

# **EXPLORING THE LABOUR SHORTAGE IN THE HALIFAX ACCOMMODATIONS**

## **INDUSTRY:**

### **INDUSTRY PERCEPTIONS OF CAUSE AND EFFECT**

Candace Blayney, School of Tourism and Hospitality Management,

Karen Blotnicky, Dept. of Business and Tourism,  
Mount Saint Vincent University

Peter Semadeni, Dept. of Tourism and Culinary Arts,  
Nova Scotia Community College

The purpose of this study was to examine the challenges and opportunities facing firms competing in the accommodations sector in Halifax, Nova Scotia, with the goal of recommending new strategies for attracting and retaining qualified staff. Data was collected from Halifax accommodations firms. The results reveal that while there are some financial limitations that lead potential employees to migrate to larger cities in search of higher pay, that is only one part of the problem in seeking qualified labour. Rather, issues impacting the labour shortage include industry image problems, underlying workplace issues and lack of managerial understanding of the problem. Recommendations are provided for overcoming these difficulties.

### **Introduction**

The purpose of this study was to examine the challenges and opportunities facing firms competing in the accommodations sector in Halifax, Nova Scotia, with the goal of recommending new strategies for attracting and retaining qualified staff. The difficulty experienced by many firms in the tourism services industry, particularly those in accommodations and food and beverage sector, are not unique to Nova Scotia. Destinations throughout the world are preparing workforce strategies to combat worker and skill shortages. These are forecast to get worse.

In Canada, British Columbia's Chamber of Commerce in April of 2002 published a Skills Shortage Initiative which identified retention and human resource development strategies as vital. The 2007 Alberta Workforce Strategy for the Tourism and Hospitality Industry represented a collaboration of industry and government to address these types of challenges over the next 10 years.

In the United States, the President's 2006 High Growth Job Training Initiative identified the hospitality industry as a priority sector which has, and will, undergo high growth between 2002 and 2012, and will add 1.6 million new jobs to the US economy. Recruitment and retention challenges and solutions are identified as "overarching issues."

Monroe County's Florida Keys and Key West faced a desperate situation with normal retention challenges exacerbated by high housing costs. Four out of every five tourism workers are housing cost burdened (over 30% of their income goes toward housing costs). Sixty-four percent of tourism workers have plans to leave the Keys within the next 5 years. At the other end of the US, Wisconsin's Department

of Transportation presented a 2000 report “Bring Them Home. A Workforce Crisis Strategy” to the Governor’s Council on Tourism.

Globally jurisdictions are facing similar tourism human resources challenges. New Zealand’s 2006 Tourism and Hospitality Workforce Strategy, investigated perceptions of tourism careers. Without a sufficient resource of talented and motivated workers, the accommodations industry will be hard pressed to deliver the high service level and added value that travelers have come to expect.

The competitive nature of the hotel industry leads to little variation occurring between properties. As a result, the delivery of a competitive service level is a standard method used to differentiate and to be successful in this environment (Chang, 2006). Good service or excellent service is meant to please the guests and to create a competitive advantage. This strategy of offering service that cannot be copied or excelled by other competitors is the core of any service industry and the hospitality industry is one that depends on its employees to deliver the core product, the service.

The challenges of the global marketplace have compelled firms in the hospitality industry to transform themselves into truly customer focused business enterprises – irrespective of the products and services they sell. The quality of services has become recognized as the vital value-assessment variable in predicting a hospitality firm’s success” (Kandampully & Promsivapallop, 2005).

Motivated employees are necessary to deliver the level of service required for hotels to remain successful in the ever increasing competitive market. The product delivered in this service market is highly intangible and the employee service levels and customer interaction are very important parts of the overall product experience for the guests. Therefore, management has to ensure that employees are trained and motivated to fulfill this critical element of their jobs.”Employee satisfaction depends on a variety of factors such as the manager’s style, the employee’s personality, and the particular stressors of the workplace” (Poulston, 2009, p. 24.) The hospitality industry is well documented as a high stress environment (Ghiselli et al, 2001; Hsieh et al, 2008; Lo & Lamm, 2005). This is now coupled with another challenge: that of a decrease in qualified staff to fill the ranks.

The tourism industry is an important component of the economy. “In 2008, tourism activity generated over \$74 billion in revenues, represented 2% of Canada gross domestic product (GDP) and employed over 660,000 Canadians” (Industry Canada, nd.). Within this projected growth also lies the inherent demand for jobs. Labour demand in the tourism sector in Canada is projected from 1.7 million jobs in 2005 to 2.2 million jobs in 2025, a 33% increase. Alberta is forecasted as having the greatest growth in potential labour demand at 52% with the Atlantic Provinces having the lowest. However, the labour force size is not projected as being able to sustain this demand with a forecast by 2025 of a shortfall of nearly 350,000 jobs (Canadian Tourism Human Resource Council ((CTHRC), 2008). This shortfall number was updated in 2010 and now is forecasted as 219,000 full year jobs by 2025, a 10.3% of potential labour demand (CTHRC, 2010). This number may not be the largest in Canada “...but the Atlantic Provinces could endure the most acute shortages as a percentage of overall demand” (Ibid, 2010, p. 15).

In Nova Scotia the economic recession eased the labour shortage but only temporarily. Nova Scotia’s tourism sector had a surplus in 2009 of approximately 977 full-year jobs. As the market conditions improve, it is forecasted by 2025 the shortage for Nova Scotia’s tourism sector could reach over 6,300 full-year jobs, with the greatest amount in food and beverage services, followed by accommodation, transportation, recreation and entertainment and travel services (CTHRC, 2010). Out

migration will also impact the population of Nova Scotia with a forecasted average of 714 young people per year

The reasons for the workforce shortage in the tourism industry includes demographic changes such as an aging population, declining youth, increase in immigration leading to language barriers, and more women entering other careers. Historically, women were a large percentage of the part time labour force depended upon by many of the hoteliers. Lower fertility rates have also dampened the population growth. To compound the situation, the industry has a negative image for substandard wages, non-exciting working conditions and little to no benefits. It is currently difficult to attract people into the tourism industry due to its image so high turnover is already a challenge in the industry. “Other industries offer higher wages, better working conditions, career pathways and learning opportunities” (Tourism Industry Association of New Zealand, 2006, p. 8).

A number of groups have identified the workforce shortage in attempts to devise strategies to mitigate the impact. The Tourism Industry Association of New Zealand noted that: “The tourism industry will need around an additional 100,000 people to maintain and grow the industry. Almost 5,000 people per year will be needed for expansion alone (without accounting for replacement)” (Tourism Industry Association of New Zealand, 2006, p. 6). The Arizona Office of Tourism determined that: “...hospitality industry job openings will exceed the national average by 287 percent over the next ten years” (Arizona Tourism, nd. p.3). The Alberta Tourism Industry concluded that: “Employment in the accommodation and food services segment of the industry is expected to grow on average by 2.2 percent annually over the next five years and generate almost 10,913 new jobs by 2011” ( Alberta Employment, Immigration and Industry, nd.). According to the Monroe County Tourist Development Council, Florida: “Three out of every five tourism workers is planning to relocate outside of Monroe County over the next five years, an estimated 8,000 tourism workers” (Bennett, 2006, p. 64).

The President’s High Growth Job Training Initiative, US Department of Labor noted that: “As the percentage of youth in the workforce has declined, the hospitality industry has sought new sources of labor, such as immigrants and older workers, in order to avoid facing an insufficient supply of workers to satisfy demand” (US Department of Labor, 2006, p. v). The Canadian Tourism Human Resource Council concluded that: “By 2025, the tourism sector will see a labour shortage equivalent to almost 219,000 full-year jobs” (CTHRC, 2010, p.i). Some of the disadvantages of a workforce shortage have been lessened by the current negative economic conditions not only by decreasing the number of tourist arrivals but also by decreasing the expenditure of money on leisure activities such as dining, taking vacations, visiting spas, and participating in weekend get a ways. However, the problem will persist unless some action is taken to remedy the situation. There is a danger that the persistence of this shortage will increase the tendency to accept employees with lesser skills and knowledge and intensify the erosion of service excellence in the industry.

This paper explores the labour shortage by auditing labour supply in the accommodations sector among members of the Hotel Association of Nova Scotia (HANS), located within the Halifax Regional Municipality (Halifax). The conclusions in this paper include recommendations to create and maintain a viable workforce.

### **Methodology and Research Goals**

Three goals directed this research. The first goal was to identify the nature and extent of the labour shortage affecting local accommodations service providers. This goal required auditing properties to determine:

- the percentage of total labour force by department and turnover rates
- the extent to which employee complement and turnover impacted service levels throughout the tourism industry demand cycle

The second goal focused on identifying what employers believed were the key contributing factors to the labour shortage. An attempt was made to identify whether or not perceived causes of the labour force were actually contributing to the shortage, or whether some perceptions were more myth than reality.

The final goal of this research was to make recommendations to employees and industry associations to overcome the labour shortage and to assist firms in recruiting the talent that they needed to succeed.

Given that this study was descriptive and that in-depth information was required a case study approach was used. Firms were recruited through the Hotel Association of Nova Scotia (HANS). The survey had the support of the Nova Scotia Tourism Human Resource Council, an industry organization geared to providing upgrading, certification, and training support for employees across the tourism industry. A total of 30 firms qualified for inclusion in the survey by being in the tourism sector, and by being located in Halifax. After consulting with the industry to identify the information that would be most helpful in defining the labour shortage problem, and after completing a comprehensive literature review of global labour shortages in the tourism industry, a set of information needs was developed. An online questionnaire was developed for administration to HANS members that agreed to participate in the survey. The questionnaire was very detailed, requiring firms to do data mining of their own human resource systems, while also demanding time of human resource directors and/or general managers. Data was collected throughout the fall and winter of 2007/2008. The data collected described the labour shortage in the 2006-2007 tourism season from September/06 to August/07.

Seventeen firms responded. Nine firms offered both accommodations and food and beverage services, while four offered only accommodations services, and four more offered only food and beverage services without accommodations. This paper focuses only on those firms that offered accommodations, with or without food and beverage services on-site, numbering 13 cases out of the 17 completed.

## **Results and Discussion**

### **Property Size and Employee Complement**

Most of the firms had 200 rooms or less. Those offering food and beverage facilities had larger capacities, with five properties having 200 rooms or more. Four firms offering food and beverage on-site had fewer than 200 rooms. All of those offering accommodations only had less than 200 rooms.

Ninety-six percent of all employees were full-time, making up the largest component of all properties studied. As would be expected, larger properties had larger employee complements. Seasonality was a factor in the number of employees hired by the firm, as would be expected, but it seemed to have little impact on full-time employment, affecting part-time employment. Average occupancy ranged from 52% to 90% with the lowest occupancy rates reported in December through January, and the strongest months reported in June through October.

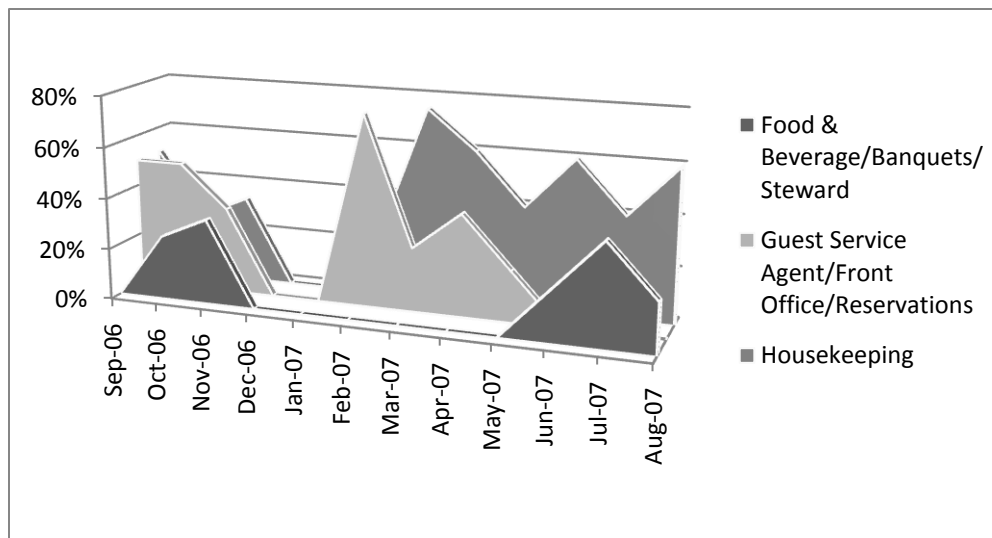
An average of 75% of all employees were full-time regardless of season for larger properties (300 or more rooms), while the those with over 200 but less than 300 rooms had an average of 83% full-time workers regardless of season. Smaller firms, those with less than 200 rooms, averaged about 30% full-

time employees regardless of season. This trend demonstrated that smaller properties hired fewer full-time workers as a percentage of their overall labour force, allowing them to have enhanced flexibility in deploying staff, while also saving on salaries and benefits often accorded to full-time workers.

### Labour Shortages and Turnover Rates

Staff shortages, as defined by the properties, appeared to affect part-time positions more than full-time positions. The shortage of full-time staff ranged from 5% to 6% of all employees, while part-time staff shortages ranged from 5% to 29%, demonstrating much higher levels of volatility. Staff shortages were more acute in some departments than others. The most heavily impacted department appeared to be housekeeping. This shortage impacted service levels throughout the year regardless of seasonality. The second-most impacted department was guest service agent and front-desk staff. Again, this shortage appeared to be generalized across seasons. Food and beverage staff was also impacted by labour shortages, but the greatest impact appeared to be during the peak seasons, with very few unfilled positions during the low season. The results are summarized in Figure 1.

**Figure 1: Percent of Properties Reporting Labour Shortage by Department**



Turnover rates were also higher in the housekeeping and front office departments. At a minimum, 60% of properties were experiencing turnover rates of at least 31% in their housekeeping departments, and nearly 31% of properties had turnover rates of up to 60% in their front office positions. The highest turnover rates reported were for housekeeping, where over 15% of properties reported turnover rates of 61% to 99%.

### Wages and Salaries

A continuing challenge in labour intensive sectors is the rising cost of labour relative to sales. With the vagaries of the tourism sector, such expenses continue to impact profits. This led to the need to carefully balance expenses across many cost categories. The survey investigated the starting salaries and hourly wages for a number of positions. Information was also collected regarding the salaries and wages

of workers once they had completed their probationary periods. This permanent wage was then used to compare the median hourly wages of workers in selected occupations, in various Canadian cities and provinces.

The wage comparisons show consistently higher wages are being paid for guest service and front desk positions, than are being paid for housekeeping positions. This may be one reason that employers are faced with greater difficulties in staffing housekeeping positions. The statistics also reveal that higher wages are paid in larger provinces, and that wages in the metro Halifax area are generally higher than those for Nova Scotia as a whole. The results for the guest services agent and housekeeping departments are summarized in Figure 2. Comparative medians from outside of the current study are provided by the 2006 Canadian Tourism Compensation Study commissioned by the Canadian Tourism Human Resource Council and conducted by the Hay Group (2006).

**Figure 2: Comparative Median Wage Range Analysis for Halifax Accommodations Firms and Other Regions**

Region	Guest Service Agent Median Wage (Low/High)	Housekeeping Median Wage (Low/High)
Halifax (Current study)	\$10.60/\$11.40	\$10.11/\$11.28
Halifax Metro	9.50/9.96	10.01/10.57
Calgary	10.70/12.85	9.50/13.26
Greater Toronto Area	10.27	10.25/12.50
Nova Scotia	8.78/9.98	8.06/9.98
New Brunswick	9.22/9.63	8.50/9.00
Prince Edward Island	8.94/11.00	8.97/10.00
Newfoundland & Labrador	8.00/10.50	9.50/13.26
Alberta	12.37/13.44	11.16/12.08

There is the possibility that qualified workers are leaving the province to seek higher paying work elsewhere. Wages are higher in Alberta than they are in the East, but the difference is not enough to compensate for the higher cost of living in the province of Alberta. The differences in the cost of living between the cities of Halifax and Calgary are summarized in Figure 3. The Consumer Price Index for 2007 for the two cities was 118 for Calgary and 112 for Halifax (Statistics Canada, 2008). The results reveal that a typical household in Calgary pays more than \$11,000 more in expenses annually than a comparable household in Halifax, not including taxes, insurance, pensions, and monetary gifts or contributions. This difference is not easily met by the wages in Calgary which are less than one percent higher on the lower range median, rising to only 13% difference for the highest range median. Despite the favourable market difference, Halifax employers must acknowledge the reality that higher wages can also be found in more affordable cities across Canada, making it harder to keep qualified people in Atlantic Canada, and in Halifax.

**Figure 3: Analysis of the Cost of Living in Halifax and Calgary (2005)**

Average Household Expenditure	Calgary	Halifax	Difference
Total personal consumption	\$58,345	\$47,161	\$11,184
Taxes, insurance, gifts and contributions	27,208	20,729	6,479
Total expenditure	\$85,553	\$67,891	\$17,662

A different picture emerges when wages are compared for food and beverage positions for food services located inside accommodations properties. The results are summarized in Figure 4. The results reveal that Halifax area servers and cooks are paid competitive wages when compared to Canada as a whole, Nova Scotia, New Brunswick and Prince Edward Island. However, wages are less competitive when compared to those in the greater Toronto area. Cooks' wages were comparable to those paid in Calgary. Generally, hosts/hostesses in Nova Scotia were not as well paid. The results shown do not include gratuities.

It is necessary to consider managerial and executive level salaries for accommodations sector career paths in order to evaluate the remuneration in the field. While managerial salaries were not considered in the survey conducted, information on median salaries was available from the 2006 Tourism Compensation Study. This information for various parts of Canada, across various positions, is summarized in Figure 5. The results revealed that Nova Scotia is competitive for many managerial positions. The Nova Scotia median, and that of Halifax in particular, was higher for General Managers than the Canadian median. However, managers and executives living in the larger cities, including the greater Toronto area, are among the highest paid. Halifax metro leads the way in Atlantic Canada, but does not have competitive salaries with Calgary or the greater Toronto area. However, given that the cost of living is higher in those particular cities, Halifax offers comparable salaries overall. This is less true of Nova Scotia, which offers the highest salaries in Atlantic Canada, but not high enough to attract talent from outside of Atlantic Canada, or possibly, to attract and retain homegrown talent. This may be a disincentive for highly qualified people, including potential innovators and industry leaders, to stay in Halifax.

**Figure 4: Comparative Median Wage Range Analysis for Food and Beverage Operations Inside Halifax Accommodations Firms and Other Regions**

Region	Server Median Wage (Low/High)	Cook Median Wage (Low/High)	Host/Hostess Median Wage (Low/High)
Halifax (Current study)	<i>\$9.15/\$10.52</i>	<i>\$10.00/\$14.27</i>	<i>\$7.75/\$10.59</i>
Halifax Metro	<i>8.13/9.61</i>	<i>9.00/12.70</i>	<i>7.75/8.50</i>
Calgary	8.06/8.70	11.73/15.15	na
Greater Toronto Area	6.76/9.25	9.88/16.95	8.00/12.00
Nova Scotia	<i>7.75/9.45</i>	<i>8.67/12.50</i>	<i>9.32/9.74</i>
New Brunswick	7.00/7.70	8.77/10.61	na
Prince Edward Island	7.58/8.35	8.84/9.68	na
Newfoundland & Labrador	na	na	na
Alberta	7.78/8.52	11.75/14.30	10.17/11.95

**Figure 5: Managerial and Executive Salaries in the Accommodations Sector (Total Cash Median including Bonuses)**

Region	Accommodations Service Manager	Catering Manager	Director of Sales and Marketing	Executive Chef	Executive House-keeper	Food and Beverage Manager	General Manager
Canada	\$43,048	\$40,750	\$64,334	\$56,000	\$39,039	\$50,000	\$70,892
NS	38,000	34,122	59,750	55,000	35,878	42,228	75,000
Halifax Metro	43,374	35,149	59,750	56,000	38,692	47,475	77,500
NB	33,000	33,500	62,000	45,000	36,850	40,558	60,000
PE	27,000	na	na	42,555	25,350	30,500	50,000
NL	35,762	na	50,750	37,850	na	na	57,625
AL	43,676	45,928	72,727	69,969	45,953	53,721	90,000
Calgary	53,894	45,300	87,073	58,057	48,000	46,200	98,000
Greater Toronto Area	51,000	48,667	92,000	68,000	56,546	50,000	109,000

### **Employers' Perceptions of Factors Impacting Labour Supply**

Respondents were presented with a series of eight statements that summarized the views that many hold towards the causes and issues impacting labour supply in the tourism and hospitality management sector. The statements covered three critical issues impacting the tourism industry: overall image, labour pool, and working conditions. Respondents were asked to indicate if they agreed with each of the statements using a five-point scale: 1) Strongly agree, 2) Agree, 3) Neutral, 4) Disagree, 5) Strongly disagree. There is some inconsistency in the ratings of the statements, which demonstrates that there is a lack of agreement among employers regarding what are the root causes, or enablers, of the labour shortage. This lack of consensus thwarts the abilities of organizations to deal proactively with labour supply issues. There is one issue with which all employers agree, and that is the belief that jobs within the hospitality sector are simply not attractive to potential employees.

Industry image issues were measured by two statements. The first statement, "Jobs within the hospitality sector are not attractive to many potential employees" struck a chord with respondents with 94% agreeing with the statement and 6% remaining neutral. The second statement, "It is hard to make a career path from entry level jobs in the industry" was agreed to by 65% of the respondents, while 18% disagreed, and 18% were neutral. This reveals that while they believe that hospitality-related jobs are not inviting to potential employees, they personally believe that it is possible to have a career path from entry level jobs. Possibly, this reality should be communicated to potential employees, and those seeking career information. The industry suffers from a negative image that is also enhanced by, "The lack of knowledge about the industry's career ladder and lattices among parents, teachers, guidance counselors and youth" (US Department of Labour, 2006, p. 7).

Three statements focused on labour pool issues. The first statement, that "there are not enough qualified employees graduating from local universities or community colleges" was agreed to by 59% of respondents, while 18% disagreed and 24% remained neutral. The next statement, "many potential employees are leaving the province to seek work" was agreed to by 82% of respondents, with 18% remaining neutral and no disagreement. The final statement, "there just aren't enough employees to go around – regardless of pay and benefits" was agreed with by 65% of respondents. Twelve percent

disagreed and 24% remained neutral. These responses show some soft agreement (in the 59% to 65% range) with the exception of labour migration, indicating that they did appreciate that there is a bona fide labour shortage.

Occasionally, working conditions can be detrimental to attracting employees. Three statements addressed working conditions. The first statement, “businesses cannot pay competitive wages to keep employees in the industry” was agreed to by 82% of the respondents, with 6% disagreeing and 12% remaining neutral. The next statement focusing on working conditions was, “lack of flexibility in work hours makes jobs less attractive to potential job candidates.” This statement was agreed to by 65% of respondents, while 24% disagreed and 12% remained neutral. The last statement, “it is difficult to compete locally in terms of pay and benefits” was agreed to by 71% of respondents, with 6% disagreeing and 24% remaining neutral.

These results demonstrate that most employers realize that something needs to be done to improve working conditions in the industry to reduce turnover and to attract qualified talent. These statements focus primarily on remuneration, benefits and work hours. By far, the biggest issue agreed to by respondents was the inability to pay competitive wages to keep employees in the industry. However, these issues did not focus greatly on the softer side of the job: the part of the job that rewards the human spirit and encourages personal growth. There is evidence that much more is needed to make a career attractive to qualified individuals. Studies of turnover have addressed these issues in different ways. There are three categories of turnover which particularly affect the tourism & hospitality industry. The first is systemic, inherent to the industry and to individual characteristics within an enterprise. This includes turnover caused by seasonality, end of employment contracts, return to school, worker retirements, and the like. Systemic causes of turnover are tough, if not impossible, to change in the short term. Fortunately, most of these can be forecasted, and their consequences anticipated. The second category includes those reasons for leaving which are less than palatable to management and less easy to detect, but perhaps more controllable. Examples include better prospects elsewhere, conflict with supervisors or colleagues, better pay or benefits, lack of job security, lack of advancement opportunities, and so on. A third turnover category is influenced by environmental factors. These factors include public transportation, availability of day-care, and lack of affordable housing. A Cornell University Hotel School Research Review revealed that the average cost of front desk turnover alone was 30% of salary, with an added loss of productivity of 20% for 16 days among remaining employees following the loss of a coworker (May, 2006).

When trying to attract qualified labour, particularly during a labour shortage, there is also a need to understand how careers differ from jobs, if in fact such a distinction really exists. One study calls into question that assumption. In 2005, the Center for Hospitality Research at Cornell University’s School of Hotel Administration surveyed graduates of their School of Hotel Administration to assess what hospitality professionals want from their jobs. Notwithstanding that these are university graduates who might have loftier motivations than their hourly counterparts, the results are relevant, particularly for supervisory/managerial associates. The resulting themes from the Cornell study revealed that graduates did not expect different things from career positions or jobs (Taylor & Walsh, 2005). The results are summarized in Figure 6. It is particularly interesting that, for each question, most of the eight responses were of a self-actualization or learning nature, and only one of a compensatory nature. The similarity in the listings and the ratings between what students sought in a job, as well as in a career, cannot be overlooked. These findings demonstrate that personal growth and development, challenge, the opportunity to contribute, and financial success, are all important even when attracting less qualified staff or part-time employees.

In another surprising study in 2001, hourly employees were asked to rank 10 items in order of importance that they wanted from their jobs (Neibrugge, 2001). Their employers were then asked to guess how they thought their employees would rank the same items. The results, shown in Figure 7, were

surprising. Not only was there no synchronisation between each ranking, but the employee's top three were all in relatively "soft" items, probably in areas which would not cost a business much to satisfy.

A survey conducted by Leeds Metropolitan University on hospitality employees in the "English Riviera" in 2004 produced a different profile, albeit with some common features. Figure 8 shows the average scores of factors contributing to staff turnover based on the following scale: 1) Not at all important, to 10) Extremely important.

**Figure 6. Career and Job Aspirations (Taylor & Walsh, 2005)**

What do they want from their careers?	What do they want from their jobs?
Growth opportunities (23.4%)	Growth opportunities (16.4%)
To learn and be challenged (15.5%)	Challenging job (13.2%)
To make a difference (9.2%)	Fair compensation (11.5%)
Financial success (7%)	Learning opportunities/experience (10%)
Personal satisfaction (7%)	Satisfaction (7.6%)
Joy in the work (7%)	Work-life balance (7.3%)
Work-life balance (3.8%)	Joy in the work (7.3%)
Independence (3.8%)	To accomplish something (3.1%)

**Figure 7: Employers' and Employees' Rankings of Important Job Attributes (Niebrugge, 2001)**

Employees' Rankings	Item	Employers' Rankings
1	Interesting Work	5
2	Appreciation and Recognition	8
3	Feeling "in on things"	10
4	Job Security	2
5	Good Wages	1
6	Promotion/Growth	3
7	Good Working Conditions	4
8	Personal Loyalty	6
9	Tactful Discipline	7
10	Sympathetic Help with Problems	9

**Figure 8: Ranking of Factors Contributing to Staff Turnover**

Item	Employers' Rankings
Low Pay	7.5
Long/Disagreeable work hours	5.8
Unpleasant interpersonal environment	5.1
Personal	5.1
Unsuited to tasks involved	5.0
Lack of career prospects	4.8
Unpleasant job role	4.8
Low Pay	7.5

This survey produced some more predictable results, with the traditional “low pay” mantra being leveled at the industry. However, some of the factors would inevitably be disquieting to the concerned manager. Clearly, the factors and rankings in all surveys will not hold true for all businesses, all locations, or all situations at all times. It is therefore vital and incumbent on managers to stay up-to-date on the priorities of their employees.

### **Conclusions and Recommendations**

The labour force study of Halifax accommodations firms revealed that while the full-time employee complement is less stressed by turnover and labour supply than the part-time complement, there is cause for concern. The greatest areas of labour shortage are in front office and housekeeping, two very critical departments that have a direct impact on customer service.

Based on this analysis the following recruiting and retention strategies are recommended:

1. Do research to gain current information and enhance managerial understanding of labour force and workplace issues: The industry is aware of the most pressing issues, but there are gaps in areas that management should be aware of in dealing with the labour shortage. The labour shortage is anticipated to continue for many years. As a result, creative recruiting and retention strategies are required in order to move the industry forward and to do away with myths and assumptions.
2. Perception is reality and a positive industry image must be created and sold: The image of the hospitality industry constantly needs to be sold to change the perception of low wages and dead end jobs. It is the challenge of the industry on a daily basis to constantly improve the image – “change the organizational culture inside companies through job rotations and continual learning to counter the negative messages coming from within the industry itself” (US Department of Labor, 2006, p. V).
3. Financial concerns are real, but not insurmountable: Another key consideration in the area of recruiting is understanding the real picture of wages and comparables in other regions. While there is some outmigration to larger cities there is enough competition in Atlantic Canada to make attracting employees challenging for Halifax firms. While cost of living is a concern, not all employees who travel outside of Atlantic Canada are aware of the cost of living challenges and how their lifestyles will be affected. Despite this, it is difficult for local properties to effectively communicate that local wages can deliver a better standard of living even if they are lower than those of national competitors.
4. Professional development and upgrading for line supervisors and human resource managers is necessary: People skills are needed both inside and outside of the organization. Such training and

education will serve to improve operational decisions, particularly those related to managing the human resource.

5. The workplace issues must be resolved to eliminate labour force issues: The most critical shortage is in the housekeeping department. This department is rife with irritable working conditions, harsh expectations and the potential for employee abuse by customers. The job must be elevated and professionalized by recruiting the best people and providing them with training and support. Improving pay and benefits must also be considered as a means to this end.

Much remains to be done to obtain a clear and comprehensive picture of trends impacting today's hospitality sector. Strategies must be developed to deal with volatility in the sector, and to better assist organizations as they strive to meet new challenges. Future research should focus on the demand side of the labour force issue, rather than the supply side. Supply side issues, such as departments most heavily affected, recruiting sources, pay and benefits are being well documented. What is needed is more of a focus on the needs and expectations of Generation X and Y workers and baby boomers who are anticipating late retirement. How do they seek information about career choices and opportunities? How does work define them, and how do they incorporate careers and lifestyle choices? What do they expect in terms of pay and benefits, and what would it take to get them to stay in Nova Scotia and to seek local jobs? Research must address both workers who have remained in Nova Scotia, as well as those who have left in search of better opportunities. Nova Scotia's employers are in the unique position of being able to attract loyal Maritimers back home. All that is needed is a recipe that appeals to their tastes and goals.

## References

A Survey of Skills in the Tourism Sector in the Derry/Donagall Border Region, Ireland. 2002/3 Activity Plan of the Eures Employer Organisations. Alberta Employment, Immigration and Industry. (nd).

Alberta modified Canadian occupational projection system outlook 2006-2011:

[http://employment.alberta.ca/documents/WIA/WIA-BETW\\_tourism\\_strategy.pdf](http://employment.alberta.ca/documents/WIA/WIA-BETW_tourism_strategy.pdf)

Arizona Tourism. (nd). Arizona tourism workforce initiative, discussion guide. [web page]

[http://www.nifi.org/stream\\_document.aspx?rID=4368&catID=2871&itemID=4365&typeID=8](http://www.nifi.org/stream_document.aspx?rID=4368&catID=2871&itemID=4365&typeID=8) [Accessed April 2008]

Bennett, J. (2006). Study of the Monroe County tourism workforce. [http://www.monroecounty-fl.gov/pages/MonroeCoFL\\_TDC/Research/TDCTourismWorkforceStudy.pdf](http://www.monroecounty-fl.gov/pages/MonroeCoFL_TDC/Research/TDCTourismWorkforceStudy.pdf).

British Columbia Chamber of Commerce Skills Shortage Initiative. (April 2002). Closing the Skills Gap.

Canadian Tourism Human Resource Council, (2008). The future of Canada's tourism sector: Long on prospects, short on people.

[http://cthrc.ca/~media/Files/CTHRC/Home/research\\_publications/labour\\_market\\_information/sd-supply-demand-report-en.ashx](http://cthrc.ca/~media/Files/CTHRC/Home/research_publications/labour_market_information/sd-supply-demand-report-en.ashx)

Canadian Tourism Human Resource Council, (2010). The future of Canada's tourism sector: economic recession only a temporary reprieve from labour shortages.

[http://cthrc.ca/~media/Files/CTHRC/Home/research\\_publications/labour\\_market\\_information/Supply\\_Demand/SupplyDemand\\_2010\\_%20ReportEN.ashx](http://cthrc.ca/~media/Files/CTHRC/Home/research_publications/labour_market_information/Supply_Demand/SupplyDemand_2010_%20ReportEN.ashx)

- Chang, C. "A multilevel exploration of factors influencing the front-line employees' service quality in international tourist hotels." *The Journal of American Academy of Business, Cambridge*, 9(2), (2006), 285-293.
- Ghiselli, R., La Lopa, J. & Bai, B. "Job satisfaction, life satisfaction, and turnover intent." *Cornell Hotel and Restaurant Administration Quarterly*, 42(2), (2001), 28-37.
- Hay Group. (2007). 2006 Tourism Compensation Study. Canadian Tourism Human Resource Council.
- Hsie, Y., Klein, S. & Pearson, T. "Lodging managers perceptions of work and personal life: Balanced or imbalanced?" *International Journal of Hospitality and Tourism Administration*, 9(1), (2008), 18-35.
- Industry Canada. About the Canadian Tourism Industry. <http://www.ic.gc.ca/eic/site/dsib-tour.nsf/eng/Home>
- Kandampully, J. & Promsivapallop, P. "Service networks: A framework to match customer needs, service offer, and operational activities." *Journal of Hospitality and Leisure Marketing*, 13(3/4), (2005), 103 – 119.
- Lo, K. & Lamm, F. "Occupational stress in the hospitality industry: An employment relations perspective." *New Zealand Journal of Employment Relations*, 30(1), (2005), 23-47.
- Niebrugge, Vicki. *Declining Employee Morale: Defining the Causes and Finding a Cure*. NOVA Group. (2001).
- Poulston, J. "Working condition in hospitality: Employees' views of the dissatisfactory hygiene factors." *Journal of Quality Assurance in Hospitality & Tourism*, 10(1), (2009), 23-43.
- Statistics Canada. (2005). Consumer Price Index, by City. CANSIM. [Web page] <http://www40.statcan.ca/101/cst01/econ45a.htm>. [Accessed May, 2008]
- Statistics Canada. (2005). Cost of Living. CANSIM. Table 203-001, Catalogue no. 62F0026MIE. [Web page] <http://www.statscan.ca>. [May, 2008]
- Taylor, M. & Walsh, K. (January 2005). *Retaining management talent*. The Center for Hospitality Research. School of Hotel Administration, Cornell University.
- Tourism Industry Association of New Zealand. (2006). *Tourism and Hospitality Workforce Strategy*. <http://www.tianz.org.nz/content/library/TourismHospWkbkLR.pdf>
- US Department of Labor. (2006). *President's high growth training initiative: Hospitality industry: Identifying and addressing workforce challenges*. <http://www.doleta.gov/BRG/pdf/Hospitality%20Report%20-%20FINAL.pdf>