

International workshop Trends and skill needs in the tourism sector

Summary ⁽¹⁾

The international workshop *Trends and skill needs in the tourism sector* was organised in the framework of the newly created international network Skillsnet, which brings together experts, policy-makers and practitioners in the field of early identification of skill needs.

The event was organised by:

- the European Centre for the Development of Vocational Training (Cedefop);
- the German Federal Ministry of Education and Research (BMBF) with the research network FreQueNz ;
- the Institute of Structural Policies and Economic Development (isw).

The workshop highlighted latest trends and skill needs in the hotel, catering and tourism sector in an international perspective. Speakers and participants from 13 countries (Europe, North America and Africa) took part in this event. Travel and the participation of some experts from outside the European Union was supported by the European Training Foundation (ETF).

1. Statements, discussion and results

Tourism is one of the most important growth sectors in the European economy, with 7 million jobs in the core industry and 20 million jobs in the related economy. Until 2000 annual growth of employment in tourism was 3 %. It is estimated that there is a potential for up to three million additional jobs. Europe remains a primary destination. At the same time, tourism has one of the highest labour mobility rates across Europe, allowing consideration of the European nature of the sector, at least in this respect. Thus, the discussion about new occupations and future skill needs for the sector in Europe has particular significance.

⁽¹⁾ The information contained in this summary does not necessarily reflect the position or the views of one or more of the institutions involved. It is based on the contributions to the international workshop.

New offers and services are emerging in tourism which need adequately qualified staff. It is estimated that within next 20 years the population above the age of 65 will increase by 17 millions. This trend has a direct impact on the number and skills of the staff needed. Research results from isw, for instance, showed new fields of activity such as travel guides for people with restricted mobility.

Discussion in the course of the workshop underlined the need for human resource development for those employed in the sector, to establish new services and to extend existing offers.

The discussion topics included:

- the main problems in tourism sector (very similar across countries): low wages, high demand for staff flexibility, little training provision, high staff turnover, skill shortages. How can this circle be interrupted: more specialists, more generalists?;
- qualifications from the tourism sector are much appreciated by other sectors (customer orientation, etc.) and qualifications from other sectors (ICT) are useful for tourism. Many qualified employees leave the sector and many trained tourism school graduates do not enter the sector: waste of resources and skills?;
- the specific nature of company size structure in tourism, where over 90 % of companies are small or micro enterprises, affects HRD practices;
- forecasting/known in advance which skills will be needed in future under conditions of sector volatility and vulnerability;
- multiskilling, newly-emerging and hybrid occupations reflect the trends for new types of services and growing demand for flexibility.

The tourism sector is challenged by a growing demand for customer orientation, increasing international competition, volatile markets in an insecure environment, changing customer demands towards individualisation and significant potential in various market segments.

Discussion about the role of qualifications in the tourism sector touched the problem of human resource waste caused by high appreciation from other sectors and employers' failure to attract qualified personnel to the sector. Taking into account the need for qualifications from other sectors (e.g. ICT), the participants agreed that transversal and hybrid qualifications might be useful and could lead to new occupational profiles. Furthermore, it is vitally important for the sector to be able to attract the labour force trained specifically for work in tourism. The problem was noted that some employers deliberately look for unqualified labour for the sake of paying less. The question, however, remains whether such a policy would lead to higher profits and longer-term competitiveness. Another important question remains: how can the skill gaps in the tourism sector be overcome under the condition of insecure and often seasonal employment and relatively low pay? It was noted that social dialogue, which can be activated at various levels (region, nation, EU), may have a role in this respect.

2. Summary of contributions

2.1. Plenary session I

2.1.1. General trends and skill needs in the tourism sector

Piet Jonckers, European Commission, DG Enterprise, Tourism Unit

Tourism is one of the most important growth sectors in the European economy. Europe is the number one destination in the world, with the highest density and diversity of tourist attractions. The sector provides seven million jobs in the core industry and 20 million jobs in the related economy. 3 % annual growth of employment was recorded until 2000 and the sector is expected to contribute about 100 000 new jobs per year in the future.

The enlargement of the EU (75 million new citizens added to the existing 370 million) increases potential tourists significantly and forms the biggest consumer block in the world travel market. The EU-15 citizens spend over EUR 800 billion on tourism, with 30 % of EU-15 external trade in services is in sector. In consequence, there is potential for up to three million additional jobs. Within the next 20 years, the population above the age of 65 will increase by 17 millions. Tourism can be a dominant sector of the regional or local economy.

New forms or themes of tourism include:

- tourism and sustainability;
- tourism and accessibility;
- tourism and rural and cultural heritage (non-traditional tourist destinations);
- tourism and sports;
- tourism and peace;
- tourism and health;
- tourism and technology.

Challenges to meet the learning and skill needs in tourism include:

- make it job related;
- apply the mentor model;
- need for strong support from management and workers;
- integrate learning in career paths;
- embed in a strong framework;
- include basic skills (language, behaviour, culture, organisation);

- needs passion, or at least motivation with continuing stimulation;
- learning plans need to be transparent to users;
- learning needs to be fun;
- importance of establishing goals and measuring/evaluating results;
- importance of social dialogue;
- partnership in general.

2.1.2. Tourism trends in Germany

Henriette Freikamp, isw, Germany

Germany is a leading European country in external tourism. Domestic tourism is gaining in importance too, for security reasons. In 2003 more than $\frac{3}{4}$ of the Germans took holiday trips. Travel expenditure per person and day are increasing.

Isw conducted research among 30 ‘trend setters’ (travel bureau, hotel, travel organisation, transport organisations, etc.). In the course of the research about 100 companies were contacted. The research included analyses of the work fields

- (a) travel design and sale;
- (b) travel guiding;
- (c) business travel;
- (d) service for travel agencies.

In the tourism sector there is a universal, and sometimes overlapping, demand for knowledge and competences. These include tourism related knowledge and competences (e.g. tourism products, services, destinations, general geographical knowledge, computer knowledge, reservation systems, etc.) as well as business knowledge and competences (e.g. customer orientation, selling techniques, marketing, calculation).

Further knowledge and competences can include languages, time management, product design and rhetoric.

Educational research in tourism has identified nine complex qualifications:

- travel designer, designs journeys for individuals or groups;
- online travel agent, is responsible for online advice and sale of tourism products and services;
- event designer, plans and organises special events for individuals or groups;
- travel guide, organises journeys, provides information and is a competent and responsible guide;

- *animateur*, is a contact person and entertains customers at hotels, clubs or gyms;
- travel guide for people with restricted mobility, guides and cares for older as well as handicapped tourists and is responsible for information and organisation during the journey;
- specialist for guest relations and service, is responsible for the all-round service for special guests and exclusive hotels, fairs, etc.;
- specialist for business travel management, works at a travel agency organising and controlling business travel for single customers and businesses;
- agency service specialist, provides product information, training and is a consultant concerning marketing and customer care.

These new or changed activities require new or adapted qualifications.

2.2. Working group I: changing occupations and skill requirements in the tourism sector

Working group I looked at the changes taking place in occupations and skills in the sector, linked to the overall context of the sector and to new trends. Does the tourism sector need more specialists or more generalists? What is the role of multiskilling, transversal skills and hybrid occupations? How successfully does the sector cope with new demands and old challenges with regard to human resource policy?

2.2.1. Changing occupations in the tourism sector in Canada

Marion Joppe, Director, School of hospitality and tourism management, University of Guelph, Canada

The contribution focused on recent developments in Canada. It showed many similarities with the data presented in the keynote on European trends as well as with the ones from Germany.

Some 10.7 % of total employment in Canada depends directly and indirectly on tourism. Growth in tourism has been above national growth average over the past 20 years. There are skill shortages in several occupational categories for a variety of reasons: ageing of the population; the problem of retention (heavy reliance on youth) and of recruitment (the image of the industry, relatively low wages; skills are easily transferable and much prized by other industries); and internal skill gaps (e.g. IT skills, customer service, problem solving, project management).

Several documents concerning national occupational standards describe the skills, knowledge and attitudes necessary for competent performance in specific tourism occupations. These job profiles are compiled and documented by the tourism industry itself. More than 50 national occupational standards have been developed to date, which are provided by the website

<http://www.careernet.com> on over 1000 pages. Numerous training gaps have been identified: e.g. communication, customer service and risk management. The employers' motto seems to be 'to hire for attitude, and then to train for everything'. In Canada there is an industry-driven process to ensure the validity of the national occupational standards and the biggest problem is forecasting/knowning in advance which skills will be needed in future. Furthermore, Canada has vast experience in the validation and accreditation of skills of immigrants, an important inflow to the tourism labour market.

2.2.2. Factors shaping occupational identities in the tourism sector: research from Czech Republic, Greece and Spain

Olga Strietska, Cedefop; Alena Zukersteinova, National Observatory of Employment and Training, NTF, Czech Republic

This contribution presented the research project *Vocational identity: flexibility and mobility on the European labour market* (FAME) supported by the 5th Framework Programme of the European Commission. The research was performed in several sectors and involved seven countries. Research in the tourism sector was performed in the Czech Republic, Greece and Spain, in which interviews were held with employers and employees. The main challenges identified for the sector were similar to ones in other countries: wages in hotels and catering far below the national average, high labour turnover, seasonality, etc. It seems that overall formal vocational education is less important than practical training for human resource development, yet the countries with a longer and stronger tradition of vocational education and training demonstrated relatively higher appreciation of formal qualifications by employers in the sector. Skill requirements are personal and social skills, technological innovation, computer skills and information technologies and multiskilling (combination of skills from different qualifications). Two most important aspects are qualification and flexibility. Flexibility of workers in the sector is seen by employers as a personal quality rather than a skill to which training provision can contribute. Furthermore, the lower the qualification, the higher mobility is expected. The demands placed on employees in the tourism sector are the same as those expected from professionals. Yet, remuneration does not match that for professionals. Consequently, social dialogue is important to improve the skills situation in the sector, but is virtually absent (the sector is practically non-unionised).

2.2.3. The role of ICT in tourism and related changes in skills: tourism value net revenue management

Riina Glinskih, Hotelzon International Ltd /Tartu University, Estonia

The contribution shed light on the role of ICT in tourism and related changes in skills. It was focused on changes in distribution and sales and on revenue management. The reason for the changes in distribution and sales is the rapid development of information and communication technologies, which has changed the way information is exchanged among tourism industry players. The Internet is revolutionising the distribution of tourism information and sales.

Important developments are that distribution channels traditionally used by tour operators or travel agencies are now available for customers via Internet and that by means of merged offers of traditionally separated services, traditional tourism value chains have evolved into the tourism value net. The skill needed for the successful navigation in the net is the capacity to evaluate and to choose the right electronic distribution channels. Networking between tourism education institutions, information technology education institutions and tourism industry players is essential to develop a skill base for successful navigation. Revenue management concepts and tools have been designed to improve and support bottom line decision making. Among the skills needed for effective revenue management are marketing, finance management and human resource management. Moreover, in e-business it seems to be very important to know about legislation and insurance. In terms of initial education provision in tourism it would be helpful to have training in simulated business cases. Also, hybrid qualifications can be useful, such as combination of traditional tourism qualifications and e-business/ICT qualifications.

2.3. Working group II: new trends and developing services in tourism

In Working Group II, three presentations offered insights on new skill needs in different segments of the European tourism sector. A case study of a luxury hotel resort in Spain illustrated changing customer demands and resulting training needs. Information about current problems, future economic opportunities and skill needs, connected to barrier-free tourism in Germany, were discussed in the second presentation. The third dealt with employment and training needs in the redeveloping tourism sector in Montenegro.

2.3.1. New trends and developing services in luxury tourism

Katja Gottwik, Marbella Club Hotel – Golf Resort and Spa, Spain

Several trends and influences have affected both luxury and economy tourism: insecurity due to terrorism and war, changing distribution and information patterns through the Internet and last-minute booking, a decline of conventional destinations and growing price and quality consciousness among customers. Domestic tourism can profit from insecure travel environments. To meet the changing demand, businesses and countries competing for tourists are forced to spend considerable efforts on training and retraining their staff. During the discussion it was argued that this task can be accomplished more easily by businesses that are competing in higher price categories than by stakeholders in low budget markets.

2.3.2. Accessible tourism for all: related skill needs

Vera Berthold, Natko e.V., Germany

The discussion of barrier-free tourism has overcome the stage where issues connected with travelling of handicapped people were linked to normative or legal aspects solely. In connection with demographic trends, it is seen now that guests with restricted mobility will form a very powerful customer group in the future. 6.7 million people (8.1 % of the population) in Germany today are handicapped, 30-40 % of them with activity disabilities. It is feasible that this number will double by 2030. According to academic research, the economic impact of enhanced travel conditions for this target group for Germany could be immense: a rise in economic turnover of EUR 1 930 million is possible, which translates into 90 000 additional full-time jobs or 0.24 % growth in GDP. However, many measures for various actors on different levels have to be implemented to capitalise on this growth opportunity.

2.3.3. Two recent surveys regarding employment and training needs in Montenegro

Bozidar Sisevic, National Observatory, Montenegro

Montenegro witnessed a sharp decline in tourism at the end of the 1990s due to the war. In 2003 there were 20 000 people seasonally employed in the tourism sector. The level of unemployment among 600 000 inhabitants was in the range of 20-30 %. Despite the high unemployment rate, the tourism sector in Montenegro has the potential to employ an additional 10 000 people. However, structural problems such as a deficient infrastructure and poorly trained personnel present a major barrier for employment growth in the tourism sector.

2.4. Plenary session II

2.4.1. Skill trends and training needs in the tourism sector in Portugal: strategic plan for tourism

Teresa Gaspar, Vera Beleza, INOFOR, Portugal

Ms Gaspar and Ms Beleza presented a continuing project Skills trends and training needs diagnosis, with special reference to a tourism sector study which started in 2002. The study covered accommodation, catering, entertainment/attractions and distribution. It intended to provide key data on skills identification and anticipation, as well as diagnosis of the sector's training needs. In accommodation and catering it was found that no major changes had affected the occupations, skills and various areas of activity. This was not the case for distribution, where major changes took place. There is a growing tendency in this area to separate travel design from travel sales activities and create holiday consultancy departments with the subsequent impact on workers skills. Tour operators need skills in market analysis and mass or tailored travel design. Travel agents need skills in customer orientation and in organisation of travel. In the recreational and leisure area it is important to offset the effects of the sector's

seasonality, enhance the appeal of regions and diversify existing products. Identified skills needs are: using the supplier's network, designing package products, defining and implementing marketing strategies and promoting them in different contexts. While the study was underway, a protocol was devised for strategic workforce development planning for the tourism sector. Public bodies working in VET (INOFOR, DGVC, IEF, INFTUR, Ministry of Science and Technology and Higher Education), and representatives of industrial associations and trade unions, were all involved in designing the strategic plan. The indicated objectives of this strategic plan are:

- (a) to structure training provision to meet the current and future training needs that have been identified for tourism activity;
- (b) to improve workforce skills standards;
- (c) to increase transparency and mobility of qualifications in the employment market through professional certification, based on skills and qualification standards.

2.4.2. Research on tourism in Hungary and the transfer into tourism education

*Mihály Szabó, P4U Investment, development and marketing related services,
Hungary*

Tourism has been set as a priority sector in Hungary with more than 10 % (EUR 7.5 billion) of the GDP of Hungary in 2003 being generated by tourism taking into account the multiplication effect. The goal is to make Hungary an exclusive tourism destination. Nevertheless, problems such as low incomes, regional concentration in the areas of Budapest and Lake Balaton, and season-dependent turnover need to be overcome. Specific fields, such as tour management, health, the Internet, CRS, tendering, investment and developing and lobbying need to be handled by young people with the necessary skills. Such skills include pragmatism, knowledge of foreign languages and experience in different countries, marketing approach, creativity, innovative and human approach.

2.4.3. Wellness tourism and skill needs: how to put them into qualification practice

Stephan Ritter and Sebastian Kneipp-Schule, Germany

This contribution focuses on 'wellness' as a growing trend in various domains and industries including that of tourism. Wellness is defined not as a term which is strictly associated with fitness and an enjoyment lifestyle. Mr Ritter argued that wellness should be seen in a broader and more holistic context which includes the development of competences that will enable the individual to proactively deal not only with his or her physical needs but also with his or her mental, emotional and social needs. The wellness customer in daily life as well as on vacation wants support in all the wellness areas (physical, mental, emotional, social) and expects qualified services that will provide for all of these areas. It is not the number and type of treatment rooms, devices and furnishings or the number of consultants, planners, construction companies, suppliers or marketing concepts which will bring about the necessary changes

towards wellness, but rather the development, realisation and establishment of a wellness concept developed solely from the perspective of the customer's needs, desires and values. Consequently, completely new occupational profiles and qualifications are required. These must be highly interdisciplinary, because the future of wellness requires cooperation between fields which have, until now, existed on parallel tracks: providers in the areas of recreational activities, vacation and sports as well as providers of medical, curative and preventative concepts. Cultural and educational offerings will supplement this mix. However, there are significant deficits in regard to occupational profiles and qualifications for wellness and wellness services. Tourism for wellness should address all types of customers and new occupational profiles can be identified, which are highly interdisciplinary (sport, medical, culture).

2.4.4. Research on tourism trends in Serbia and the transfer into tourism education

Jovan Popesku, Centre for Responsible and Sustainable Tourism Development (CenORT), Belgrade, Serbia

Mr Popesku presented a SWOT analysis of Serbia's tourism sector and, in particular, of the areas of the tourism products, marketing and promotion and human resources. Serbia is a non-traditional tourist destination but can potentially develop special interest tourism (ecotourism, rural tourism, natural and cultural heritage tourism, adventure tourism) recreational tourism (lakes, mountains, spas), business tourism. Training for these different types of special interest tourism is extremely important and should aim to attract skilled labour to the sector, to retain and develop skilled labour in the sector and support enterprises at regional and local level to improve their competitiveness. These goals should be realised by creating a permanent observatory on learning, employment and labour environment in the tourism sector. The publication of a *Handbook for learning areas in the tourism industry* can serve as a practical guide for action in Serbia.

2.4.5. Research on early identification of skill needs and future Skillsnet activities in the tourism sector

Olga Strietska-Ilina, Cedefop

There are many examples of research and analysis of current and future skill needs in the tourism sector at national and regional level, and with regard to specific occupations, job profiles and new services. Various initiatives and surveys have also been undertaken/and or supported at European and international level by the European Commission, Cedefop, European Training Foundation, International Labour Organisation, World Tourism Organisation and others. The research activities are, however, rather isolated, and hence offer limited impact and only partial transfer to policy and practice. The vulnerability of the sector makes it very difficult to cast any predictions and thus imposes additional problems for early identification of skill needs. Olga Strietska presented further Skillsnet activities. She asked for more future

cooperation with other tourism organisations and proposed a working group on tourism in Skillsnet coordinated by members of the network.

2.4.6. Final plenary discussion

All participants agreed that early identification of skill needs should continue at European level. They expressed their willingness to invest time and human resources to support Skillsnet to become a useful tool. Transfer into policy and social dialogue was seen as an essential element. Piet Jonckers, European Commission (DG Enterprise) proposed a new cross-country analysis of occupations, with the perspective of a European qualification framework for tourism, and further cooperation among various European bodies in the framework of the proposed working group on tourism. Stavros Stavrou, Cedefop Deputy Director, noted the special importance of elaboration of vocational profiles for new occupations (e.g. tourism for disabled/disadvantaged people, tourism for wellness). Manfred Tessaring, Cedefop, mentioned the importance of involving social partners in the working group. Further ideas in the plenary discussion included assessment of examples of good practice in identification of skill needs and the subsequent transfer to HRD policy and practice with special attention to success factors. The proposed working group could identify areas of interest and generate projects in early identification of skill needs, as well as disseminating project results through the Skillsnet information platform and membership. The working group could monitor calls for tenders and collect information on continuing and completed projects; support (cross)regional identification of skill needs (e.g. Euroregions, geographical enclaves). Finally Skillsnet could be useful in benchmarking among different sectors in various activities related to early identification of skill needs.

Olga Strietska-Ilina, Manfred Tessaring, *Cedefop*

Bernd Dworschak, Susanne Liane Schmidt, *Fraunhofer IAO*

Henriette Freikamp, *isw*

Ralf Mytzek, *WZB*