

WEBINAR · 28 SEPTEMBER 2020

Growth, Interrupted

Navigating COVID's Shock to Canada's Tourism Workforce

Tourism **HR**
Canada



RH Tourisme
Canada



Welcome

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Canada



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Canada

February 2020

2 Million



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About
**45% of Tourism
Workers
Displaced**
in under
10 Weeks



This represented
nearly
**30% of the
Canadian workforce**
that were affected

February
2 Mil

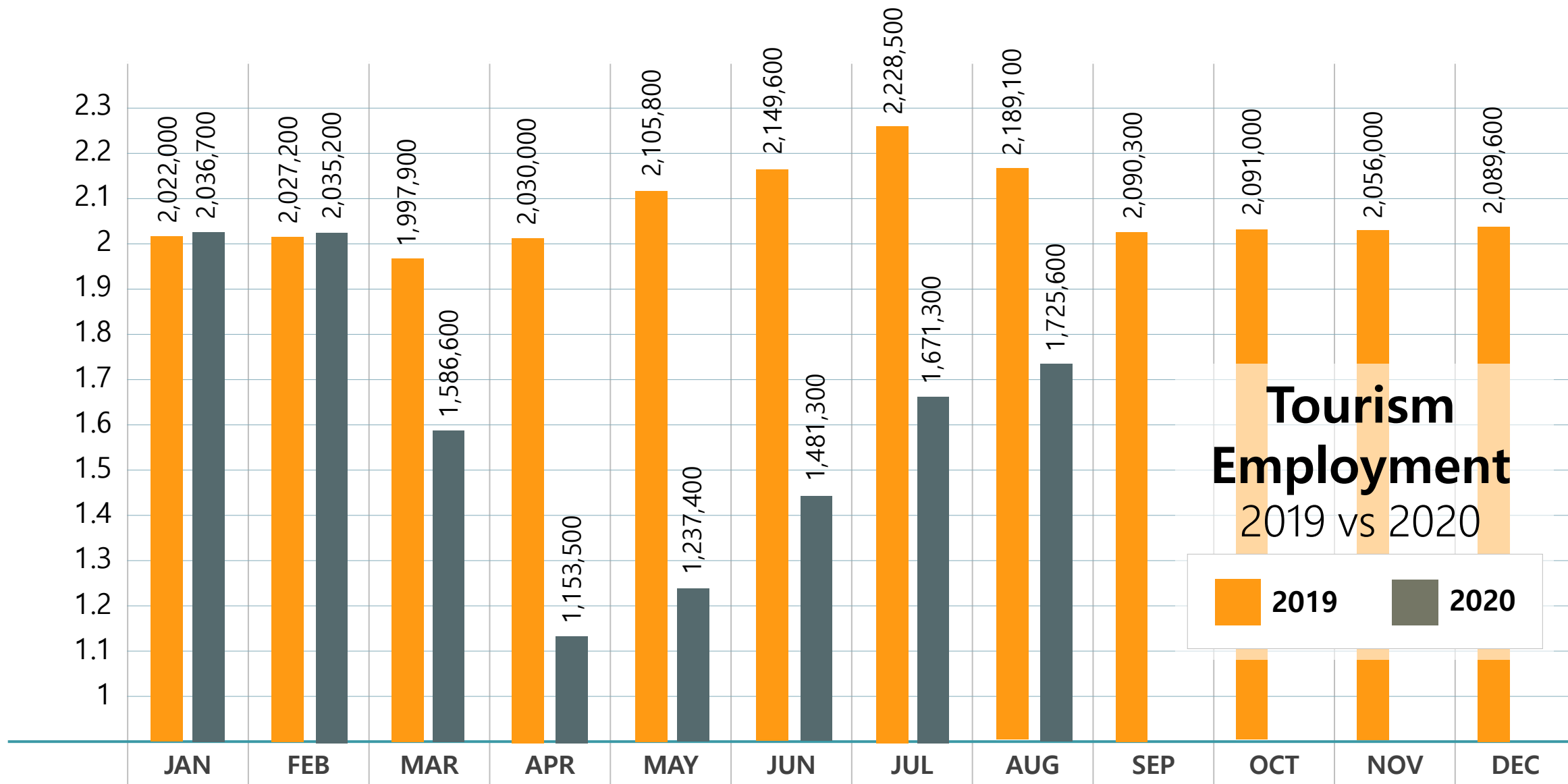
Ap

August 2020

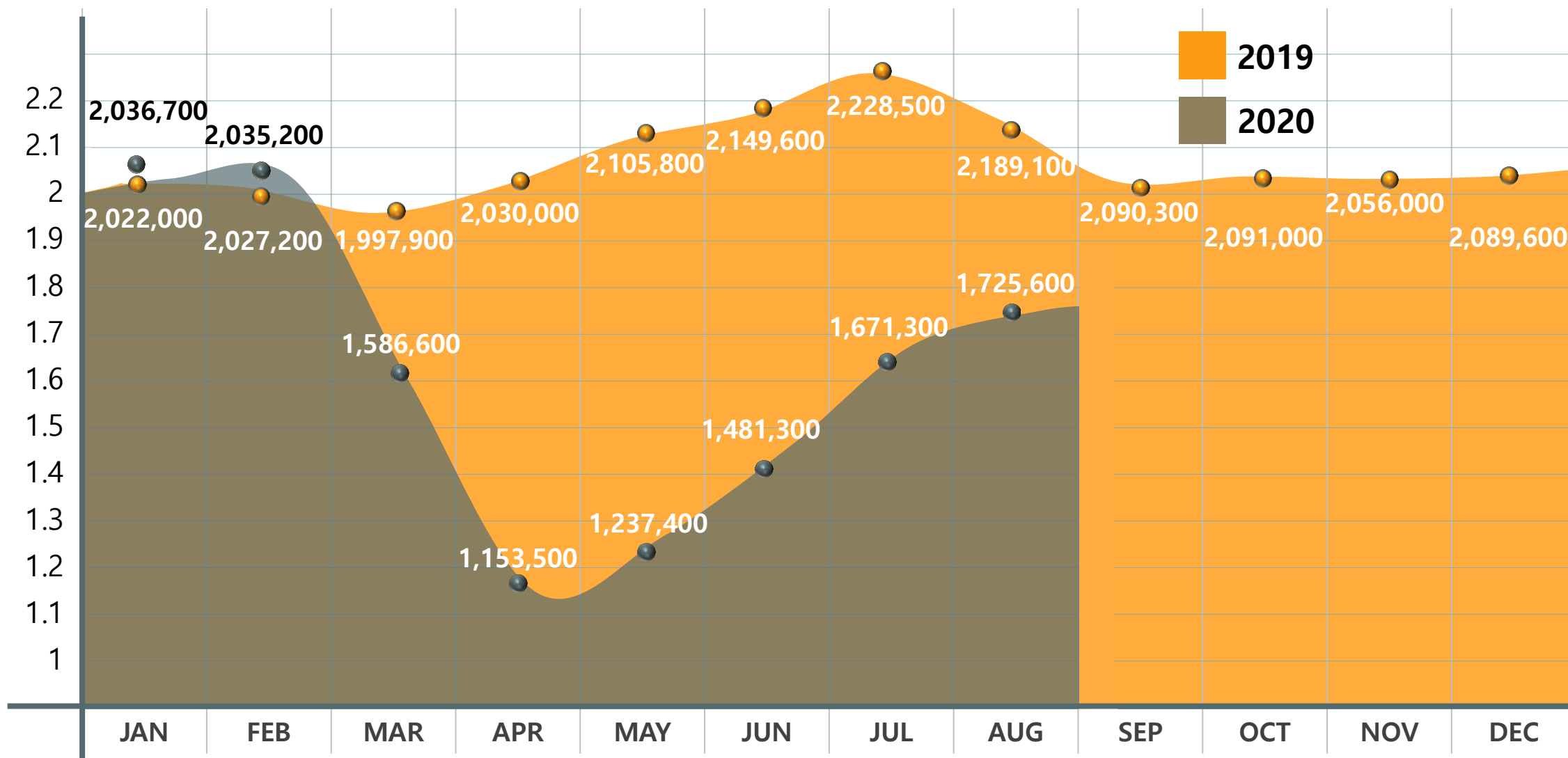
- 463,500

compared to
August 2019

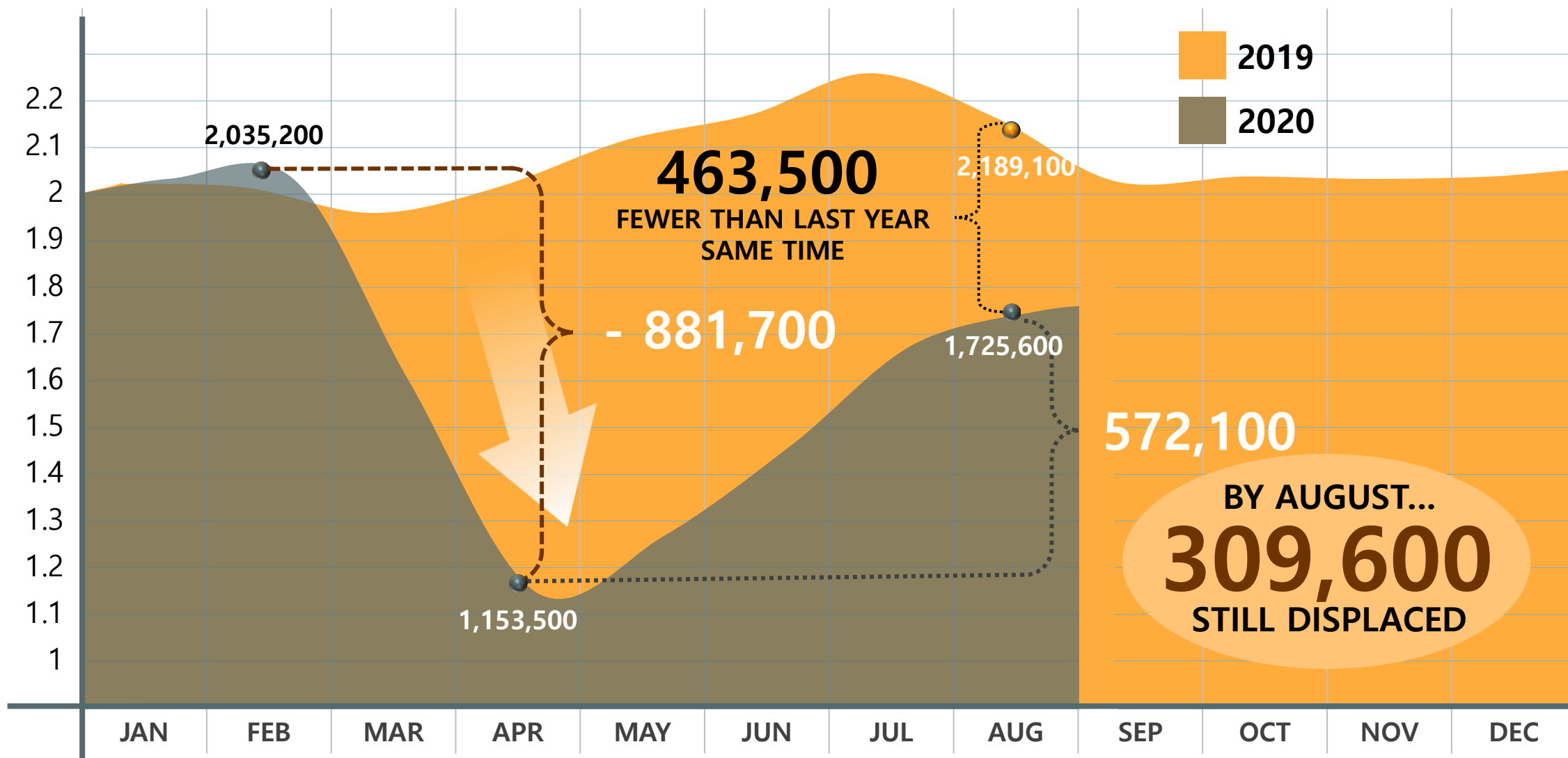




Total Tourism Employment 2019 vs 2020

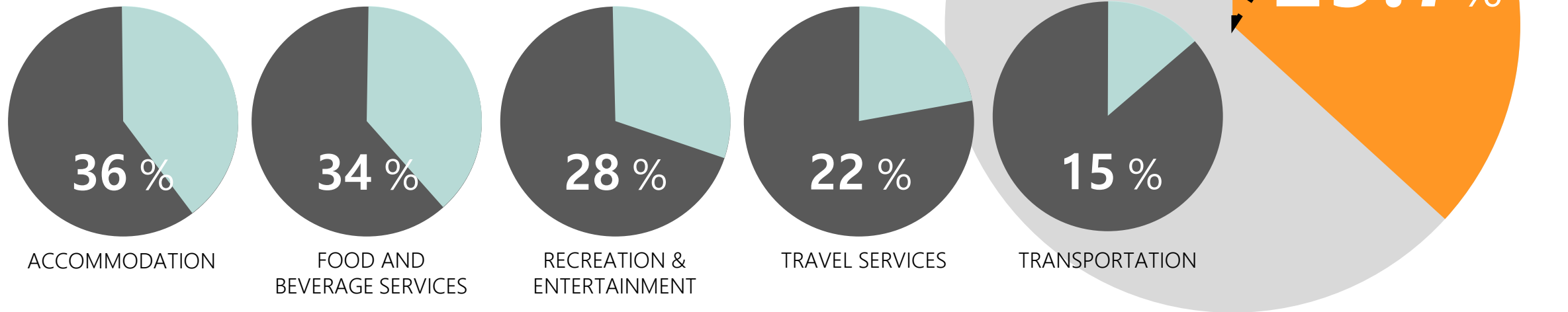


Total Tourism Employment 2019 vs 2020



Tourism

May Unemployment Rate





SUPPLY



SKILLS



MOBILITY



Pre-COVID

Largest job creator, growing faster than most sectors

Chronic shortages of workers.

Canada's unemployment rate At its lowest in 40 years and tourism has consistently tracked lower.

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PRE-PANDEMIC PROFILE

Tourism Workforce

1.8 Million & Growing

2%



TRAVEL
SERVICES

9%



ACCOMMODATION

16%



TRANSPORTATION

22%



RECREATION &
ENTERTAINMENT

52%



FOOD &
BEVERAGE

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**World Health
Organization**

200 days

33.3 million cases worldwide

1 million deaths

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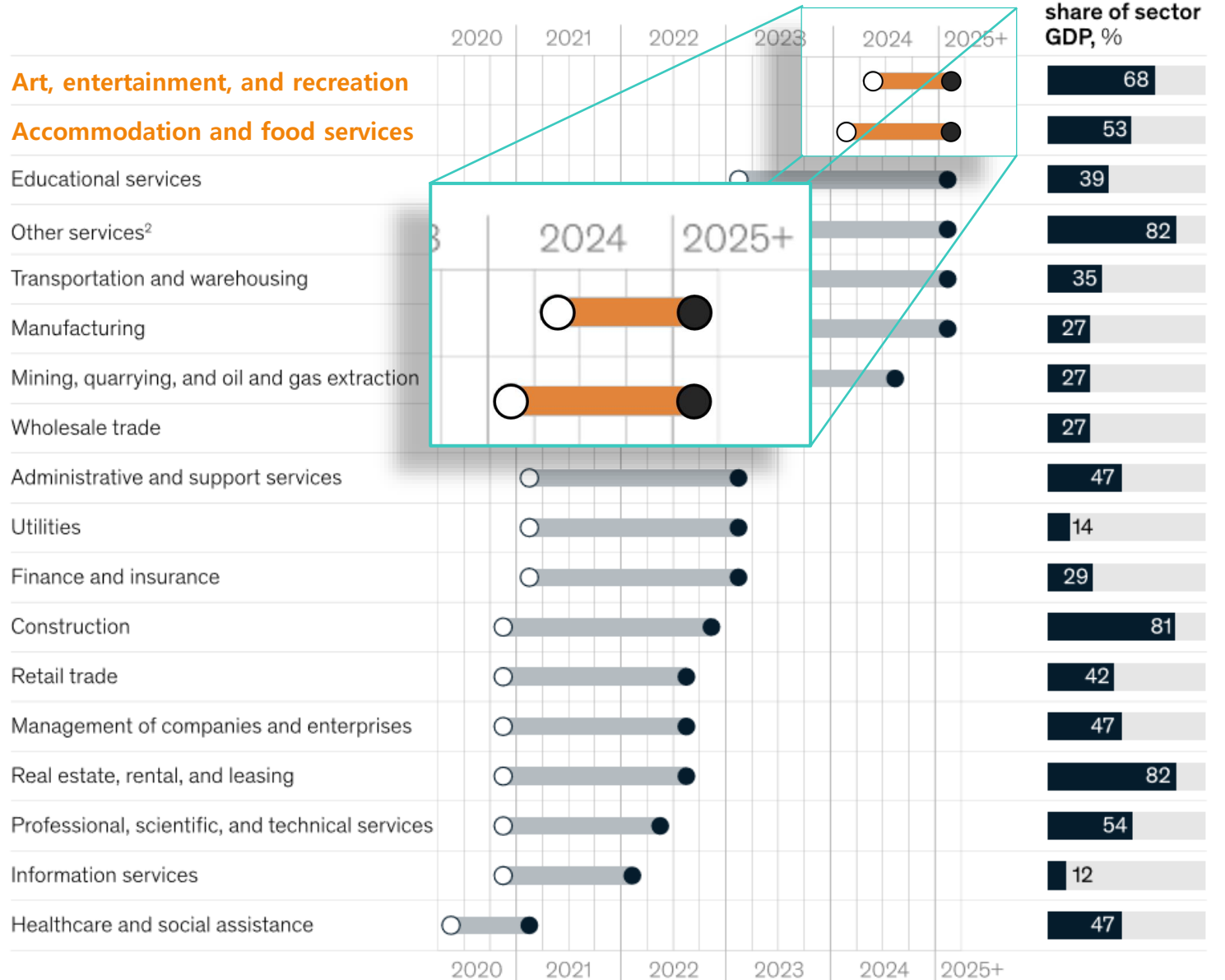
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“
COVID-19 recovery
in hardest-hit
sectors could take
more than 5 years.

Estimated time to recover to pre-COVID-19 sector GDP¹

○ Virus-contained scenario ● Muted-recovery scenario



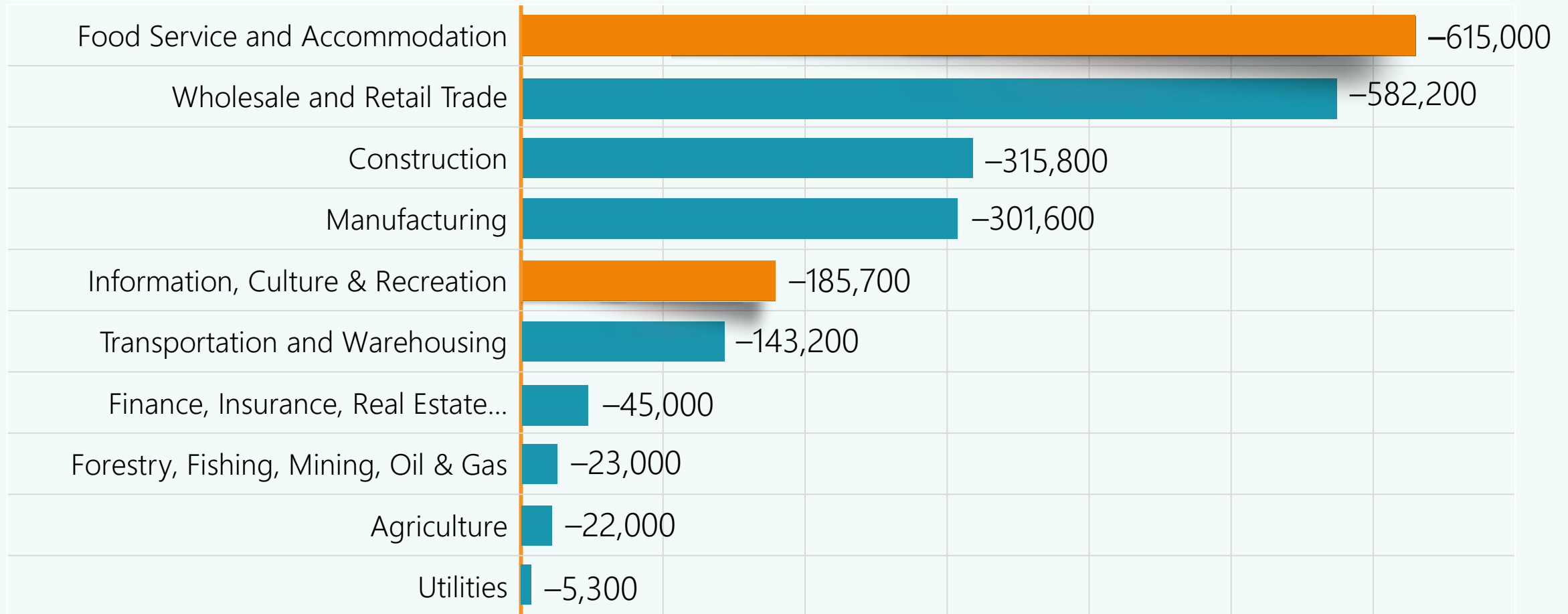
¹Data as of June 15, 2020.

²Excluding public administration.

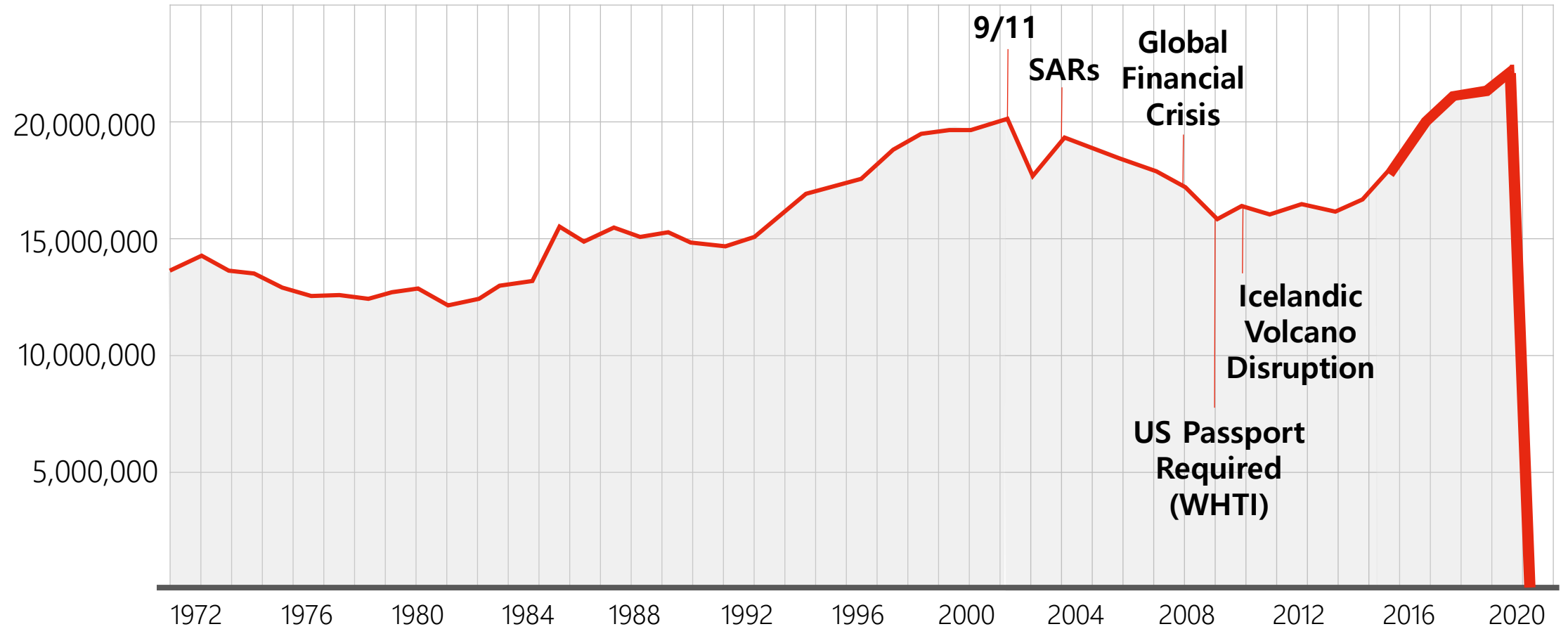
Source: Oxford Economics; McKinsey analysis; McKinsey Global Institute analysis

Total Job Losses

in March and April 2020



Unprecedented Collapse





Shock and Uncertainty:

A Workforce Disrupted

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Employment Tracker:

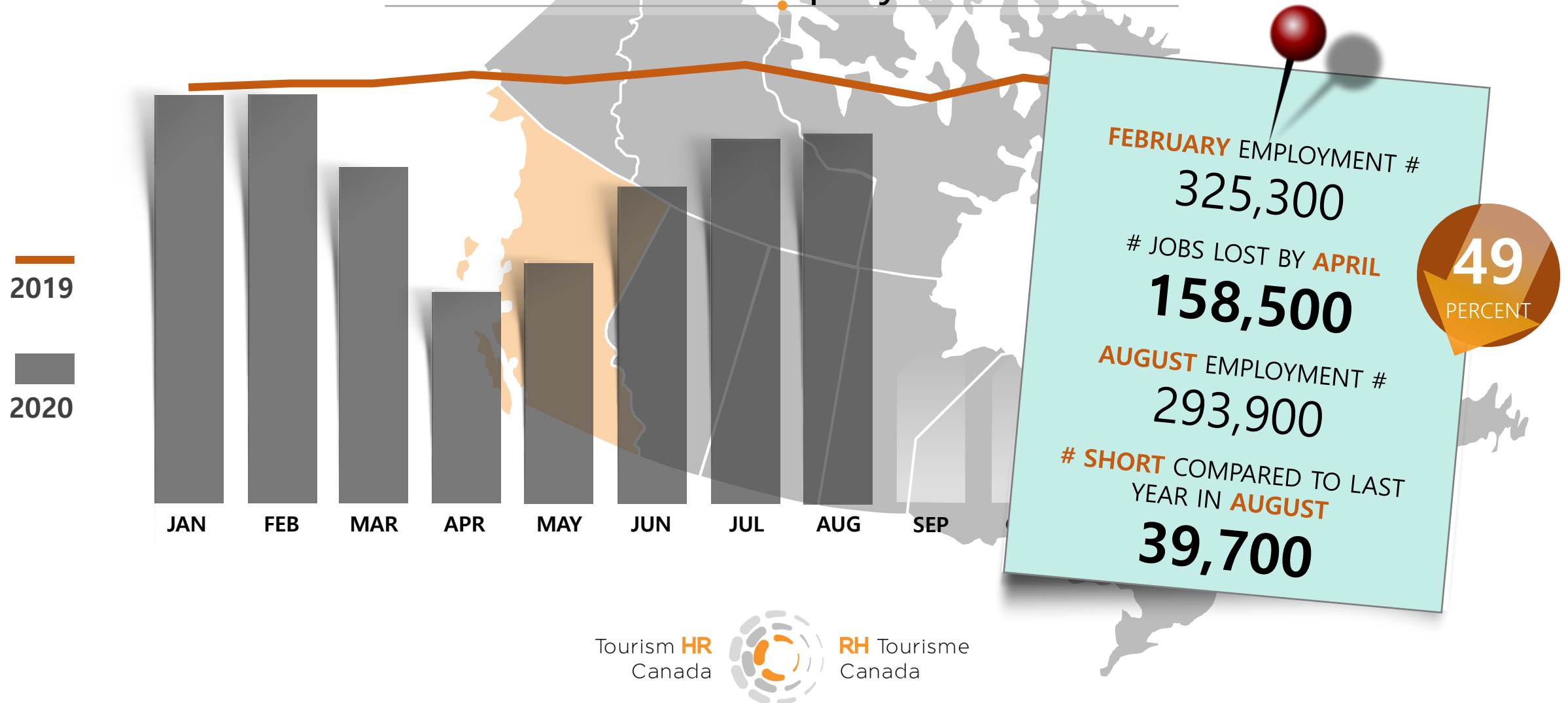
an illustration of
monthly insights

**= 363,900
jobs that
remain
displaced**

Employment at
summer's peak (July)
only **75%** of what
was last year

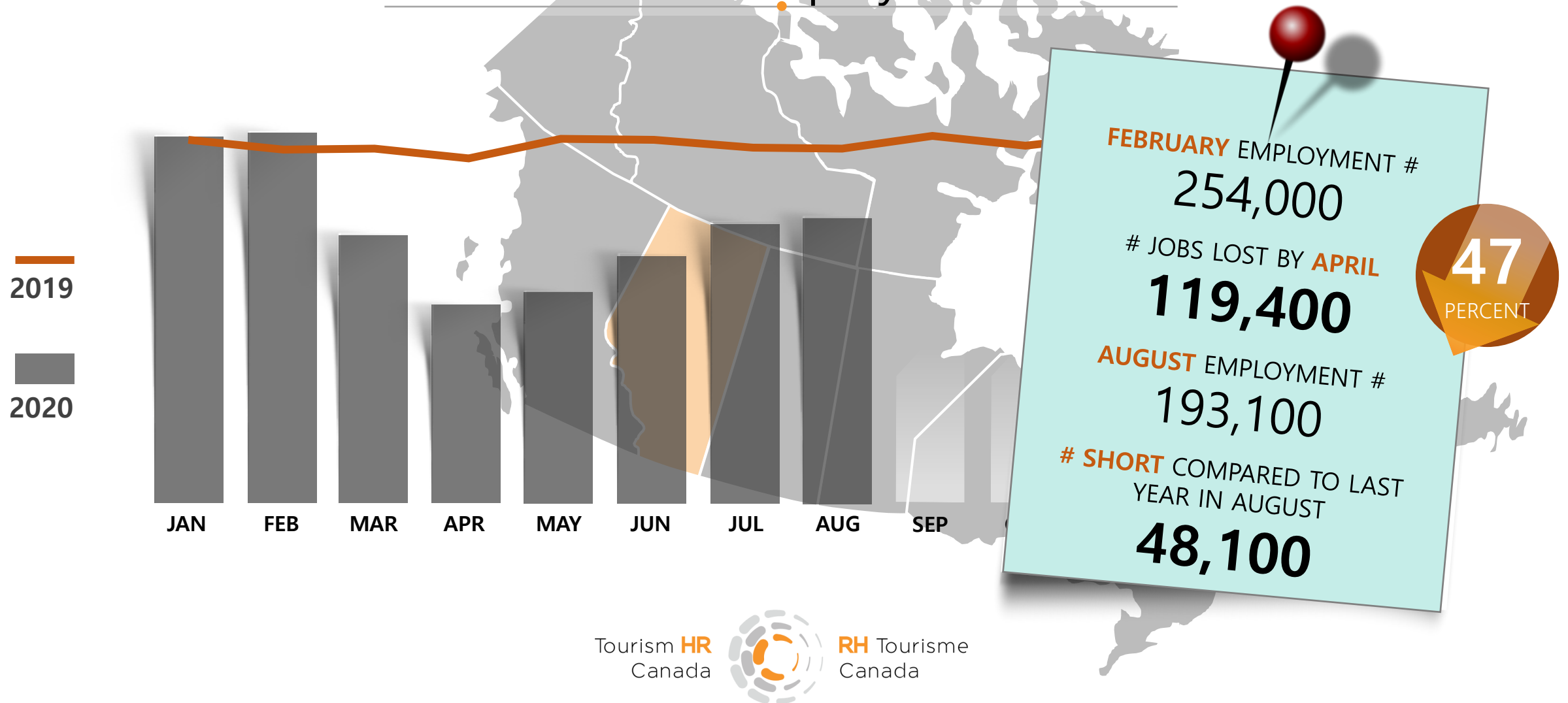


British Columbia Tourism Employment

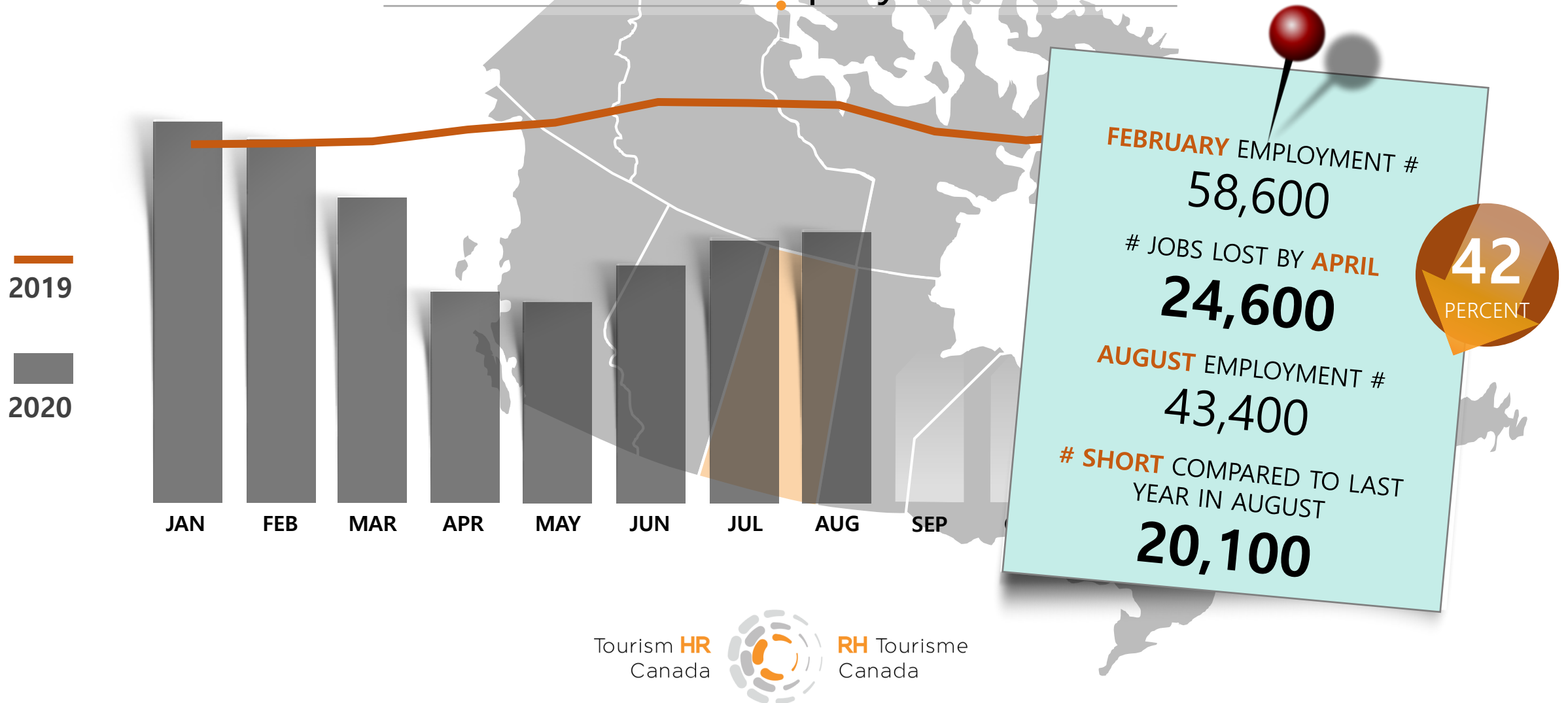


Alberta

Tourism Employment



Saskatchewan Tourism Employment



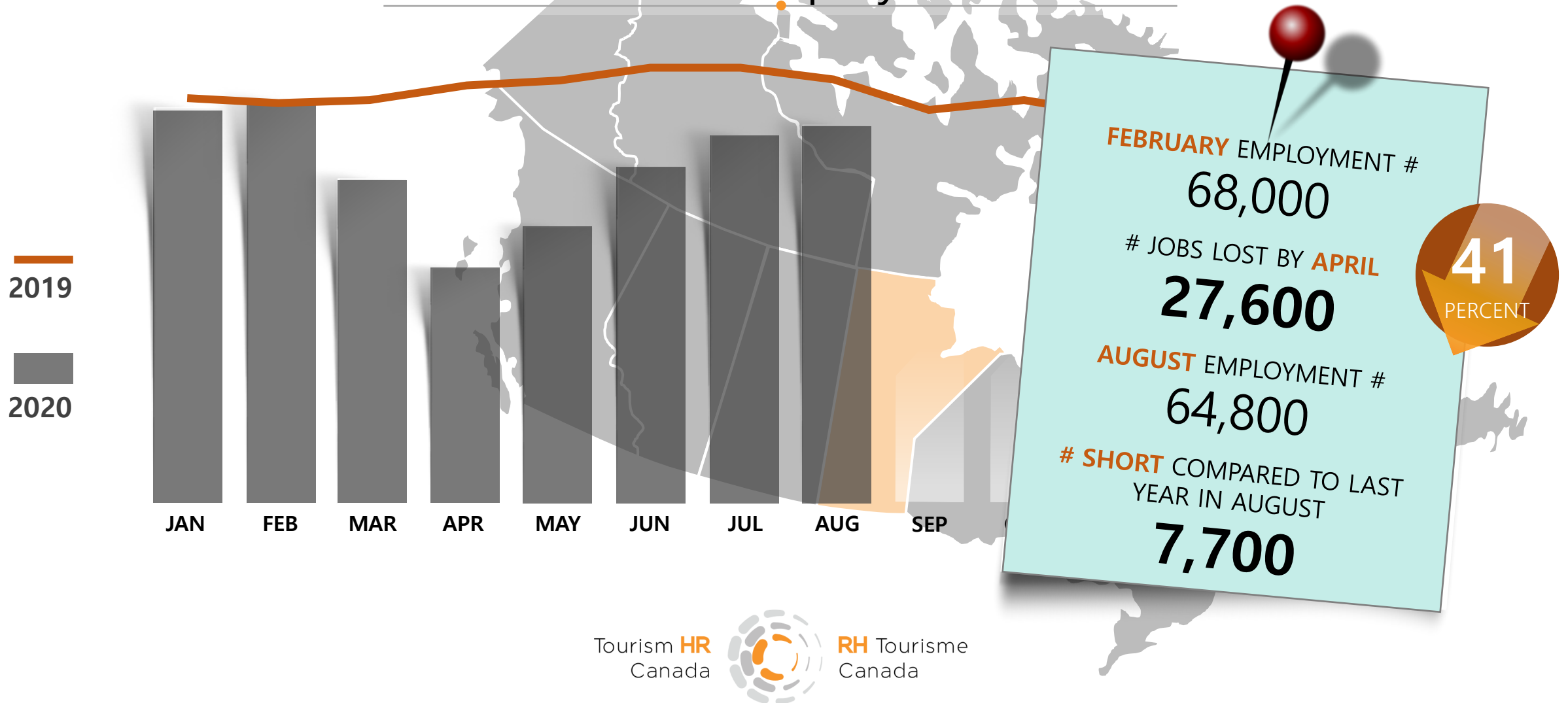
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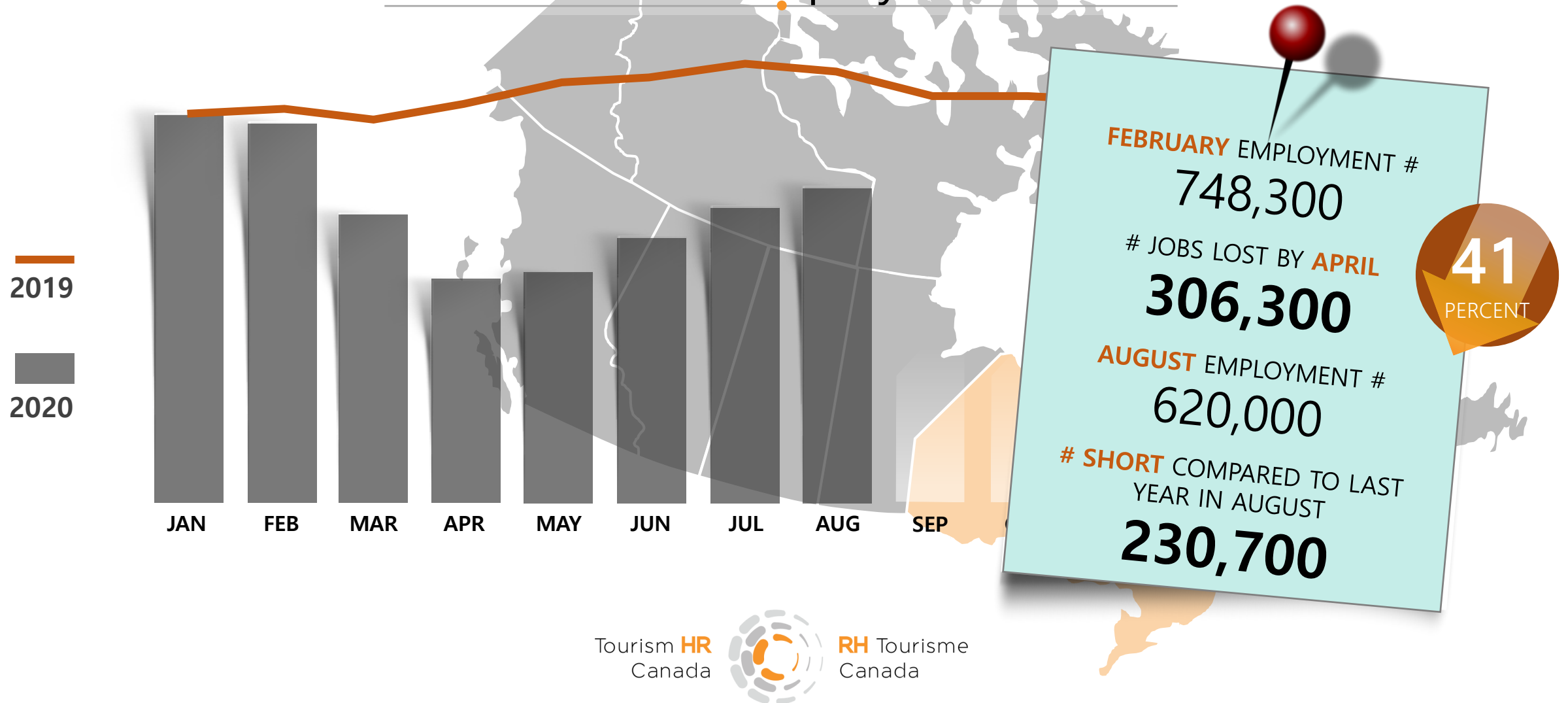
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Manitoba

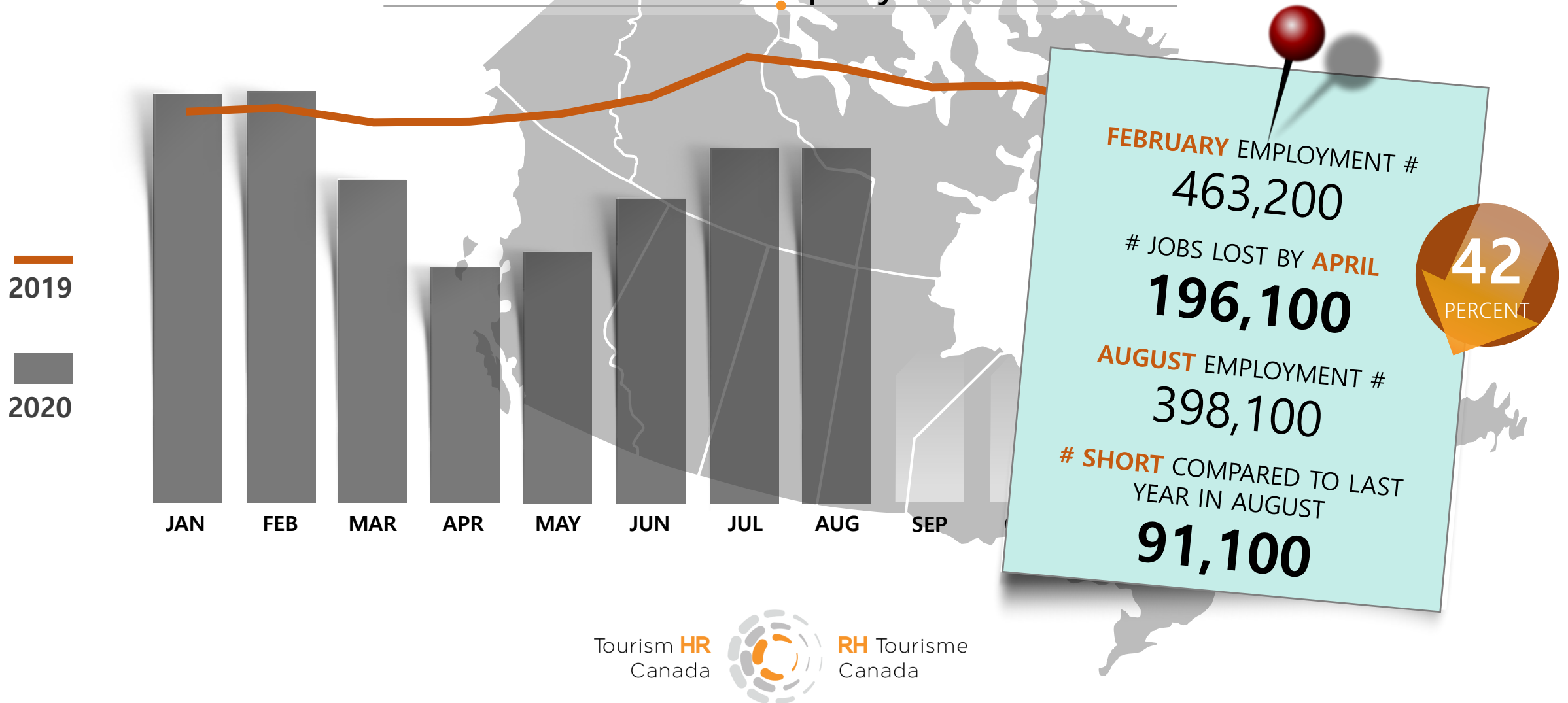
Tourism Employment



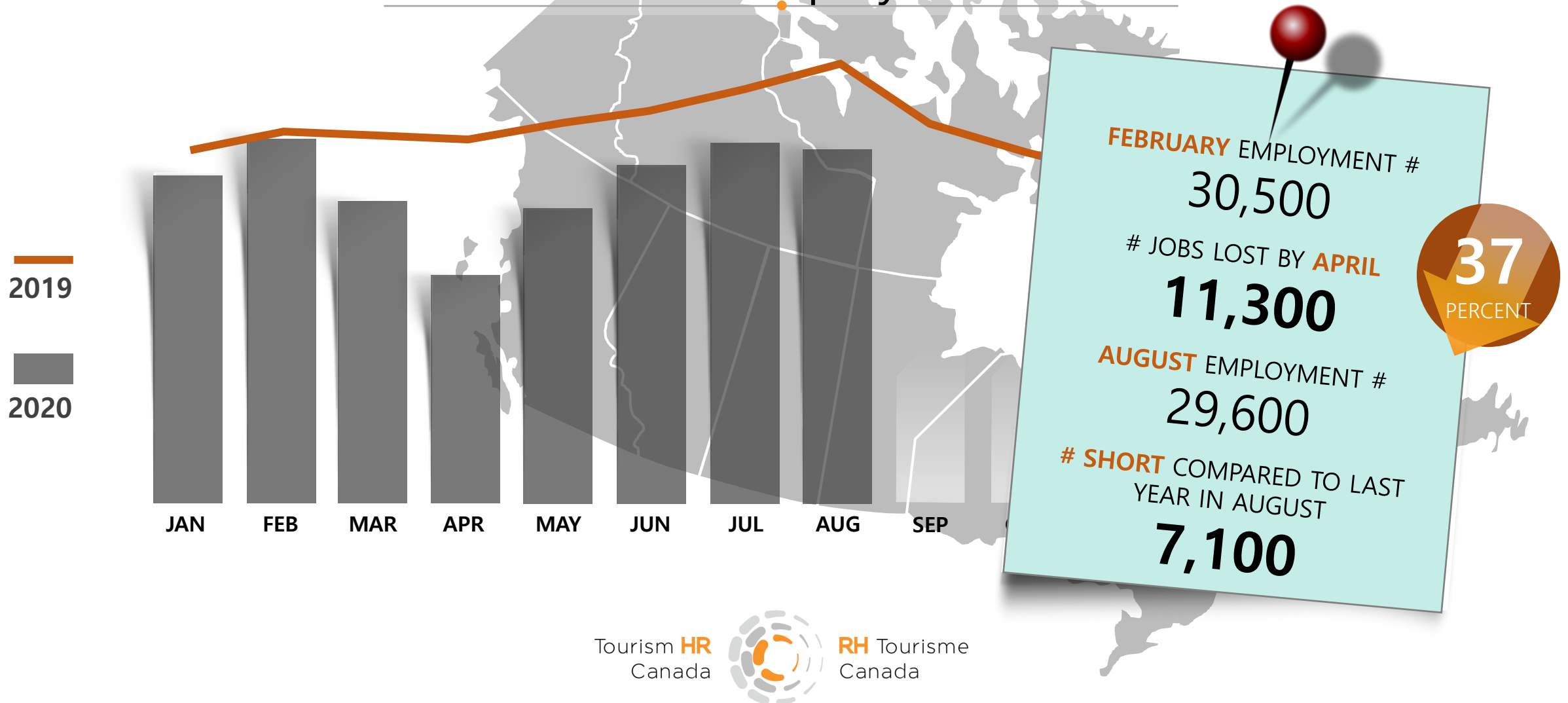
Ontario Tourism Employment



Quebec Tourism Employment

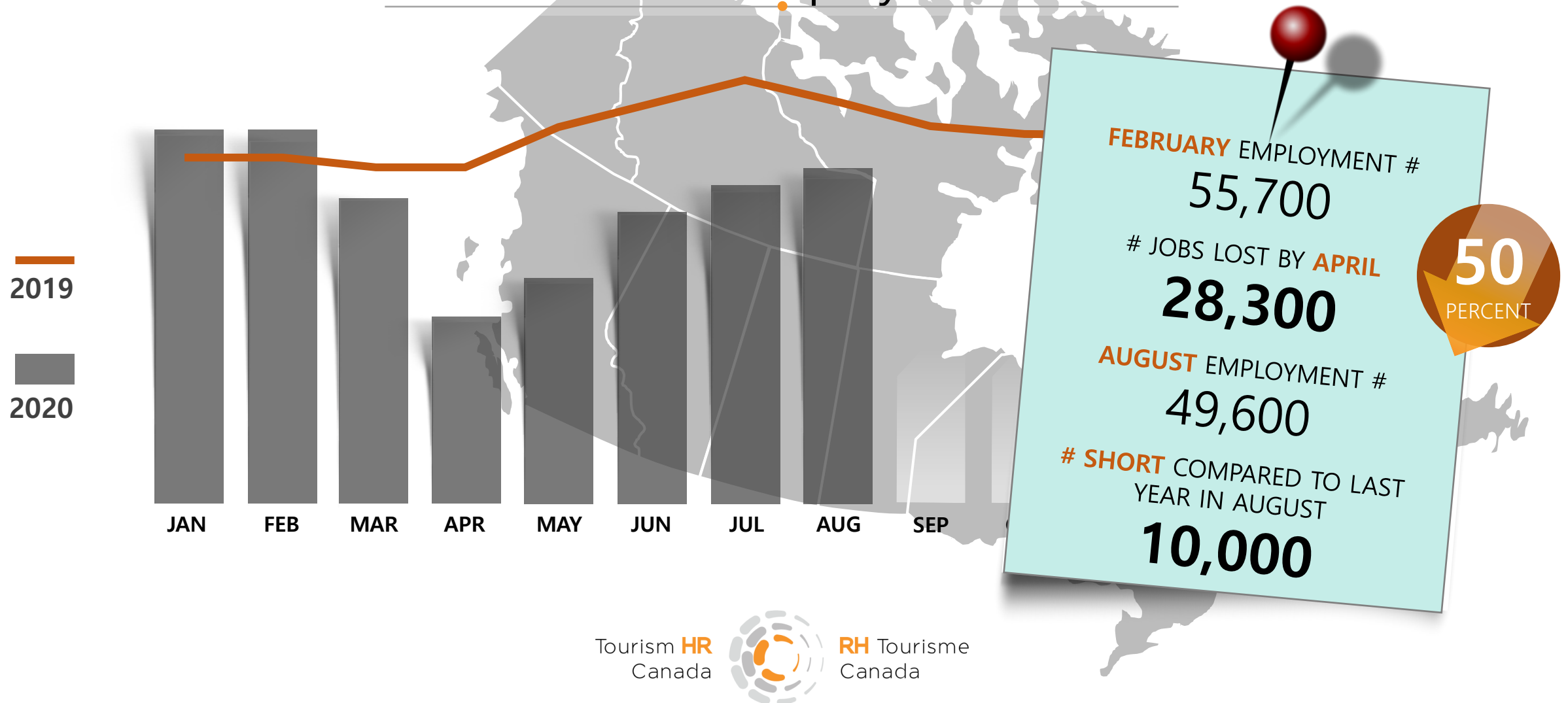


New Brunswick Tourism Employment

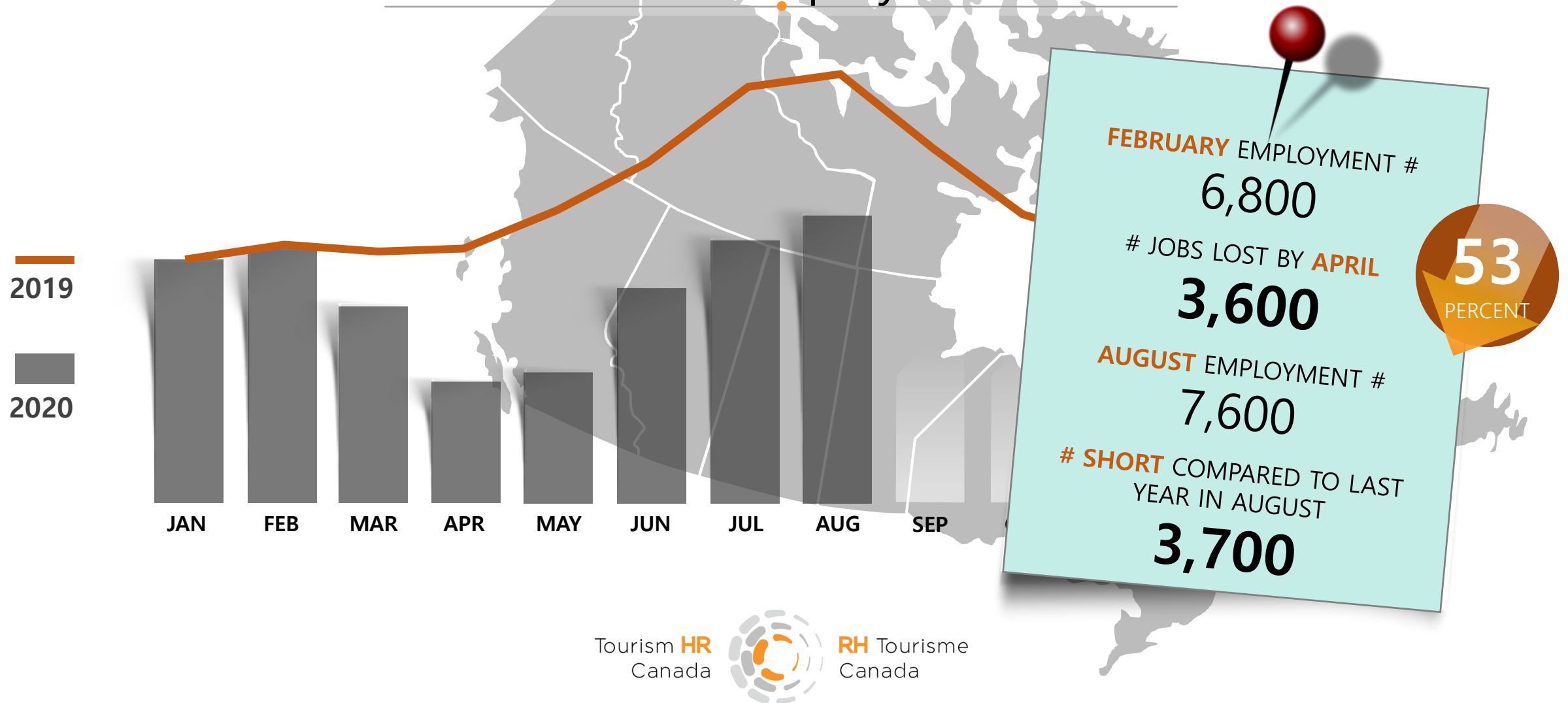


Nova Scotia

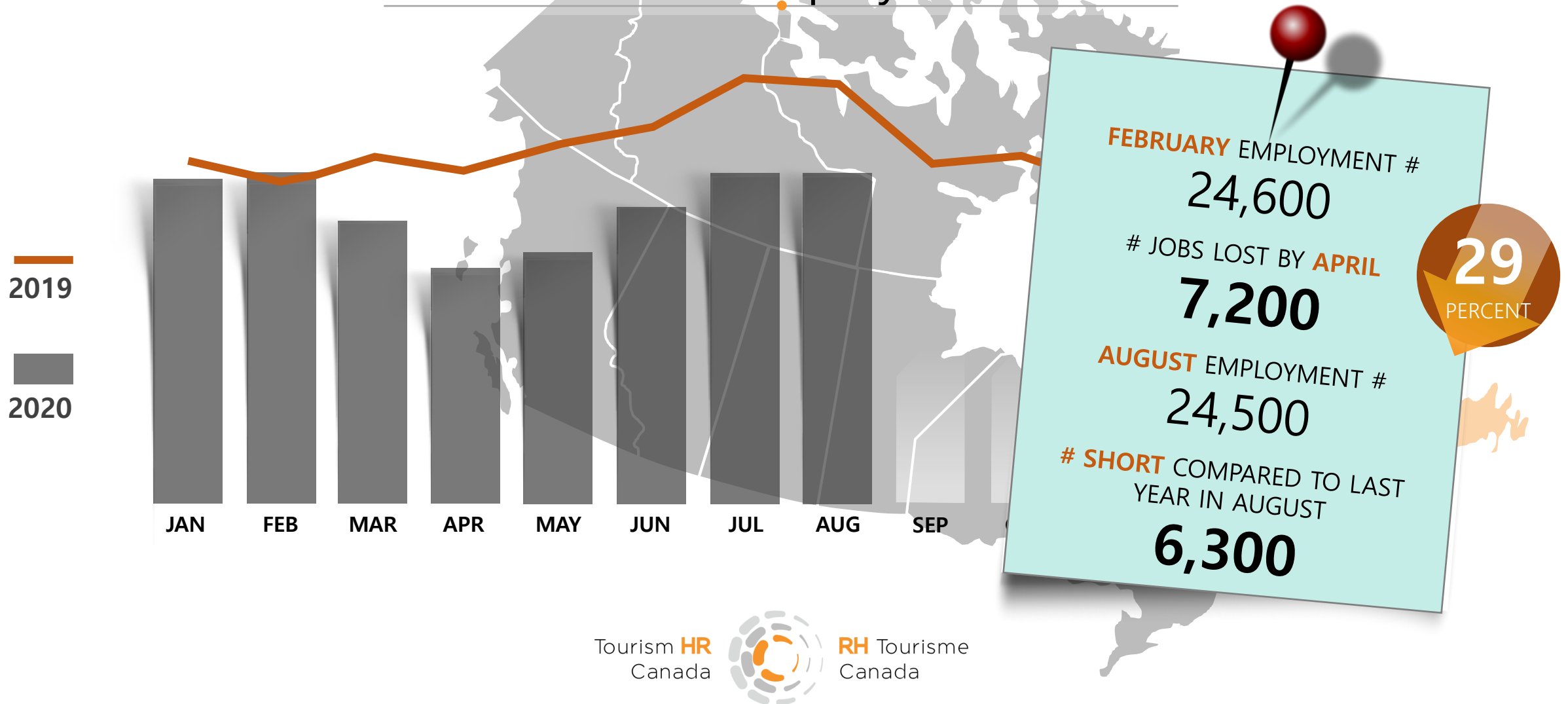
Tourism Employment



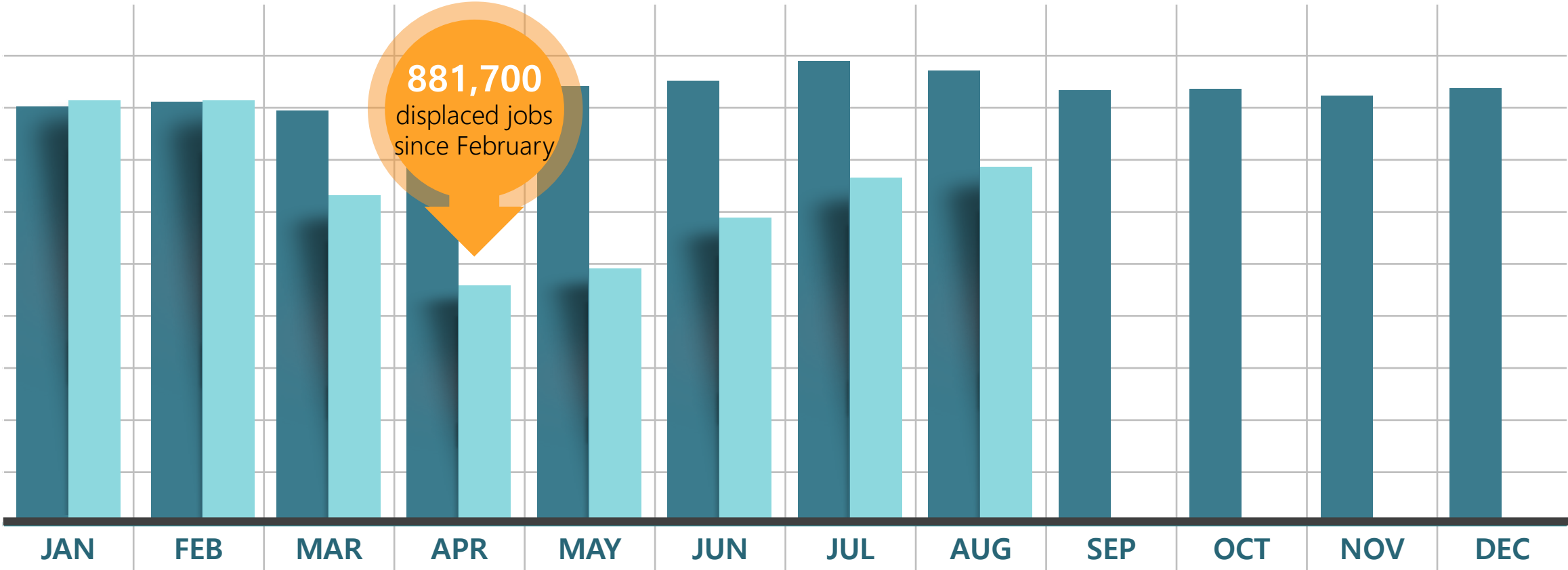
Prince Edward Island Tourism Employment



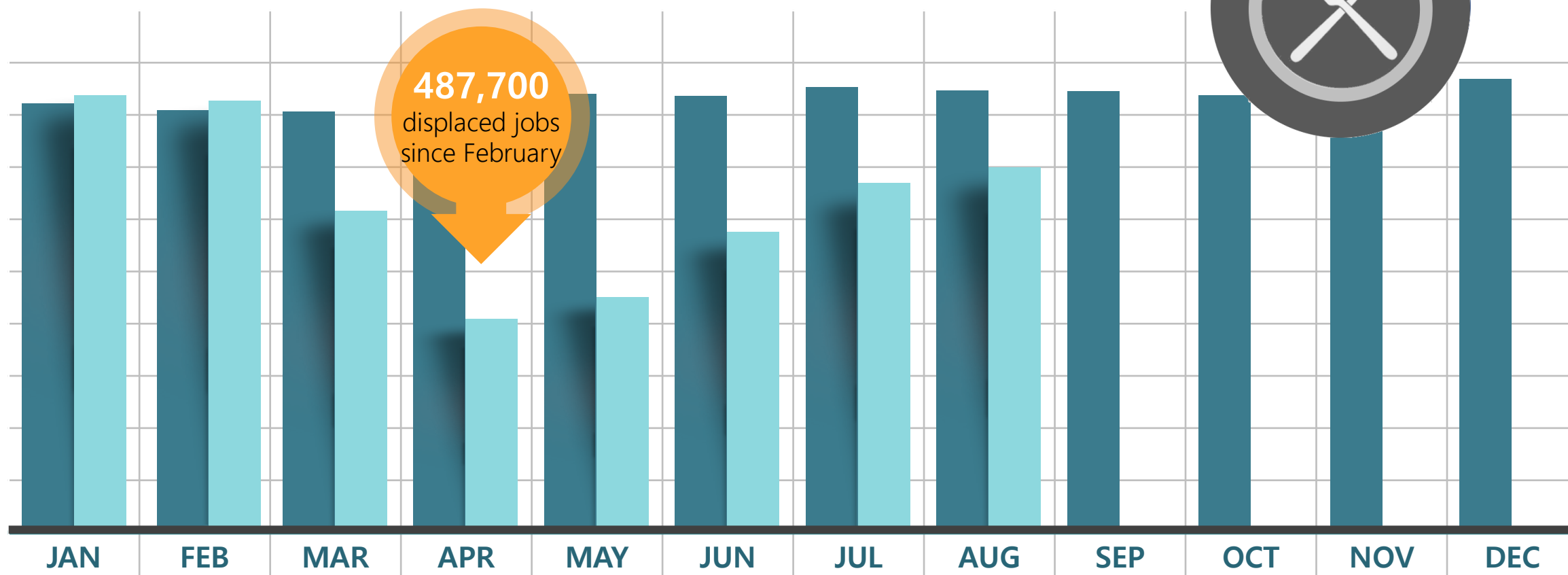
Newfoundland and Labrador Tourism Employment



Tourism Sector Employment



Food & Beverage Services Industry Employment



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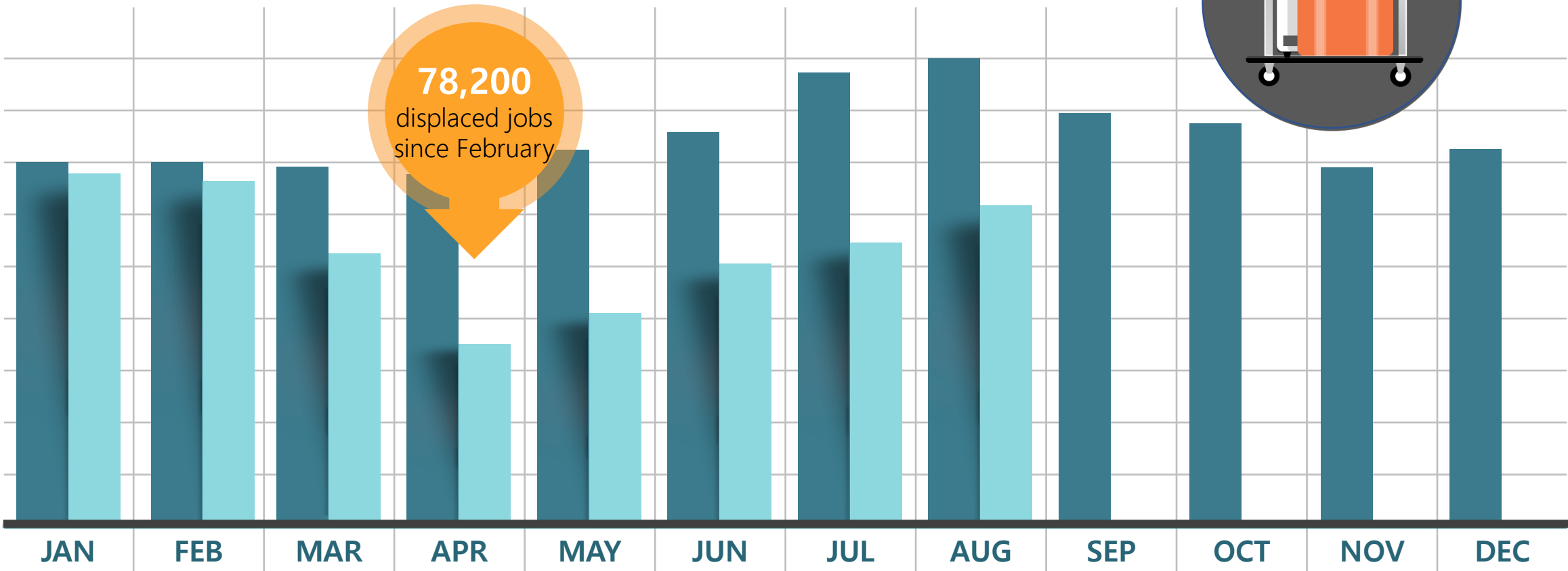


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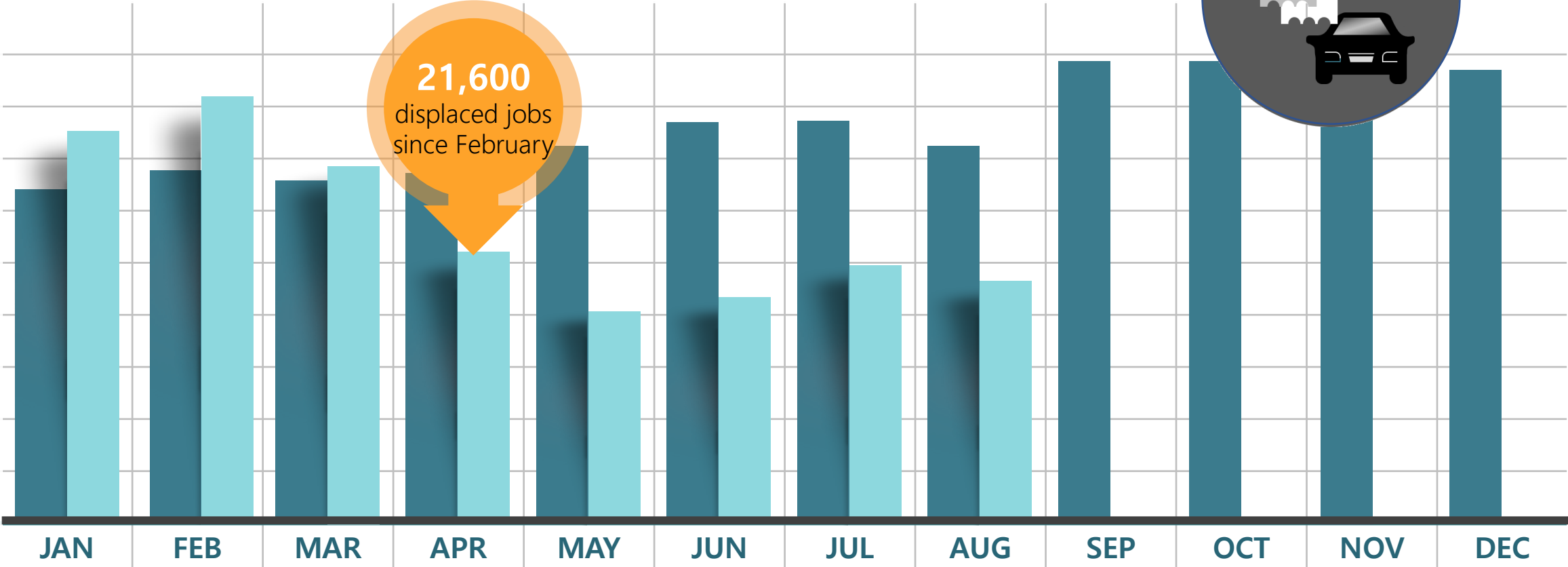
Accommodation Industry Employment



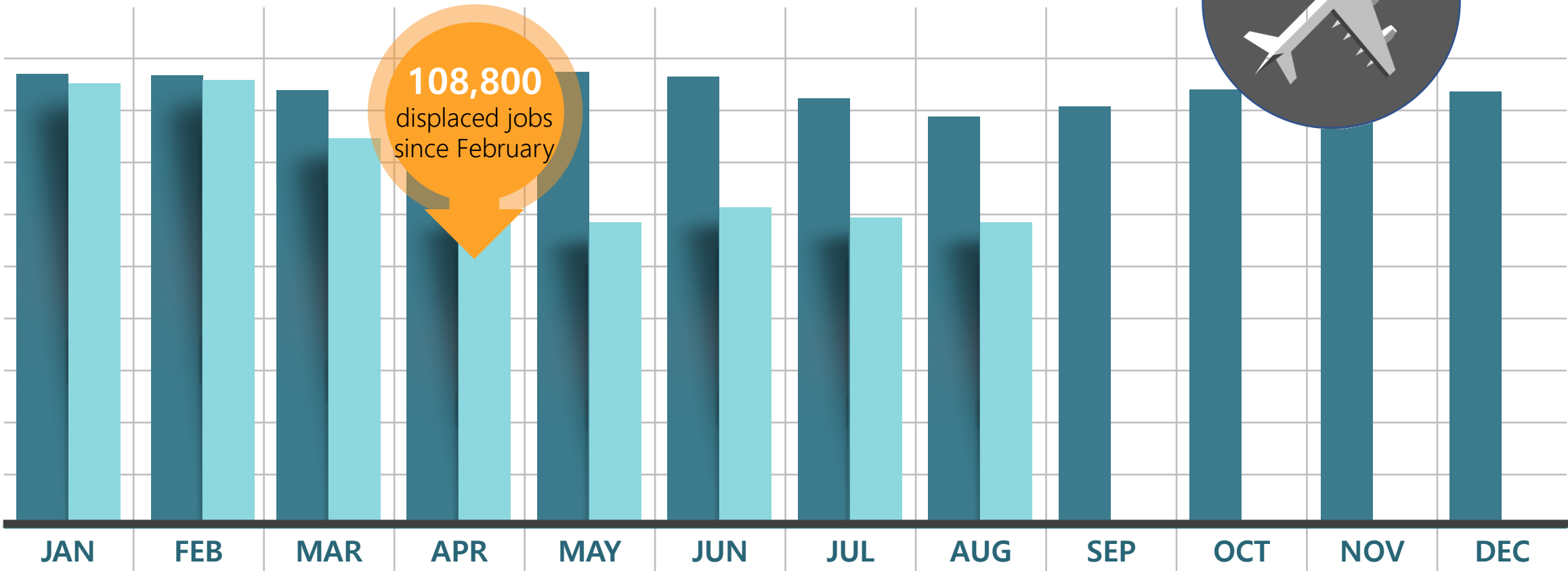
78,200
displaced jobs
since February



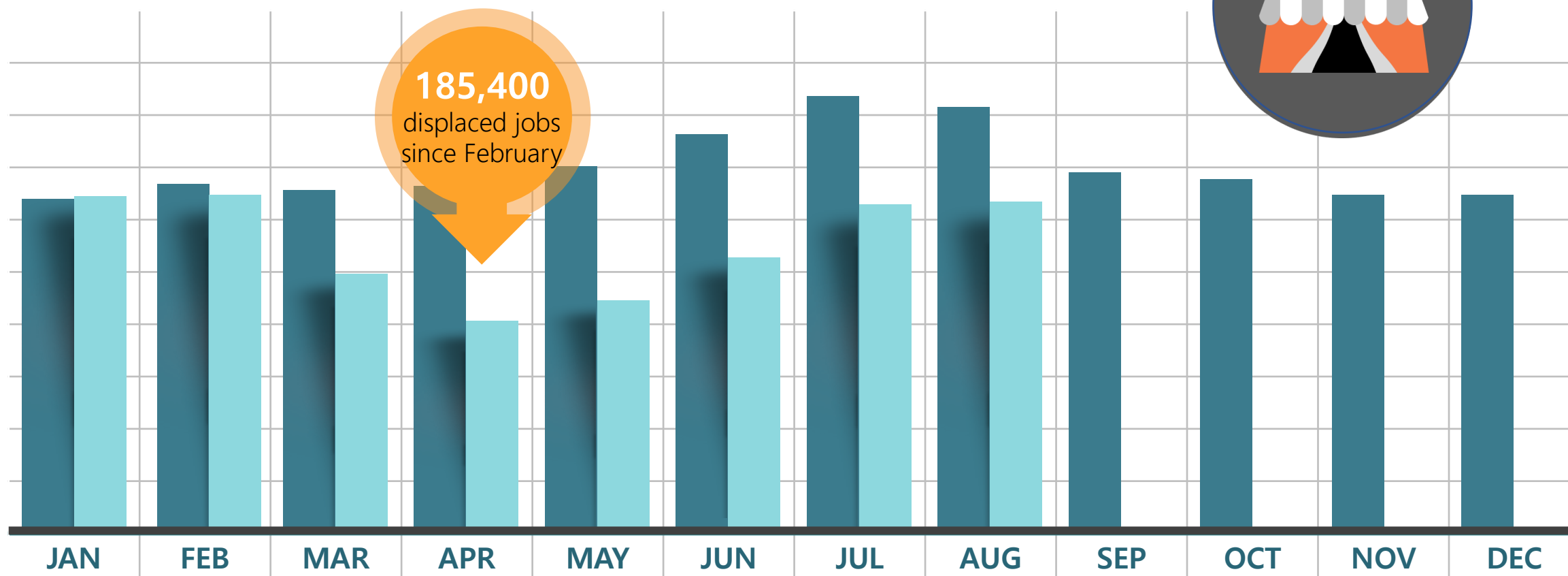
Travel Services Industry Employment



Transportation Industry Employment



Recreation and Entertainment Industry Employment



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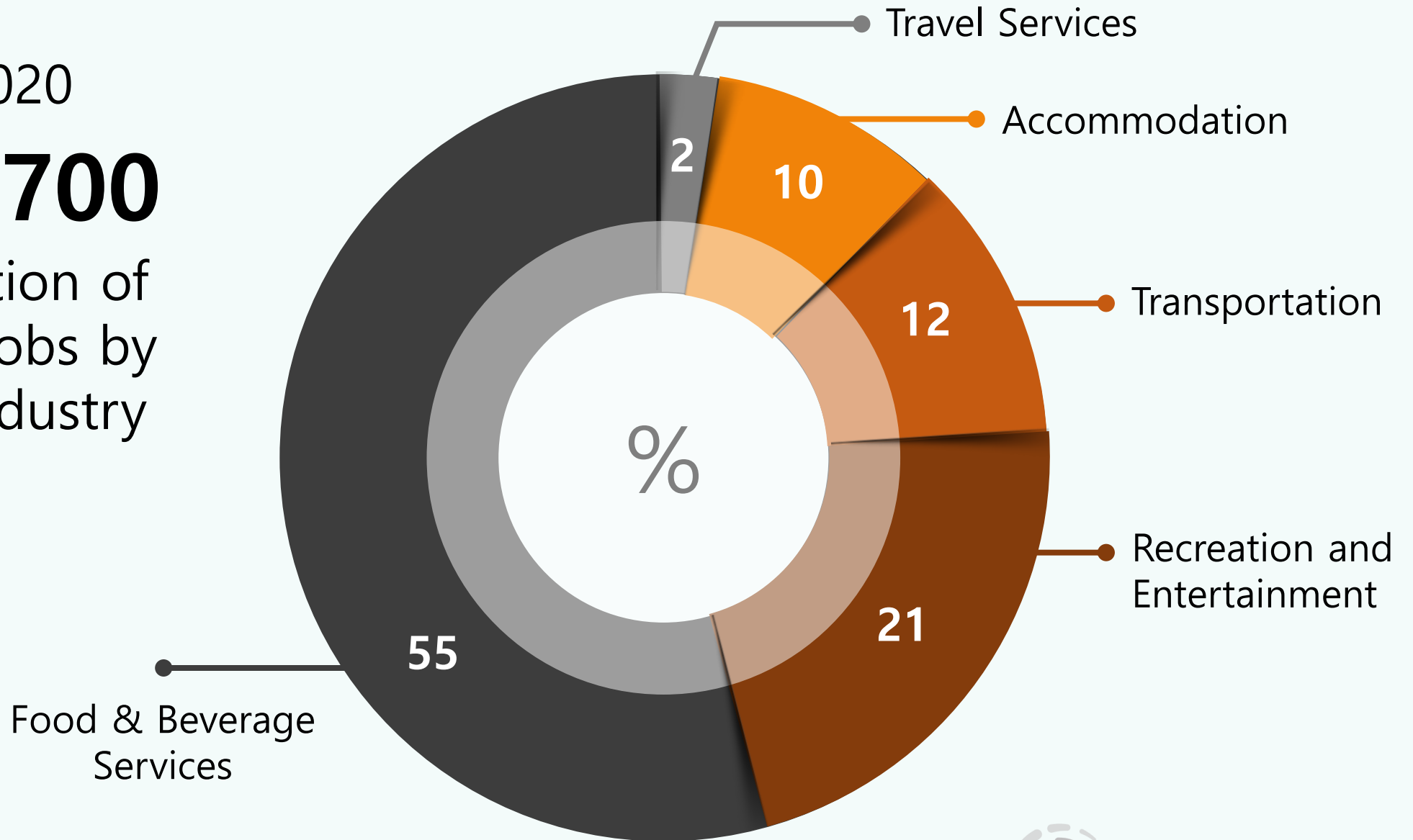


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April 2020

- 881,700

% distribution of
displaced jobs by
Tourism Industry

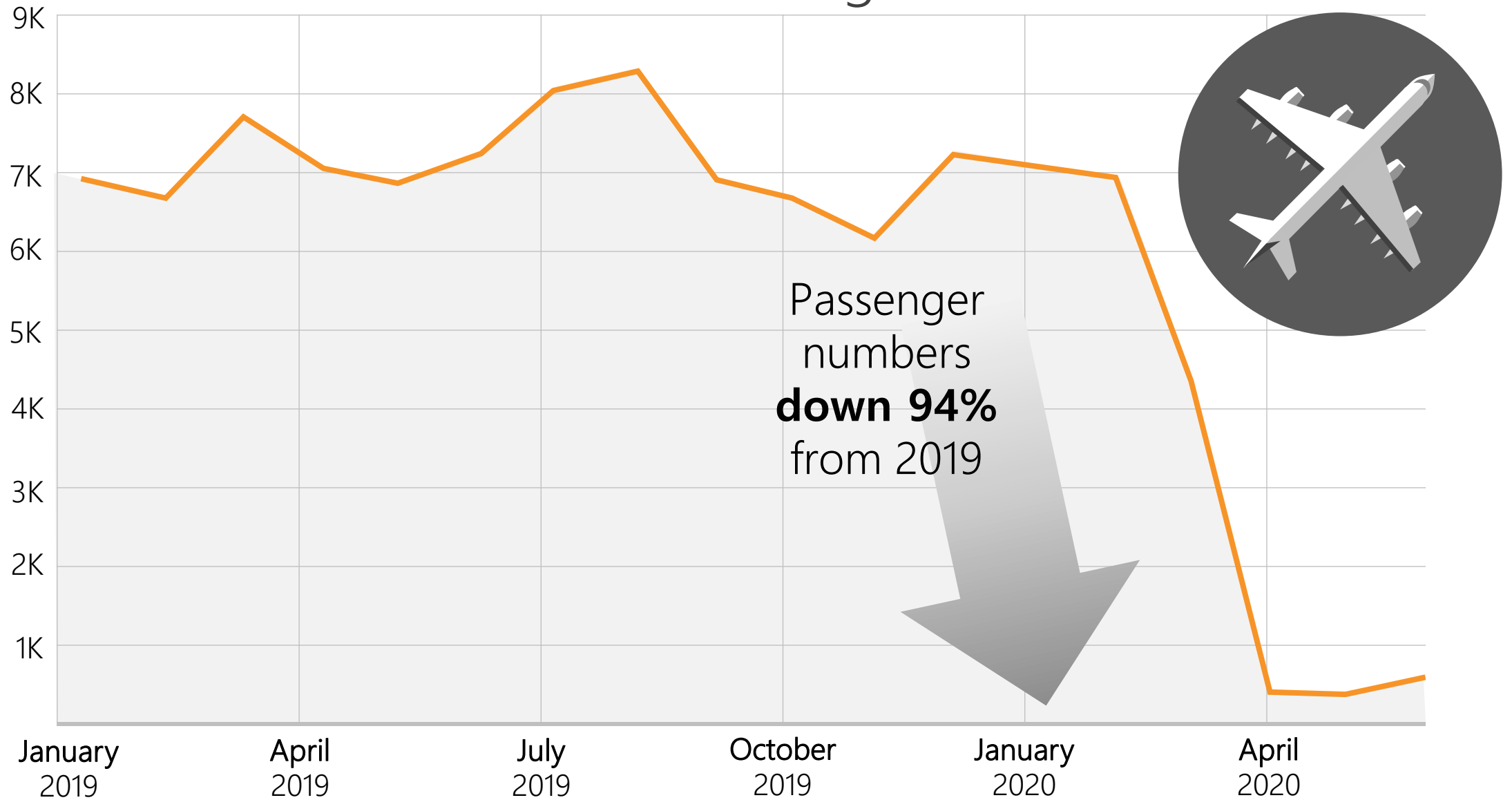


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Airline Passengers

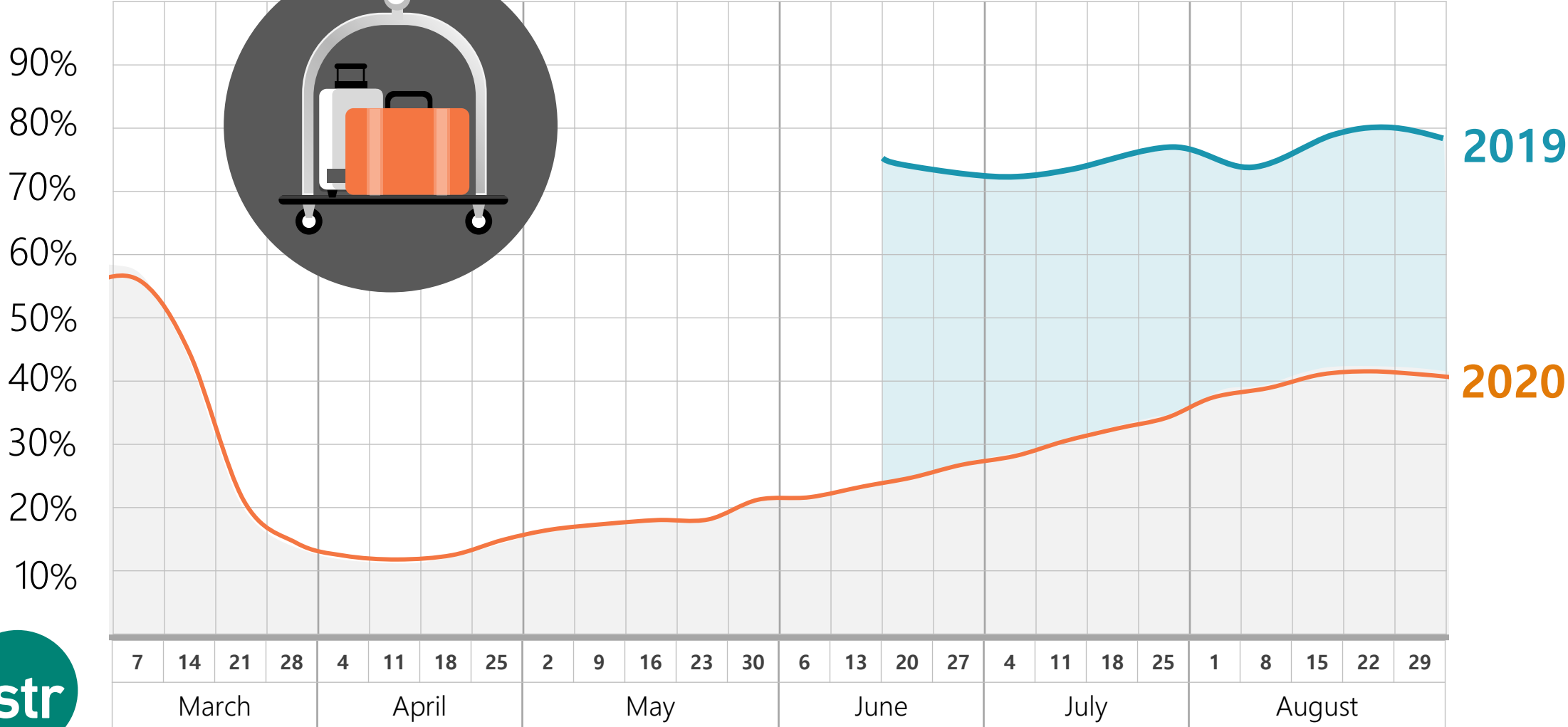


Number of Schedules Passengers

Global Airline Industry 2004 – 2021 (in millions)

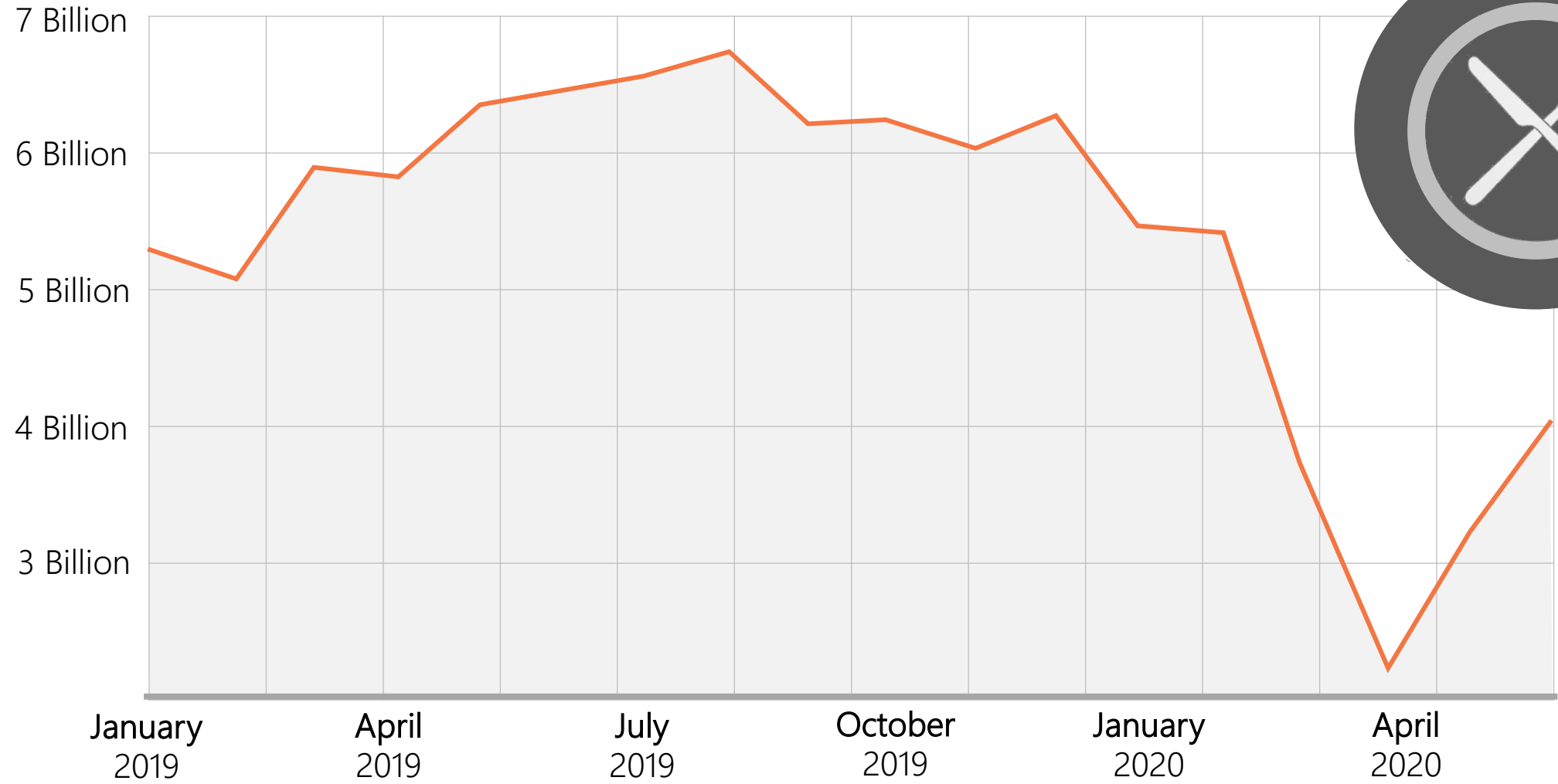


Occupancy Rates



Food Service Sales

CANADA





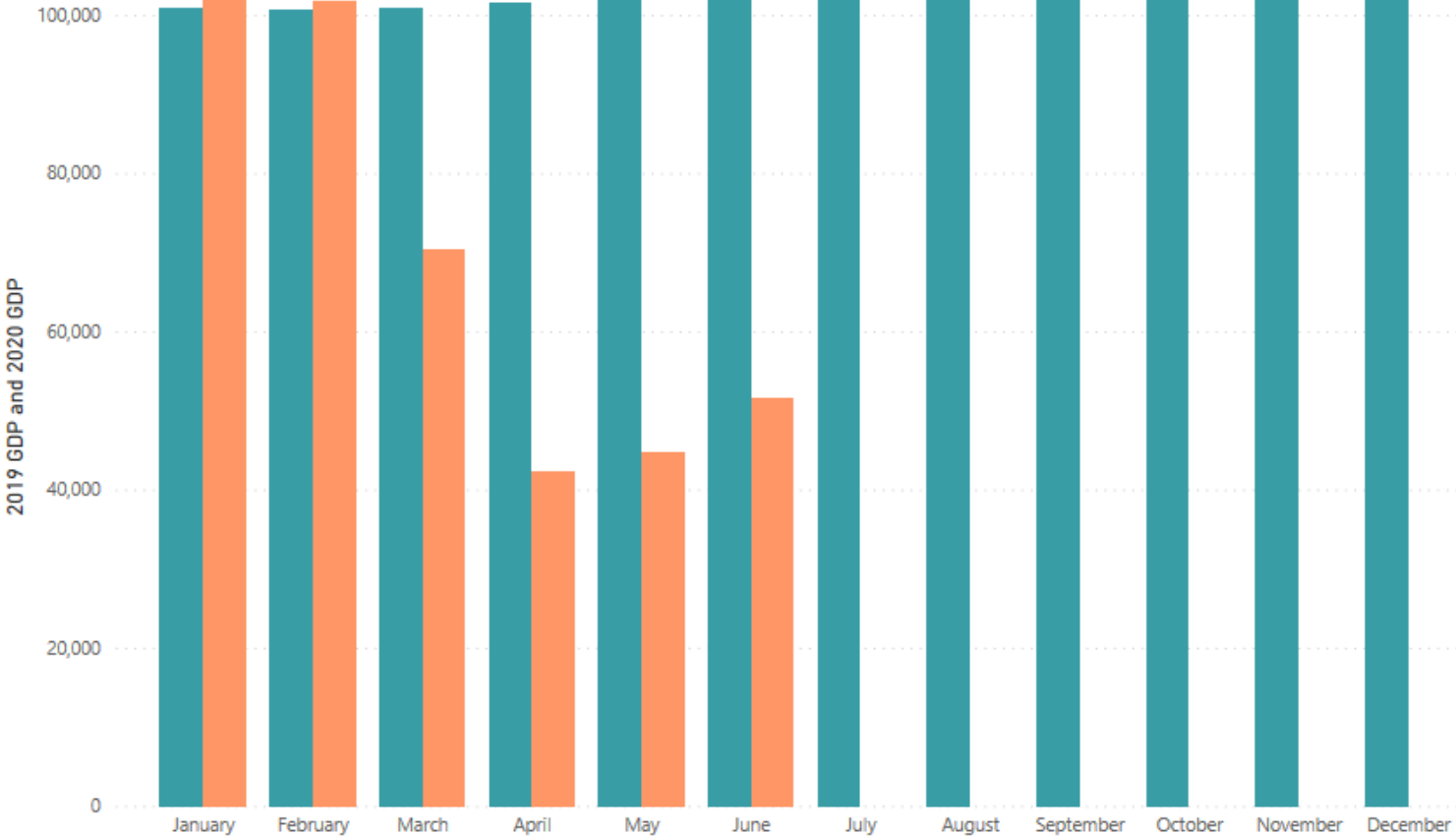
Sector's GDP dropped by
30.3% in March
49.4% in June
compared to last year, same time

**In March,
GDP overall
economy down
5.8%**

Chart 6: Gross Domestic Product (monthly)

Tourism GDP (x \$1,000,000)

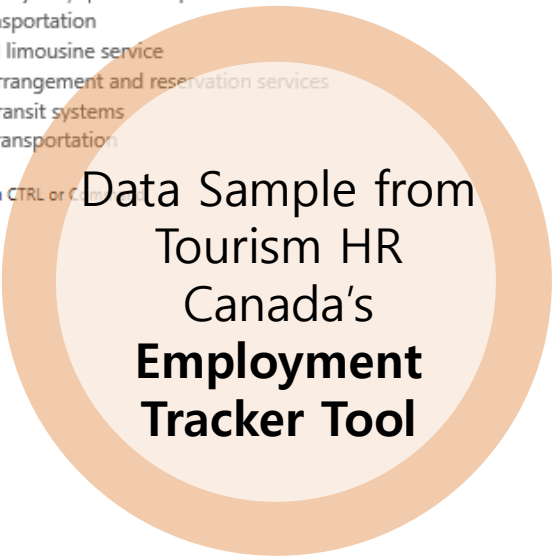
● 2019 GDP ● 2020 GDP



Industry

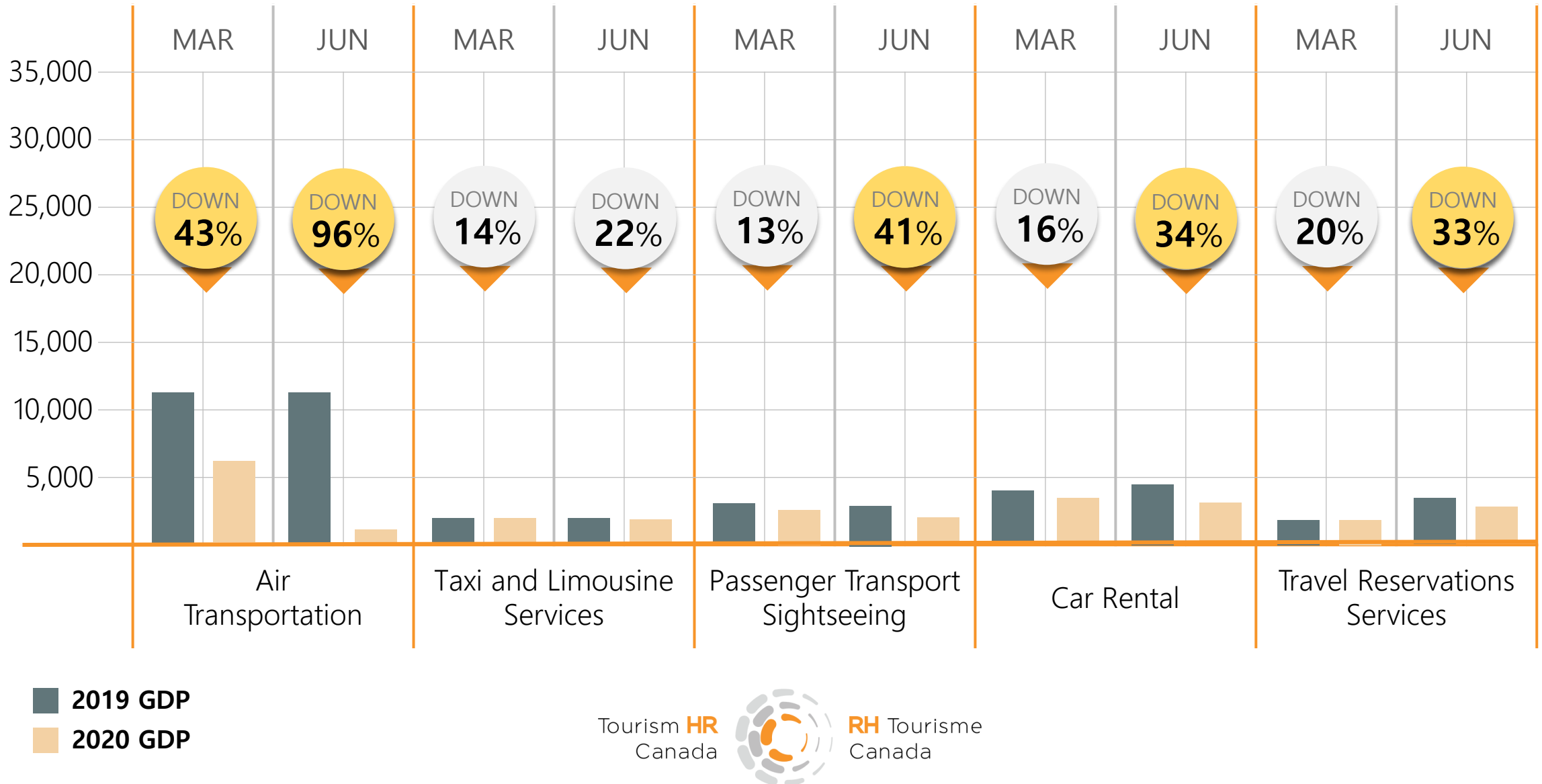
- ☐ Select all
- ☐ Accommodation services
- ☐ Air transportation
- ☐ Amusement and recreation industries
- ☐ Automotive equipment rental and leasing
- ☐ Food services and drinking places
- ☐ Gambling industries
- ☐ Motion picture and sound recording indus...
- ☐ Other transit and ground passenger transp...
- ☐ Performing arts, spectator sports and relat...
- ☐ Rail transportation
- ☐ Taxi and limousine service
- ☐ Travel arrangement and reservation services
- ☐ Urban transit systems
- ☐ Water transportation

Multi-select with CTRL or CMD

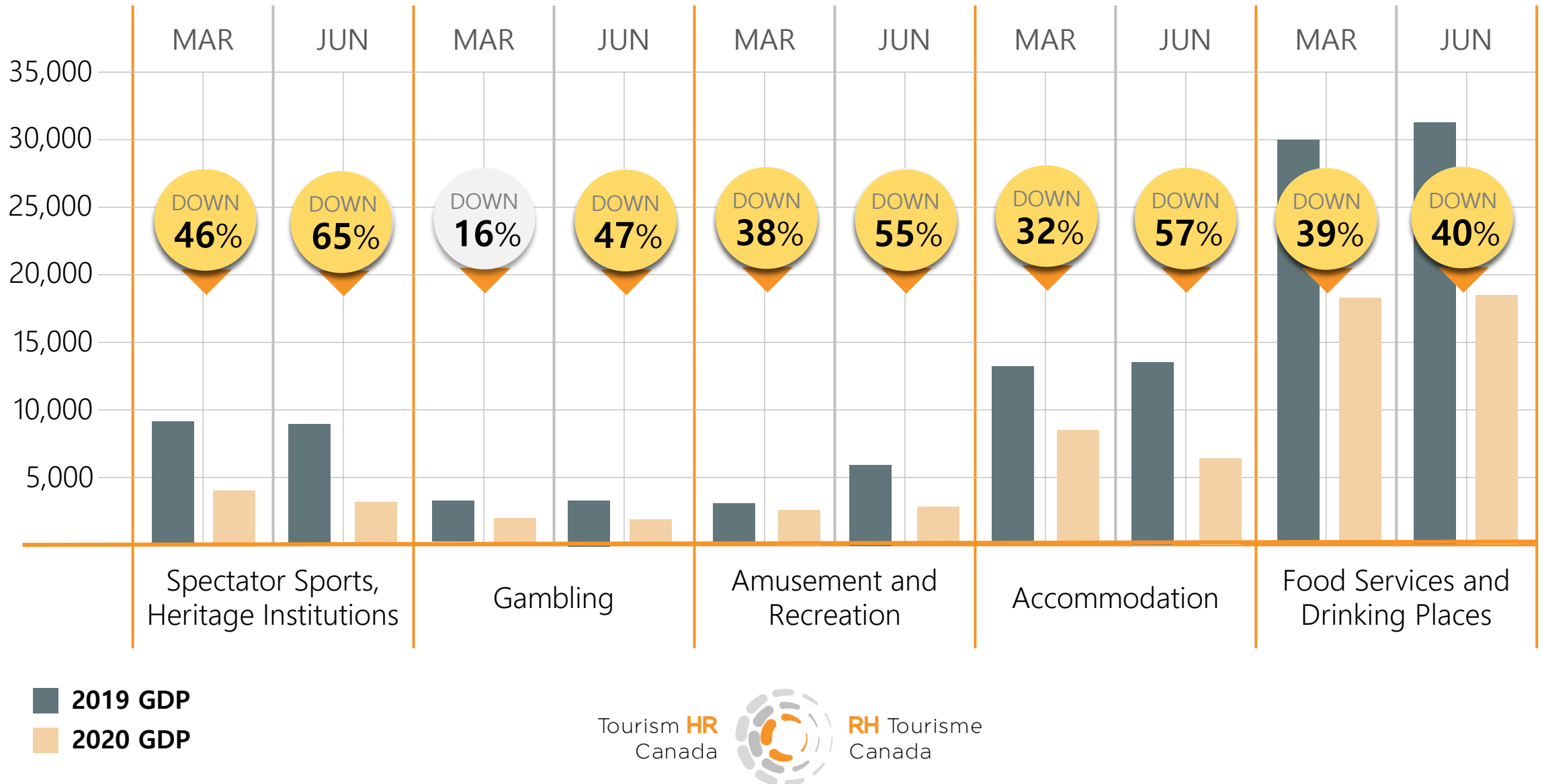


Data Sample from
Tourism HR
Canada's
**Employment
Tracker Tool**

Impact on GDP, Tourism Industries



Impact on GDP, Tourism Industries





Tourism able to fill
1,944,621
full-year jobs in 2025



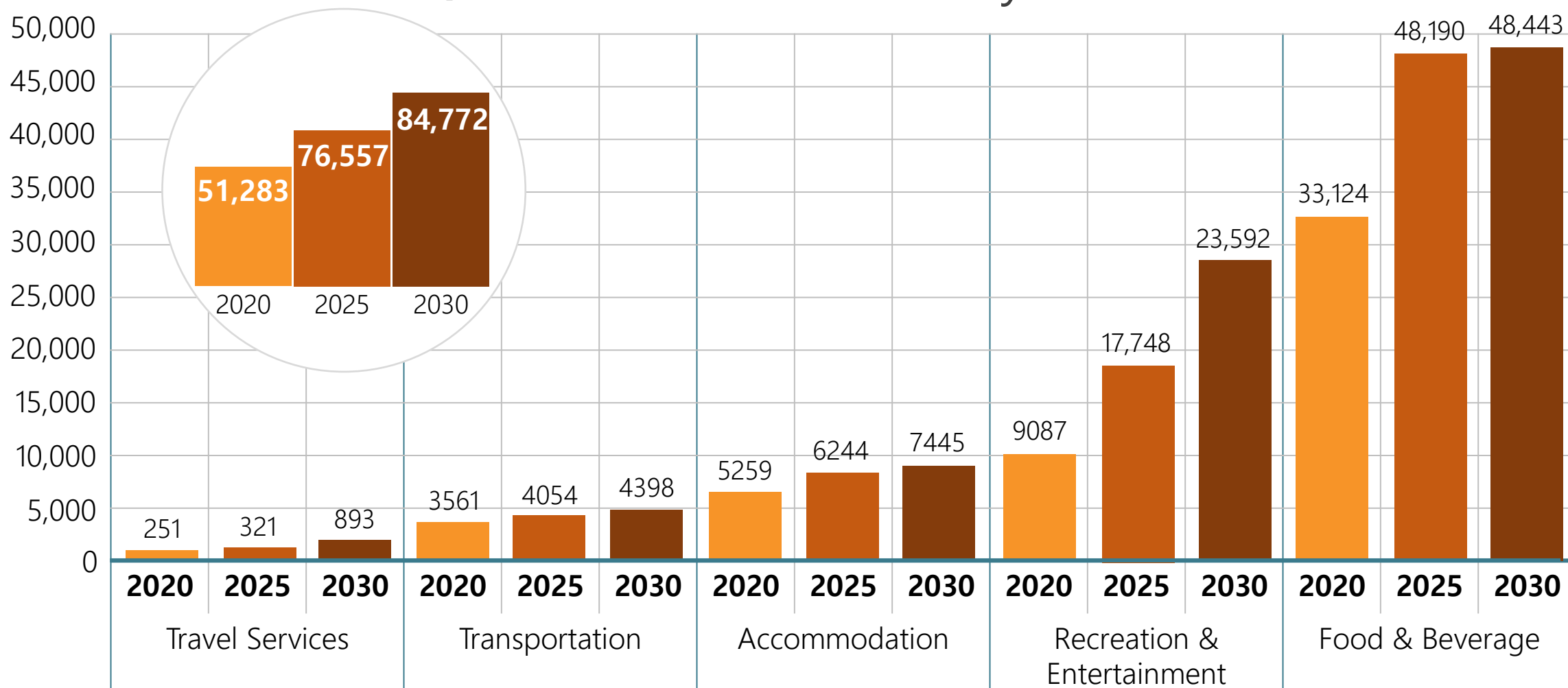


Pre-pandemic
Labour Challenges
Will Persist



POTENTIAL SHORTFALL OF LABOUR IN CANADA'S TOURISM SECTOR

84,772 Unfilled Jobs by 2030



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What Jobs are we Talking About?

RECREATION & ENTERTAINMENT



- ☐ Program Leaders and Instructors (32%)
- ☐ Attendants in Amusement, Recreation and Sport (16%)

TRANSPORTATION



- ☐ Air Transport Ramp Attendants (38.5%)
- ☐ Bus Drivers (28%)

- ☐ Food Counter Attendants (53%)
- ☐ Cooks
 - 14% of Food & Beverage Industry
 - 17% of Accommodation
- ☐ Food Service Supervisors (13.5%)



FOOD & BEVERAGE SERVICES

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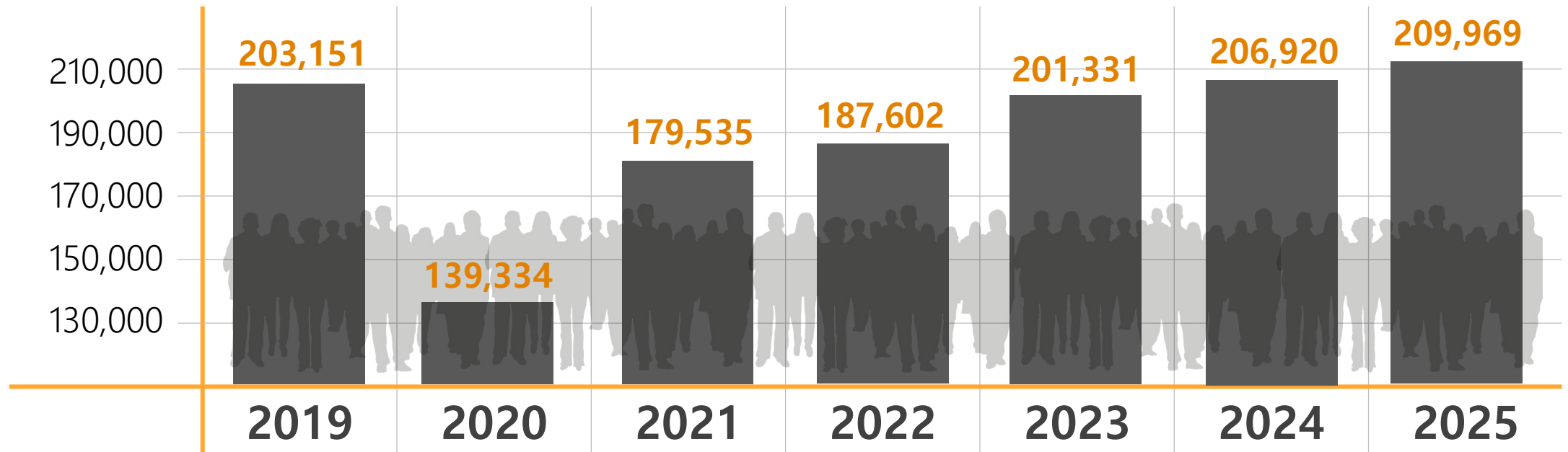
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COVID Impact on **Employment**

(COVID-19 Impact on Tourism Sector Employment and Revenues)

EXAMPLE

Accommodation



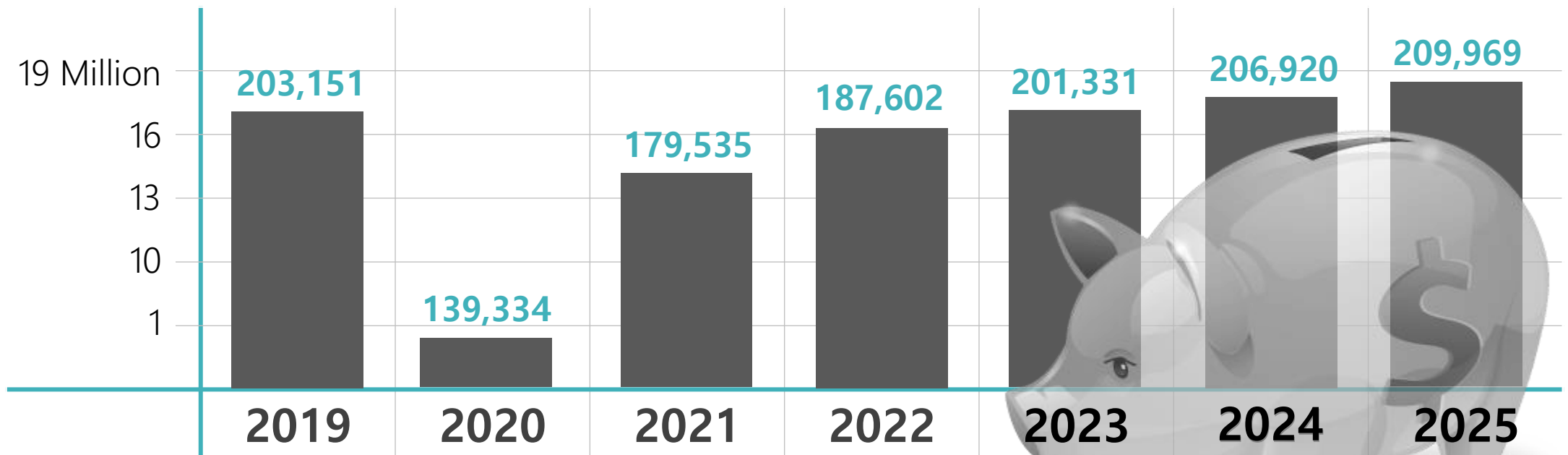
COVID Impact on Revenues

(COVID-19 Impact on Tourism Sector Employment and Revenues)

EXAMPLE

Accommodation

\$ 2019 MILLIONS



COVID-19 Tourism Workforce

Impact Report

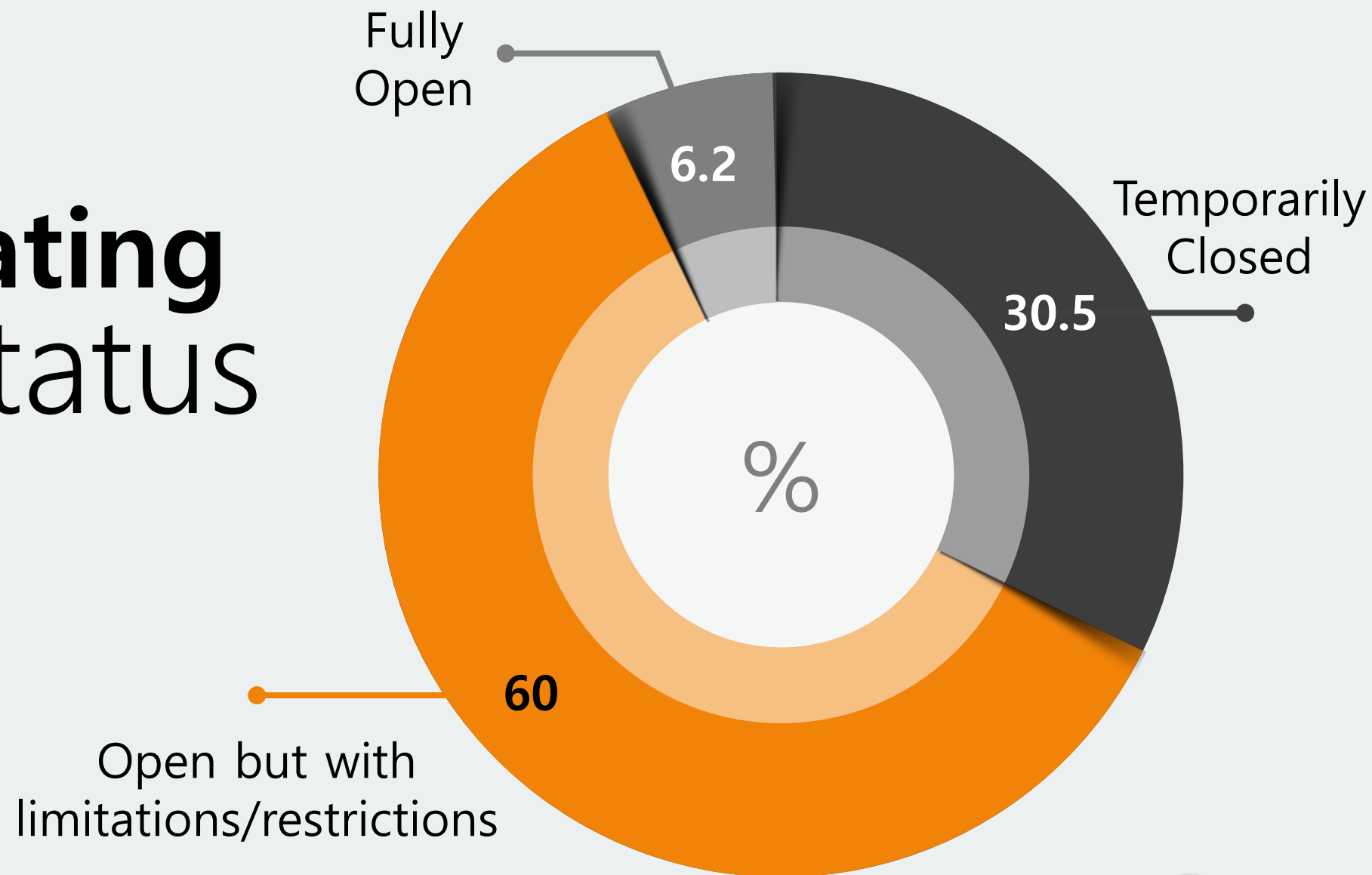
PRELIMINARY FINDINGS – AUGUST 2020

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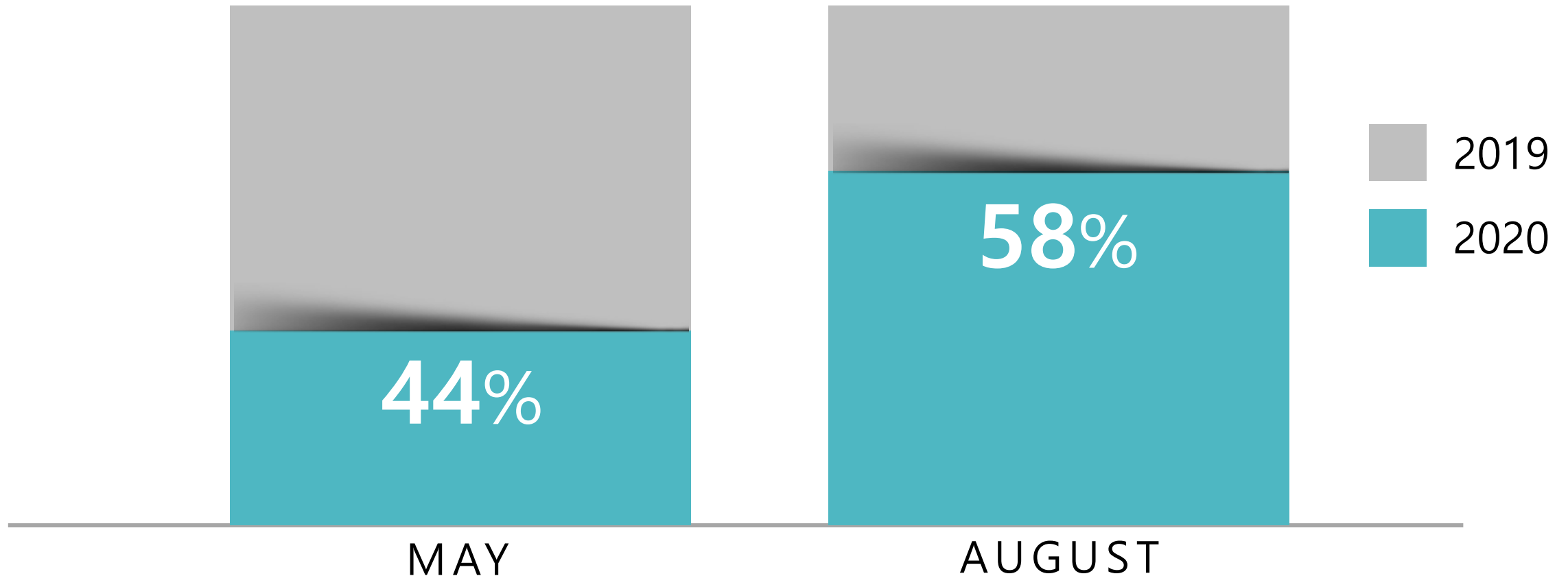
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Operating Status



Of the businesses that were open...

% of workers compared to same time last year

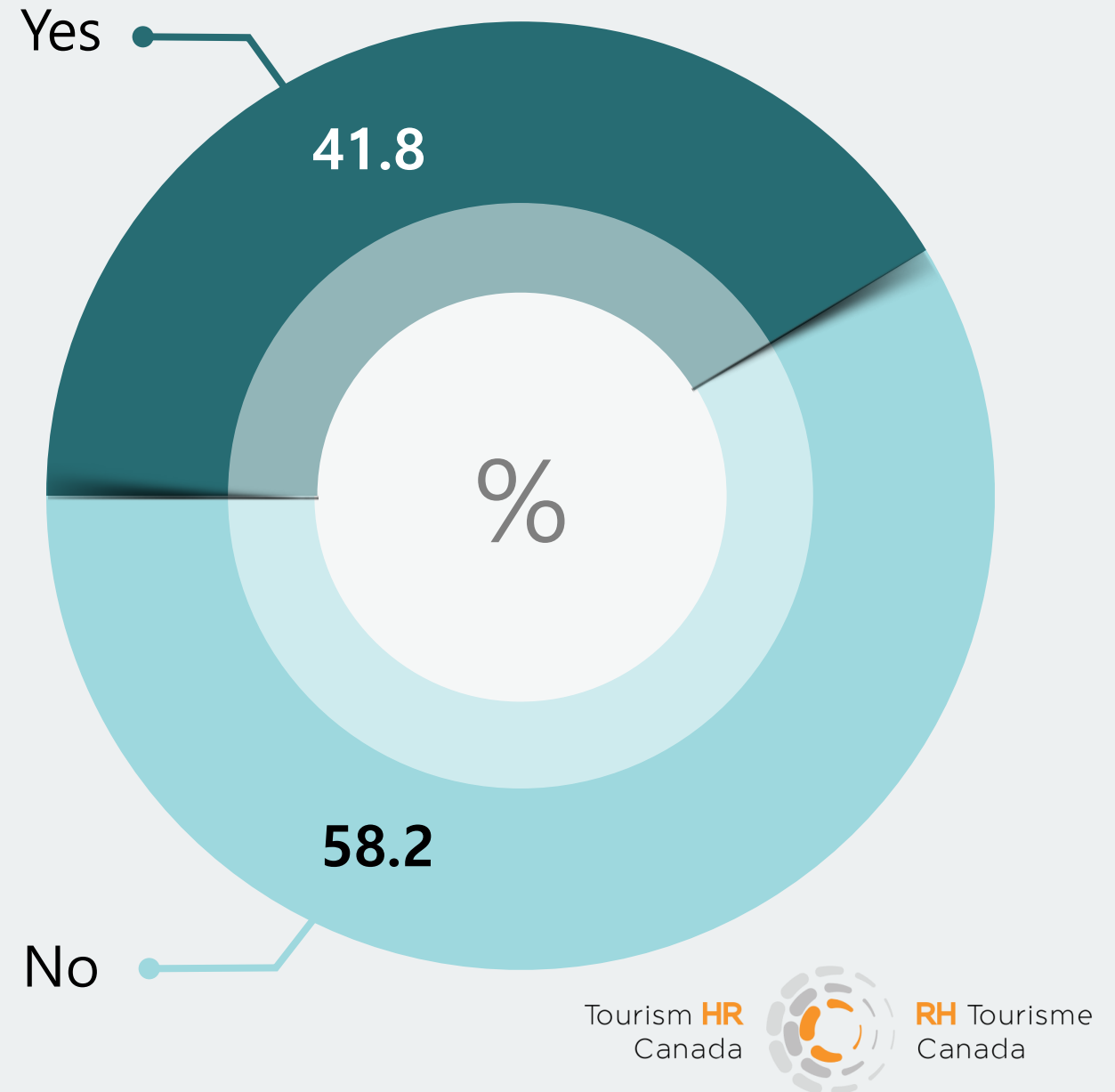


Tourism **HR**
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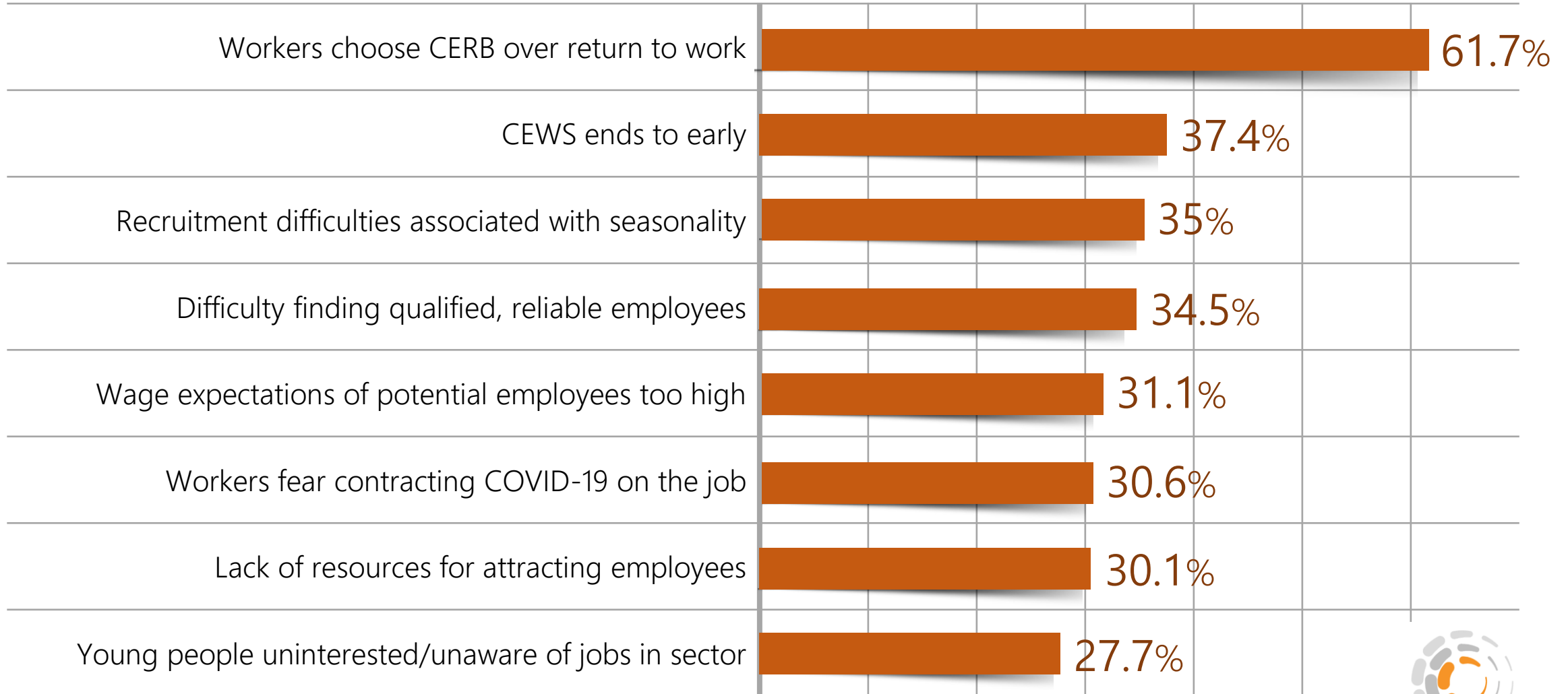
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% employers
concerned about
**hiring enough
employees**
this past summer

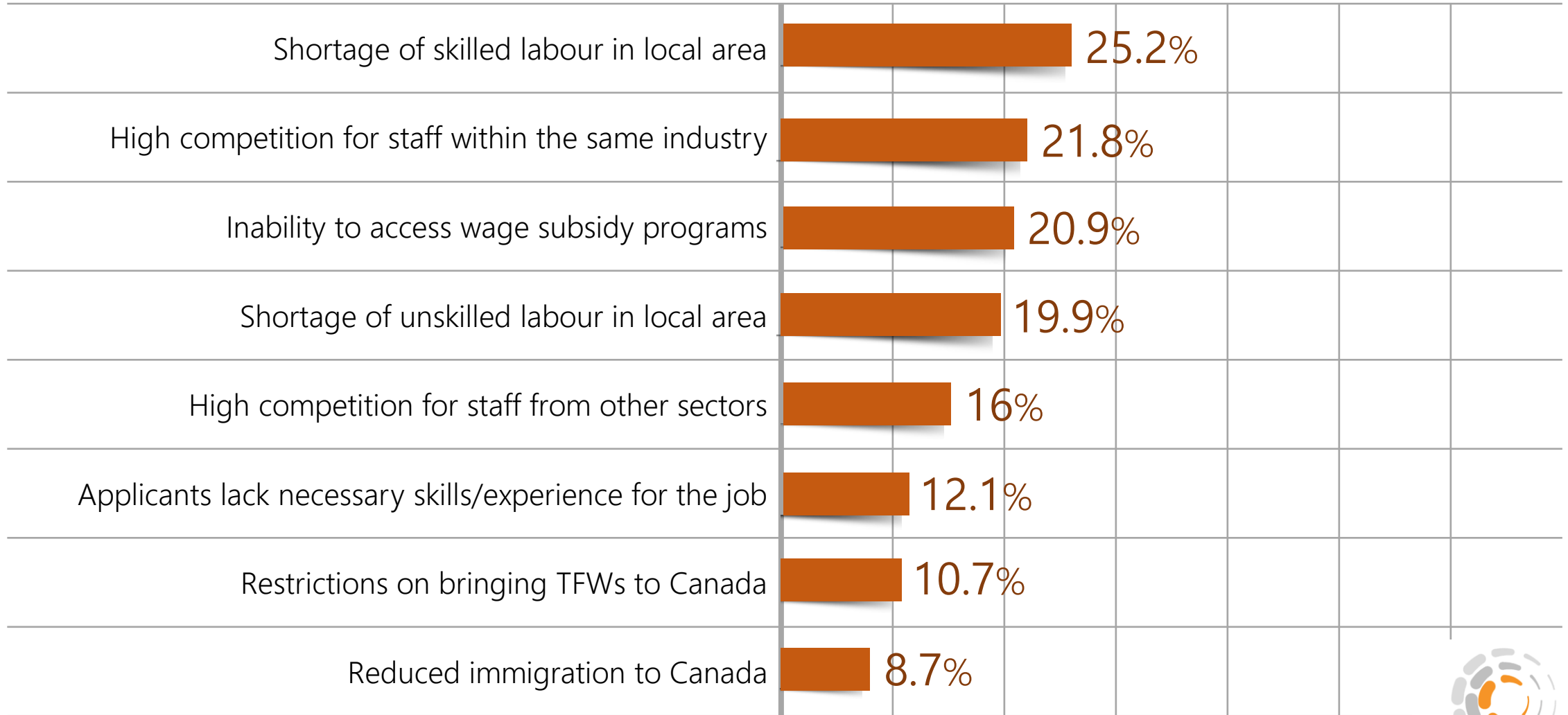


n = 500

Which of the following do you believe will be a **barrier to finding enough workers** for your business this summer?

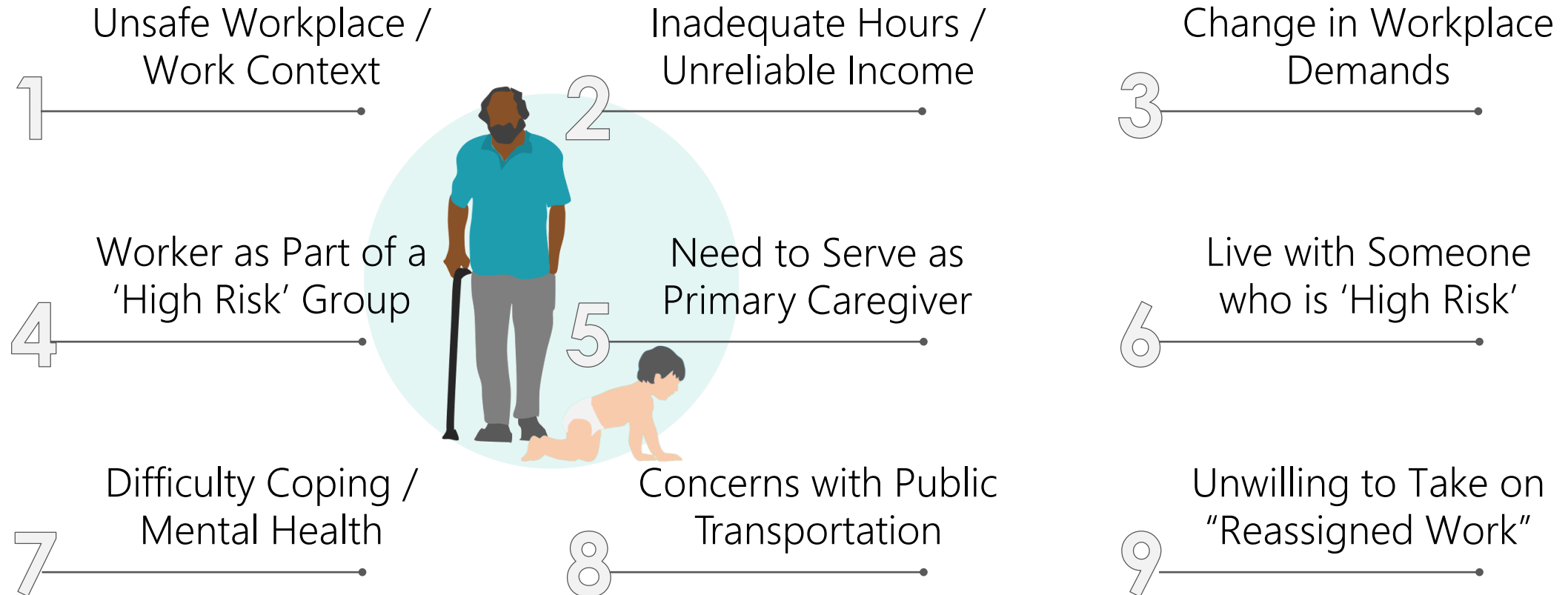


Which of the following do you believe will be a **barrier to finding enough workers** for your business this summer?



Work Refusal

The Challenge of Retaining Employees and Returning Furloughed Workers



Research and Guidance

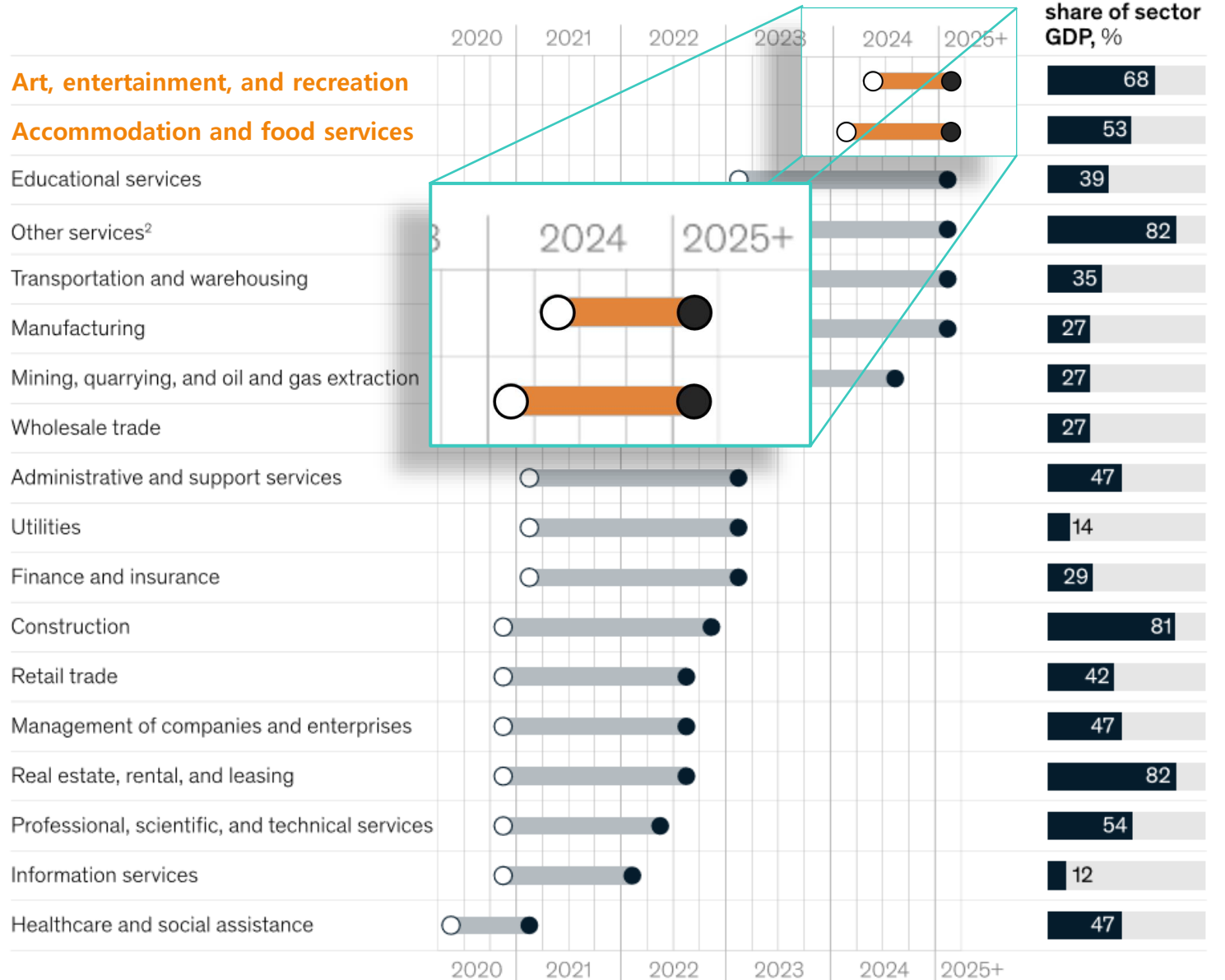
- ☐ Work Sharing
- ☐ Infectious Disease Emergency Leave
- ☐ Temporary lay-Offs
- ☐ Terminations
- ☐ Constructive Dismissals
- ☐ Requirements to Pay Employees on Business Closures
- ☐ Sick Leave and Vacation Pay
- ☐ Employer Group Benefits
- ☐ Work Refusal
- ☐ Disclosed Illness
- ☐ Employees Testing Positive for COVID



“
COVID-19 recovery
in hardest-hit
sectors could take
more than 5 years.

Estimated time to recover to pre-COVID-19 sector GDP¹

○ Virus-contained scenario ● Muted-recovery scenario



¹Data as of June 15, 2020.

²Excluding public administration.

Source: Oxford Economics; McKinsey analysis; McKinsey Global Institute analysis

Table 2: Tourism and Associated Non-Tourism Demand in Canada (\$2019 millions)

	2019	2020	2021
Transportation*	113,590	63,787	100,346
Air transportation	27,470	11,987	23,484
Rail transportation	443	195	382
Other transportation	85,677	51,605	76,481
Accommodation	17,400	7,320	14,871
Food and beverage services	80,742	43,958	68,813
Recreation and entertainment	23,371	12,948	19,781
Travel services	4,916	1,538	4,151
Other (Non-tourism industries)	21,187	8,579	16,839
TOTAL DEMAND*	261,206	138,131	224,801

EXAMPLE

Figure 1: Impact of COVID-19 on Tourism Sector Employment

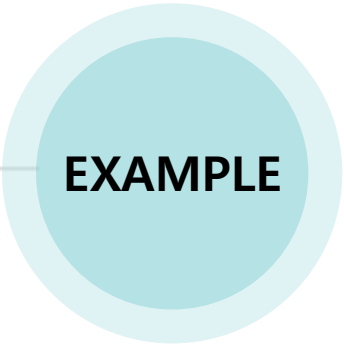
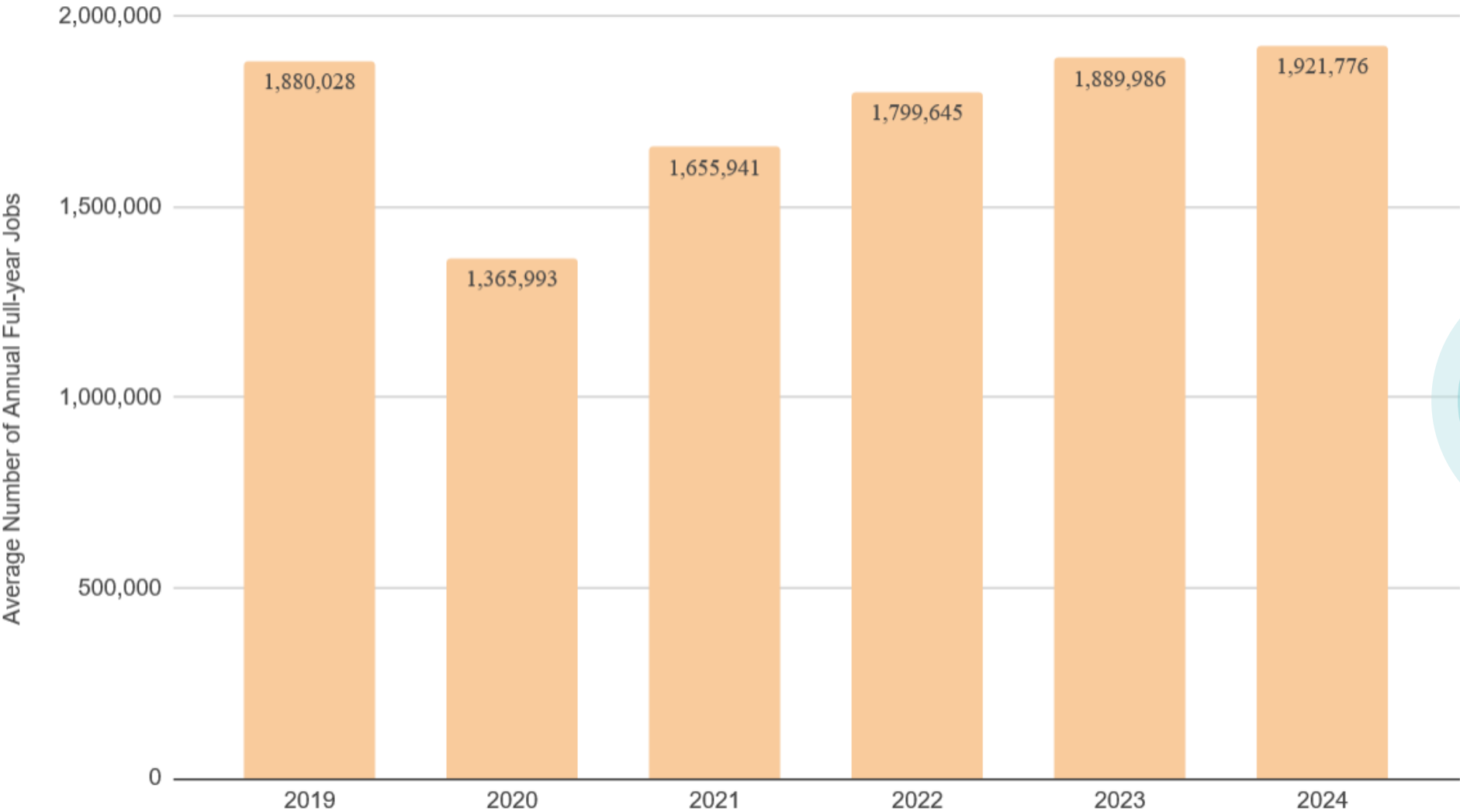


Figure 3: Tourism Sector Employment Estimates for 2020 and 2021 (quarterly)

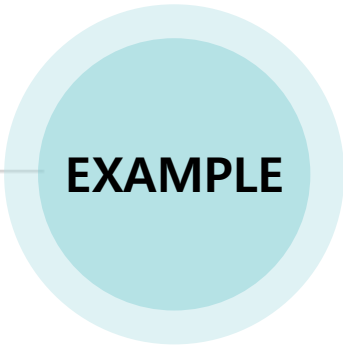
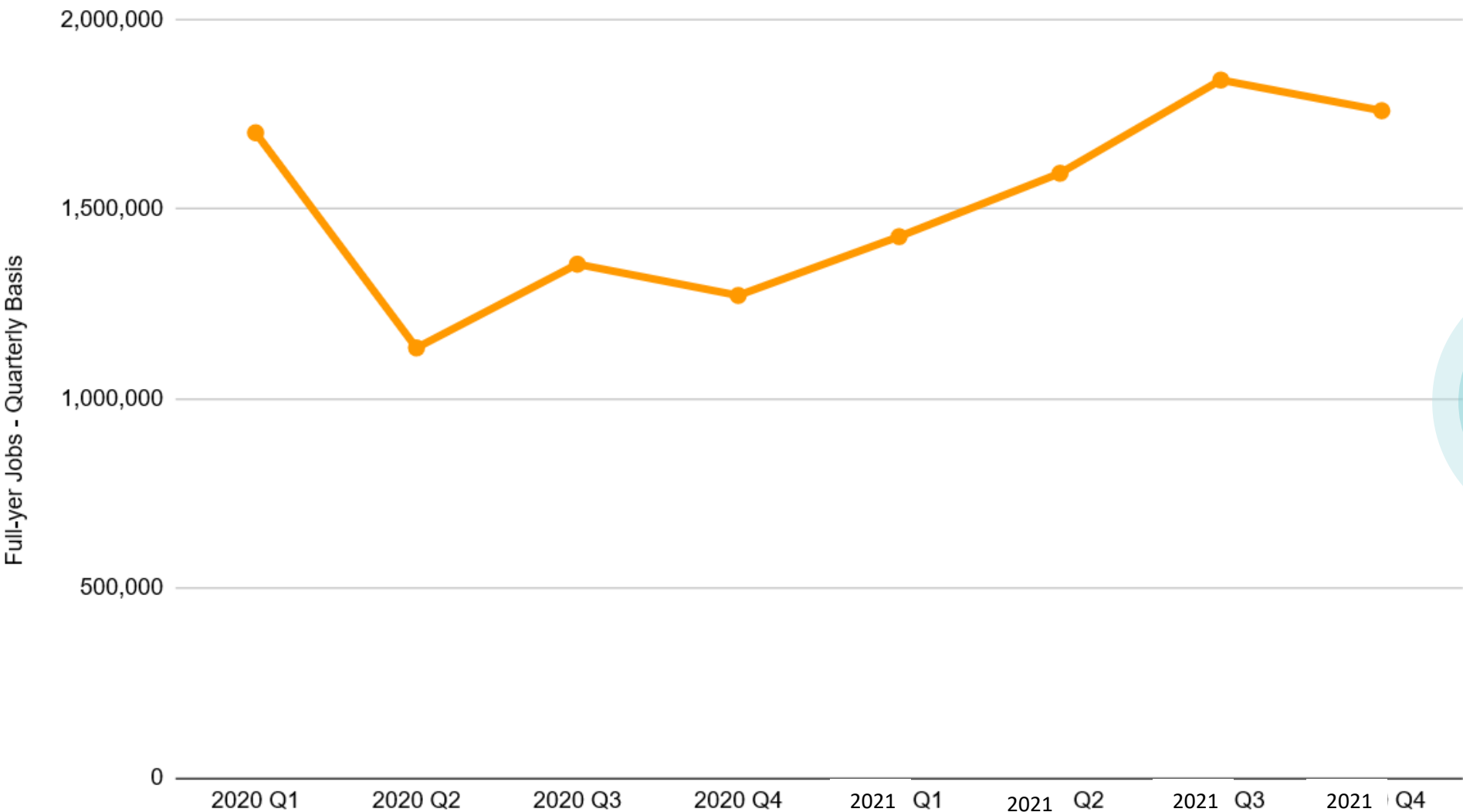
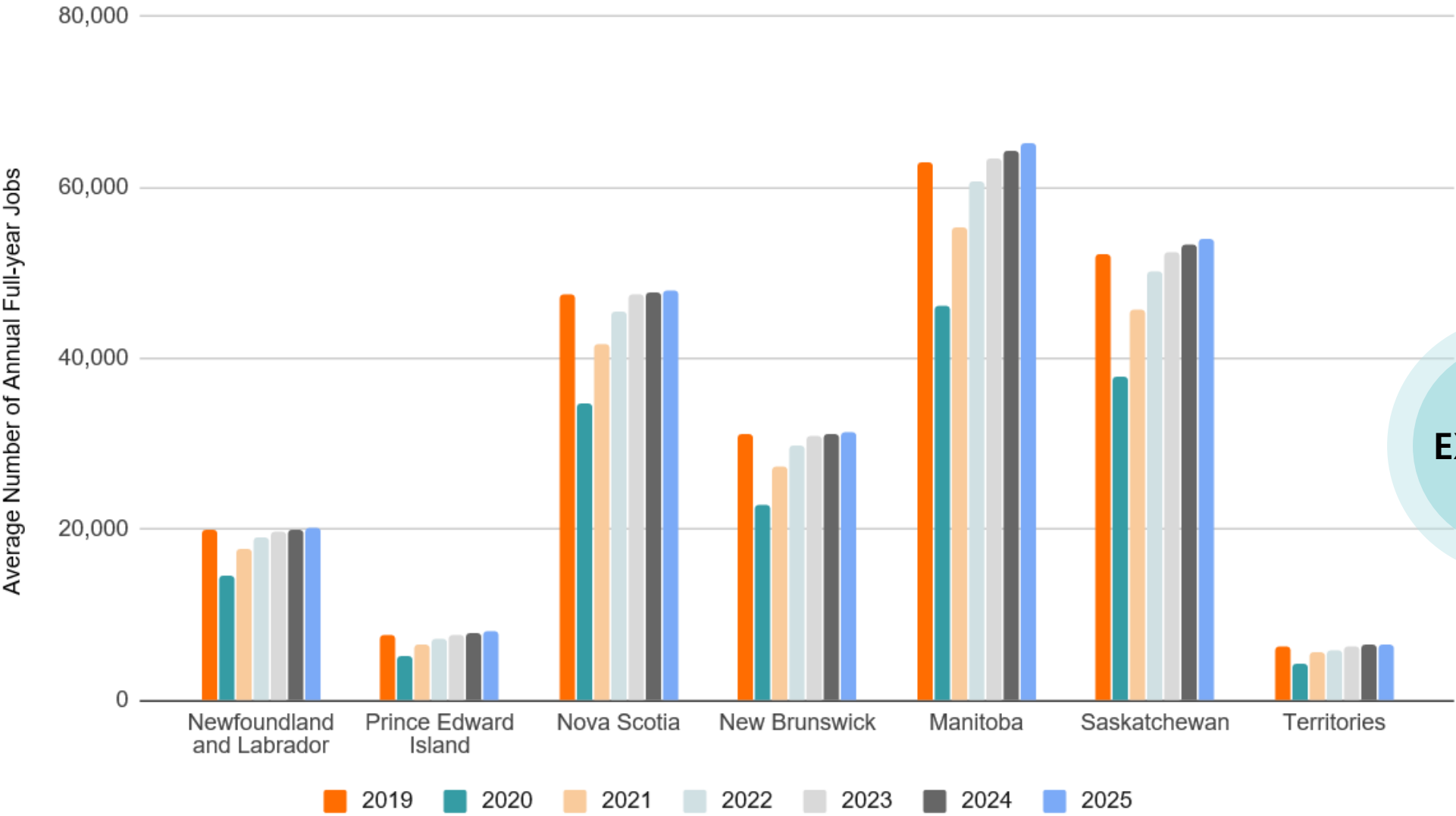
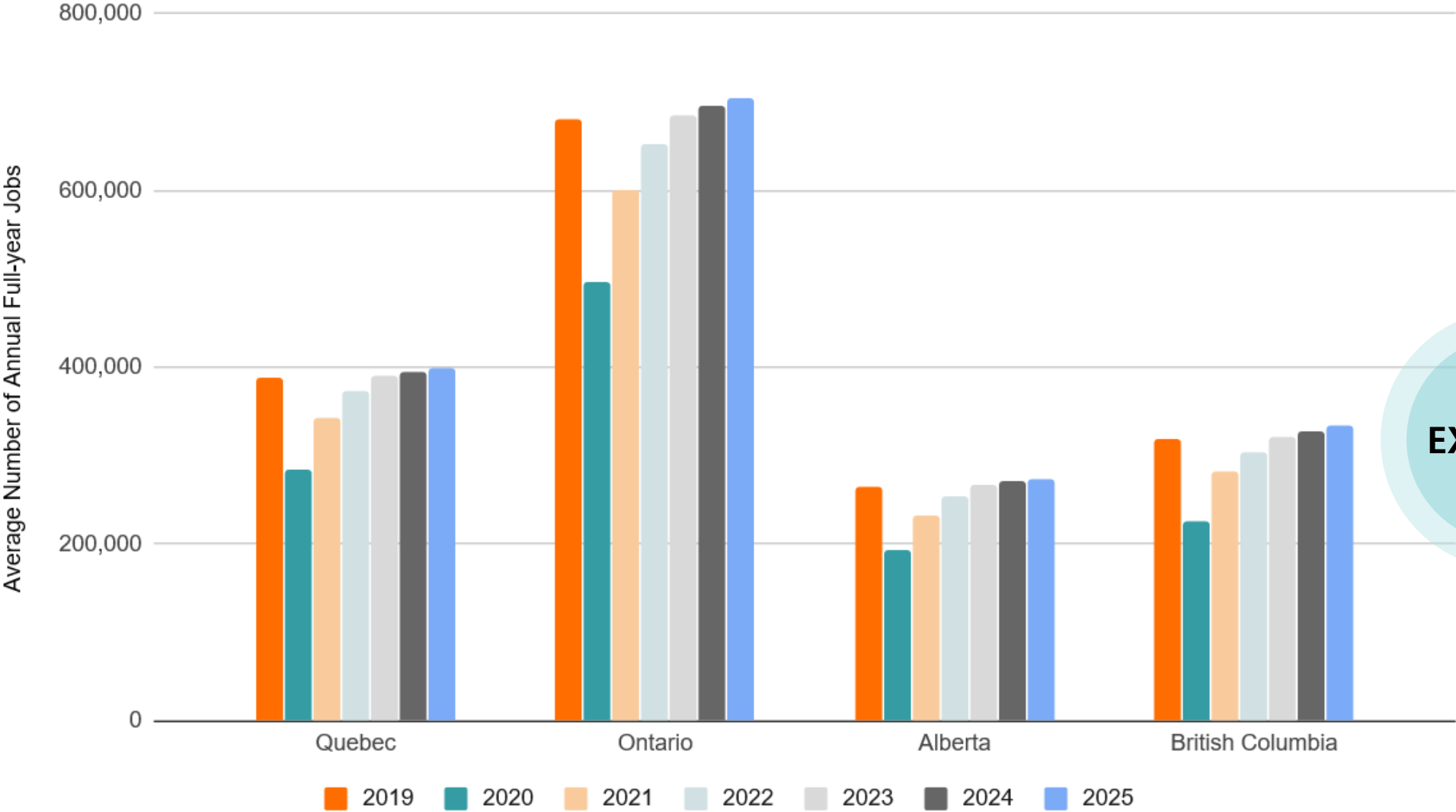


Figure 4: Impact of COVID-19 on Employment by Province



EXAMPLE

Figure 5: Impact of COVID-19 on Employment by Province



EXAMPLE



Getting Tourism Workers Back to Work

(Retention, Recovery, Resilience)

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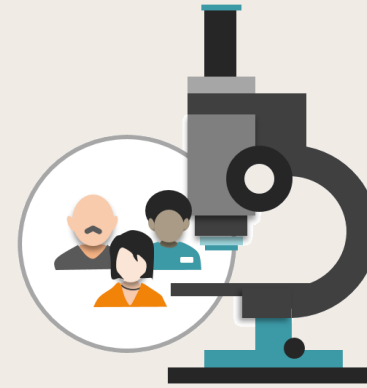
WORKER **RETENTION** & SUPPORT

Online training

Online curated web
'workforce resource' site

Articles for trade mags

Tourism HR Insider focus



LMI RESEARCH TO **INFORM POLICY**

Employment Tracker
Labour projections
Consumer sentiments
LMI policy, protocols
Workforce impact survey

BUSINESS CONTINUITY, RECOVERY

ToursimRecovery.ca

Business Builders

Webinars



'CONSUMER' CONFIDENCE

Visitor/customers
Workers
Policy makers
Communities

Report Webinar

WEBINAR · 24 JUNE 2020

FROM RECOVERY TO RESILIENCE



HOW TOURISM OPERATORS CAN LEARN,
GROW AND THRIVE POST-PANDEMIC

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RETENTION
RECOVERY
RESILIENCE
Managing Talent During and Post COVID-19



WHITE PAPER
10 Point Workforce Recovery Plan

Tourism HR
Canada



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APR

1

Practical, Explicit
Guidelines

2

Flexible,
back-to-work EI
programs

3

Skills Training on
New Work
Requirements

4

Overhauled HR
Plans

5

Community
Labour Force
Development Plans

6

Job Retention
and Job Growth
Strategy

7

New Business
Strategies

8

Tailored Strategies
for Targeted
Populations

9

Timely COVID
Labour Market
Data

10

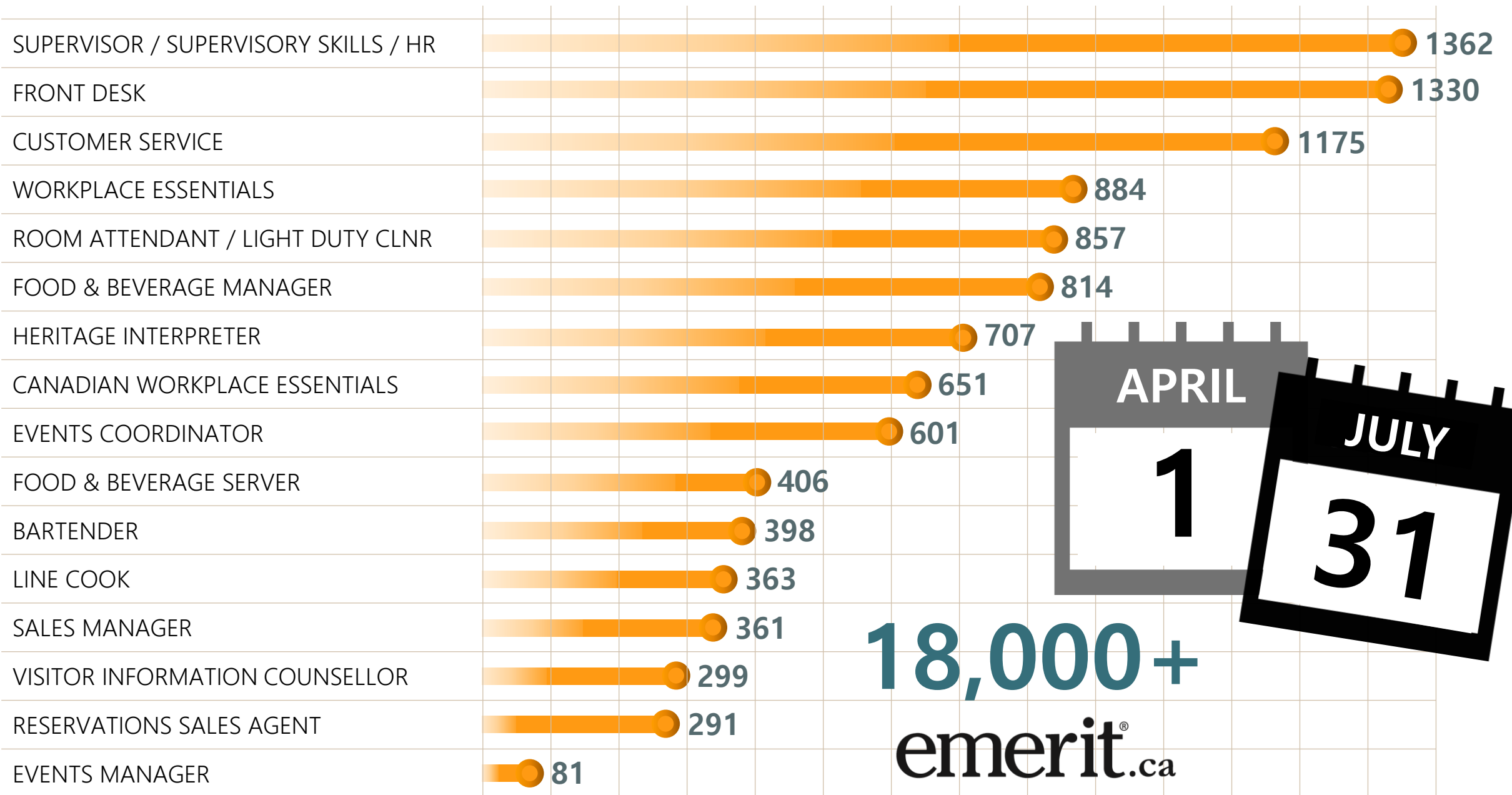
Credential
Passport

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1 Practical, explicit Guidelines	2 Flexible, back-to-work EI programs	3 Skills Training on New Work Requirements	4 Overhauled HR Plans	5 Community Labour Force Development Plans
6 Job Retention and Job Growth Strategy	7 New Business Strategies	8 Tailored Strategies for Targeted Populations	9 Timely COVID Labour Market Data	10 Credential Passport



Resources

Coronavirus Resource Hub



Plan

- ▶ Review emergency and contingency plans
- ▶ Examine all policies regarding



Educate

- ▶ Create a central information hub and update it regularly with everything from regional reopening guidance to



Provide

- ▶ Clear visual and written instructions on hygiene, hand washing, cleaning the workplace, physical



Support

- ▶ Encourage anyone not feeling well to stay home
- ▶ If possible, be flexible with

Much More
**Labour Market
Information**
And Constant
Updates

Helping the Tourism Workforce Recover and Reopen

E-newsletter

Every Second Wednesday

Insights to
help build a
competitive
workforce

Tourism
HR
Insider

Tourism **HR**
Canada



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E-newsletter
Every Second Wednesday

Insights to
help build a
competitive
workforce

Tourism HR Insider



Tourism Employment Remains Suppressed Until 2023

Since COVID-19 struck Canada's tourism sector, tourist activity has plunged to unimagined levels. During the summer, the highest weekly average occupancy rate for hotels in Canada only reached 42.9%. Passengers on major Canadian airlines for the month of June reached 440,000, which was 6.7 million fewer passengers than the same month a year prior. And with the border closed, the number of tourists coming to Canada collapsed from millions of individuals per month in the summer of 2019, to 67,787 this July.

Look for this icon
to keep informed
with the most
recent LMI
insights



COVID-19 Tourism Workforce Recovery Toolkit

As Canada's national HR organization working for the tourism sector, our goal is to provide the knowledge and tools to help tourism operators and their teams rebound from the crisis and build a resilient workforce.

The Covid-19 Tourism Workforce Recovery Toolkit is a practical, web-based program that includes tools, downloadable content and presentations, all designed to give tourism operators the knowledge resources they need to rebound and succeed.



**CRISIS
RESPONSE**

**FUTURE
RESILIENCE**

This toolkit includes:

5 content modules | **60+** resource components | **30+** checklists |

Featured Resources

 CHECKLIST

Develop Workforce Action Plan

[View](#)

 CHECKLIST

Guidance on Terminating Employees

[View](#)

 CHECKLIST

Helping Employees Transition Back to Work or to New Job Roles

[View](#)

 CHECKLIST

Managing Cash Flow During Recovery

WEBINARS



OCTOBER

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Budget & Finance

A significant decrease in customers has made weathering COVID-19 exceptionally challenging for the tourism industry, impacting its bottom line. Additionally, many businesses face the challenges of

travel limitations persisting in the industry. These challenges have been more critical, from a financial perspective, than the loss of your organizational capacity and revenue.

In this section of the Toolkit, you will learn how to use budgetary measures your business can take to survive and recover from the challenges of COVID-19 and move forward.

Learn How To:

- * Consider new revenue strategies specific to your sector

- * Develop a cash flow management plan

Managing Cash Flow During Recovery

CHECKLIST

Suggestions to Improve Cash Flow

Managing cash flow is vital to the success of a tourism business, especially in uncertain economic times. It is important to carefully manage inventory, sales, accounts receivables, costs, and more.

CASH FLOW ESSENTIALS

☐ Know business variables

- o Seasonal shifts
- o Inventory cycles
- o Monthly sales fluctuations
- o New or increased expenses
- o Need for new (unused) space
- o Vendor relationships

☐ Focus on key principles:

- o Cut out spending

Develop Smart Inventory Control System

CHECKLIST

Sourcing, Storing, Selling, and Saving

Smart management of inventory is imperative to tourism businesses, especially in times when cash flow is strained and your company is adjusting to new business conditions, such as having to change products or services to match new visitor markets.

A smart inventory management system will help tourism businesses:



PDF

Career Development Partnership

Community Labour Market Planning

Career Campaign



**In the
Works...**

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Thank You

BOARD OF DIRECTORS



Jim Bence



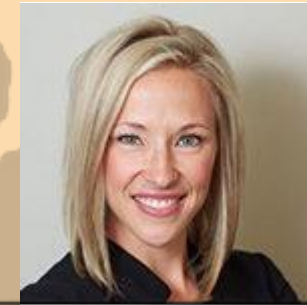
Beth Potter



**Tracey
Kalimeris**



Keith Henry



Susie Grynol



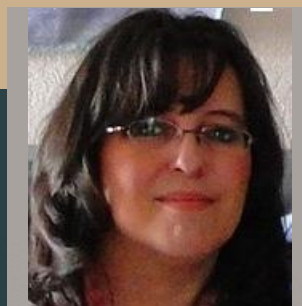
Juanita Ford



**Shannon
Fontaine**



**Darlene Grant
Fiander**



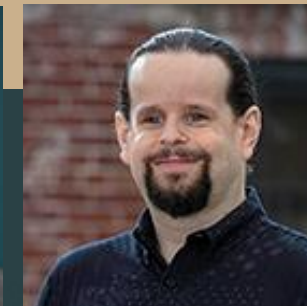
**Darlene
Doerksen**



Krista Bax



**Frederic
Dimanche**



Joe Baker



Vince Accardi



Philip Mondor

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