



STAFF SHORTAGES

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CONTEXT

Travel & Tourism in 2020 was in a state of 'survival'. Travel bans, mandatory COVID-19 tests and quarantine requirements reduced people's appetite for travel. Airlines, hoteliers, and tour operators, amongst others, witnessed a sudden drop in their revenues as tourism activities dwindled and they resorted to trimming their workforce to stay in operation. Consequently, the number of jobs supported by the sector declined by 18.6%, falling from 333 million jobs* in 2019 to 271 million jobs in 2020. As governments rolled back travel restrictions in 2021, demand for travel returned and the number of workers in the sector grew by 6.7% to reach 289 million workers. Following a 21.7% growth in 2021, Travel & Tourism contribution to GDP is expected to rise by 43.7% in 2022. To support this growth, the availability of a suitable workforce will prove to be critical.

However, the sector is currently suffering from staff shortages which makes it incredibly difficult to recruit candidates to fill increasing job vacancies. A significant factor in the rise of staff shortages is that during the pandemic, a number of furloughed or laid off Travel & Tourism employees moved to other sectors or out of the labour force entirely. Now, as demand for labour keeps rising while supply is scarce, Travel & Tourism will have to compete against other sectors to attract new talent. Another key contributing factor is that travel restrictions during the pandemic have led to a fall in the number of migrant workers who are vital to the sector. Prior to the pandemic, foreign-born workers constituted 16% of the tourism workforce in the United Kingdom (UK) and the European Union (EU) and nearly 20% in the USA.¹ The return of migrant workers to their home countries and the fall in immigration in 2020 have not helped in alleviating the shrinking supply of labour.

Certain industries within the sector will face more unique recruitment challenges than others. In the aviation industry, for instance, new pilots need to undergo comprehensive training and airport support staff must pass rigorous security screenings – often including a wait for security clearance from a governmental body. Such training and processes can take a long time, and therefore demand for these roles cannot be met at short notice. Furthermore, some roles require continued training but the pause during the pandemic put a damaging halt on such a vital process. Between 2022 and 2032, the sector is poised to add 126 million new jobs; however, if the root causes of staff shortages are not addressed, the issue will limit the sector's potential to achieve full recovery and growth.

* This represents a total contribution to jobs, including direct, indirect, and induced impacts.



RESULTS

This report from the World Travel & Tourism Council (WTTTC), in collaboration with Oxford Economics, analyses the issue of staff shortages in France, Italy, Portugal, Spain, the UK, the USA and the EU through two measures of labour scarcity: net labour shortfall and gross labour shortfall. A net labour shortfall is calculated by subtracting the demand for labour from the supply. A labour shortage in one industry is bound to have implications in other industries of Travel & Tourism. For instance, hotels may be able to fulfil their labour needs but if there is a shortage of bus or train drivers, hotel employees may face difficulty in getting to their places of work. Therefore, gross labour shortfall accounts for such externalities and provides better estimates of the real shortfall of labour. For more information, please check the methodology section in the Appendix.

In all the six countries and the EU region overall, the supply of labour is forecasted to trail the demand for labour in the second half of 2022 and the gap is expected to be even higher during the peak third quarter when the sector's demand is likely to approach pre-crisis levels. While staff shortages in 2021 were concentrated in the accommodation and hospitality segments of the sector, in 2022 the lack of labour is anticipated to spread to the transportation segment.

European Union

In 2020, the Travel & Tourism sector in the EU witnessed the loss of 1.69 million direct jobs. In 2021, as governments scaled back travel restrictions and travellers' confidence improved, the sector's direct GDP contribution to the regional economy recovered by 30.4% and it recouped 571,000 lost jobs. In 2022, the sector is estimated to expedite its return to the pre-pandemic level through an expected 32.9% increase in its contribution to the EU's GDP. To support such a rate of recovery — particularly in the third quarter of 2022 when the sector is estimated to be close to the pre-crisis level — 11.24 million workers will be needed to meet the expected demand for employees. However, the provision of available workers is forecasted to be only 10.39 million and thus, a net staff shortage of 842,000 workers is expected. The gross labour shortfall is estimated to be even higher at around 1.19 million workers. In other words, nearly 1 in 9 vacancies is likely to remain unfilled. The travel agency segment is forecasted to be worst hit by the shortfall of workers as it is anticipated to experience a 30% staff shortage (1 in 3 vacancies unfilled), whilst the air transport and accommodation segments are likely to suffer from a 21% and 22% (1 in 5) staff shortage, respectively.

USA

Against the backdrop of a 35.9% fall in the number of jobs directly supported by Travel & Tourism in the USA in 2020, the year 2021 witnessed a 12.4% rise — from 3.91 million jobs to 4.39 million jobs. In the first half of 2022, the sector is estimated to have experienced a gross staff shortfall of 321,000 as 5.4% of jobs (or 1 in 18 jobs) remained unfilled. In the second half of 2022, the average staff shortage is likely to remain at a similar level, which is less severe than in the EU. However, the lack of staff availability is expected to be greatest in the peak third quarter of 2022 when the gross labour shortfall will increase to 412,000 workers. In relative terms, 1 in 15 job postings (7% shortage) will likely remain unfilled. Employers engaged in sightseeing transportation, accommodation, and recreation could face higher shortfalls of labour. For instance, employers in the accommodation industry could fail to find suitable candidates for nearly 1 in 6 of their job postings. Of the many factors fuelling the shortfall of staff, the decrease in net international migration is especially relevant to the US labour market. The slowdown in immigration and rise in emigration since 2016 has resulted in net international migration dropping from around 1.05 million in 2016 to nearly 477,000 by 2020², with COVID-19 travel restrictions further exacerbating the issue.

United Kingdom

The UK had the eighth smallest fall in the number of jobs directly supported by Travel & Tourism in 2020 – out of 185 countries included in our analysis – and this result is due principally to the government's job-retention scheme. In 2021, the number of workers directly employed in the sector increased from 1.57 million to 1.63 million – representing an increase of 3.7%. As a growing number of tourists visit the UK in the second half of 2022, the sector is estimated to experience an average gross labour shortfall of around 114,000. During the high-demand season in the third quarter of 2022, the labour shortage is likely to be even more acute as the supply is expected to fall short of demand by 128,000 workers. In relative terms, it implies that 1 in 14 job openings could remain unfilled: a 7% shortage. The rise in the rate of economic inactivity has partly contributed to the issue. The number of people who are of working age but not in employment or not seeking employment in the first quarter of 2020 was 92,000. By the December 2021 – February 2022 period, the economically inactive workforce increased to 487,000³. Such an exodus of workers from the labour market has shrunk the labour pool that employers can hire from. The sector's difficulty in filling vacancies has also been compounded by the stricter migration laws imposed by the government as a result of Brexit. Accommodation, entertainment, and air transport are likely to be the most impacted industries in the third quarter of 2022 as they are forecasted to face an 18% (1 in 6 unfilled vacancies), a 12% (1 in 8), and an 11% scarcity of workers (1 in 9) respectively.

Italy

In 2020, Travel & Tourism directly supported 1.14 million jobs in Italy. Following a 12.6% growth in 2021, the number of workers increased to 1.29 million – representing 5.7% of all jobs in the economy. In the second half of 2022, the sector is estimated to suffer from an average gross staff shortfall of around 140,000 workers, and this could widen to 250,000 workers in the third quarter of 2022 when demand will be at its highest. Consequently, employers will be unable to fill 1 in 6 job vacancies. The estimated labour shortage for Travel & Tourism in Italy is higher than the EU average and the other five economies analysed in this report. The accommodation industry is likely to face a severe labour shortfall of around 38% (1 in 3) in the third quarter of 2022 and the travel agency segment is expected to suffer from an even greater labour shortage of 42% (nearly half of vacancies unfilled).

France

In 2021, the number of workers in France directly employed in Travel & Tourism grew by 10.3% - increasing from 1.14 million in the previous year to 1.25 million. In the third quarter of 2022, when Travel & Tourism demand level nears the pre-pandemic level, the supply of labour could fail to match this increased demand. The gross labour shortfall is estimated to be 71,000 workers, and Travel & Tourism firms could fail to fill 1 in 19 of their vacancies. However, different industries are affected to different degrees. The French air transport industry, for example, is forecasted to be one of the worst affected as employers could face difficulties in finding suitable candidates for nearly 1 in 3 job postings. Travel agency employers are also likely to witness similar levels of staff scarcity.

Spain

International visitors form an integral part of Spain's Travel & Tourism sector. The number of overnight foreign arrivals increased from 18.93 million in 2020 to 31.13 million in 2021. The return of tourists contributed to an increase in the number of jobs by 13.9% - from 752,000 workers to 857,000 workers. This growth in employment assisted the sector's recovery. However, as the sector recovers further in 2022 – particularly during the peak third quarter – recruitment challenges are likely to hamper operations in almost all industries of the sector. It is estimated that Travel & Tourism could face a gross labour shortfall of around 137,000 workers. This means that 1 in 8 vacancies is expected to remain unfilled. The issue is likely to be more severe in air transport and accommodation as they are projected to experience labour shortages of 21% (1 in 5) and 27% (1 in 4) respectively.

Portugal

Travel & Tourism directly employed 432,000 workers in Portugal in 2021 – accounting for 9% of all jobs in the economy. In early 2022, labour supply matched labour demand but in the second half of 2022, labour demand is forecasted to rise faster than supply, resulting in an average gross staff shortfall of 44,000. In the third quarter of 2022, gross shortfall could be higher, at 49,000 workers, with 1 in 10 vacancies forecasted to remain unfilled. The country's hospitality industry is likely to be worst hit. Both accommodation and food and beverage segments are forecasted to have 1 in 8 of their job openings unfilled. Employers that are engaged in sports and recreation will be unable to find suitable candidates for 1 in 10 job postings.

Shortfall as share of labour demand, Q3 2022 (peak impact)

	Labour demand (000s)	Gross Shortfall (000s)	%	Ratio
EU	11,236	-1,192	11%	1 in 9
USA	6,274	-412	7%	1 in 15
UK	1,792	-128	7%	1 in 14
Italy	1,524	-250	16%	1 in 6
France	1,362	-71	5%	1 in 19
Spain	1,084	-137	13%	1 in 8
Portugal	505	-49	10%	1 in 10





RECOMMENDATIONS

Addressing the challenge of staff shortages within the sector will require the prioritisation and implementation of policies and initiatives. These range from facilitating labour mobility and flexible work, developing a skilled workforce and attracting talent by improving the perception of the sector, to providing competitive employee benefits and enabling decent work, whilst leveraging technological and digital solutions. Such policies can be further enabled through financial incentives such as tax relief and the provision of government subsidies. The success of these policies will require multi-stakeholder collaboration, including the public and private sector as well as academia. Moreover, governments should identify the skills their market needs to achieve economic advantage, assess the availability of these skills, and determine which current policies may need to be updated and/or new policies enacted to meet future needs.

1. FACILITATE LABOUR MOBILITY

Enabling and facilitating talent mobility within countries and across international borders is an effective mechanism to address staff shortages and bridge a skills gap. In the wake of COVID-19, this will require governments to continue removing travel restrictions and implement technological solutions to enable a quick and efficient experience. In addition, governments need to reconsider migration policies, streamline visa procedures, promote regional markets and address tax treaty issues. Such an approach has been taken by The Association of Southeast Asian Nations (ASEAN) which addresses skilled worker shortages through labour mobility provisions via Mutual Recognition Agreements (MRAs). In effect, MRAs, which currently exist for six sectors including Travel & Tourism, recognise workers' skills, experience, and accreditations in all countries within the trade bloc, enabling them to work outside their home country. To date, ASEAN has enabled the automatic recognition of 32 tourism-related occupations. In addition to MRAs, there are agreements in place streamlining the procedures for citizens within the region who want to apply for business visas⁴. More recently, the government in Portugal announced a new visa path that effectively grants foreign workers 180 days to find a job in the country. It has also simplified the visa process for nationals from Portuguese-speaking countries⁵. Similarly, in July 2022, the Spanish government introduced changes to their immigration regime to enable more immigrants to formally enter the labour market⁶. These actions are positive steps towards filling the gaps between the demand and supply of workers in the sector.

2. FACILITATE FLEXIBLE AND REMOTE WORK

The pandemic accelerated the move to flexible working including hybrid and remote work. As such, enabling and supporting flexible and remote working practices, where feasible, can be a useful tool to address talent shortages, particularly if travel restrictions prevent talent mobility. Such an approach may also encourage employees to return to work following the pandemic, including many adults with caring responsibilities for either children or elderly family members. Part-time or contract-based opportunities should also be considered, where possible. Moreover, flexible working is also associated with the introduction of shorter working weeks (and in turn longer weekends), which has already gained support from some governments and companies. There is growing evidence that shortening the working week, while maintaining pay levels, boosts productivity and well-being. In addition, a move to an extended weekend would effectively accelerate the recovery of all economic sectors including Travel & Tourism. For Travel & Tourism, such an approach would incentivise travel both domestically and internationally. Longer weekends would generate additional leisure spending by consumers across economic sectors including Travel & Tourism, which in turn would have a positive impact on the wider economy⁷. However, it is important to note that flexible working may bring some implementation challenges for certain roles within the Travel & Tourism sector. Still, where it is possible, it should be considered, given the many associated possible opportunities and benefits.

3. ENABLE DECENT WORK AND PROVIDE COMPETITIVE EMPLOYEE BENEFITS

Enabling and supporting decent work - work that is safe, fair, productive, and meaningful - is key to attract and retain talent. This issue has become even more relevant in the wake of COVID-19, with many struggling with mental health and having concerns and fears around financial security and unemployment⁸. In this context, the public and private sectors have a significant role to play in enhancing employees' mental wellbeing. Employers should look to provide competitive compensation packages and employee benefits. Moreover, policymakers will need to evaluate and adjust social safety nets and social protection mechanisms to ensure that no one is left behind. Already today, in certain parts of the world, businesses must comply with legislation that gives freelance workers employment rights, including access to minimum wages and paid holidays. For instance, the United Kingdom's Modern Slavery Act and its 2018 law addressing pay transparency require businesses to take board-level responsibility for, or publicly report, such essential information.

4. DEVELOP AND SUPPORT A SKILLED WORKFORCE

Training, reskilling, and upskilling schemes aimed at equipping one's workforce with new and improved skills to operate in the Travel & Tourism sector, such as enhanced digital literacy, will be essential to strengthen the future readiness of the sector's workforce, and help overcome the issue of talent shortages. It is essential that training is ongoing and addresses both current and anticipated needs. For instance, Singapore is proactively preparing its workforce to meet tomorrow's travel demand. In effect, Singapore's SGUnited Skills programme⁹ comprises a wide range of training courses that helps Singaporeans acquire in-demand and emerging skills across several sectors. The scheme aims to create around 100,000 jobs and various skill-building opportunities.

As the nature of work and skills evolve, accelerated to an extent by the COVID-19 pandemic, effective policies and public-private collaboration, that have a potential to support educational programmes and apprentice-based training, are crucial to bridging skills gaps and developing a workforce that can help the sector thrive. In Switzerland, for example, 'dual' vocation, education, and training (VET) systems, in which students combine learning in school and workplace settings, are being used to teach 21st-century skills. The system is preparing a broad cross-section of students for careers in a range of occupations including high-tech, human services, traditional trades, and crafts¹⁰. Ultimately, these programmes are achieving success due to a shared vision among three key partners—the federal government, employer organisations and associations, and local municipalities.

5. PROMOTE OPPORTUNITIES WITHIN THE SECTOR

Beyond training, reskilling and upskilling, the sector must also focus on attracting and retaining new talent by improving the perception of Travel & Tourism jobs as a career choice. Employers should showcase the diversity of roles that cater for a wide range of skills. They should also promote the scope for career progression within Travel & Tourism. This could be achieved through awareness campaigns and career path mapping exercises. Furthermore, stakeholders should highlight the opportunities that Travel & Tourism provides to female and minority workers. Undertaking these measures are equally necessary to minimise the loss of experienced staff who are quality assets to a business.

6. STRENGTHEN COORDINATION AND COLLABORATION AT ALL LEVELS

Public-private-community partnerships (PPCP) and collaboration at all government levels, including at the multi-national level, will be essential to address staff shortages and bring success. Improved collaboration and coordination at the multi-national level can lead to easing of restrictions and favourable visa policies which can facilitate worker flows across international borders. It can also contribute to the mutual recognition of workers' skills and qualifications across borders. Mutual recognition by authorities of training and employee background records could expedite onboarding and reduce unnecessary processes for those roles, particularly within the aviation industry, where training, re-training and processes take a long time. Overall, greater standardisation and coordination will improve performance, provide employment flexibility and broader career opportunities whilst allowing the sector to quickly adapt to changes in demand.

7. ADOPT TECHNOLOGICAL AND DIGITAL SOLUTIONS

The adoption of innovative technological and digital solutions can also help to overcome the issue of staff shortages by improving daily tourism operations as well as mobility and border security. This not only alleviates pressure on staff but also ensures safe and seamless travel and an enhanced customer experience. Specific technological solutions include streamlined digital experiences, cloud computing and artificial intelligence, amongst others. For instance, hotel companies can better utilise real time data on current and future occupancy to prioritise which rooms to service first whilst improving human resource management. Online room selection, kiosk check-in and giving guests an opportunity to make service requests through their digital devices can alleviate pressure on daily operations. Meanwhile, biometric technology can help make airport operations more efficient, with a faster passenger flow and its effective safety and security features.

A man and a woman in business suits are standing in front of a brick wall. The man is on the left, smiling, and the woman is on the right, also smiling. They are both wearing dark blue suits. The background is a red brick wall. A white rectangular box is overlaid on the image, containing text and a list.

CONCLUSION

At present, staff shortages is a key issue for the Travel & Tourism sector. In fact, **the sector's recovery and future growth are contingent on its ability to solve this issue** and to be able to meet the returning demand for travel. To ensure that shortages do not remain an issue in the longer term, it will be important for businesses and governments alike to implement and sustain policies that:

1. **Facilitate labour mobility**
2. **Facilitate flexible and remote work**
3. **Enable decent work and provide competitive employee benefits**
4. **Develop and support a skilled workforce**
5. **Promote opportunities within the sector**
6. **Strengthen collaboration at all levels**
7. **Adopt technological and digital solutions**

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WTTC promotes sustainable growth for the Travel & Tourism sector, working with governments and international institutions to create jobs, to drive exports and to generate prosperity. Council Members are the Chairs, Presidents and Chief Executives of the world's leading private sector Travel & Tourism businesses.

For further information, please visit: [WTTTC.org](https://www.wttc.org)

Appendix: Methodology

Labour Demand:

- Estimated according to arrivals, nights, spending in the first half (H1) of 2022 and typical employment ratios
- For the second half (H2) of the year – estimated against the benchmark of 'normal' demand as witnessed in H2 2019

Labour Supply:

- Estimated according to latest official employment data (available to Q4 2021 or Q1 2022 in most cases) plus sector unemployment rate as a measure of immediate spare capacity
- Maximum available labour supply is estimated for the remainder of 2022
- Only includes direct employment of Travel & Tourism

Labour Shortfall:

Net shortfall is calculated as the difference between the demand for labour and the supply of labour

Gross shortfall is the sum of labour shortfall across various Travel & Tourism industries without subtracting any labour surplus that may exist. This is because a labour shortage in one industry is bound to have implications in other industries of Travel & Tourism. For instance, hotels may be able to fulfil their labour needs but if there is a shortage of bus or train drivers, hotel employees may face difficulty in getting to their places of work. Therefore, gross labour shortfall accounts for such externalities and provides better estimates of the real shortfall of labour.

There is also the possibility that any staff surplus could be associated with non-tourism sector activity – this is difficult to fully assess in the absence of a more complete Tourism Satellite Account analysis.

Endnotes

- 1 [Center for Global Development](#); [Eurostat](#); [Office for National Statistics](#)
- 2 [United States Census Bureau](#)
- 3 [Office for National Statistics](#)
- 4 [Association of Southeast Asian Nations](#)
- 5 [Government of Portugal](#)
- 6 [El Pais, July 2022](#)
- 7 [WTTC, 2021: Concept Note, Extended Weekend](#)
- 8 [TTC, 2021: Mental Health Guidelines](#)
- 9 [SkillsFuture Singapore](#)
- 10 [Nancy Hoffman and Robert Schwartz, "Gold Standard: The Swiss Vocational Education and Training System" \(Washington, DC: National Center on Education and the Economy, 2015\)](#)



STRATEGIC PARTNERS



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