing initiatives.

International hotel chains and tour operators have taken steps to create better environments by offering support for families and the physical and emotional well-being of workers. While these large businesses have greater capacity to provide these programmes, they provide practical examples of initiatives that could be leveraged for the sector more widely. For example, Marriott provides a comprehensive benefits package to its employees, including healthcare coverage, retirement savings plans, employee assistance programmes, travel discounts and employee well-being support. The TUI Group has sought employee feedback and suggestions on how things can be better done from the ground rather than the head offices and to better understand the best package of benefits for their candidates.

Tourism industry associations can provide opportunities for the private sector to combine resources to tackle existing workforce issues through industry-led initiatives. Restaurants Canada published information for their members on issues including ensuring a positive and inclusive workforce.

Public-private partnerships provide opportunities to target support while leveraging the knowledge of the sector. For example, Switzerland's hotel and catering association, GastroSuisse, launched a five-point plan in 2023 to address workforce shortages by better utilising the domestic workforce. The Swiss Government is providing financial assistance to implement this private sector-led initiative (Box 2.7).

In the United Kingdom, a Hospitality and Tourism Skills Board was set up in 2021 as part of the Hospitality Strategy: Reopening, Recovery, Resilience. The Board's aim is to pursue a co-ordinated, proactive, employer-led approach to recruitment, retention and upskilling, including by developing innovative new recruitment campaigns. The Board is drawn from senior operators and business leaders from across hospitality, tourism and travel, including SMEs.

Box 2.7. Governmental support for a private sector-led initiative in Switzerland

In 2023, GastroSuisse launched a 5-point plan to create more skilled workers in the hospitality sector and better utilise the domestic labour potential. This was formulated in direct response to skills shortages and perceived failures in the existing apprenticeship system, with the benefits recognised by the Swiss Government who have provided additional financial and operational support. The integrated and long-term programme includes:

- Promotion of the image of the industry and the profession.
- Targeted training of entrepreneurs.
- Succession.
- Qualifications for people in professional retraining.
- Increase the attractiveness of working conditions.

The strengths of the initiative are the long-term perspective, bundling of measures, involvement of the companies, adaptability, and innovation and integration of existing programmes that aim to improve working conditions and the perception of the industry. GastroSuisse intends to attract 250 businesses to participate in the training courses and 50 businesses to test the current working conditions in the sector. In May 2024, the project was named "Avanti!" to emphasise the dynamic and future-oriented nature of the measures.

Iceland provides funding for the Tourism Skill Center, with the primary goal of enhancing competence and quality within the Icelandic tourism sector. In collaboration with the Tourism Skill Center, the Icelandic Tourist Board launched a new website in 2023 called "Good to Know." This website serves as an informative hub for the tourism workforce, offering a variety of information and facts about Iceland and the

Icelandic tourism sector. In 2022, the Innovation – Lighthouse Funding in Austria sought innovative projects on new employment models and employee concepts in tourism to address continued workforce challenges for both tourism businesses and destinations. Six innovative projects were selected by a jury of experts, with the winning projects receiving a total of approximately EU 1 million from federal tourism funding and the European Fund for Rural Development.

Adopting a strategic and integrated policy approach to tourism workforce issues

Tourism is a complex sector that spans across many sub-sectors, meaning policy levers often sit beyond tourism policymakers. In the case of the workforce, regulation and policy decisions often reside within labour or employment ministries. Creating tailored policies for the tourism workforce therefore requires co-operation across ministries. However, in many cases, labour laws will be addressed through whole of government actions, or targeted actions with specific subsectors of the tourism sector.

Recognition of the significance of employment for the tourism sector, regional development and socio-cultural ecosystems is evident through the preparation of free-standing tourism workforce analysis and strategies that sit alongside more general tourism strategies and plans. Australia's Visitor Economy Workforce and Skills Interim Action Plan 2023-24 focuses on priorities related to tourism workforce capability by addressing structural challenges and domestic and international workforce supply issues, improving the skills and capability of the tourism workforce and promoting the sector as a career of choice. Across each of the key priorities, the action plan considers opportunities for progress and takes stock of the existing national and state actions and initiatives from the private sector. It includes tourism workforce outcomes like improving the understanding of structural trends or increasing opportunities to enter the sector through internships or industry placements which are underpinned by potential measures.

In Canada, a report on Barriers to Employment and Skills Mismatches examines the key workforce challenges facing the sector in the recovery from COVID-19 including the shift to more flexible work, the declining youth labour market and the need for specialised training for most tourism occupations. It also considers a need to address structural challenges in the tourism workforce, including seasonal employment, immigration constraints and regional development and planning factors such as housing, transportation, and education (Tourism HR Canada, 2022^[26]).

The UK's Hospitality Workforce Strategy: Fixing the Crisis provides a framework for collaborative action across the sector and considers the ongoing needs of the sector related to recruitment, skills and training, the sectors image, peoples working lives as well as the infrastructure needed to support the workforce. The Strategy is based on a partnership approach between industry bodies, training and employment stakeholders and the government. Chile's Human Capital Strategic Plan 2023-26 brings together actors from the tourism, hotel and gastronomy sectors to address tourism workforce issues in an integrated approach.

Tourism workforce also needs to be situated within wider strategic thinking and workforce planning. The Morocco Roadmap for Tourism 2023-26 aims to reposition tourism as a key sector in the national economy, with the inclusion of specific tourism employment creation targets, strengthening of human capital across the sector and offering better prospects and careers for young people. Meanwhile, in Colombia and Slovenia the economy-wide national workforce strategies highlight the potential of tourism employment to act as a vehicle for social, political, economic transformation and inclusion.

Addressing tourism workforce issues has also become a more prominent focus in national tourism strategies. There is a growing understanding of the importance of a strong tourism workforce to enable sustainable and resilient development of the tourism sector. Including the tourism workforce as a part of a national approach to tourism development provides opportunities to address structural weaknesses within the wider context but also signals the importance of the workforce to the sector. This can help to bring better recognition to the issues the tourism sector is facing that might be missed in national labour force

approaches. Within these national tourism strategies, the tourism workforce is not always a standalone pillar, but often included as a clear goal or action (Box 2.8).

The role of government is to create good framework conditions for education and gainful employment, and may require action on issues beyond the tourism system that impact the tourism workforce. This includes a lack of affordable transport and housing in popular tourism destinations, the need for amenities like childcare to be available during tourism working hours and facilitating the availability of migrant workers. Addressing these issues may require action at national level, but some issues may also be addressed at the local level. In France, for example, the coastal destination of La Baule has undertaken several initiatives to meet the housing needs of seasonal workers. During the 2023 summer season, a former municipal campsite was converted into 80 residences dedicated to seasonal workers while a campaign to connect homeowners and seasonal workers secured housing for a further 32 employees, while units have also been reserved for tourism workers in new social housing projects. More needs to be done to ensure that the needs of tourism workers are integrated into wider government policy setting.

Box 2.8. Prioritisation of workforce in national tourism strategies - selected countries

Addressing tourism workforce issues is a key area of focus to support the strategic development of tourism. Many countries have integrated workforce issues into their national tourism strategies, with a focus on addressing tourism labour and skills shortages as part of a broader approach to tourism development. Targeted actions related to the workforce include:

Malta: The Malta Tourism Strategy 2021-30 aims to strengthen human capital and improve the sector's attractiveness by enhancing continuous training opportunities and improving wage attractiveness relative to competing sectors. To inform this, a survey to understand the skills needs and gaps and perceptions of workers and a campaign to shift the views of potential new workers was undertaken in 2023.

Norway: The National Tourism Strategy 2030 aims to ensure the tourism sector has access to staff with relevant and up-to-date skills. This includes working with the Norwegian Institute for Adult Learning to ensure education meets the needs of workers and businesses.

Switzerland: An action item under the Federal Government Tourism Strategy is to tap into the potential of the tourism labour market. The Swiss Government sees its role as one to encourage co-operation and dialogue but also to provide analysis to support discussion and enable innovative and creative solutions.

United States: Under the 2022 National Travel and Tourism Strategy, the US seeks to attract and retain a diverse workforce, including in customer service positions on federal lands and waters. One of the identified actions is to support and fund local workforce development and entrepreneurship ventures that create and sustain well-paying, quality jobs and boost skills among residents to fill workforce gaps, within applicable laws.

The changing needs and values of workers have seen more emphasis put on the community and the living environment available in addition to the job. Creating liveable tourism destinations could help to address some of the barriers currently seen in the attraction and retention of workers, especially to destinations in rural and remote areas or those that are highly seasonal. Ensuring equitable access to quality public services and infrastructure and providing the right skills and quality job opportunities in regional labour markets are also key recommendations for reducing regional inequalities, but they require co-ordinated and sequenced actions at different government levels (OECD, 2023^[19]). Addressing the community needs of workers should be a core consideration as countries look to diversify their tourism offer beyond established destinations.

Tourism is a significant employer of migrant workers, while international workers also play an important role in filling labour and skills needs in many countries. However, these worker flows and pipelines were disrupted in many countries during the pandemic. Several countries have introduced initiatives to restart these worker flows and respond to pressures to access more workers, with tourism continuing to feature as a key sector. For example, in Austria the annual quota for seasonal workers in tourism was increased from 1 200 to 3 000 in 2022 and was further increased to 3 400 in 2023 and to 4 300 in 2024. In addition, new occupations were placed on the shortage list including chefs, housekeepers, hotel clerks and waiters. Other countries also have long-standing programmes in this area, including Canada's Temporary Foreign Worker Program which has been in place for many years and is designed to be responsive to changes in the labour market, helping employers fill labour and skills shortages on a temporary basis, including in the sector.

Better measurement to tackle tourism workforce issues

The importance of timely and granular tourism data to enable evidence-based decision making is well-recognised in the tourism sector (see Chapter 3 for further discussion). A key issue in creating evidence-based policies for the tourism workforce is identifying tourism workers in official statistics. Only a handful of countries have meaningful statistics on employment in the tourism industries (UN Tourism, 2024^[27]), and the shortcomings with available employment data was highlighted during the pandemic as many countries lacked access to relevant data to design target policies for tourism workers.

The Tourism Satellite Account, and the OECD Employment Module, provide an internationally accepted methodology for calculating tourism employment in a standardised and comparable way, summing proportions of employees from across nine tourism-related industries. However, the underlying data to prepare these calculations remains a challenge in many countries. The tourism workforce is a complex jigsaw of people working across many industries and geographies, many of whom may not identify as tourism workers, and the high levels of casual and informal workers in the sector means tourism workers are often not captured in official workforce or labour statistics.

Identifying tourism workers and understanding the trends within the sector is essential for evidence-based policy to build a strong and stable workforce. This requires clear definitions and shared understanding with respect to the various employment categories across tourism sub-sectors and the skills levels within them that are applicable to both large corporations and SMEs as an important starting point. It is becoming increasingly recognised that many tourism workforce issues are outside of aggregate estimates like the number of employees, average wages and hours worked.

Work is underway by UN Tourism and ILO to develop a statistical list of tourism occupations as the foundation for data to inform issues related to the tourism labour market, aligned with broader statistical guidance beyond tourism. However, the absence of such clarity in many countries and, internationally between countries, is a major limitation in the development of coherent policy.

Many countries rely on the accommodation and food services subsector as a proxy for tourism, which can be beneficial for identifying core issues, but it also provides a partial view and may skew the analysis of the issues in the tourism sector. Countries have also begun to implement more in-depth surveys and studies to build evidence and better understand the tourism workforce, such as recent in-depth studies of the labour market in tourism conducted in Ireland and Switzerland, at Federal and sub-national level. Other initiatives to better understand the tourism workforce include the development of a quarterly infographic on employment in tourism activities which inputs into the National Tourism Human Capital Model in Chile and environmental scanning and analysis of trends on both the supply and demand sides of tourism and to assess their impact on employment in Colombia.

An increased recognition of the importance of tourism well-being and sentiment has led to the introduction of new data collections in some countries. New Zealand's Voices from the Front-Line Survey and Tourism

and Hospitality Workforce Survey are designed to better understand workforce issues with an emphasis on listening to the frequently neglected voices of the tourism workforce itself to better understand the issues faced (Box 2.9). Finland is now gathering qualitative data on tourism employment and employee wellbeing directly from businesses as part of the Sustainable Travel Finland programme, which will be used in the future to develop indicators to help evaluate and develop target setting of the national tourism strategy and its actions regarding tourism employment.

Box 2.9. Building evidence for tourism workforce sentiment in New Zealand

The need to better understand both workers and working conditions saw New Zealand implement two custom tourism employment surveys. The Voices from the Front Line survey asked 40 questions related to tourism work and gathered 396 responses. The survey was aimed at the voices of those who are often overlooked or marginalised voices of employees. The findings highlight unfair and illegal practices but also aim to be the starting point for discussion to improve work experiences and long-term sustainability for the hospitality sector.

The Tourism and Hospitality Workforce Survey is the most detailed survey of tourism and hospitality employees and their employment conditions undertaken in New Zealand, with 902 valid responses covering all sub-sectors of hospitality and tourism industries. The survey findings follow the well-established patterns of concern including low pay, unsatisfactory working conditions, insufficient career progression, and a high level of turnover intention.

Policy considerations to strengthen the tourism workforce

Strengthening the tourism workforce requires addressing real and perceived issues related to pay, working conditions and skills development. The private sector has a key role in creating conditions to attract and retain workers in the sector, while governments and policymakers have an important role to facilitate these initiatives by creating supporting policy conditions. As the sector focuses on addressing the current workforce pressures, policymakers also need to consider the strategic impacts of longer-term changes for both tourism and the workforce, and what that might mean for the needs of workers, businesses, and communities to build a more resilient tourism sector.

Based on the analysis discussed in this chapter, key policy considerations to strengthen the tourism workforce include:

- **Integrate the needs of tourism workers into the wider economic and community development strategies and plans.** More needs to be done to understand and address the needs of workers to make tourism work a more attractive and viable option. This includes factors that occur outside of the job itself including issues related to housing, transport and childcare services which sit outside the mandate of tourism administrations. Addressing these issues effectively requires strong co-ordination across government, horizontally and vertically. Incorporating the specific needs of tourism workers in wider economic, community and workforce development strategies can also encourage greater consideration of the importance of sustainable tourism development and how the benefits can be captured and maximised in local communities.
- **Leverage private sector initiatives to improve working conditions and attract and retain tourism workers.** The private sector has an in-depth understanding of the labour and skills needs at business and sector level, and the barriers to recruiting and retaining workers. Governments have a role to play in ensuring the framework conditions are in place to support and encourage businesses to address issues related to pay, conditions and other factors within their control.

Potential also exists to learn from and leverage private sector initiatives, including large multinational corporations and industry associations, to address workforce issues and implement new training and models of working to improve conditions in the sector. This may include financial or operational support to help extend the benefits of these initiatives across the sector. Supporting the development of local partnerships may also boost the benefits of existing initiatives and improve the attractiveness of the sector through opportunities for career progression and the retention of seasonal workers.

- **Facilitate linkages with and between the private sector and education providers to meet the changing needs of the tourism sector and prepare for the green and digital transitions.** Formal education remains integral for many parts of the tourism workforce, supplemented with on-the-job training to ensure that workers are job-ready. Encouraging collaboration between businesses and the education sector can help to better prepare workers as they enter the workforce and ensure they have the skills needed now and for the future. It will also better align education and skills training with the skills needed in the sector to ensure the tourism sector can benefit from the opportunities created by the green and digital transformations, and help workers navigate the significant impacts of these transformations on labour markets.
- **Support tourism SMEs and workers to adapt to digitalisation and encourage the adoption of digital technology to innovate and ease tourism workforce pressures.** Tourism SMEs are at risk of being left behind in the digital transition, maintaining the burden of manual tasks and impacting their ability to attract and retain a quality workforce. More needs to be done to raise awareness and uptake of digital technologies that can support the tourism workforce including through automated human resource planning and booking systems, digital marketing and artificial intelligence. Providing support to tourism businesses to access finance and ensuring business owners and workers have the tools and skills required to harness these technologies will help keep pace and introduce more innovative business and work practices.
- **Collect and share robust and granular data on tourism employment and workforce issues.** Tourism decision makers need to understand and respond to the changing needs of the sector. This includes developing a better understanding of the nature of work and workforce issues in tourism, and how this is changing. In depth workforce studies and the introduction of employee surveys to capture worker sentiment and working conditions of the tourism workforce provide one approach to building the evidence required to address the key structural issues and policy framework conditions for the sector. Sharing this data in a way that can be used to inform policy decisions is key, also to support the private sector with workforce planning and decision making.

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