



## Policy Focus: People and Skills

# Foreword

Tourism has been one of the most successful parts of the local economy, contributing £3bn to the NI economy in 2019<sup>1</sup> and is export led with 70% of spend being generated by visitors from outside Northern Ireland.

To support the sustainable, inclusive and innovative growth of the tourism sector and contribute to the delivery of the government's 10X Economic Vision of positioning Northern Ireland amongst the most competitive small, advanced economies in the world, access to a highly skilled, motivated and engaged workforce is critical.

As the sector continues in its recovery from the impact of the pandemic, labour shortages alongside supply chain issues and surging inflation have created a series of new disruptions for businesses. Whilst progress is being made to address the challenges faced, there's still much to do which requires concerted and co-ordinated action across industry, government and key delivery partners.

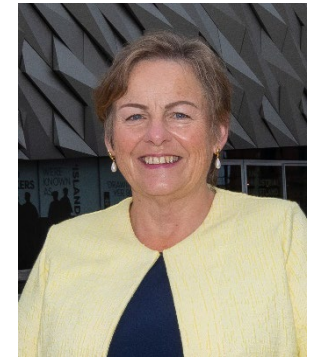
The Northern Ireland Tourism Alliance (NITA) is working in partnership with the Hospitality and Tourism Skills Network (HATS) to tackle the skills challenges facing the industry.

NITA is the independent voice representing the diversity of the tourism economy in Northern Ireland. NITA aims to challenge and hold to account government agencies and politicians whilst lobbying to influence and shape policy based on industry insights and knowledge.

The HATS Network is an employer led network focused on addressing talent attraction and retention in hospitality and tourism through collaboration. HATS has a proven record of



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<sup>1</sup> Based on Grant Thornton research commissioned by NITA



facilitating sectoral input to inform skills policy, funding and interventions to support the sector's skills needs and is supported by Invest NI, under its collaborative growth programme, Tourism NI and the NI Hotels Federation.

The collective membership of the HATS Network and NITA offer an established clustering of employers across the breadth of the hospitality and tourism sector with a shared passion for skills development and a proven track record of facilitating sectoral input to skills policy.

This policy paper has been developed to communicate the current skills issues facing industry and to clearly outline the priorities and actions required for the industry to reach its full potential. It proposes collaborative actions between government, industry and delivery partners that are designed to transform perceptions of the industry and to attract, retain and develop talented people with the skills it needs both now and in the future, which is vital for Northern Ireland's continued economic and social growth.

*Photo credit: Tourism NI*



# Sector impact

## Size, scope of sector and employment impact

- The tourism sector is strategically important to the Northern Ireland economy in terms of its potential to generate growth and create jobs. The essence of tourism is the development of quality attractions and experiences to attract visitors and the communication of the compelling reasons to visit our destination. Visitors bring additional spend into the local economy which in turn supports jobs and supply chains distributed across Northern Ireland. Tourism creates demand in the economy and is the growth engine for multiple sectors. For example, an estimated 27% of retail revenues are generated by the tourist spend.
- The tourism sector includes accommodation, activity and attraction providers, transport, tour/coach operators, tour guides, destination marketing, event venues, food and beverage and leisure and business events.
- Recent research by Grant Thornton, commissioned by NITA, estimates that in 2021, tourism contributed £2.4bn to the economy and the sector employed c64,700 people throughout the region, accounting for 7% of all jobs. Employment was geographically dispersed with 70% of those jobs outside of Belfast offering inclusive opportunities and benefits throughout all regions and to all ages ([DfE](#)). The sector is a building block for regional balance and a critical contributor to social cohesion. It is essential for creating sustainable communities and a significant generator of jobs in urban, coastal and rural locations.



Photo credit: Tourism NI



- Tourism is an inclusive employer with a track record of providing a diverse range of desirable career paths from entry level to highly skilled roles and offers career progression and social mobility. [According to a report](#) on the future of tourism in Northern Ireland published in 2023 by the Department for the Economy, data from 2019 shows that:-
  - 54.39% of tourism employees were reported as being female.
  - 15% of all 16-24 year-olds in Northern Ireland were reported to be employed in the tourism industry, along with 8% of the total 25-34 age group, 5% of the 35-49 age group, and 6% of the 50-64 age group.
  - When considering disabilities, the Northern Ireland tourism industry has a larger share of Equality Act disabled employees than when looking at all other industries collectively. Of Northern Ireland's tourism workforce, 14% of people were reported as being Equality Act disabled, which is higher than the collective NI average of 11% across all industries.

*Photo credit: Tourism NI*



# Key challenges

## Context

Northern Ireland's tourism industry has been one of the economic success stories, but even before the pandemic skills shortages were hitting the sector, an issue amplified by Brexit and lockdowns, coupled with a competitive labour market and a low unemployment rate of 2.7% resulting in a staffing crisis, which is impacting sector productivity, expansion and business survival.

The stop-start nature of lockdowns and uncertainty during the pandemic forced people to give up on the sector. The change in immigration rules as a result of Brexit also saw many overseas workers, whom the sector relied heavily on to fill vacancies, to return home. Collectively this has meant the sector has seen a loss of critical skills, with shortages most notable for chefs, front of house roles and managers. This has had a significant impact on businesses, limiting their ability to operate at full capacity, maximise revenues and open new ventures. This will slow down overall recovery of the sector and is a barrier to growth.

HATS State of the Workforce Survey 2023 found that 84% of employers have found it difficult to fill vacancies in the past 12 months. The sector's poor image amongst job seekers and those who influence them is a significant factor, confirmed by a recent survey of NITA members which identified that the top three barriers to recruitment are:

- Lack of available people who want to work in the industry
- Perception of working conditions – long hours, poor pay etc.
- Other sectors are seen as more attractive

Employers are working harder than ever to attract and retain talent through better pay and incentives, flexible working arrangements, career progression, reduced trading hours to allow employees a better work-life balance and responding to evolving employee expectations. However, HATS State of the Workforce Survey 2023 showed that only 26% of employers feel there are clear career progression routes in their organisation and only 30% of employers feel the training and development opportunities they offer meet the skills needs of employees. This is further compounded by the sector being dominated by micro businesses. Small businesses in particular face challenges in how they invest in and manage their people to support business growth because they do not have dedicated HR support and owner managers have limited time or capability in this area.

Expectations of visitors are changing, and the sector is affected by a rapidly evolving and an intensely competitive global tourism market, which has a knock-on impact on the type of skills it needs to compete effectively.

As the demand for tourism services continues, it's essential we restore confidence in the sector as a stable and viable employer. Attracting and building a skilled and sustainable workforce is critical to the sector's recovery.



*Photo credit: Tourism NI*

# Realising the potential

Significant transformation is required to address the skills challenges faced which goes beyond the capabilities of any single organisation. With innovative partnerships and strong government support, collectively we can transform perceptions of the industry to attract, retain and develop talented people with the skills the sector needs both now, and in the future. In all of this, collaboration across government, delivery providers and the private sector is key, with employer investment and policy interventions targeted to address the following priority areas:

## **1. Designating tourism as a priority sector (stemify tourism)**

- a. Strengthen sector voice in the governance and implementation of skills policies to maximise relevance, visibility and impact of relevant solutions
- b. Align skills funding and resources to maximise impact
- c. Shape a flexible migration policy that works for NI

## **2. Improving workplace attractiveness**

- a. Help SME's build their HR capability and adopt good working practices
- b. Take learnings from the Failte Ireland Employer Excellence programme to have a consistent approach across the Island of Ireland
- c. Build management and leadership capabilities to maximise the effectiveness of the workforce and support retention
- d. Inspire, educate and share best practices in talent management to foster innovation, increased professionalism and improved productivity



### **3. Attracting high calibre entrants**

- a. Address perceptions of the industry as a career and promote it as a viable and sustainable career choice
- b. Provide dynamic and engaging dedicated sectoral careers advice and guidance that targets jobseekers and those who influence them
- c. Encourage vocational pathway from schools into apprenticeships

### **4. Broadening the appeal of the sector**

- a. Combine efforts across delivery partners to put in place bespoke entry pathways to attract and develop individuals from the economically inactive labour pools into work to increase the diversity of the workforce and contribute to social inclusion
- b. Build employer awareness and understanding of apprenticeships and their capacity to embed and sustain apprenticeships

### **5. Improving the professionalism of the workforce**

- a. Investment in people and training to upskill and retain talent
- b. Co-design agile and flexible skills programmes to respond to current and emerging needs

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HATS and NITA are committed to working with industry, government and partners to transform skills in the sector to create a more highly skilled workforce, taking pride in its professionalism and offering excellent customer service, with increased productivity, enhanced visitor experience and improved perceptions of the industry. It is critical that future employer investment and policy interventions are targeted at addressing the priority actions highlighted.



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