

Part I:

Identifying general trends and skill needs in tourism in the European Union and beyond

General trends and skill needs in the tourism sector in Europe

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This is a paper version of the keynote speech on the current situation, general trends and skill needs of tourism in Europe. The general outlook for this very dynamic sector is, in relation to other economic sectors in Europe, positive and quite optimistic for the coming years. Tourism is generally and globally acknowledged as one of the few economic sectors that has more than significant growth prospects and is characterised as a catalyst for peace and prosperity.

At the same time, this sector is known for its high turnover of staff, persistent lack of qualified personnel and rapidly changing skill needs. If Europe wants to stay the number one tourist destination in the world, much will depend on the quality of the services and the people who deliver them.

When discussing the trends and skill needs in tourism, it is always interesting to start with some facts and figures on the current situation of European tourism. The general outlook for this dynamic sector is, in relation to other traditional European economic sectors, positive and quite optimistic for the coming years. Tourism is generally and globally acknowledged as being one of the (very) few economic sectors that has more than significant growth prospects and is characterised as a catalyst for peace and prosperity.

Despite the increasing competition in overall world tourism, Europe is still the number one destination. It has the highest density and diversity of tourist attractions. If Europe wants to hold this position, the general trends and the skill needs in this sector are very important.

The capacity for tourist accommodation in Europe exhibits differences between hotels and campsites. Generally speaking, the hotel sector dominates in most destinations, except some regions in the west and south of France, the north-east of Spain, the coastal areas of Belgium, the Netherlands and the UK. In 2000 there were nearly 200 000 hotels in the 15 Member States of the European Union (EU).

Tourism in Europe accounts for more than EUR 800 billion expenditure a year by EU citizens. It constitutes 30 % of the EU's external trade in services and creates potential for up

to three million additional jobs⁽¹⁾. Tourism is one of the most important sectors of the European economy; GDP generated by tourism represents already 5 % in the core industry with another 7 % in the related economy. With two million enterprises in Europe, the tourism sector is responsible for seven million jobs in the core industry (or 5 % of the total workforce) and 20 million jobs in total with the related economy (or an additional 8 % workforce). This means that the tourism sector is also capable of creating 100 000 new jobs per year⁽²⁾. A significant part of consumer expenditure (12 %) is earmarked for tourism. Tourism, however, is still an internal European phenomenon as 87 % of the tourists who visit Europe come from EU countries. Although most travel is still undertaken for leisure, 20 % is for business.

Certain trends in European tourism have been identified, suggesting that tourist arrivals will double in the next 25 years and that this doubling will take place in Europe. This will mean that by the year 2020 more than 720 million cross-border tourists per year will arrive in Europe⁽³⁾. At the same time there will be a large increase in elderly tourists, the cultural and natural heritage tourism will be the fastest growing segment and some of the driving forces of the EU such as liberalisation, the internal market and the euro will only gain more importance for the further evolution of tourism.

Nevertheless, decisions taken by individual tourists are mainly subjective and thus sensitive to external influences. Recent history in this regard shows us that tourists are highly sensitive to conflict scenarios and violence, health risks and increasing environmental accidents. The whole decision-making process is made even more complex through changes in habits. The possibility of Internet booking and consequent individual travelling, the trend towards late and flexible travel decisions, and the availability of low-cost carriers and intensified search for price advantages makes tourism one of the most volatile and dynamic economic sectors.

In discussing trends or general societal changes, new forms or themes of tourism are also of great influence for the further development of this sector:

(a) tourism and sustainability:

- a seismic shift in people's awareness of the environmental impact of mass tourism;
- a new social awareness-interest in authentic, small and local holiday experiences;
- the new tourist (would eat in a local restaurant, would use local guides, would look for the true story behind the destination);
- more do-it-yourself travellers (more demanding and at the same time taking responsibility);

⁽¹⁾ EU15.

⁽²⁾ Figures until 2000 show a 3 % annual growth for the tourism sector.

⁽³⁾ World Tourism Organisation.

- (b) tourism and accessibility: almost 40 million people in Europe are handicapped and they are tourists too; from a commercial point of view alone these consumers are not to be neglected;
- (c) tourism and rural and cultural heritage: there is a clear and growing market for non-traditional tourist destinations;
- (d) tourism and peace: tourism is associated with tolerance, cultural exchange, learning to know each other, creation of welfare and friendship;
- (e) tourism and sports: this goes far beyond the Olympic Games, as it is a rapidly growing segment for individual and group tourism;
- (f) tourism and health:
 - a healthy lifestyle and promoting a healthy diet among customers will become a priority for travel companies;
 - holiday companies will work more closely with the medical professionals;
 - travellers will be better educated about holiday health risks in general;
- (g) tourism and technology:
 - broadband will revolutionise communication culture and boost e-commerce; it will directly affect how we take holidays;
 - mobile phones will be our personal holiday organisers;
 - artificial intelligent agents in our computers will act as personal holiday tour operators;
 - virtual holidays will become a reality.

Tourism is still a very specific sector, so specific knowledge about the sector is required. For the workforce, however, there are still general and basic skill needs for everybody. For example, lack of knowledge of foreign languages has been recently recognised by national tourism organisations of some European countries as a lasting problem and even as a competitive disadvantage. Entrepreneurship – a concept still vaguely defined – is taken more actively on board by education providers who are working on this notion and thinking of implementing this even at the compulsory school level.

There are also specific skill needs defined by labour category. At management level, these are rather transversal skills, hence tourism managers often have an educational background in accountancy, marketing, law, economics, etc. Nevertheless, managers are expected to possess the following skills and competences: computer skills, business and strategic planning, strategic alliances, management skills, management through visions and values, yield management, accounting, product development, innovation, human resource management, destination management, project management, management skills to cope with globalisation influences, change management, marketing and sales skills (EC, 2001, p. 26).

Other labour categories can be defined: supervisors, skilled craft workforce and the semi-skilled. Supervisors in tourism need basic computer skills, human resource management, hygiene and HACCP ⁽⁴⁾, accounting, supervision and training skills.

Personal skills, problem solving and basic computer skills are especially important for the skilled craft workforce.

Nowadays, further demands are placed on semi-skilled tourism staff in terms of both personal skills and specific technical knowledge (e.g. bar attendance, cleaning, catering).

Being aware of challenges and trying to overcome them are essential to successful training or education. Some useful suggestions for tourism include (Junggeburdt, 2004, p. 32-34):

- (a) make the learning process job-related;
- (b) where possible, apply the mentor model;
- (c) get strong support from both management and workers;
- (d) try to integrate learning in the career path of the employee;
- (e) embed the learning process in a strong framework supported by the organisation or company;
- (f) include basic skills (language, behaviour, culture, organisation) in this learning process;
- (g) the whole process needs passion, or at least motivation, with continuing stimulation from both sides;
- (h) learning plans need to be transparent to the users;
- (i) learning (still) needs to be fun for everybody;
- (j) it is very important to establish goals and measures to evaluate results and outcomes;
- (k) importance of social dialogue is not to be neglected;
- (l) partnership in general is crucial for the success of every kind of learning process.

Looking at the European Commission's work on this topic so far, we have to start by mentioning the High Level Group on Tourism and Employment. One result of their work was the creation in 1998 of five thematic working groups to boost tourism and employment.

Working group B, Improving training in order to upgrade skills in the tourism industry, came up with three relevant conclusions. The main conclusion was to attract skilled labour and support micro-enterprises in the tourism sector.

⁽⁴⁾ Hazard Analysis and Critical Control Point is an internationally recognised food safety methodology.

A second proposal consisted of the creation of a permanent observatory on learning, employment and labour environment of the tourism industry. This proposal has, in the end, not been retained by the European Commission although this was, and still is, seen as a very valuable idea.

The development of a *Handbook on learning areas for the European tourism industry* was the third proposal of working group B and has been taken up and we are currently working on this.

The aim of the Tourism Unit of the Enterprise Directorate-General of the European Commission was to present the handbook by the end of 2004.

References

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