

NTG Alliance

The impact of COVID-19 on skills development and employability in the tourism sector

This document provides an assessment of the impact of COVID-19 on digital, green and social skills development and employability skills, together with an overview of the challenges that the tourism subsectors are currently facing. The aim of this overview is also to provide an initial snapshot of how the Next Tourism Generation Skills Alliance partners, associates and affiliates are functioning during the COVID -19 crisis and an overall perspective on the future of European tourism development.

In the following paragraphs, the Next Tourism Generation Consortium present their perspectives on the impact of COVID-19 in terms of challenges related to skills development and employability; priorities on different skills levels; the importance of key skills sets currently and how they will change, and the perspective on sub-sectors during and after the crisis. Consortia partners were also asked: What will be the potential for change and opportunities because of COVID-19?

Table of contents

- Theme 1: Digital, social and green skills needs related to recovery of the tourism sector
- Theme 2: The impact of COVID-19 on short-term employability in the tourism sector
- Theme 3: Mid-term and long-term employment in the tourism sector
- Theme 4: How to adapt to the crisis (businesses, educational institutions, training providers)
- Theme 5: Biggest challenges within the five NTG tourism subsectors
- Theme 6: Priorities and recovery of the tourism sector

Contributing partners

- ATLAS – Association of Tourism and Leisure Education and Research
- Alicante University – Spain
- Breda University of Applied Sciences – the Netherlands
- Cardiff Metropolitan University – United Kingdom
- CEHAT – Spain
- Deutsches Seminar für Tourismus (DSFT) Berlin – Germany
- Eurogites
- Federturismo Confindustria – Italy
- People 1st International – United Kingdom
- Technological University Dublin – Ireland
- UnionCamere – Italy
- University of Sopron – Hungary
- Varna University of Management – Bulgaria
- VIMOSZ – Hungary



Theme 1 What digital, green and social skills are of crucial importance during the COVID-19 crisis?

The consequences of the COVID-19 pandemic are speeding up the long-awaited ecological transition to the fostering of a growing awareness of environmental issues and the necessary behavioral changes (in terms of individual preferences, consumption habits and lifestyle) to support sustainability principles. Implementing innovative practices for the tourism sector, become potential real factors of change (in terms of saving resources, reducing energy and waste consumption, compensating for carbon footprint emissions, adopting more sustainable choices in terms of food products, mobility solutions, etc.).

Furthermore, a more fluid concept of work, based on the trust between employer and employee, is progressively increasing, thanks to technology that is compensating for distance between people. More and more virtual working groups are being formed in which soft skills such as empathy, collaborative and communicative abilities are being enhanced. New digital skills are developed and practiced, becoming part of each employee's personal set of competencies.

Relevant Digital, Social and Green skills identified in the NTG Skills Matrix to support tourism industry and education during and post COVID-19

Digital Skills:

- Communication and collaboration (sharing through digital technologies)
- Communication and collaboration (collaborating through digital technologies)
- Digital content and creation (developing content)
- Hosting virtual meeting and events
- Working from home (self-controlled, effectively, in a team)
- Ability to analyze demand and attract new customers through a new offer of service
- Creating online experiences (in case of closure)
- Working with different scenarios

Social Skills:

- Problem solving
- Initiative and commitment to work
- Oral communication skills
- Active listening skills
- Ability to speak foreign languages
- Adaption to different situations (flexibility)
- Willingness to change
- Greater attention to socio-health aspects and social distancing
- Crisis management knowledge

Green Skills:

- Ability to minimize the use and maximize efficiency of energy and water consumption
- Local supply chain management
- Creating environmentally friendly tourism products
- Decreasing waste and inefficiency
- Health knowledge, visitor flow management

Theme 2 How much the pandemic will affect employability in the tourism sector (in terms of human capital's ability to experiment in new situations, adapt to risks and uncertainties, be resilient in the face of unexpected difficulties, be active in obtaining job opportunities, growth and learning)?

The coronavirus has undermined the robustness of the tourism market in relation to the offer, encouraging operators to focus on the development of long-term structural and systemic resilience. The future job market may increasingly seek a highly specialized manpower in digital and problem-solving skills to face a truly unpredictable economic and tourism trend. It will affect the industry in unprecedented financial terms, in some cases leading to extensive job losses and business collapse. The sector may need less employees in the next 1-3 years and only those people may get a job in tourism who are able to adapt to changes. Employers' understandable impatience has worsened the attractiveness of working in the sector, but during previous disruptive times, the sector proved more resilient than others did. Flexibility and innovation are encouraged to support resilience.

Jobs and requirements

Jobs may decrease, more automatization /robots etc. (mid-term), digital communication skills are expected. Auxiliary jobs may go down, whilst smaller size of services may lead to more "transversal" skills and competences for same person. Small tourist companies are considered most vulnerable, but at the same time, they may be more flexible in how they can operate choosing diversification strategies. Those businesses that are mainly working in domestic tourism will recover sooner.

Example Bulgaria: Bulgaria has highly seasonal tourism, which in the current situation appears as an advantage, because some people have not yet lost their jobs directly, but still are waiting for (a later) start of the summer season. This has also given time for preliminary training and preparation for the new reality and requirements. Many hotel managers shared the fact that they already included in their regular training elements of crisis management and reactions in emergent situations.

Example Ireland: The OECD predicts that there will be a 40%-70% decline worldwide in the tourism economy due to COVID-19. A similar trend is happening in Ireland. The Irish Tourism Industry Confederation (ITIC) estimates €3.52 billion in revenue losses in Ireland from overseas visitors and they suggest that this is an optimistic figure. There will be significant job losses in the short to medium term.

Meaning of work

Many people working in tourism already have social abilities such as resilience, dealing with new situations, and face unexpected difficulties etc., as these are characteristics of daily business in tourism. Human capital will stay the most important factor in tourism. What appears clear in this crisis is the metamorphosis that the concept of work itself is undergoing. A rapid but tangible cultural change is taking place, which may lead to recognition of greater benefits of flexibility and the need to embrace a new idea of employment, according to which work is no longer measured in hours and no longer connotes being in a specific place. A metamorphosis that focuses on human intelligence and technological knowledge, which no longer takes account of office hours, union time spent in the workplace, but which places meritocracy and creativity as fundamental pillars. From a smart perspective, the concept of the office workplace becomes "open", and the real working space is that which favors people's creativity and which generates relationships that go beyond company boundaries, stimulating new ideas and potentially new business. The current crisis and the restrictions that almost the whole world is experiencing will therefore place the importance of new perspectives and logics related to work, the concept of time and the ability to create networks and relationships at the center of future employability, giving remarkable value to the ability to deal constructively with new technologies, digital relationships and web dynamism.

Theme 3 How should organizations and educational institutes/ training providers adapt to this situation?

The COVID-19 pandemic has highlighted the need for a deep change in the evolutionary path of the tourism industry. Indeed, the development models so far dominant also in the tourism sector (those based on infinite growth and a linear economy) have shown, in the devastating situation we are experiencing, that the industry are not able to have prompt responses to react effectively to sudden crises of such magnitude. Therefore, it becomes essential to redesign the growth and management trajectories of the tourism sector, moving with greater belief towards sustainable development and the circular economy.

To be consistent with this approach, however, it's essential to be aware of the exigency to rethink from the foundations not only the business of the tourism industry but also the tourism and hospitality education system, making it able, on the one hand, to transmit these new values, and, on the other, to teach those who work in this sector how to apply production principles and standards of sustainable tourism in practice.

Under the new paradigm shift in the tourism sector, it is important to:

- Help teachers / trainers, students and SME representatives to acquire the knowledge and skills necessary to face the impacts of the COVID-19 pandemic, thus providing significant support for the progressive transformation of business models and operational activities in direction of sustainability;
- Improve the contribution of Higher Education Institutions to innovation by reinforcing education and research, strengthening the HEIs' role in local and regional environments.
- Develop international standards in sustainable tourism planning and management recognized by both the education system and the tourism industry.

Organizational aspects

Educational institutions and training providers must necessarily rely on Internet and related digital tools to continue pursuing their goals. Currently, training courses are taking place in webinar mode and this specific formula is proving to be congenial in emergencies such as COVID-19, due to a saving in costs in logistical terms (booking and setting up rooms, security personnel, etc.). The opportunity to break down the barriers dictated by the geographical distance between countries, allowing people interested in a specific topic to participate through a simple click and implementing the concept of globalization at its best. Education can adapt to COVID-19 through online learning, distance learning and blended learning approaches. Currently and in the long-term, educational and training providers will need to develop social distancing strategies in i.e. classroom settings and invigilated examinations.

Trade Associations and educational institutions are in demand in the exit phase from the lock-down. Here, short-term support must be provided in product development and marketing for tourism businesses. Customer and Visitor behavior is changing, e.g. nature activities are increasing. The attractiveness of city tourism without cultural institutions is unsure, good alternatives are needed for sustainable and healthy city tourism.

Educational institutes and training providers are recommended to become experts in new skills for their clients and use the time whilst working at home to build / strengthen relationship with clients whilst sales are currently limited.

Key Skills to address

Crisis management and emergency instruction may have always been part of the educational schedule, but after this situation, these topics could emerge as a higher priority. Some short/introductory courses about crisis management may be organized, to provide an essential training. Further, educational institutions may include separate modules regarding crisis management at not only an operational level, but also encompassing strategic and destination management levels, so that there are people able to elaborate proper response plans and relevant insights for coping with the crisis and setting a new direction for development. More social competencies such as resilience, innovative ideas and communication skills are needed in particular, as well as digital skills concerning data and client expectations to survive in the post-corona customer journey, in order to rebuild destinations and ensure effective visitor management.

Educational institutions and training providers could add the skills as listed above throughout their curricula and/or offer these skills in dedicated courses. COVID-19 provides a live case study to practice with sudden, dramatic situations that affect society in the broadest sense. Particularly, emphasis should be put on the "human aspect" of tourism. In that sense, the "high tech skills with a human touch" will remain in place.

Example from Spain: The Confederación Española de Hoteles y Alojamientos Turísticos (CEHAT) and Instituto Tecnológico Hotelero (ITH) are offering webinars and training courses to provide solutions within the sector, addressing issues of big data, AI, new technologies, SAP, marketing, PMS, and revenue management. CEHAT and ITH encourage the sector to take advantage of the time at home to learn using online courses and train in their weakest skill areas.

Theme 4 The current situation related to mid-term and long-term employment in tourism.

There are vast employment variations in tourism, however it is envisaged that tourism related work in public institutions (apart from part-time work) would largely remain the same. Companies on the other hand, will, experience a loss of employees, if solutions to the current liquidity crisis are not found quickly and economic aid is not provided.

Even if it remains fundamentally unclear how the pandemic will develop until September, or how travel restrictions and massive job losses will affect tourist demand, the crisis is expected to create a global recession and an unprecedented large number of jobless people. This will lead to an unpredictable domino effect on corporate and consumer debts, and the financial system.

Research conducted by WTTC shows that 75 million Travel & Tourism jobs are at risk globally due to the COVID-19 pandemic, with at least 6.4 million losses across the EU, and one million in the UK. Unemployment is predicted to increase significantly. Enterprises of all sizes will be compelled (for survival) to restructure fast, rationalize and streamline their business processes and adapt to the new ecosystems and new supply chains. Jobs and skills requirements will change and increase for both high and low skilled work.

The shock caused by the COVID-19 pandemic could amount to a 45-70% drop in the international tourism economy in 2020, depending on the duration of the crisis and the speed of recovery of travel and tourism according to [a report from the Organisation for Economic Co-operation and Development](#) (OECD). As a labor-intensive sector, it contributes directly to 6.9% of employment on average in OECD countries. As a result, it is estimated that 40-50 million jobs could be at risk globally. The last time the global tourism economy contracted was immediately after the 2009 financial crisis, when international arrivals decreased by 3.9%, says the report.

Furthermore, SMEs - which make up the vast majority of tourism businesses - may have less resistance to face the costs that such shocks entail. Given their often-limited resources and existing barriers to accessing capital, the period during which SMEs can survive a shock will likely be shorter than larger companies.

Example Spain - In the hospitality industry, there is a cut of 184,148 employees.



Ilustración 1. Drop by section of activity. Source: [Belén Trincado. 5 DÍAS](#)

A gradual recovery of jobs in the accommodation sector is expected since companies will not go from producing 0% to 100% capacity in a short period of time, instead a gradual road to recovery will take longer, and therefore not so many people will be needed from the beginning.

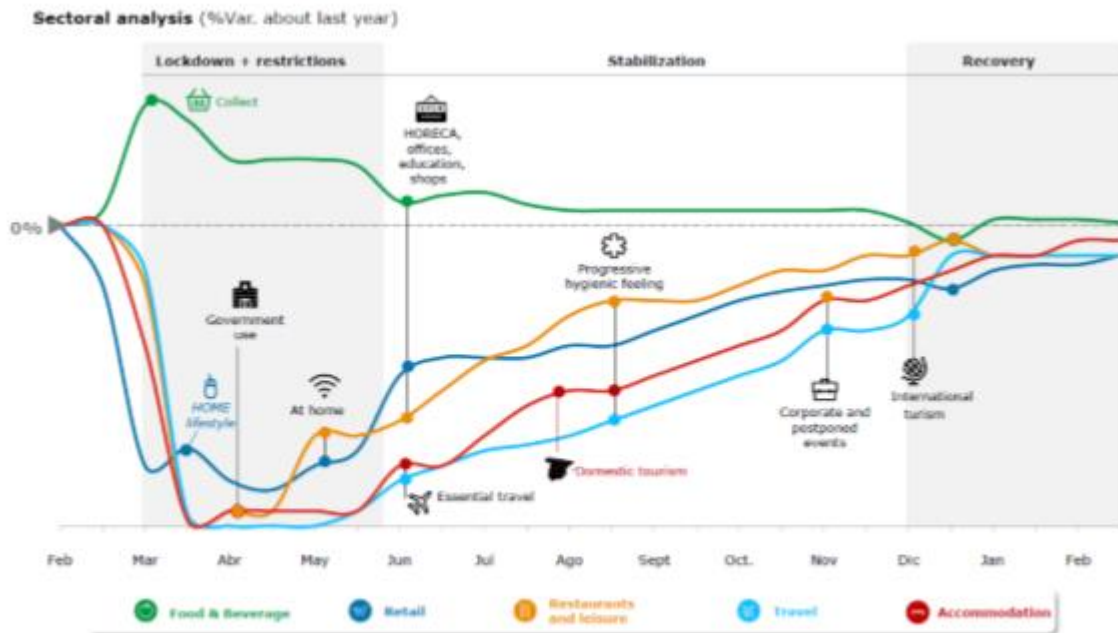


Ilustración 2. Expected recovery by sector. Source: Deloitte.

Example Ireland: ITIC (the Irish Tourism Industry Confederation) highlight that COVID-19 has had a catastrophic impact on Ireland's tourism and hospitality industry with a cessation of flights, closure of tourism sites, cancellation of events and a ban on gatherings of 100 people or more. The tourism industry employs approximately 265,000 people throughout Ireland and 75% of Ireland's tourism economy based on international visitation, and little if any is expected in 2020. COVID-19 has had a detrimental impact on employment in the tourism and hospitality industry. PWC (2020) highlights [in a recent publication](#) that the Irish hospitality sector (bars, restaurants and hotels) has been hit hard with most businesses closed and approximately 100.000 / half of staff laid off. The Restaurants Association of Ireland (RAI), predicts that 120,000 jobs in the sector could be permanently lost in the coming months. In the short term, even when they are permitted to open, tourist enterprises will be under strain. As long as COVID-19 remains a threat, restaurants, cafes, hotels, visitor attractions etc. will all struggle under the 'new reality' conditions as social distancing will lower customer capacity, making it difficult to turn a profit. Revenue losses due to reduction in revenue during COVID-19 enforced closure and these difficulties related to social distancing will result in closure of businesses and substantial short term and medium-term job losses. This is of major concern, as tourism is the biggest indigenous industry and the largest employer in regional areas, which will be disproportionately impacted by the crisis. However, in the medium to longer term, Fáilte Ireland (the national tourism body) highlights that travel, either domestically or abroad, is on many people's agendas and this will provide a welcome boost to the industry, resulting in employment opportunities. We can compare the potential economic recovery to the recovery from the last recession. During that period, the tourism was a driver for economic growth and job creation. This was not easy; it took government intervention, hard work and new business models. It is likely that the same will be required again to recover from this crisis.

Theme 5 What are currently the biggest challenges within the five tourism subsectors?

HEI's and training/educational providers: In tourism education, the biggest challenge is to persuade students not to neglect the importance of tourism education. Many students may prefer to change their future career path because of the high risk and additional regulations, related to the hospitality and tourism industries. One of the main problems to be considered is how the students will find places for industry practice (which is often compulsory) in order to finish the university program. Providing fast and short ad-hoc training offers, including online courses where possible is also a challenge. Developing curricula or courses that are flexible and outside the formal education sector, often have to undergo slow processes of verification and approval. In the educational program, many "new" career development issues may need to be addressed in order to help students to get a job in the tourism sector. Otherwise, they may be unprepared and unemployed. A reduction in student recruitment is a challenge for tourism education in general.

Industry: To survive financially the absence of tourists is the biggest challenge. Next to the expenditure of clients, it is important to find out what the mid-term socio-cultural impact of COVID-19 is for consumer preferences. In addition, the health emergency that has affected the whole sector places enterprises in front of a new scenario with uncertain requirements. There are several changes needed including the structural reorganization of spaces, immediately after the greater attention and protection of customers and staff, and the environmental impact. For the hospitality sector, in particular, it is necessary to look ahead, anticipating already planned activities such as the renovation of the structures and taking advantage of the forced cessation of business to devote activities related to updating digital equipment (sites and portals in the first place) or training of the staff. The business model could be reconsidered by looking at the medium to long term, starting new investments and leaving the comfort zone of business as usual. Assuming that in the tourism sector the quality of available human capital represents one of the main sources of competitiveness, since the services provided require a high involvement of all human resources. The acquisition of new skills and knowledge, activated by the profound changes in place, could generate positive impacts at all levels of the tourism industry (business system, destinations and companies). The main challenges for the tourism and hospitality industry also include demand stimulation, movement restrictions nationally and internationally (domestic and international travel), the closure of tourism sites, attractions, hotels, restaurants and bars and social distancing measures. How to keep talents in-house is another big challenge.

Destination Management

Destination management is currently confronted with a high increase in nature-based activities. Currently, visitor attractions, hiking parking lots and hiking trails are being closed. The need for visitor management has existed for a long time but is being intensified by the COVID-19 crisis. The question that many Destination Management Organisations (DMOs) are currently asking is how to rebuild destinations for post-COVID-19 times?

Accommodation

To ensure the opening of the hotels is a major challenge. Once hotels are up and running, communicating with staff and customers in the hotels to ensure they follow the hygienic sanitary rules and recommendations to help gain the confidence of customers. Related to dates of stays in accommodation from June onwards, it may be possible that some demand will already be registered, but before that, it is very unlikely. Both salaries and prices are under pressure. Part-time employment is predicted to rise, also in the "informal" sector (including Airbnb, holiday rentals, and other niche sectors). With 1 % occupancy rate in hotels across Europe, almost everything is closed and some ex-employees started other careers. If Austria and Germany restart sooner than other countries, they may attract some customers.

Visitor Attractions

Currently, visitor attractions, hiking parking lots and hiking trails are closed and return to normal operations are likely to be phased with significant measures to aid social distancing.

F & B Operations

The workers in the accommodation and food services sector that have the lowest annual earnings and the lowest levels of education of all sectors, indicate the way in which the pandemic may serve to reinforce already substantial disparities in income. Indirectly, the pandemic shines a light on social welfare and job security in tourism, with differences in service employment models underlining vulnerabilities. In Italy, restaurants can prepare takeaway food and on June 1st, the reopening is foreseen but the reorganization of the spaces hypothesized by government measures imposes structural limits that will reduce capacity and number of places opening.

Tour Operators and Travel Agencies

Currently working from home, tour operators are dealing with many challenging issues regarding bookings, cancellations and postponing travel. In the long term, how will organizations that have to deal with social distancing (and the so called 'social distance economy' - a terminology from The Netherlands), match the health restrictions with the required general occupancy rate to continue business as usual in tourism (i.e. flight seats, hotel beds, event visitors, etc.)? Yield management will become more important. The post-COVID-19 environment will probably bring about the biggest transformation that the tourism industry has seen since the Internet. There will be major changes in travel arrangements, some operators will collapse, many will reorganize themselves, and some will suddenly go away. An evolutionary and non-conservative attitude will therefore be needed, functional to constructive changes and to face the new circumstances. It will be necessary to be ready to seize the new opportunities that the market will offer, by focusing on different demand bases from the type of customers served to relying on alternative platforms compared to those used so far.

Theme 6 What will be the main priorities in the first phases of the recovery?

The main priority is for the industry to respond and adapt to the current situation and develop strategies for post COVID-19. More contact between the tourism sector and the educational sector are needed. Short, practical courses to help the recovery could be a mechanism that is proposed and supported by The Next Tourism Generation Skills Alliance. The NTG Skills Hub (A comprehensive information resource to support digital, green and social skills development) is under development.

A very practical approach in terms of recovery needs is described in a few actions:

- Promoting domestic tourism and destinations for guests;
- Bringing clients back and adapt to new demands while ensuring appropriate hygienic conditions to avoid health risks (social distancing, hygiene, sanitary safety);
- To this end, employees staying in, for example, accommodations must be provided with approved personal protective equipment (PPE) and apply the containment measures established by the health authorities;
- Improvement of efficiency due to reduced capacity;
- Intense communication and explanations for customers and staff, in order to assure and calm people and to continue lives while showing transparency and reliability, as well as promoting a gradual economic growth of the tourism sector. A key point is to regain people's confidence by staying in hotels;

In a broader perspective of recovery, it is foreseeable that there will be a redesign of tourist services according to health protection rules and a constant virus prevention activity, with a significant growth in smart working activities, an increase in investments in IT infrastructures and an enhancement of smart learning. In addition, the emergence of the binomial safety for health - new technologies could provide opportunities for preparation and prevention. Moreover, already in the first phases of the recovery, the "undertourism" model (typical of the small destinations' tourist offer) could represent, for an increasing share of demand, a priority alternative to the now declining model of "overtourism".

Enterprises in the tourist sector are suffering the greatest repercussions, thus they will have to rely upon government aid, strong flexibility, reviews of the product and service offer, and review of communication to ensure safety and security. Companies will have to collaborate and create alliances with different professional figures for the sector such as immunologists, computer scientists, data analysts, macro and micro economists, urban planners, psychologists.

Example Germany: In many countries, people are on short-term working. The individual economic perspective is assessed pessimistically. Germany says the purchasing power will decline and the demand on tourism will be very restrained. Tourism businesses will also not be able to make up for lost sales. Hygiene regulations will lower sales expectations. Therefore, economic stimulus packages will be necessary to support demand and to help the businesses through a longer dry spell. "We must prevent the many small suppliers from disappearing from the market."

This includes actions by government, recovery plans and support for tourism businesses.

Example Ireland: ITIC has developed a Tourism Recovery Taskforce and outlines [a three-step plan for Irish Tourism](#) including business survival, liquidity measures and demand stimulation. Fáilte Ireland has operationalized a COVID-19 Business Supports Hub for tourism businesses. The IHF (Irish Hoteliers Federation) has called for urgent support from government to save jobs, including employment support measures, VAT reductions, finance and loans. The IHI (Irish Hospitality Institute) and Fáilte Ireland have developed webinars to provide support, advice and training for tourism businesses and employees. Fáilte Ireland has launched wellbeing supports for employees across the tourism and hospitality industry. The

RAI, Restaurants Association of Ireland, [outline immediate and future supports needed for Tourism and Hospitality](#) due to the impact of COVID-19. This includes a nine-point COVID-19 Crisis Recovery Plan focusing on VAT reduction, wage supports and rent measures.