



Algoma Workforce Investment Committee
Hospitality Tourism Industry Human Resource Study

Final Report

October 20, 2006

Acknowledgements

The Lucidia Studios research team would like to acknowledge the following contributors: Algoma Workforce Investment Committee (Hospitality and Tourism Research Advisory Committee), AWIC Program Coordinator Jack Mc Goldrick, AWIC Program Assistant Christine Coutu, District of Algoma Hospitality Tourism industry members, Sault College faculty and administration, Sault College Native Education and Training Committee, Northern Ontario Native Tourism Association, City of Sault Ste. Marie Economic Development Corporation management and staff, Algoma University CESD faculty, Job Connect, Sault Community Career Centre, YMCA Employment Connect, Practice Firm (Superior Holiday Adventures), John Howard Society, Philip Garforth, David Carr - Gateway Project, Bawating Collegiate and Vocational School students, St. Mary's College students.

Table of Contents

INTRODUCTION.....	4
OUR APPROACH.....	5
Industry Profile.....	5
Local Workforce Assessment.....	5
Solutions & Recommendations.....	6
METHODOLOGY.....	6
LITERATURE REVIEW.....	6
Hospitality Tourism Market Activity.....	6
National.....	7
Provincial.....	8
Regional.....	10
Hospitality Tourism Labour Force Trends.....	11
National.....	11
Provincial.....	12
Regional.....	12
KEY INFORMANT INTERVIEWS.....	13
Restaurant Hospitality Industry.....	13
Outfitters/Lodge Owners.....	15
Tourism Attraction Operators.....	16
Tourism Association Managers.....	17
Education Faculty and Management.....	17
Aboriginal Opportunities.....	18
Employment/Training Program Specialists.....	19
Secondary School Students.....	20
RESULTS.....	22
SECTION ONE – AN INDUSTRY PROFILE.....	22
1.1 Industry Overview.....	22
National.....	22
Provincial.....	22
Regional.....	23
SECTION TWO – LOCAL WORKFORCE ASSESSMENT.....	24
2.1 Local Workforce Skill Shortages.....	24
2.1.1 Perception vs. Reality.....	24
2.1.2 Short Term Supply and Demand.....	25
2.1.3 Long Term Supply and Demand.....	25
2.1.4 Short Term Solutions for Long Term Gain.....	26

2.2 Local Workplace Environment	26
2.2.1 Attitude.....	26
2.2.2 Competition	27
2.3 Local Workforce Investment and Support.....	28
2.3.1 Finding the Workforce	28
2.3.2 Training the Workforce.....	30
SECTION THREE – SOLUTIONS AND RECOMMENDATIONS	31
3.1 Challenges and Opportunities	31
3.1.1 Attitude.....	31
3.1.2 Communication	32
3.1.3 Partnerships	33
3.2 Recommendations	33
3.2.1 Human Resource Strategy and Action Plan.....	33
3.2.2 Northern Ontario Hospitality Tourism Institute	35
APPENDIX A- LITERATURE REVIEW.....	38
Community Reports (Sault Ste. Marie and District of Algoma)	38
Sault College Reports	38
Tourism Reports.....	38
Hospitality Reports	39
Labour Market Reports	39
APPENDIX B – KEY INFORMANTS.....	40
Restaurant/Hospitality Industry	40
Outfitters/Lodge Owners	40
Tourism Attraction Operators	40
Tourism Association Managers	40
Education Faculty and Management.....	40
Employment and Training Specialists.....	41
High School Students.....	41

Introduction

In July 2006 Lucidia Studios was contracted by Sault College of Applied Arts and Technology on behalf of the Algoma Workforce Investment Committee (AWIC) to conduct a “Human Resource Study of the Hospitality Tourism Industry in the District of Algoma”. This study was commissioned in response to concerns expressed by AWIC in a December 2005 Trends, Opportunities and Priorities (TOP) report for Sault Ste. Marie and the District of Algoma. The TOP report identified a community shortage of skilled workers in the Hospitality Tourism industry and recommended that research into the sector skill shortage become a committee action priority in 2006.

An initial meeting between the Lucidia research team and the Algoma Workforce Investment Hospitality Tourism Project Steering Committee on June 28, 2006 concluded that the sector study would focus on two main objectives:

- To provide a comprehensive diagnosis of the short and long term human resource issues and challenges facing the Hospitality Tourism Industry in the District of Algoma; and
- Serve as a basis for developing a human resource strategy and action plan for the Hospitality Tourism Industry in the District of Algoma.

The objectives would be linked together by addressing two key elements:

- The current and future challenges of the Hospitality Tourism Industry; and
- The ongoing feasibility and viability of the Sault College Northern Ontario Hospitality Tourism Institute as a recognized leader in Hospitality Tourism training.

In addressing both the objectives and the key elements of the study, the committee encouraged the research team to look closely at the potential for inclusion of the Aboriginal community both in the study research and the development of the human resource strategy and action plan.

Our Approach

In order to meet contract outcomes and project objectives outlined in the July 2006 contract terms of reference (Appendix B), the research team agreed to incorporate a series of questions listed in the appendix that were deemed appropriate for our approach to data collection and analysis. The questions were:

- Where is hospitality and tourism activity growing?
- What is the state of the current workforce?
- Where will we find tomorrow's workforce?
- What skills will they need?
- What type of training interventions and programming supports are needed to develop these skills and are they currently available?

In order to provide a comprehensive diagnosis of the human resource challenges and opportunities within the industry that contribute to the development a human resource strategy, the study research was divided into three key components:

Industry Profile

To develop an accurate industry profile our research team considered the following:

- The factors affecting the human resource supply and demand equation using both short and long term forecast information.
- The industry demand for quantity vs. quality in regard to human resources and the effect this ratio will have on industry recruitment, retention and training requirements.

Local Workforce Assessment

Using Industry Profile research data, the team was able to perform the short and long-term needs and gap analysis on both sides of the human resource supply and demand equation. Results of the analysis were then used to determine the framework and content of the solutions and recommendations that would assist the industry to:

- Create a common perspective of the Hospitality Tourism industry;
- Understand the existing and emerging human resource issues;
- Establish the means of mitigating anticipated challenges while building sector strength.

Solutions & Recommendations

In order to achieve consensus in terms of a strategy and action plan that best represents the needs of the industry throughout the district and includes employees, employers, educational institutions and governments in the final solution, the research team consulted with the AWIC project steering committee prior to inclusion of this chapter in the final consultants report.

In terms of identifying the role of the Sault College Hospitality Tourism Institute in the development of the strategy and action plan, a similar process of consultation with the AWIC project steering committee was followed.

Methodology

Given the nature of the research, the length of the project and the challenge of conducting the study around summer vacation schedules, the research team determined that literature reviews, key informant interviews and high school student focus groups would provide the best access to primary and secondary research data necessary to conduct an accurate needs and gap analysis. Unfortunately it was not possible to include high school student focus groups, as September back to school activities and October presentations to students on post secondary opportunities from Algoma University College and Sault College meant the delay of our focus groups until November, 2006. We were however, able to conduct one on one interviews with a selection of Grade 10 students and the results of these interviews have been included in our report.

Literature Review

The literature review collected primary research data in two key areas - Hospitality Tourism Market Activity and Hospitality Tourism Labour Force Trends. Review results are presented geographically, representing regional (Sault Ste Marie and District of Algoma), provincial (Ontario) and national (Canada) activities and trends to facilitate ease of reference, comparison and analysis.

Hospitality Tourism Market Activity

Human resource requirements are dependant on market activity and the ability of marketing initiatives to identify and anticipate demand by consumers for goods and services. All marketing strategies (national, provincial, regional) are subjective and depend on market research and market segmentation conducted by individual operators. The data and trends recorded below do not necessarily represent the results of market strategies for all operators but we feel they do represent significant trends and activities in the industry that provide reliable indicators for use in the development of regional human resource strategies.

National

Tourism has continued to grow globally, but a decline in travel to the top ten destinations suggests that the diversity of destinations people are choosing for travel continues to grow at a similar pace. This trend is seen as an opportunity for provincial and regional tourism initiatives to establish a number of niche market offerings that will enjoy global popularity. Canada remains a popular destination of choice but continued effort must be made to influence travel decisions by marketing our national diversity in order to access global opportunities. Some notable national market activity Indicators include:

Non-US Key Markets

- In April 2006, visits from all non U.S. key markets experienced double-digit growth (+11.2%). Notable is the increase in trips from Mexico (+84.8%). China also posted a high growth rate (+25.8%).
- Visits from France, Germany, Mexico, China and South Korea have reached their highest level of the past five years.

Rooms and Rates

- As of April 2006, 162,897 rooms were available in Canada, an increase of 7.2% (or 10,917 rooms) over 2005. Ontario rooms available as of April 2006 were 67,483, up 7.6 % over 2005.
- Year to date, the average room rate in Canada was \$100.77, up from \$96.34 in 2005.
- In 2006 58% of Canadian travelers will stay in a hotel, motel or resort and there is a growing number that are choosing travel within Canada over visits to the US. In 2005 57% of respondents planned a trip for the year, compared to 49% in 2004. 74% stayed in hotel, 49% in motels and 29% in resorts.
- Projected average intended stays in 2006 are between 1-4 nights, leisure travelers 74% and business travelers 86%.

Canadian Travelers

- In April 2006, 70% of Canadians (10.6 million) intending to take a summer vacation were planning to stay within Canada. This is a 15.2% (1.4 million) increase over last summer.
- Top activities by Canadians vacationing within Canada included: a cruise (East, West, Arctic); soft adventure (bike, whales, day hike); a spa or wellness resort; and cultural/music event.
- Top reasons for Canadians to vacation outside of Canada include: enjoyment of foreign culture/cuisine; more excitement outside of Canada; and price.

- In a recent poll, 27% of Canadians reported they would cancel a trip to US if a passport is required.

Media Outlets

- The Internet at 28%, is almost as important as word of mouth for leisure travelers researching travel information and booking vacations. Brochures are another proven performer but trends suggest they will continue to decline in popularity as Internet use continues its dramatic rise.
- Telephone is still the most popular method of making reservations- leisure:53%, business:54% but once more, the Internet is rapidly gaining in popularity. Leisure travel reports show 51% visit hotel websites to book while 26% visit online booking services. Business travel reports 68% visit hotel websites and 13% visit online booking services.

Tourism Business and Revenue

- Although the Canadian tourism industry has some challenges, tourism revenues continue to rise, hitting \$62.7 million in 2005 and continuing to grow.

Provincial

Ontario destinations, from pristine wilderness to bustling cities, offer a wide variety of vacation experiences for global travellers. This diversity allows the provincial and regional tourism industry to target a wide variety of market segments and offers opportunities for many industry businesses to establish lucrative niche market offerings. Key provincial marketing activity indicators include:

Non U.S. Key Markets

- Travel from overseas origins will be robust in the coming five years. Strengthening economic fundamentals will support average annual growth of 6.2% per year through 2010. The UK, Japan and other overseas origins will all experience growth over 6% per year through 2010. Germany and France will not be far behind at 5.7% and 5.6% per year respectively.
- Following a 7.2% increase from 2004 to 2005, overseas entries to Ontario continue to increase by 17.9% in January 2006 over January 2005. Overseas entries to Ontario reached their highest level for January since 1972.
- In January 2006, Ontario saw strong increases from three of its four primary overseas markets over January 2005: the U.K. (+9.5%), Japan (+27.8%) and France (+3.3%).
- Globally, there will be a continued preference for shorter overseas trips (in both duration and distance), although this trend has not evidenced itself in spending per arrival trends, which have been strong for several years.

- The airline industry transformation will continue to the point where the term "low-cost carrier" will no longer describe a segment trend but will define the entire industry. At the same time, Internet booking opportunities will enhance the options available to the individual and "last-minute" travelers.

U.S. Key Markets

- The number of visitors from the U.S. to Canada and to Ontario in particular, has really taken a beating over the last few years. The decline in 2003 was especially sharp due to SARS. The outlook from 2007 through 2010 is further impacted by changes to passport regulations for US residents entering Canada. High gasoline prices and the continued weakness of the U.S. dollar will add to the weakness throughout the forecast period. Global unrest will continue to fuel uncertainty in the marketplace.
- Following a 9.7% decline in the number of visitors from the U.S. to Ontario in 2005, compounded annual declines of 1.4% percent are expected over the five years leading up to 2010. The largest decline will be 2008, the first full year of the regulation change. A partial bounce back may occur in 2009 and 2010, but visitor volume will still be well below its 2007 level. The impact will affect primarily leisure travelers as most business travelers likely already have a passport.
- The number of overnight stays by U.S. visitors will decline between 2006 and 2008. Same-day visits from the U.S. to Ontario declined by 12.9 percent in 2005 and will be stagnant through 2007; they will then again be hit by the passport regulations, declining by 11% in 2008.

Canadian Travelers

- The number of total visits by intra-provincial travelers is expected to grow to 103.4 million by 2010, reflecting an average annual compound rate of 2.6 %.
- Twenty eight percent of Canadian leisure travelers will visit in Ontario, 54% of Ontario leisure travelers will travel within Ontario only.
- After expanding between 1-1.5% in 2005 and 2006, inter-provincial inbound travel will remain nearly flat through 2010. Part of this sluggish growth relates to the stronger Canadian dollar against the U.S. currency, which will favour Canadian travel to the U.S. and reduce the growth of travel within Canada. The stronger Canadian dollar will also stimulate overseas travel, again limiting gains in domestic trips.

- Ontario in-bound visits expanded by 2.9% in 2004, a modest increase following the 2003 SARS-induced decline. Visits will decline slightly in 2005 (0.1%), bringing total Ontario inbound visits to 118 million for the year. Growth over the next five years will accelerate, however averaging 2.0% per year through 2010. By 2010, inbound visits will have surpassed their pre-SARS levels, reaching 130 million.

Media Outlets

- Ontario Travel.net visits in February 2006 increased to 184,680, up 22% over February 2005. There were 27,142 visits to the seasonal website of OntarioTravel.net in January, and 37,172 in February, up 34% and 172% respectively, over the same months in 2005. The seasonal website was launched in October 2004.
- Visits to Ontario's Travel Information Centres (TIC's) decreased (-12.0%) in 2005 over 2004.

Tourism Business and Revenue

- Ontario's tourism industry is extremely diverse. Its businesses are predominately small to medium sized. In 2004 there were 161,850 businesses in tourism-related sectors in Ontario, representing a 3% increase over 2003. Those businesses represent 19% of the total number of businesses in the province.
- The total contribution of tourism to tax revenues (direct, indirect and induced) for all three levels of government amounted to \$9.2 billion in 2004.

Regional

The regional tourism landscape represents a diverse mix of traditional products and services reinforced by an ever-increasing number of non-traditional offerings. There is a strong move in the industry to anticipate new and changing opportunities, identify industry challenges and find positive solutions. Key market activity indicators include:

U.S. Key Markets

- Tourist attraction operators have recorded an average decrease of 40 to 50% in U.S. tourist visitations since 2004.
- District lodge owners and outfitters who rely on executive level American clients for up to 90% of their business report a decrease of 25% in U.S. business between 2004 and 2006.

- Historical trends in seasonal reservations and vacation planning are no longer reliable. The changing trend is strongly influenced by traveller's decisions to take shorter vacations and make last minute bookings. Lately, reaction to un-seasonal extremes in weather brought on by climate change and issues of border security have created uncharacteristic peaks and valleys in what, for years, has been a relatively predictable seasonal business curve.

Rooms and Rates

- Regionally, in 2005 occupancy rates in Southern Ontario, Central Ontario, North Western Ontario and North Central Ontario fell short of their 2002 levels. In contrast, hotels in the Ottawa region saw occupancy rates above 2002 levels, while Greater Toronto Area (GTA), Eastern and North Eastern Ontario saw increased occupancy rates over 2001.

Media Outlets

- Visits to Sault Ste. Marie Travel Information Centre (TIC) decreased by 7.8% January to June and 13.4% in June 2006 over 2005.
- Regional industry marketing via the Internet has increased and online booking has become second only to word of mouth as a successful marketing tool. Professionally designed websites and improved online financial security show an increased movement of clients from "looking to booking".

Hospitality Tourism Labour Force Trends

National

- The hospitality industry employed more than one million people in 2005, or 6.2% of Canada's workforce.
- Thirty-one cents out of every dollar spent at a restaurant goes to employee wages and benefits.
- The foodservice industry is the second-largest employer of youth in Canada, generating one in five jobs for young Canadians. Fully 44% of foodservice employees are under the age of 25.
- The population of 15 to 24 year olds in Canada will decrease 330,000 (7.8%) between 2006 and 2025. This represents a significant loss of human resources from what has traditionally been a reliable industry labour pool.
- By 2016 the hospitality industry will require an additional 200,000 employees as rising disposable income and an aging population lead to greater household spending on foodservice. This represents a 1.8% annual increase in the demand for foodservice employment.

- Foodservice operators are losing workers to other, higher paying industries but many new immigrants are taking these jobs to gain Canadian work experience and build literacy skills.
- Presently more Canadians work in foodservices than in agriculture; forestry, pulp and paper; banking; and oil and gas extraction, combined.

Provincial

- In 2004, tourism employment in Ontario reached 213,500 jobs, accounting for 3.3% of Ontario's total employment and was the 14th largest industry in the province in terms of employment in 2004.
- Of the 213,500 2004 tourism jobs, 50,015 were in the Accommodation sector, 54,060 in Food and Beverage services, 21,345 in Recreation and Entertainment, 32,625 in Transportation, 25,090 in Retail, 16,900 in Travel Services, 2,315 in Car Rental and 11,150 in other service sectors.
- Total contribution of tourism to the employment in the province reached 322,600 jobs in 2004.

Regional

- Employment in the accommodations and food services fell 31% from June 2004 to June 2005. In terms of jobs, this represents a decline from 20,500 in June 2004 to 14,200 in June 2005 or a loss of 6,300 jobs.
- Employment for cooks is expected to be good through to 2008. This is a large occupational group with many jobs resulting from turn over. This is especially true for fast food outlets, which are the largest source of employment for cooks in this area.
- The 2001 Census showed 960 food and beverage servers in the Algoma District with 32% working full time for the full year. More than 88% are female and most jobs are part-time.
- The 2001 Census showed 575 restaurant and food service managers in the Sault Ste. Marie area. At the time 42% of these managers were over the age of 45, compared to 39% for all other occupations. Outlook for employment is fair to good 2006 to 2007. There will be a growing demand for food service manager jobs in residential care facilities and supportive care services.

Key Informant Interviews

Key informant interviews were conducted across the Algoma District with management and staff from the Restaurant Hospitality industry, Outfitters, Lodge Owners, Tourism Attraction Operators, Tourism Association managers, institute faculty and management and employment/training program specialists. Grade 10 students from several local high schools were interviewed in lieu of planned focus groups. The interview sessions, designed to obtain answers to the questions outlined in our approach, followed a free flow discussion format that established an early level of comfort and focused on specific information related to individual experiences and industry involvement.

Highlighted thoughts and comments from significant key informants have been included together with trends or themes regarding challenges and opportunities that appeared with significant frequency during the interview process. A total of 33 key informants were interviewed between July 2006 and September 2006.

Restaurant Hospitality Industry

- Restaurant Hospitality has a long standing reputation as a challenging but rewarding career, known for long hours, hard work and a demand for above average people skills and entrepreneurial determination. Over the years businesses have come and gone but the industry has grown and prospered, boasting many long-term employees and many landmark establishments that are trademarks of the community.
- When the Gateway project goes ahead, it will be a welcome addition to the community, as it will stimulate the industry to continue to upgrade the quality of their products and services. As described by the developer, Gateway will raise the bar for service, not just in restaurant and hospitality, but across the industry and throughout the community.
- Employers need to be able to access industry training as much as employees. Few business owners and operators feel they have the time to attend training programs although they agree they would benefit greatly from the opportunity.
- Employer attitude toward employees often deteriorates because employers, over many years, have become frustrated and disillusioned with high employee turn over, poor attitude and lack of enthusiasm for the job. It can become a vicious circle as employer attitude feeds employee attitude which feeds employer attitude and both behaviours project a negative image of the industry into the community.

- Hotel chains are fortunate to have corporate training for managers, supervisors and staff. Many smaller restaurant and motel owners cannot afford training expenses or arrange to back fill the time off necessary for employees to attend training. Many will not send employees for training or accompany them, as they feel threatened due to their own lack of formal training.
- Community attitude toward the Hospitality Tourism industry must change on all levels. No one sector can make positive change without complete community support. That means involving employers, employees, schools, students, parents and government.
- Many industry employers report a sincere desire to hire Aboriginal employees although they feel that initial shyness and reluctant to apply for positions may keep many persons from entering the industry. Many employers who have successfully hired Aboriginal employees have realized low employee turn over and long term loyalty. The industry has an opportunity to recruit more Aboriginal persons into Hospitality and Tourism careers, but the industry must begin to establish stronger, more meaningful relationships with Aboriginal communities.
- Although government offers many programs designed to support the industry and assist with employee training, employers feel there is too much unnecessary paper work and control. They feel they are in the business of customer service not proposal writing and are opposed to increasing government program micro management.
- Employers feel that Job developers and employment counsellors, who promote employment interventions and supports, should do the paper work and leave owners free to run the business and the training. Employers find applications and qualifications for funding too confusing and their experience is that businesses usually ends up disqualified because of some small and insignificant detail.
- Some community employment centres view Hospitality Tourism as an industry of “last choice” for employment because they do not understand the opportunities or the rewards that are offered. Community employment centres should have at least one counsellor or job placement officer who has prior experience in the industry and knows the support programs necessary to make the employee/employer fit.
- As an introduction to the work world, parents tend to encourage their children to apply for jobs in the service industry at retail centres such as Future Shop, Wall Mart or HMV and discourage them from applying to the Hospitality industry. With gratuities, servers can make more money than retail sales associates, but parents don’t seem to be relaying this message to their children. The industry needs to educate parents and change their attitude.

- The industry needs to launch a marketing campaign targeting 15-24 year olds that “sells” industry employment and career opportunities. There also needs to be an effort to attract mature workers and retirees who would welcome a part time job such as a host or hostess.
- Out of town training for employees is expensive and not always possible, as it is often hard to back fill positions during training. It would be a real benefit if the industry could bring in a trainer and perhaps use the college facilities to host the training.
- Positions such as Chefs and Culinary, Hotel and Resort management traditionally tend to be long-term employment positions while other “front of the house” positions often experience high turn over. After 10+ years of service, persons in management and supervisory positions tend to remain loyal to the industry and their place of employment and are unlikely to make lateral moves or leave the industry.

Outfitters/Lodge Owners

- In many lodges, up to 95% of clients are considered American executive class and up to 80% of these are repeats. Since 9/11, American business has dropped an average of 25% and operators fully expect this number to grow as passport demands appear and attitudes continue to deteriorate.
- Changes in client booking patterns have resulted in uncharacteristic fluctuations, meaning numbers are still stable but not seasonally consistent or predictable. Operation costs continue to rise substantially each year and businesses are being forced to reduce staff. Across the region, many long time businesses have shut down because it has become too expensive to operate. The increased cost of doing business is now more of a crisis than the decline in U.S. bookings.
- Finding staff with a proper attitude who want to work is a major issue for many tourism establishments. Youth have a high expectation of work not interfering with their social life and many refuse to do physical labour. Along with a poor work ethic, many students have poor literacy and numeracy skills.
- Student hires are often not an option for lodges as they need to return to school before the tourism season ends and leave operators short staffed during September and October.
- Best workers are 40-50 years old with a good work ethic. Newfoundland has become an excellent source for these workers and it is worth paying their transportation costs to have such excellent workers.

- The federal and provincial governments need to invest in tourism and become a real partner in the industry. Presently the lack of investment and recognition of the value of the industry has had a serious effect on the industry's quality of service and financial stability.
- Outfitters and lodge owners have many staff and training issues they feel Sault College could help them with but the college needs to make a greater effort to communicate with the industry. The college should hold a workshop or symposium where outfitters and lodge owners meet students and faculty, explore partnerships and develop solutions to meet mutual challenges and opportunities.
- The skill shortage for many operators is often the lack of good help with good attitude - short order cooks, wait staff, office administration and guides. In order to meet rising operational costs, many owners are hiring and training employees with a variety of skill sets. Some are looking for seasonal hires through the Sault College Natural Resources Department where graduates are considered valuable as guides and interpreters as the demand grows for ecotourism. These employees can then be trained in hospitality or other areas of the business.

Tourism Attraction Operators

- Tourist attraction business in the district continues to drop significantly year by year. Although finding employees has become more difficult, staff requirements have also been reduced in proportion to the decrease in business.
- Tour train and passenger train services must be maintained and infrastructure improvements must be made to insure that this valuable tourist attraction continues to generate revenue in the community and provide valuable employment.
- Gateway employees will require professional service training presently available in the community, but the project developer needs to indicate final skill requirements and employee numbers to assist employment and training agencies and the college in the design and delivery of training programs.
- Gateway management officials plan to work with regional outfitters and lodge owners to develop value added tour packages for those tourists visiting the attractions to extend visitor stays in the region.

Tourism Association Managers

- There is a well organized Hospitality Tourism sector in Sault Ste Marie and Algoma District. New initiatives in marketing and new attractions mean that an overall upswing in tourism for the area will offset temporary downturns expected now until 2008.
- Any predicted increase in Hospitality Tourism business will see an increased demand for entry-level positions. Industry is looking at baby boomer retirees, Aboriginal communities, un-employed/under employed and inter-provincial and overseas immigrant workers and students, as possible solutions to address the human resource skill shortage.
- Local economic diversity and a strengthened economy have meant increased municipal investment in new infrastructure that will boost industry opportunities and place a greater demand on industry human resource requirements.

Education Faculty and Management

- An important feature of the Northern Ontario Tourism Hospitality Institute is the close connection between students and faculty that is developed from the first day students arrive and continues throughout their time of study. In short, students and faculty become a tight knit family. The institute is also unique in the fact that it focuses on customer service and management training which is not often found in other colleges.
- Solutions to skill shortages could include expansion of apprentice program to include front-end staff and servers. The college may also consider breaking out of the existing two-semester mould to allow for program module delivery that would in turn allow institute to service industry better.
- It is important to understand that institute recruitment, which will result in more government funding for the college, must result in more teaching staff & more teaching resources if there is to be any long-term success. At this time the department is stretched to the limit and could not handle an increase in students without a similar increase in associated supports.
- Although marketing the college corporate branding is important, there needs to be a unique recognition of the Hospitality Tourism Institute. We need to tell the story of the close faculty/student relationship. It really is a unique story that is worth telling and it is a significant marketing tool for the institute.
- Sault College has the potential for becoming the hub for partnerships that bring key sectors in the community together to meet the needs of students, employees, employers, governments, employment/training agencies and the community.

- We need a holistic approach to Hospitality Tourism that integrates Aboriginal, Francophone and Anglophone cultures together with environmental awareness and ecotourism if we want to make a significant impact on the industry and build a sustainable business model.
- Industry salaries and benefits for employees must be reviewed if employers expect to recruit and retain employees. Although unions are not often a popular solution to this problem, in some cases they have made improvements in employee salaries, benefits and working conditions.
- Academic research can play a role in strengthening the regional Tourism Hospitality industry and make it more resilient by building the framework to refresh the industry, renew the product and establish appropriate skill development training programs that cater to needs of clientele.

Aboriginal Opportunities

- Native employees are accessible if the potential employers are willing to go to the First Nation and Métis communities and establish a relationship with these communities. The present situation of holding meetings, inviting Aboriginal communities to attend and then when they don't show, saying "well we tried" does not work.
- Aboriginal communities and mainstream communities must work at becoming "friends" before the reality of the employment and training opportunity can be realized. We must bring the community together with the employers for a "get to know you" session and then cultivate an atmosphere of friendship, trust and support.
- We must recognize native cultural competencies in terms of their land skills, traditional foods and interpretation and we must enhance these competencies with other skill sets available through hospitality, tourism, business development and natural resource training.
- To attract Aboriginal youth to Hospitality Tourism we must train youth, celebrate their success and make them community champions and role models for others.
- The industry should revisit the January 2005 Aboriginal Tourism Training Needs Assessment report prepared for the Northern Ontario Native Tourism Association and consider meeting with the association to discuss new challenges and opportunities.

- Sault College Native Education and Training Department would be willing to facilitate initial meetings with industry groups such as the SSM Restaurant Association and the SSM Hotel Association to discuss their needs and the recruitment and retention of staff. They would be willing to host Aboriginal job fairs as well. The department would like to become proactive in developing Aboriginal human resource opportunities.
- Aboriginal employment and training agencies are concerned that the industry may be coming to them to hire Aboriginal workers because the job is “fit for an Indian” in terms of perceived low wages and minimal training requirements. Efforts should be made to address these concerns and demonstrate that industry career opportunities develop valuable skill sets and offer competitive salaries.
- Although Aboriginal Youth are the fastest growing source of supply to meet skill shortage demands, they also have the highest high school drop out rate. The problem needs to be addressed and solutions found without lowering standards for Aboriginal students in order to complete credits. The Hospitality Tourism industry could play a significant role in providing a variety of training opportunities, through coop placement or part time jobs that would assist students build the skills and confidence necessary to complete high school and move to work or post secondary education.

Employment/Training Program Specialists

- There is a serious concern that poor treatment of employees by some employers in the Hospitality Tourism industry has created a bad attitude toward the industry. In many cases Job seekers are aware of bad employers and refuse to work for them. This attitude has a tendency to reflect on the industry as a whole and builds a reputation that can be hard to shake.
- Employment and training agencies can adapt to meet the needs of employers but they need more communication with private sector. Under government funding guidelines, agencies are not allowed to market or advertise their services to employers so there needs to be another way to connect and communicate. The employment and training sector also needs to be more visible with Tourism Sault Ste Marie.
- The upswing in hiring for Algoma Steel and other major industry employers means employment agencies are having more success placing clients in higher paying jobs. As a consequence of this success, standing orders for placement for Hospitality Tourism positions remain vacant for long periods of time.

- The Gateway Project has announced the need for 400-600 new service positions by 2008. Employment and training agencies are willing to assist in the search for employees if the developer can provide a list of skill sets required, job descriptions and an estimate of workers required in specific job categories. If the developer imports trainers and opens a dedicated training center agencies are willing to work with these trainers to meet their needs.
- The fact that the call centre industry is not able to fill positions indicates that the city and district are “tapped out” when it comes to available human resources. If the Gateway Project goes ahead we will simply not have enough bodies to fill the job vacancies, no matter what the required skill sets are.
- There are many options for college engagement in the community in order to increase awareness and enrolment. Working with public schools is a must and there should be programs offered to introduce young people to all aspects of the industry. If the introduction is a positive experience then this helps to build a positive attitude toward the industry.
- There is a significant parent population, which includes teachers, guidance counsellors and those working in the Hospitality Tourism sector, who encourage their children to avoid the industry as a career choice. A positive industry awareness campaign needs to target these groups and demonstrate the real opportunities and the rewards.
- There are many agency programs presently offered or soon to be offered that could significantly improve the supply of skilled and semi-skilled workers to the industry. To take advantage of these programs partnerships between industry employers, employees and community agencies need to be developed.

Secondary School Students

- Students feel that schools and guidance counsellors do a very good job in trying to stimulate career interest and provide career information, but parents are the most important influence. Students fortunate enough to have supporting parents have discussed career opportunities with either or both parents. Most tend to make final decisions during Grade 10 career planning rather than remaining undecided until completion of their secondary education.
- Students who spend their evening and weekend hours watching television or playing computer games do not explore interests that may lead to careers or assist in career development. On the contrary, those students who join activities, find hobbies or volunteer, tend to be better focused and more successful.

- Although there is an appreciation for the efforts of colleges who make school presentations, there is greater interest in participating in programs such as the School/ College/ Work Initiative where students are able to spend time at the institute through orientation sessions and student shadowing. There is greater interest in college course information than there is in college life.
- Students expressed little interest in Hospitality Tourism as a career due in part to lack of understanding of what the words Hospitality and Tourism really meant. The words restaurant and fast food on the other hand are well understood, although ironically they are synonymous with eating and not working.

Results

Section One – An Industry Profile

1.1 Industry Overview

National

The Canadian national tourism outlook suggests continued growth as a solid performance of domestic and overseas markets has offset some of the softening trends in U.S. visits. The Conference Board of Canada suggests that profitability of the Canadian tourism industry will reach a new high of \$1.05 billion in 2006, mainly because of strong domestic demand.

A greater focus on marketing Canadian destinations by provincial and regional tourism agencies has been a major factor in the resurgence of domestic travel. Canada's solid economic fundamentals should ensure Canadian individuals and businesses retain the financial means necessary to travel in 2006.

The performance of the Canadian hotel industry continues to gain momentum, as average daily rates remain on an upward trend and lodging demand grows. Increases in Canadian hotel room supply, on the other hand, have been minimal, allowing occupancy rates to continue rising. As a whole, the Canadian hotel industry is expected to return to profitability in 2006, as a result of revenue improvements and a slowdown in cost increases.

Continued issues over airline security, a sharp drop in U.S. consumer confidence in August 2006 due to rising gasoline prices, a weak job market, falling house prices and a pessimistic outlook for the U.S. economy in 2007 will continue to weaken trends in U.S. visits to Canada. Continued acceleration of global conflict is also having a significant effect on global travel trends and economic outlooks.

Provincial

Although Canadian travel demand remains strong, rising gas prices are expected to keep Canadians closer to home. Results of latest CTRI Travel Intentions Survey shows 44% of Canadians polled in June plan to take a vacation between November 2006 and April 2007 (down 1.2% from 2005). The percentage of respondents planning a vacation in Canada this winter rose to 17.4 %, up from 16.6% in 2005. More travelers planning a winter domestic trip intend to travel by automobile to their destination this year.

Regional

The regional industry, which relies heavily on U.S. visits to Canada, is feeling the effects of the weakening U.S. market. Many businesses have been in operation anywhere from a number of years to a number of decades and all express their concern over the decline in business. At the same time they also express a confidence in their ability to “weather the storms” that traditionally challenge the industry.

One plan to re-invigorate Sault Ste. Marie’s tourism decline is focused on a key tourism attraction to the district, the Agawa Canyon Tour Train. Tourism Sault Ste. Marie will partner with Canadian National Railway to purchase and renovate a fleet of double-decker rail coaches that will significantly improve the quality of comfort and service for the famous tourist attraction. Hospitality development is also planned at the canyon site.

The Coalition for Algoma Passenger Trains, a group of individuals, businesses and other interests who recognize the significant social, economic, employment, cultural, historical and environmental value of Algoma’s Wilderness Passenger and Tour Trains, are promoting the Algoma Central Railway Corridor as an international ecotourism destination. Organizers report the promotion plan would realize an increase to 15-30 small resorts and Bed and Breakfasts along the corridor in 3-5 years, annual visitation of 10-20,000 guests/year, recognition of Algoma as a high quality ecotourism destination, 5-10 million dollars/year in regional economic benefit and 30-60 full time jobs.

Although the majority of businesses have concerns over the dramatic changes in their key U.S. market, many expressed greater concern for the steady increase in the cost of operation, which has now become the major factor affecting their profitability and their ultimate survival. Many operators point to federal and provincial government support and investment in the Forestry and Mining sectors, suggesting that equal emphasis should be placed on Tourism which brings in significantly more revenue than either of these other industry sectors but receives far less government financial support.

There is strong support within the industry for the efforts and the success of Tourism Sault Ste. Marie as well as other regional travel associations such as the Northern Ontario Tourist Outfitters and the Northern Ontario Native Tourism Association. There is a keen interest in members getting to know each other better and working together rather than in isolation. The industry is committed to working closely with the Sault College Northern Ontario Hospitality Tourism Institute.

The landscape of Canadian travel distribution continues to be strongly influenced by the surge in the on-line travel market. As the Internet gains popularity as a valuable resource and media outlet for trip planning and the confidence in online purchase security increases, local communities and regions offering unique vacation opportunities and tourist attractions will be able to take advantage of technology to reach both domestic and overseas markets with equal ease.

With Internet access expanding into China with a reported 123 million individual users and continued expansion of high speed Internet in Mexico, the online travel market is poised for huge growth. Sault Ste Marie and the District of Algoma, through the development and continued enhancement of websites such as Tourism Sault Ste Marie, are well positioned to reach these and other emerging markets and successfully improve sales and visitation through the Internet.

Section Two – Local Workforce Assessment

2.1 Local Workforce Skill Shortages

2.1.1 Perception vs. Reality

In order to address the emerging skill shortage in the Hospitality Tourism sector and develop a local workforce profile, we determined a need to first differentiate between the perception and the reality of an industry skill shortage. In our minds the questions simply became - Is there a present regional short-term human resource crisis in the Hospitality Tourism industry? Could there be a long-term regional human resource crisis in the near future (3-5 years)?

When asked these questions, key informant response tended to focus on concrete, identifiable challenges and opportunities influencing skill shortages, rather than those considered uncertain and speculative in nature. For example, many informants agreed that call centre hires have reduced the labour pool accessed by the Hospitality Tourism industry for entry level positions and this action has created a temporary but manageable skill shortage. Add to this a scheduled 2007 infrastructure upgrade to the Agawa Tour Train and a plan to introduce ecological tours as a feature of passenger train service and informants felt that a temporary skill shortage would quickly become a crisis as increased tourist activity placed further demands on human resource requirements. The same would hold true with the development of the Gateway project.

On the other hand, when informants considered issues such as U.S.-Canada border travel restrictions, which are significant in their ability to affect tourism and travel, they felt outcomes of international negotiations were difficult to predict and therefore these issues should not take the forefront in considering short and long term effects on labour supply and demand.

2.1.2 Short Term Supply and Demand

The Industry reported a noticeable increase in human resource demand in 2005-2006, and acknowledged that access to supply had become a challenge, but was not yet a crisis. Present challenges associated with recruitment and retention, competition, regional economic fluctuations and changes in industry markets, were all normal for the industry and had a direct effect on staff requirements. It was often expressed that the industry prospers during good times and survives during bad times; human resource requirements adjust accordingly.

Recruitment competition from the Call Centre industry seems to have had the greatest impact on fast food outlets and other food service businesses in the district that predominantly hire entry-level staff. Industry businesses requiring more skilled staff, tend to not access labour pools that place them in direct competition with call centers.

Fine dining establishments, although not feeling the same pressure from shortages as the fast food industry, are reporting vacancies mainly in the “front of the house”. Those establishments offering creative recruitment incentives and quality training programs have had success attracting employees such as college and university students who enjoy team work and a professional workplace environment. Employers pointed to lower turn over and loyalty from these employees who tend to remain with their employers for the duration of their educational commitment and beyond.

Lodge owners, outfitters and tourist attraction operators reported revenue reductions in 2005-2006 as the result of rising operational costs coupled with key U.S. tourism market declines. This loss of revenue has forced many to make appropriate reductions in staff and favour those hires with multiple skill sets in an effort to avoid layoffs during slow periods. Several employers, even with reduced staff requirements, reported staff vacancies they were unable to fill, well into the tourist season.

2.1.3 Long Term Supply and Demand

Research results suggest that many industry representatives have mixed feelings regarding long term regional human resource requirements. All agree that successful completion of projects such as the Steelback Recreation Centre, the refurbishing of the Agawa Tour Train and the completion of the Gateway development project will provide a welcomed boost to Hospitality Tourism business in the district and place a significant demand on the regional human resource supply. In this case it will be important to insure a recruitment strategy is in place and community partnerships are established and effectively mobilized to address human resource requirements in a timely fashion.

On the other hand, there is concern over the increased number of industry surprises which make predicting future human resource supply and demand difficult. The previous outbreak of SARS in Ontario, current U.S.-Canada border restrictions and the recent cancellation of the tourism GST rebate, are examples of events that were not predicted but had or will have a significant impact on tourism activity and human resource demands. These events may have the effect of levelling out the human resource supply-demand ratio, but this remains to be seen.

2.1.4 Short Term Solutions for Long Term Gain

After reviewing both short and long term human resource challenges and opportunities, many industry representatives felt that any strategy designed to meet Hospitality Tourism human resource gaps and needs should follow a mandate of “doing what we can today to improve and grow our industry for tomorrow”. Key strategy ingredients included promoting and celebrating the community economic and social contributions of Hospitality Tourism, increasing the awareness of Hospitality Tourism career opportunities, lobbying government to recognize and support the industry in proportion to its contribution and creating strategic alliances and partnerships that will unite the industry.

2.2 Local Workplace Environment

Upon completion of key informant interviews, two predominant issues influencing the local Hospitality Tourism workplace environment became evident. The first was attitude and the second was competition. Attitude was viewed as community wide and included employees, employers, parents, counsellors and more. Competition was viewed as internal (within the industry) or external (outside the industry).

2.2.1 Attitude

A major factor influencing the industry workplace environment was attitude toward the work itself and the industry in general. Foremost was the frustration expressed by employers toward employees regarding work ethic. Much of this frustration can be explained in terms of generational differences in the perception of work and social life. Employers who have acknowledged this generational gap have moved forward with novel solutions that have resulted in productive work environments.

The community (includes parents, teachers, guidance counsellors, job placement officers) have a significant influence on the local Hospitality Tourism workplace environment. Many community members do not view the industry as a viable career choice or a valuable training opportunity. This attitude can quickly permeate the work place and result in a toxic environment for employers and employees. There are a

number of employers who have challenged this community attitude by creating positive work environments focused on team work, skills training and work incentives. These employers promote this positive environment through communication and celebration of employee and business achievements within the community with the goal of influencing community opinion and changing attitudes toward the industry.

2.2.2 Competition

In response to significant economic improvements in Sault Ste Marie and the District of Algoma, a corresponding increase in employment opportunities and workforce demands has occurred. This has resulted in a healthy but competitive work place environment, both from an internal and external prospective.

Internal - The level of competition within the industry is considered to be “brisk” given the present industry challenges and opportunities. Expected migration of workers toward new employment opportunities such as entertainment centers, clubs, food service outlets and restaurants have occurred, but most employers are reporting small, short term worker shortages as they enter the last quarter of 2006. Several industry business closures and reduced staffing requirements for tourist attractions following peak season demands have tended to even out the supply/demand ratio.

External - As previously mentioned, Call Centers or “Help Centres” have had the largest external impact on the industry, with the most noticeable losses being in the fast food sector. Many of these losses, however, took place during the introduction of Call Centers, which have now reached a saturation point in the community. Employers are beginning to report some employee migration back to the Hospitality Tourism industry.

Hospitality Tourism has also reported some employee migration to other service sectors represented most recently by the influx of large retail outlet stores. These retail outlets employ a large number of part time associates and often target retired and mature workers wanting to supplement income or youth and young adults attracted by technology and entertainment product sales. Some workers are balancing two jobs; one in Hospitality Tourism; one in Retail, in order to accumulate full time employment hours.

Increases in the Steel industry workforce have had a secondary impact on the Hospitality Tourism industry. Some new Steel industry hires coming from dual income families are opting to drop one income and have that second income earner stay at home. This second income earner is frequently employed in Hospitality Tourism.

2.3 Local Workforce Investment and Support

Investment

There has been a significant investment within the industry to maintain and enhance the local workforce. Many employers have recognized the needs of the workforce and implemented human resource policies and procedures to improve recruitment and retention. Many have also made significant progress in various community awareness programs although these have been individual employer initiatives. A need still exists to launch a long term community awareness program supported by all industry employers and aimed at potential employees and those individuals and organizations influencing career and workplace decisions.

The Sault College Northern Ontario Tourism Hospitality Institute has also made a significant investment in supplying the necessary training for students to pursue careers in Hospitality Tourism and continues to adjust institute programming according to availability of revenue and resources. The institute should consider partnering with the industry in any community awareness initiatives.

There is an immediate need for provincial and federal governments to make a meaningful commitment to investment in Hospitality Tourism proportional to government revenues received from the industry. Various industry individuals and organizations continue to lobby vigorously on this issue.

Support

It is imperative that the community moves from an attitude of rejection to an attitude of acceptance and support if the Hospitality Tourism industry hopes to improve local workforce conditions, increase recruitment and retention and avoid long term skill shortages. Key community targets, as previously mentioned, include parents, teachers and guidance counsellors. Successful support will hinge on an awareness campaign that portrays the industry as an exciting lifestyle choice as much as a career or workplace opportunity.

2.3.1 Finding the Workforce

Unemployed and Under Employed

Employment assistance is presently available through a variety of employment and training agencies offering client programs and services for those receiving social assistance or employment insurance. Through a number of client interventions and employer incentives these agencies successfully place clients in short and long term employment positions. Staff and management of these agencies have suggested that they are eager to work with the Hospitality Tourism industry to make significant contributions to skill shortages now and in the future.

Aboriginal Communities

According to many Hospitality Tourism employers, Aboriginal employees are considered to be some of the best in the industry and employers are eager to hire more. The issue for most employers is obtaining access into the Aboriginal labour pool to fill employer needs. Aboriginal communities, as with other communities, demonstrate a negative attitude toward the industry which they associate with low pay, lack of full time hours and low skill requirements. In order to insure Aboriginal communities support Hospitality Tourism recruitment initiatives, the industry must communicate to communities that jobs in the industry are real opportunities with real futures.

Immigration

There are two levels of immigration that should be considered when identifying possible human resource contributions to the Hospitality Tourism workforce. They are:

- Inter-provincial immigration – Several regional tourist operators have discovered that inter-provincial immigration efforts, such as recruitment on the East coast of Canada, have been successful for both long and short term seasonal needs. Former residents are also returning to the district from out of province after reaching retirement and many are seeking part time employment and would consider the Hospitality Tourism industry.
- Overseas immigration – For over a decade, Canada has been the country of choice for Chinese immigrants. Recently, however, Chinese numbers have dropped and India has become the number one country for immigration, followed closely by Africa. Immigrants coming to Canada from these countries tend to be well educated and seeking employment as academics or skilled professionals. A high level of education and training means these persons are often mature (40-50 years old) and their children are often pursuing university degrees and professional careers. Although family members may seek service industry jobs in order to learn English and adopt Canadian customs, this immigration opportunity is not seen as an effective solution for meeting Hospitality Tourism human resource requirements.

Seasonal worker importation programs on the other hand, targets immigrants from poorer overseas communities where potential workers stand to make a significant income before returning to their countries of origin. Although this may be a reliable labour pool, communities must be able to supply the necessary accommodations during the worker’s stay and the community must be prepared to welcome these immigrants and make them feel at home. It is recommended that further research and community consultation take place before moving forward with any initiative to import overseas workers to fill Hospitality Tourism labour shortages.

High School Students

High school students make a significant contribution to the industry workforce as seasonal and part time workers during secondary school years, as entry level employees direct from high school and as candidates for Hospitality Tourism careers.

Retired and Mature Persons

There are a number of retirees and mature persons in the community still interested in working on a part or full time basis. Many are income driven but many are also interested in work simply to keep them involved with the public and keep them socially active. This unique workforce group offers valuable work ethics, an ability to meet flexible shift schedules and an enthusiasm for their work.

2.3.2 Training the Workforce

It is essential to understand, that once the industry has determined the sources of supply necessary to replenish the workforce, it must identify necessary industry skill sets, map candidate skills and abilities and develop the appropriate training programs in order to insure successful employee recruitment and retention.

Skill Sets

To simplify the discussion of skill shortages in the context of this report, the research team adopted three skill categories frequently referenced by industry employers when conducting employee recruitment campaigns. These categories included - Entry Level, Semi-skilled and Skilled workers. These classifications are not meant to replace those associated with recognized curriculum offered by the Northern Tourism Hospitality Institute.

Entry Level - At this time, local industry employers have expressed an immediate requirement for entry level employees with basic skills and a willingness to work. Potential candidates with secondary school education, demonstrated interpersonal skills, reasonable literacy and numeracy capabilities and a positive work ethic are required for immediate full and part time positions.

Semi-skilled - Candidates, who possess added skills through previous hospitality or retail service employment and have received customer service training in programs such as Super Host or Smart Serve, are often considered semi-skilled. New graduates from Hospitality Tourism post secondary programs were often referred to as semi-skilled by employers until they receive further industry training through employment.

Skilled - Employers consider employees to be skilled when they hold post secondary Hospitality Tourism diplomas or certificates together with 3-5 years on the job training. There are a regular number of regional employment opportunities for these skilled workers.

Training and Program Supports

Employment and Training Agencies/Organizations - There are a variety of employment and training agencies and organizations in the region available to work with the industry and offer valuable assistance through a selection of program supports and services.

Sault College - The Northern Ontario Tourism Hospitality Institute offers a full compliment of culinary, hospitality and management programs for those students wishing to pursue a career in Hospitality Tourism. Students can choose full time, part time, distance or continuing education options to meet their individual needs and timetables. A recently introduced co-op program has added valuable on the job training to formal classroom learning.

Workplace Training - Regional in-house industry training for employees range from customized corporate hotel training packages to Chamber of Commerce sponsored customer service workshops and seminars. There was an expressed interest, on behalf of the industry, to explore the possibility of hosting more training workshops at the Tourism Hospitality Institute as an alternative to the costly practice of sending employees out of the region.

Section Three – Solutions and Recommendations

3.1 Challenges and Opportunities

3.1.1 Attitude

The challenge of reversing a negative attitude within and toward the Hospitality Tourism industry is significant and there is no one solution to provide a quick fix. In order to begin what we consider to be a long term but worthwhile investment in the industry, we have identified several key areas that deserve consideration.

Employees/Employers - Presently the attitude of some employers toward employees and the attitude of some employees toward employers has become a vicious circle of abuse that needs to be broken. Employers, frustrated by poor work ethic and lack respect demonstrated by many younger employees together with the increasingly complex challenges of doing business in the industry, have become somewhat jaded. The employees, many from the “echo-boom” teenage generation, place equal emphasis on their social life and their employment and do not understand their employer’s concern over attitude and commitment to work. There is a need to break this cycle, acknowledge generational gaps and establish understanding and respect for both parties.

Youth/Parents - Many parents consider both part time and full time employment in Hospitality Tourism a poor choice for their children. They will, however, encourage them to apply for other employment opportunities in the retail service sector. The irony here is that most employees receiving a base wage and gratuities in Hospitality will earn more than their counterparts in retail service. An awareness campaign, voicing the positive side of employment and careers in Hospitality Tourism needs to be directed toward interest groups such as parent and parent/teacher associations.

Students/Schools/College - The present provincial government funded School / College / Work initiative is an excellent vehicle for creating attitudinal change and renewed support for the industry. The opportunity for the college to reach students, teachers and guidance counsellors and plant a positive seed that will increase recruitment is a real possibility. This initiative, properly conducted and coupled with an aggressive Youth/Parent awareness campaign would have a significant impact on the issue of negative attitude.

3.1.2 Communication

Although our research suggests that communication between industry employers, employees, training institutes, schools and the community, is ongoing and relatively successful, there are opportunities for improvement and enhancement. These opportunities included:

Tourist Operators/College - Outfitters and lodge owners expressed a sincere interest in becoming re-acquainted with Sault College and exploring the opportunities presented through the creation of a Northern Ontario Hospitality Tourism Institute. A suggestion to invite owner/operators to attend a two day retreat at the college with a theme of “getting down to business” was overwhelmingly supported. The event was seen as an opportunity for frank and friendly discussions with students and faculty regarding the challenges and opportunities of tourism as a career and the opportunity for employer recruitment.

Students/Parents/Employers/College - A student interviewed during our research shared an experience that best demonstrates a series of communication opportunities that developed into a career decision. At 10 years of age, the student announced to her parents that she was going to be a chef. The parents in turn took the first opportunity to introduce their daughter to a successful female restaurant owner in the area who spent 30 minutes discussing the business with the young girl and invited her to return any time she wanted more information. At 16 the young girl became a part time employee of this restaurant and at the same time took part in a tour of a college hospitality program. In a year, she will enrol at the Northern Ontario Hospitality Tourism Institute and fulfill her aspiration of becoming a chef.

Industry/Government – There must be a continued effort by the industry and the community to lobby all levels of government to commit more financial resources to Hospitality Tourism. The case for investment in this growth sector of the Northern Ontario economy is reinforced by the decline in sectors such as Forestry which have continued to announced shut downs and layoffs that continue to threaten the existence of our regional communities.

3.1.3 Partnerships

Present partnerships between the Algoma District and Huron Superior Catholic School Boards and Sault College (School/College/Work) and the partnership between the Northern Ontario Hospitality Tourism institute and the AWIC Industry Advisory Committee, are excellent examples of partnerships working to guide program development and recruitment initiatives. There is however, room for further enhancements to existing partnerships and consideration of new partnerships. Sault College should take a more visible role as the community hub and catalyst for labour market development and skills training initiatives. This role should be included in any future college business strategy.

3.2 Recommendations

3.2.1 Human Resource Strategy and Action Plan

Goal #1

In an effort to meet demands of industry skill shortages, develop a closer link between the industry and the community employment and training agencies and organizations that supply ongoing human resources.

Actions

- Establish a “go to” group such as the Hospitality Tourism Advisory Committee that would communicate industry needs to employment and training agencies and organizations and work with these agencies and organizations to formulate action plans to meet projected short and long term industry human resource requirements.
- Enhance relationships with existing employment and training agencies and organizations that allow job developers, counsellors and job coaches to become more familiar with the industry environment and its labour requirements.
- Develop a communications strategy and delivery model to allow industry businesses and employment and training agencies to share information regarding industry employment opportunities together with agency and organization program and service offerings.
- Track intervention results to establish program success and shape future labour force development strategies.

Goal #2

Increase high school to work and high school to college to work transition into Hospitality Tourism by raising awareness of industry employment opportunities and promoting perception of industry as a viable career choice.

Actions

- Where possible, insure the industry participates in Ontario provincial school/college/work initiatives in the district and aggressively markets industry opportunities.
- Develop and launch an “attractive” industry recruitment campaign targeting 15-24 year old youth and young adults with a strong message - the industry is fun; meet cool people; attend events free; work your way up and gain valuable skills for future careers.
- Conduct a series of information sessions with parent groups and high school guidance counsellors to demonstrate that Hospitality Tourism career opportunities are a viable consideration in the career planning and career development process.

Goal #3

Increase employee recruitment and retention in the Hospitality Tourism industry by “refreshing” the community’s perception of the industry as a quality workplace and an important community partner.

Actions

- Celebrate industry achievements, awards and best practices within the industry and the community through various media outlets throughout the year.
- Launch community challenges between industry businesses, such as environmental clean-ups, Christmas Cheer donations or fundraising to raise awareness of community support by the industry employers and employees.
- Develop teaching tools, seminars, manuals and best practice models to encourage positive work ethic and attitude among employers and employees within the industry.
- Develop industry employee reward or bonus programs to encourage recruitment, retention and team building.
- Continue to build and strengthen industry reputation for quality customer service and professionalism through industry training initiatives.

Goal #4

Streamline community training opportunities to be proactive in meeting both the short and long term industry human resource requirements.

- Bring together the employment and training agencies and organizations, the Hospitality Tourism Institute and industry employers to inventory the training resources available in the district and determine the best use of these resources in meeting industry demands.
- Survey the industry to estimate the percentage of entry level, semi-skilled and skilled workers required in the short and long term.

3.2.2 Northern Ontario Hospitality Tourism Institute

After an extensive review of the historical documents related to the Northern Ontario Hospitality Tourism Institute, including the original proposal prepared by Marshall, Macklin, Monaghan, September 1987, the Institute 2004-05 “Charting the Future” Business Plan and more recently the Institute 2004-08 “Charting the Future” Business Plan, the authors are unanimous in their opinion that the college should continue to implement these recommendations as revenue and resources become available.

We also support the urgency in implementing an action plan as expressed in the 2004-08 “Charting the Future” Business Plan:

“It must be recognized that Sault College has a top-class, well equipped, but under-utilized teaching facility. Program faculty are highly committed, and operate as a professional, well-qualified team. Student satisfaction with their learning experience is high. Unless enrolment and retention patterns change for the better, unless other sources of revenue are acquired, the enterprise is in serious danger of collapse.”

In order to support these previous recommendations, while at the same time acknowledging the institute’s revenue and resource challenges, we have chosen to explore the opportunity to enhance key relationships that have the potential to move the institute from a position of danger to one of stability. Relationship targets include Industry, High Schools, Employment and Training Agencies and the Community.

Industry

- Inter-Provincial Industry Opportunities – The province of Quebec has a shortage of skilled Restaurant Hospitality workers as 80% of current Quebec college program graduates enter the food industry attracted by higher wages and regular Monday – Friday work weeks. Quebec restaurant associations are looking to other Canadian colleges for skilled graduates and the possibility of sending eligible students to these colleges for post secondary training.

- Industry Training – Presently many industry employers in the district must send employees out of the region for workplace training. This practice is costly to the employer who would welcome a “stay at home” solution. The institute needs to explore these workplace training opportunities with industry employers and consider programming outside of the two semester framework to meet industry needs.
- Industry Workshops – The institute needs to enhance relations with regional outfitters, resort operators and lodge owners who presently feel disconnected from the training facility. Employers would welcome the chance to participate in informal workshops held at the college and sponsored by the institute, where they would have the opportunity to meet with students, faculty and industry partners to discuss employment and training challenges and opportunities.
- Northern Ontario Native Tourism Association - The Northern Ontario Native Tourism Association (NONTA) has expressed a keen interest in meeting with the institute and the Sault College Native Education Department (NETD) to discuss community and institute based training opportunities in areas of cultural teachings/values, entrepreneurial /management skills, certified culinary training and hospitality/tourism awareness.

High Schools

- Ontario provincial government education and training initiatives - Insure the Tourism Hospitality Institute becomes active in government programs such as the School/College /Work initiative or Passport to Prosperity in order to enhance student awareness of industry career opportunities.
- Faculty contacts – The institute should insure high schools are supplied with a list of available institute faculty who can speak with students interested in hospitality/tourism, particularly Grades 9 and 10.
- Aboriginal programs – Partnerships between the tourism hospitality institute, Sault College NETD and high school programs such as Bawating Collegiate & Vocational School Urban Aboriginal Program need to be encouraged in order to increase native student recruitment opportunities for the institute.
- Target Marketing – The institute needs to aggressively target the high school student, parent/teacher, guidance counselor and school board audience to deliver a strong message – “Hospitality/Tourism is a rewarding career choice and the institute is first class”.

Employment and Training Agencies

- Transition Interventions and Support - District employment and training agencies have expressed interest in discussing client intervention opportunities for transition into new career opportunities through the institute coupled with possible sources of financial support.
- Target Marketing - As with high schools, Hospitality Tourism needs to be marketed as a “career choice” to employment counselors, job developers and job coaches.

Community

- Community Visibility - The institute needs to become more visible outside of the college in order to create greater community awareness and support. Events within the institute are extremely successful at engaging the community in the “life” of the institute but this momentum must be taken outside of the institute to demonstrate that the opposite is true - the institute is involved in the “life” of the community.
- Institute Website -The institute website should nurture an interactive relationship with community as well as students and faculty. It should be an online source of professional information on such topics as healthy eating, cultural cuisine or slow food concepts. The community should be engaged through features such as “ask the chef”, a dictionary of culinary terminology or a measurement calculator. Student and faculty achievements and awards in the community should also be celebrated on the website.

Appendix A- Literature Review

Community Reports (Sault Ste. Marie and District of Algoma)

- *The Changing Employment Structure Of Northern Ontario Cities: 1941- 1986* by Robert G. Ewing, The Centre For Northern Ontario Development Studies, Algoma University College, Research Report 91-1, May 1991
- *Community Performance Framework Report T (Draft) TOURISM Sault Ste. Marie and Area* by Community Quality Initiative 2004
- *Destiny Sault Ste. Marie Progress Report* by Brent Krmpotich; Dr. Jong You May 2006
- *The Community Resilience of Sault Ste. Marie, Interim Report, Phase One* by Algoma University College, 2005
- *An Algoma Workforce Development Trends Opportunities & Priorities Report* by Sault College September 2004
- *Trends, Opportunities & Priorities, Report Update "A Planning Document"* by The Algoma Workforce Investment Committee, December 2005

Sault College Reports

- *A Proposal For A Northern Ontario Tourism Hospitality Institute in Sault Ste. Marie* by Marshall Macklin Monaghan, September 1987
- *Charting the Future 2004-2008 for The Northern Ontario Hospitality Tourism Institute* by Sault College, 2003
- *Charting the Future, A 2004-2005 Business Plan for The Northern Ontario Hospitality Tourism Institute* by Sault College, 2003

Tourism Reports

- *Tourism Sault Ste. Marie Strategic Plan 2006-2010* by Tourism Sault Ste. Marie, 2005
- *The Ontario Tourism Outlook: 2006-2010, May 2006 Forecast* by Global Insight May 2006
- *Travel Intentions Study Topline Wave 7* by Michael Ennamorato, TNS, March 17, 2006
- *A Study of Northwestern Ontario Operators' Perceptions of Marketing and Segmentation* by Gwyneth Carlson; Michael Yuan, Centre for Parks, Recreation & Tourism Research, Lakehead University, Thunder Bay Ontario May 2006
- *Ontario Tourism Performance* by Ontario Ministry of Tourism, March 2006
- *Tourism Snapshots*, by Canadian Tourism Commission April 2006

- *The Value of Multiculturalism to Tourism Employment* by go2 Tourism Resources, www.go2hr.ca 2006
- *Tips For Attracting and Retaining the Echo Boom Generation* by go2 Tourism Resources, www.go2hr.ca 2006
- *Tourism Skills Shortage Needs Creative Solution* by go2 Tourism Resources, www.go2hr.ca 2006
- *Distinguish Your Company To Attract Top Talent*, by go2 Tourism Resources, www.go2hr.ca 2006
- *Aboriginal Tourism Training Needs Assessment for The Northern Ontario Native Tourism Association* by The Tourism Company

Hospitality Reports

- *Help Wanted: The Labour Shortage Crisis and Canada's Foodservice Industry* by Canadian Restaurant and Foodservices Association 2006
- *Market Research Handbook 2005* by Statistics Canada - Catalogue no. 63-224

Labour Market Reports

- *Labour Market Bulletin, An Analysis of the Sault Ste. Marie and Area Labour Market, October to December 2005* by Sault Ste. Marie and Area Service Canada Centre, volume 5, issue 4 - Fourth Quarter 2005
- *Northern Ontario Overview* by Ontario Ministry of Northern Development & Mines, March 2005
- *Trends, Opportunities and Priorities Reports, Provincial Overview 2005-2006*, Labour Boards Network, January 2006
- *Blue Collars are Fraying* by Duncan Mavin, Financial Post December 28, 2005

Appendix B – Key Informants

Restaurant/Hospitality Industry

- Otto Volpe, President, SSM Restaurant Association
- Jason Zachary, Gran Festa Ristorante
- Bill Durnford, Holiday Inn
- William See, CATCH THIS Aquatic Eatery
- Dave Spina, A&W
- Mike Quinn, Best Western Hotel
- Donna Hilsinger, Water Tower Inn

Outfitters/Lodge Owners

- Betty McGie, Watson's Pine Portage/Kaby Lake Resort
- Al Errington, Errington's Wilderness Islands Ltd. (President of NOTO)
- Rea Makela, Lauzon Aviation
- George Theriault, Air Ivanhoe
- Lisa Speck, NorDev Group

Tourism Attraction Operators

- Mike Morrow, Algoma Central Railway
- Philip Garforth/David Carr Gateway Project

Tourism Association Managers

- Ian McMillan, Director of Tourism, SSM Economic Development Corporation
- Bill Ragosa, Northern Ontario Native Tourism Association

Education Faculty and Management

- Max Liedke, Sault College CFO and acting President
- Judi Maundrell, Sault College VP Academic
- Janice Beatty, Sault College VP Human Resources & Student Services
- Rick Wing, Dean Sault College, AWIC Administrator
- Daron Tett, Manager, Sault College Gallery
- Carolyn Hepburn, Director, Sault College Native Education Department

Employment and Training Specialists

- Mary Ellen Szadkowski/Robin Dose, Practice Firm, Superior Holiday Adventures
- Linda Ryan, Manager, Job Connect, Sault College
- Karol Rains, Manager, Sault Community Career Centre
- Fran Scheepmaker, Steve Burgess, YMCA STEPP program
- Allison Weir, Manager, YMCA Employment Connect
- Native Education and Training Committee, Sault College
- Suzanne Stortini, John Howard Society
- John Moore, Passport to Prosperity SSM Economic Development Corporation

High School Students

- Bawating Collegiate and Vocational School
- St Mary's College

Note: The following key informants were contacted on numerous occasions but were not interviewed due to continued scheduling conflicts:

- *Algoma Kinniwabi Travel Association*
- *Casino Sault Ste Marie*
- *Canadian Bushplane Heritage Centre*
- *Chapleau Tourism Coordinator*
- *Laurentian Lodge*
- *Elliot Lake Tourism*
- *Waterfalls Lodge*
- *SSM Sports and Entertainment Centre (Steelback Centre)*