

TOURISM LABOUR MARKET OF TOMORROW

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Abstract

Tourism represents one of the most dynamic industries, creating positive effects worldwide. The economic impact of tourism showcases the importance of tourism, especially considering the number of direct and indirect employment it generates. This paper tries to investigate the labour market in tourism, the challenges and opportunities it faces and the future trends. With a particular set of characteristics, employment in tourism experiences difficulties, as many changes have occurred over the last decade. The Covid 19 pandemic, world economic crisis, political instability etc. have had a significant impact on tourism and consequently on tourism employment. Therefore, the question that arises is “What is the labour market of tomorrow and what issues need to be tackled?”.

Keywords: tourism, human capital, labour market, challenges, digitalization.

JEL Classification: Z30.

1. Introduction

As tourism has grown its importance worldwide, the labour market has widely extended, with a diversity of jobs across the sector. The need for employees in tourism constitutes an ongoing demand, given that many destinations are exhibiting an increase in the tourism sector.

Statistics show an expansion of employment to approximately 371 million in 2025¹, World Travel and Tourism Council estimating an increase by 2034, reaching 449 million.²

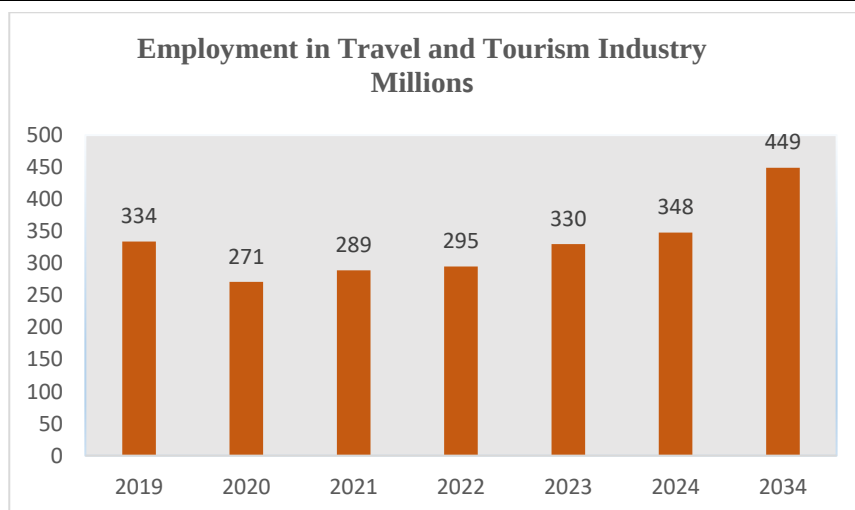
Glancing over the forecasting prediction it can be observed that the figures from 2024 (348 million) and the estimations for 2034, in terms of employees activating in the travel and tourism industry (449 million) are surpassing the values registered in 2019.

Although the figures are presenting an upward trend, there are aspects to be considered such as solving the skill shortages, high turnover, the impact of digitalization and AI practices etc.

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¹ <https://www.statista.com/statistics/1268465/number-of-travel-and-tourism-jobs-worldwide/>

² <https://hospitalityinsights.ehl.edu/hospitality-industry-statistics#:~:text=tourism%20grew%20to%201,during%20the%20same%20period>



Source: https://reports.weforum.org/docs/WEF_Future_of_Travel_and_Tourism_m_2025.pdf, Statista, WTTC. (June 2024). Number of travel and tourism jobs worldwide from 2019 to 2023, with a forecast for 2024 and 2034.

<https://www.statista.com/statistics/1268465/number-of-travel-and-tourism-jobs-worldwide/>

Studies regarding the future of jobs for the accommodations, food and leisure industry have identified 4 main areas to evaluate, for 2025-2030³:

- *Labour market churn* – 24% compared to 22% globally. The changes will account for 24% in the period analyzed, taking into consideration the structure of labour market.
- *Skill disruption* – 42% as compared to a global 39%. For 2025-20230, only 42% of skills are to remain the same, with more than half – 58% new skills are required to be learn and developed, according to respondents.
- *Organization with DEI priorities* – 80%, the global value is expected to be 83%. The estimated percentage shows that only 20% of companies will include diversity, equity and inclusion in their lists of priorities.
- *AI exposure* – 77% versus 88% globally. The high percentage of 77 indicates the employers' insight over the implication of AI for the near future.

The report⁴ offers a significant image of employment in tourism for 2030, with an emphasis on digitalization, AI, talent acquisition and the flexibility of jobs. 51% of the companies surveyed consider digitalization to be of major importance, but less than other industries. In relation to the technological factor 43% of working activities are expected to consist in human touch and 59% of employees believe they will face challenges in attracting talented employees.

³ https://reports.weforum.org/docs/WEF_Future_of_Jobs_Report_2025.pdf

⁴ idem

2. Particularities of labour market in tourism

Over the years tourism has gained popularity, becoming one of the most dynamic sectors in the world. Mass tourism has consolidated this image of industry, the contribution of tourism to GDP being a strong indicator of its importance. Along with other industries, tourism is generating major benefits for economies, especially for the countries where it represents one of the main activities. More countries are investing in their brand image as well-known tourist destinations, creating master plans for the advancement and modernization of tourism infrastructure and services.

Increasingly, destinations are developing the tourism industry with focus on proper employment. With such a variety of jobs in this sector, and considering the nature of tourism activities, companies are confronted with many challenges.

Seasonality determines the need for employees during a specific period or periods of time, which can be translated into temporary jobs, usually with lack of investment in their training. Many of these jobs are solicited by students, foreigners and part-time workers with or without the intent of returning to the same employers for the next season. The non-stop activity in tourism can also be impediment for those who are reluctant to work during the weekend or the holidays.

Another aspect to consider refers to the poor image of tourism as an employer, many jobs are regarded as low paid with lack of promotion opportunities, generating high turnover, and retention difficulties. This is the case for entry level jobs, rather than middle or top management, with an emphasis on the particularities of this industry. Many job roles rely on tips to enhance the salaries, but the uncompetitive pay, long hours and the poor working conditions still represent major concerns for employees that tend to migrate to other fields.

Companies are taking important measures to ensure the well-being of employees, supporting also their carrier development, providing opportunities for upskills and finding better roles. Taking this into account as well as the fact that many concerns rather apply to the entry level jobs, tourism stands to offer a great perspective for employees, from personal and professional development, dynamic jobs, carrier development at international level and so on.

The table below shows a comprehensive image of the main characteristics of tourism employment, with examples of selected industries as well as air transport, accommodation, travel agency/tour operator segments.

1.1 Main characteristics of labour market in tourism EU 2023

Percentage %	Selected tourism industries	Air transport	Accommodation	Travel agency/Tour operator
Woman employed	57.6	41.1	59.3	62.7

Part-time employed	21.3	16.7	22.0	21.5
Young people (15-24) employed	11.0	8.0	12.4	6.7
Low education persons employed	20.2	6.5	25.1	6.5
Temporary contract employed	20.8	7.5	24.7	12.9
Foreign persons employed	15.9	10.0	17.9	10.4
Workers employed for less than a year	23.1	14.0	25.8	17.1

Source: adaptation from https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tourism_industries_-_employment#In_2021.2C_the_tourism_industries_employed_over_11.2million_people_in_the_EU

Gender difference is noticeable in the tourism labour market, women exhibit a greater proportion than men, 58% in the tourism industry, with a higher value in the field of travel agencies and tour operators (63%) and accommodation sector (60%). This can be explained by the large diversity of jobs, working flexibility, soft skills inclined, service focused approached and so on.

The *part-time employees, temporary employees, employees with low education and foreign* ones hold a larger share in the accommodation sector, as shown in the table above, compared to the others. The highest numbers, 25.1 %, representing the low education employees and 25.8 % representing workers employed for less than a year, are mainly due to the entry level jobs, seasonal work, flexibility and accessibility of different jobs. Unfortunately, the high level of part-time or seasonal workers determines a *high turnover* as well.

Other aspects of labour market in tourism can be represented by⁵:

- Seasonality and the diversity of tourism activities determine a wide range of jobs within this sector.
- Different skills needed for jobs with the same title

⁵ Dr. Darren Lee-Ross, Dr. Josephine Pryce, Human Resources and Tourism: Skills, Culture and Industry, Channel View Publications, 2010

- Unclear relationship between the skills required, the job and the remuneration
- Different types of employment and job positions
- The tourism market is represented by large multinational companies and small independent ones.

Since human touch is the major approach for all tourism organizations, the emphasis is placed on talent management. Companies are taking important measures regarding their employees such as⁶: planning, recruitment, on-boarding, performance management, training and performance support, succession planning, compensation and benefits and critical talent management.

Many initiatives are centered on the personal and professional needs of employees, managing a work-life balance, offering proper training in terms of skills and market requirements and adapting to the needs of modern and experienced customers.

3. The challenges of digitalization, AI and the labour market in tourism

The future of tourism industry is related to technology and digitalization. Smart technologies will redefine the image of tourism, adding important value to all its sectors. Digitalization initiatives have already been implemented across the industry with beneficial effects in terms of efficiency, optimization, customers' experience, innovation and development and others.

The figures showcase the relevance of digitalization in the tourism industry:⁷

- The *Online Travel Agency* is expected to reach USD 391,394 million in 2027, from 269,509 million in 2021, 41% choosing online booking;
- *Social media* has a substantial influence on the travel decision, type of travel, attractions, activities, length of stay and others. Almost 89% of travelers are considering social media in the decision-making progress; travel influencers play an important part in shaping travelers' choice – 80% are considering their advice. 92% of travelers are inclined to follow social media recommendations from friends and family rather than other forms of advertising;⁸

⁶ Bryan Christiansen, Elle Lily O'Keeffe, Muhammad Abdul Aziz, *Global Practices on Effective Talent Acquisition and Retention*, IGI Global, 2024

⁷ <https://www.mypos.com/en-gb/blog/business-guide/digital-transformation-in-the-travel-industry-facts-and-stats?srsId=AfmBOop2lqi-ji6ggfE-gSYykZD4Y299N-8pFo2bn7kHJfp6InjNxPjK>

⁸ <https://www.winsavvy.com/social-media-and-tourism-key-statistics/#:~:text=for%20Travel%20Inspiration%3F-,89%25%20of%20Travelers%20Use%20Social%20Media%20for%20Travel%20Inspiration,-2.%20How%20Do>

- *Mobile applications* are on the rise in terms of searching and booking holidays, with a figure of 1.25 billion USD in 2023, with a huge evolution during the last five years⁹;
- *AI and personalization* are creating a new experience of travel, gaining more and more importance; *Big Data and IoT* are used to identify travel trends, to enhance customers' experience etc.; Big Data market value is considered to have reached 222,154 USD million in 2024¹⁰; etc.

Digitalization in the tourism industry generates changes in the labor market. As companies are integrating this technology on a larger scale, it is mandatory that employees shift towards the new challenges. The enhancement of digital tourism, with a significant impact of the initiatives of Covid 19 pandemic, are redefining the tourism settings across the world. New technological implications are creating new experiences and modifying the consumers' behaviour in tourism. Therefore, the inevitable change towards digitalization requires constant adjustment, for all the people engaged in the tourism industry.

So, what are the main issues that employees in tourism are facing? From digital platforms, mobile applications, Big Data and IoT, Virtual reality, digital check in and many more, companies are rethinking their strategies regarding human capital. As some types of job have become obsolete, new jobs are on the rise and new skills are needed. Since human interaction still represents the core of tourism services, it is a false assumption that digitalization will be the replacement, but employees must develop skills for both traditional and digital work. The use of digitalization must be seen as an important asset for providing better products and services in the tourism industry.

The ability to properly integrate the digitalization in tourism companies is strongly related to managers' level of knowledge and skills, many of which have trouble addressing the matter. Managers are lacking the skills for:¹¹

- Understanding digitalization and the importance of integrated solutions specific to the business circumstances;
- Understanding the role and importance of digital systems to improve business performance and adjust to customers' preferences;
- Awareness of the benefits of the use of digitalization, the return of digital investments and upskilling of workers; etc.

⁹ <https://www.statista.com/topics/10685/mobile-travel-trends/#topicOverview>

¹⁰ [https://www.cognitivemarketresearch.com/big-data-analytics-in-tourism-market-report#:~:text=According%20to%20Cognitive%20Market%20Research%2C%20the%20global%20big%20data%20analytics%20in%20tourism%20market%20size%20is%20USD%20222154.2%20million%20in%202024%20and%20will%20expand%20at%20a%20compound%20annual%20growth%20rate%20\(CAGR\)%20of%208.2%25%20from%202024%20to%202031.](https://www.cognitivemarketresearch.com/big-data-analytics-in-tourism-market-report#:~:text=According%20to%20Cognitive%20Market%20Research%2C%20the%20global%20big%20data%20analytics%20in%20tourism%20market%20size%20is%20USD%20222154.2%20million%20in%202024%20and%20will%20expand%20at%20a%20compound%20annual%20growth%20rate%20(CAGR)%20of%208.2%25%20from%202024%20to%202031.)

¹¹ https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/06/preparing-the-tourism-workforce-for-the-digital-future_06211c0f/9258d999-en.pdf

Therefore, managers are expected to be aware of the importance of digitalization for increasing productivity and competitiveness of the company and the implications for their employees. As many different jobs in tourism, especially entry-level ones, routine jobs, or jobs that don't require high skills and knowledge are changing or disappearing, managers should emphasize the crucial role of upskilling or reskilling of employees. Having needed soft and digital skills, many workers are prone to additional pressure and stress. Even though many concerns address these aspects, digitalization offers a new perspective on working in tourism. Learning new digital skills translates to the development of professional life, increases the chances of finding more complex and creative jobs, with new career opportunities.

4. Conclusion:

The tourism labour market of tomorrow will still face skill shortages, attracting and maintaining talented employees and high turnover. If applied correctly, digital transformation can represent a solution for the employment issues the industry is confronting with. Embracing the trend of digitalization in all economic areas, and especially tourism, will make the difference between being and not being successful. Digital strategy will generate beneficial effects on all processes of human resource management as well as provide the opportunity for individual growth and development.

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