Boosting the tourism industry starting from its human capital

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INTRO (I)

- Tourism industry has huge potential to generate economic growth and create jobs

- It's indeed a «**capital saving and labour intensive**» sector

- It makes a substantial contribution to the EU economy: before the Covid-19 pandemic, it directly and indirectly supported **over 12 million jobs** and contributed to **around 10% of the total EU GDP**

INTRO (II)

- In Europe, **international arrivals will double by 2030**, with 500 million potential new tourists from Asia alone

- At the same time, an increasingly fierce competition is expected from **new emerging destinations** outside of Europe

WORKFORCE IN TOURISM INDUSTRY (I)

- **13% of tourism employees are aged under 25**.
- Tourism sector is, in this sense, one of the main entry points to the labour market, providing a **concrete answer to youth unemployment**

WORKFORCE IN TOURISM INDUSTRY (II)

- Tourism is also the largest employer of **migrant workers**, **part-time** and **seasonal workers**, as well as **female workers** (58% of people employed in core tourism activities are women) and it provides large job opportunities to **workers re-entering the job market**

WORKFORCE IN TOURISM INDUSTRY (III)

- The competitiveness of the tourism industry relies on the **competences and skills of its workforce**, as:

  - ✓ *human capital is one of the most important assets* for companies in the entire service sector

  - ✓ *quality and professionalism of the services provided by human resources* (particularly those in more direct contact with clients) determines a *competitive advantage or disadvantage* for the companies for which they work

GAPS AND SHORTAGES TO BE FILLED (I)

- However, the tourism businesses, expecially SMEs, **struggle to find, attract and retain skilled employees**

- Indeed, human capital working in the tourism sector is generally less skilled than the EU average working population, with **around 25% of the workforce having low-level qualifications**

GAPS AND SHORTAGES TO BE FILLED (II)

- Other issues:

  ➢ **Over 90% of tourism enterprises employ less than 10 people** and the skills training for employees in the small businesses, especially in 'micro-enterprises', is often neglected and left behind

  ➢ The sector does not appear high on the list of the most popular graduate jobs, in particular due to a **negative perception of job quality, seasonality and limited career prospects**

  ➢ The explosion and rapid evolution of **digitalisation in the tourism sector requires new, specific knowledge** not only from employees, but also from tourism entrepreneurs

  ➢ Education and training providers have a **limited understanding of employers' requirements and travellers' expectations**

- So, **identifying skills needs and bridging skills gaps** in a highly seasonal sector, often involving short-term contracts in a fragmented industry, is a major challenge for **companies**, **education providers** and **public bodies**

- In order to remain competitive globally, the European tourism industry needs to invest in the **upskilling and reskilling of its workforce**

FUTURE CHALLENGES (I)

- According to research «Realizing 2030: The next era of human-machine partnerships», carried out by the *Institute for the future* on behalf of Dell Technologies, 85% of the jobs that will be done in 2030 have not yet been invented and the **ability to acquire new skills** throughout a working life will be **more important than knowledge itself**

FUTURE CHALLENGES (II)

- These estimates clearly indicate a trend towards **disruptive changes in the coming years**, when:

  ➤ the relationship between man and machine will become even deeper and more immersive

  ➤ every company, even and especially in the tourism sector, will have to become a digital company in order to survive

EUROPEAN COMMISSION'S RESPONSE MEASURES

- **Sector Skills Alliances** in the leading industrial ecosystems of the continental economy (including tourism) with the task of developing a Blueprint (a targeted strategy and a concrete action plan to close the skills gaps in each mean economic sector).

- So, also for the tourism, the **Blueprint for Sectoral Cooperation on Skills** brought together businesses, education and training providers, professional associations, chambers of commerce, social partners and other relevant stakeholders through the **NTG Project**

Co-funded by the
Erasmus+ Programme
of the European Union

NTG
Next Tourism Generation Alliance

THE PROJECT

ITALY, UK, IRELAND, SPAIN, HUNGARY, GERMANY, NETHERLANDS, BULGARIA

Title	The Next Tourism Generation Alliance (NTG)
Programme	Erasmus+
Action	Cooperation for innovation and the exchange of good practices
Member States	Italy, Hungary, Bulgaria, UK, Spain, Germany, Netherlands, Ireland
Donor	European Commission - EACEA
Duration	4 years
Timeline	1st Jan 2018 - 30th Dec 2021
Budget	4ml €

THE NEXT TOURISM GENERATION ALLIANCE (II)

- Over the 4 years of the project implementation, the NTG team analysed the gaps and shortages in the skills required to work in the tourism industry, also in light of the profound transformation following the sudden (and disrupting) appearance on the scene of the Covid-19 pandemic.

- The basic priorities underlying the NTG project were threefold:

    - To maintain and consolidate the primacy of the EU as the leading tourist destination worldwide.

    - To make Europe an ever greener, digital and tourist-friendly area.

    - To ensure that, in the next decades, tourism continues to be a "capital saving and labour intensive" sector within the EU economic system.

THE NEXT TOURISM GENERATION ALLIANCE (III)

- On the basis of these strategic goals, the **NTG Alliance**:

1. built a mechanism in each country together with tourism stakeholders for continuously **tracking and bridging the gap between current and future tourism skills**;

2. improved the **relationship between tourism enterprises, education system and governments**;

3. provided employees, employers, entrepreneurs, trainers and students with a set of tools and training modules in **digital**, **green and social skills**.

THE NEXT TOURISM GENERATION ALLIANCE (V)

- During the implementation of the project it was highlighted that the tourism industry is dramatically transforming due to:

  ➢ **Emerging technologies impact**

  ➢ **Sustainable tourism needs**

  ➢ **Health and safety issues**

  ➢ **Increasingly fast changing demand**

A humanoid robot at a hotel reception (Japan)
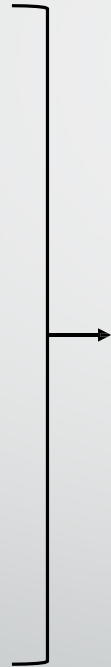
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NTG SECTORS AND SKILLS SETS

Sectors

Accomodation

Food & Beverage Operations

Travel Agencies & Tour Operators

Visitor Attractions

Destination Management

Digital skills

Green skills

Social skills

DIGITAL SKILLS (I)

- As part of the NTG project, we carried out a Europe-wide survey to find out which skills are currently considered to be most lacking from a future perspective in the tourism industry.

- **The top 5 skills with the biggest gaps to be bridged are all digital**:

  1. Artificial Intelligence and Robotics skills

  2. Skills related to applying digital hardware technologies, such as Augmented Reality and Virtual Reality

  3. Data Analytics, Business Intelligence, Big Data skills

  4. Website Development skills

  5. Computer Programming skills

DIGITAL SKILLS (II)

	Current	Future	Gap	Gap%
Artificial Intelligence (AI) and robotics skills	1,87	3,04	1,17	**63%**
Skills related to digital hardware technologies, such as Augmented and Virtual Reality	2,02	3,19	1,17	**58%**
Data analytics, business intelligence, big data skills	2,73	3,69	0,96	**35%**
Website development skills	2,58	3,46	0,88	**34%**
Computer programming skills	2,28	3,01	0,73	**32%**
Skills for implementing online safety procedures	3,24	4,01	0,77	**24%**
Conservation of biodiversity	2,84	3,51	0,67	**24%**
Ability to speak foreign languages	3,28	4,05	0,77	**23%**
Promotion of sustainable forms of transport	2,98	3,67	0,69	**23%**
Skills to monitor online reviews	3,36	4,12	0,76	**23%**
Social media skills	3,45	4,21	0,76	**22%**
Desk top publishing skills (for designing brochures, catalogues, etc.)	3.08	3,74	0,66	**21%**
Online marketing and communication skills	3,49	4,22	0,73	**21%**
Skills related to disabilities and appropriate infrastructure	3,49	4,18	0,69	**20%**

NTG SKILLS NEEDS ASSESSMENT SURVEY
(Research in 8 countries: surveys n°=1400, interviews n°=250)

DIGITAL SKILLS (III)

As tourism is a service industry, where technology is applied in a **human-centered context**, a smart combination of **IT** and **social-cultural skills** is needed to:

- Build and strengthen relationships
- Enhance tourist experiences
- Drive product personalization
- Improve interactions with customers
- Deal with online opinions, reviews, news
- Understand consumer behavior
- Model scenarios
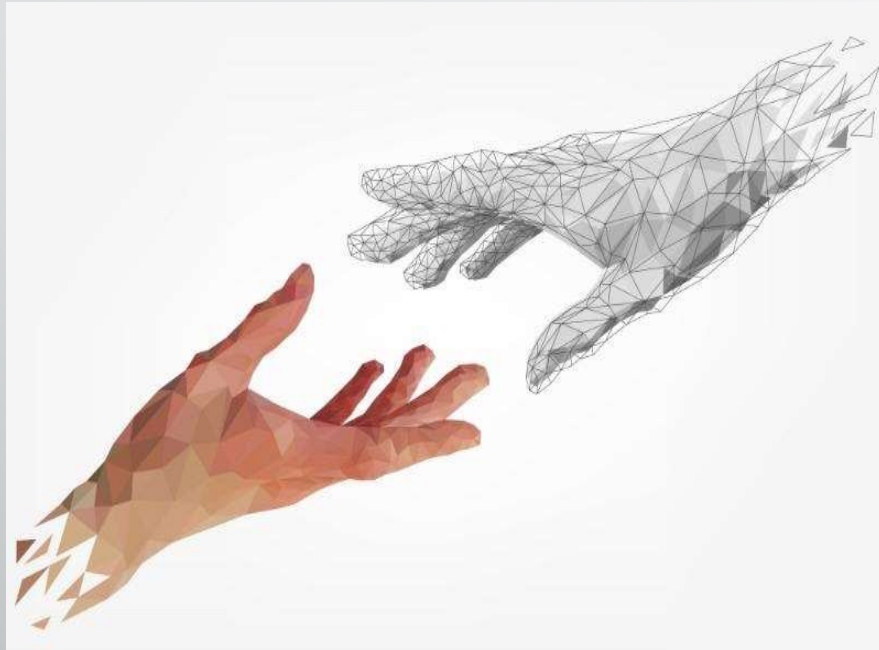
'High Tech with a Human Touch'

DIGITAL SKILLS (IV)

❑ **In common digital solutions** (e.g., Office applications, cloud-based software, online security and privacy, social media, desktop publishing, etc.) **fluency is needed**

❑ Although most tourism employees don't have to be digital specialists, they should **understand the basic concepts of artificial intelligence, data analytics, VR/AR, robotics**

❑ Since it is impossible to train employees/students in the use of all systems and all upcoming changes, **self-learning capacities are key**

GREEN SKILLS (I)

- Foster sustainability and green growth
- Work with local supply chains
- Apply the principles of the circular economy
- Use, in restaurants, of zero-km food products
- Reuse of the wet fraction of organic waste
- Reduce water consumption

GREEN SKILLS (II)

- Use of recycled water

- Use of biodegradable detergents

- Systematic use of renewable energy sources

- Active participation in climate change mitigation programs (such as carbon offsetting or low energy systems)

- Support for the protection, conservation and management of biodiversity and local landscapes

- Availability, in hotels and restaurants, of rooms and tables fully accessible to guests with disabilities

GREEN SKILLS (III)

❑ **Occupational profiles** such as *Heritage Manager* or *Environmental Education Officer* in order to enhance conservation and sustainability and raise awareness of environmental issues

❑ **Lesson plans** on reducing *plastic waste* and *food waste*, adaptation to the *climate change*, *communicating sustainability*

SOCIAL SKILLS (I)

- Social skills are extremely important too: these are **soft, transversal and relational skills** (such as being able to listen and communicate effectively, or show understanding and empathy towards clients and their needs).

- These are often innate skills, which are **difficult to teach** (as opposed to hard skills) but which are nevertheless considered essential by companies to work successfully in this particular sector.

- Moreover, the pandemic has made even more evident the need for creative and flexible human resources, able to **solve problems in real time**, **work in a team**, **manage stress** and **adapt to new needs**

SOCIAL SKILLS (II)

- All this leads us to believe that, also in tourism sector (which is and will remain a service sector, where the human component of performance is and will remain central), the future of work will revolve mainly around those **skills, abilities and capacities that are unique to the human brain and more difficult to automate** (social intelligence, originality, creativity)

SOCIAL SKILLS (III)

- This means that general skills will be preferred over tourism-specific skills

- So, our focus will necessarily have to shift in the future from **«jobs and professions»** to **«learning and developing skills»** (less specific and more fluid concept)

COVID-19 IMPACT ON TOURISM SKILLS NEEDS

- Regarding the impact of Covid-19 pandemic on the tourism sector, now we have to devote even more attention to the skills needs related to:
    - ✔ crisis management
    - ✔ emergency insurance
    - ✔ health safety
    - ✔ cybersecurity
    - ✔ blockchain technology
    - ✔ artificial intelligence
    - ✔ big data
    - ✔ predictive modelling analysis.

THANK YOU
FOR YOUR ATTENTION!

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