Chapter 6
Tourism Innovation and Sustainability: Implications for Skills Development in South Africa

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6.1 Introduction

In view of the 'premature' de-industrialization of sub-Saharan economies in recent decades with manufacturing sector's share of their GDP (Gross Domestic Product) amounting to about 11%, it has been suggested that countries in the region should focus on services in their quest for growth (Joffe, 2017). In South Africa, the service sector has grown steadily since the mid-1990s and become a major generator of employment (Booyens, 2015). Services currently comprise approximately two-thirds of the South African economy, and also of employment, while traditional sectors such as agriculture, mining and manufacturing have contracted during the last few decades (Booyens, 2015; Joffe, 2017). Globally, tourism is a growing service sector which has expanded with international tourist arrivals breaking through the one billion barrier in 2013, and growing to 1.2 billion in 2016 (UNWTO, 2017). The South Africa tourism sector has also been performing well since democratic change in the mid-1990s with international arrivals reaching 10 million in 2016 (UNWTO, 2017). Tourism is recognized a growth sector and catalyst for job creation and poverty alleviation in South Africa as emphasized in the National Development Plan (The Presidency, 2012), among other macro-economic and tourism-specific policy documents. Innovation is pertinent in the South African context where it is observed that the tourism industry is maturing and increasingly becoming more competitive (Booyens & Rogerson, 2017). The global growth of tourism drives innovation in the sector as a result of increased competition due to the opening up of opportunities for new

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tourism products, services and markets (Hjalager, 2015; Zach et al., 2015). In accordance, innovation holds the key not only for the survival of tourism firms, but also for the performance and growth of tourist destinations in highly competitive, globalized tourism sector (Omerzel, 2016; Williams, 2014). Tourism enterprises, therefore, not only need to innovate to achieve economic competitiveness, but also introduce environmentally and socially responsible practices towards achieving sustainability (Baum et al., 2016; Omerzel, 2016; Saarinen, 2014).

This chapter interrogates human resource management *vis-à-vis* workforce competencies for innovation and skills development in tourism and hospitality. In the light of indications by tourism authors that knowledge acquisition, learning and skills development for innovation are generally under-researched in tourism (Baum, 2015; Hjalager, 2015; McPhee et al., 2016; Williams, 2014); the chapter endeavours to enhance the understanding of human capabilities for innovation in tourism and services more broadly. Research on tourism innovation in the Western Cape, one of the premier tourism regions in South Africa, reveals that innovation by tourism firms is widespread with the added caveat being that it is observed to be highly incremental in character (Booyens & Rogerson, 2016a, 2017). Pertinent to this chapter is the finding that innovation forms part of a deliberate strategy for competitiveness by dynamic tourism firms in the Western Cape and their innovation behaviour is closely associated with management competencies which includes leadership, strategic orientation and professionalism (Booyens, 2015) which correspond closely with tourism innovation studies done elsewhere (see Kearney et al., 2014; Martínez-López & Vargas-Sánchez, 2013; Nieves & Segarra-Ciprés, 2015). The Western Cape research underscore that innovation is driven by business owners and top managers who are highly professional in terms of financial management and technical knowledge. This chapter builds on the research outlined above by drawing on a national study in South Africa which investigated human resource issues and skills development in tourism. It responds to the questions: What is the state of human resource development in tourism in South Africa and what are the implications of this for the propensity to innovate. In accordance therefore, what policy prescripts are necessary to support greater innovation in the tourism industry. This study observes there are critical skills gaps in relation to financial, management and soft skills required for innovation. In addition, tourism small and medium enterprises (SMEs) particularly suffer from a lack of managerial-level competencies. These findings unpacked this chapter with an emphasis on analyses of educational levels, career mobility and management competencies of employees in tourism and hospitality firms. Recommendations for policy support pertaining to skills enhancement, considering sustainable human resource management in tourism, are offered accordingly. The chapter is organized as follows. Section two contextualizes drivers of innovation and innovation capabilities *vis-à-vis* the nature of work in tourism. Section three outlines the methods employed. The findings are presented in section four, and recommendations and a conclusion follow in section five.

6.2 Innovation and Work in Tourism

Technology, accompanied by changing patterns of travel and tourist consumption and demand, holds opportunities and poses threats for tourism firms (Baum, 2015; Hjalager, 2015; İplik et al., 2014). The rapid adoption and diffusion of information and communication technologies (ICTs) in tourism in recent decades are often associated with innovation in tourism (Hjalager, 2015; Pikkemaat et al., 2018). Tourism firms increasingly rely on ICTs for information management, reservation, marketing and operational purposes (Hjalager, 2010; Sørensen & Sundbo, 2014). Examples of ICT-based innovations in tourism include the use of various computing applications (or apps) and GPS (global positioning system) technologies for inter alia destination-based information, online accommodation and taxi services such as Airbnb and Uber, respectively sophisticated ICT-based management systems used by large hotel groups and transport providers such as airlines and social media and online booking platforms of various kinds, to name a few. Technological tourism innovation is often driven by technology-push factors whereby tourism firms typically respond to changes in the technological and market environments by adopting new technologies, rather than innovating new technologies themselves (Hjalager, 2010; İplik et al., 2014). In fact, innovation in tourism takes on various forms and is observed to be mostly non-technological as is the case in other service sectors (Booyens and Rogerson, 2016a; Fagerberg, 2013; Hjalager, 2015; Omerzel, 2016). Tourism firms are considered to be innovative with respect to sustainable tourism when they exhibit economically sustainable behaviour by introducing innovations or significant improvements to their products, processes or business practices in order to maintain their competitiveness and/or enhance their socially or environmentally sustainable practices (see Booyens & Rogerson, 2016b). While technical competencies are of critical importance for technological innovation typical in manufacturing firms, non-technological innovation such as organizational (or management) and marketing innovations prevalent in services (Fagerberg, 2013) arguably requires a specific set of skills as outlined below.

While authors point to the importance of networking and collaboration to facilitate learning and access external knowledge for innovation since service firms are often not knowledge-intensive, the significance of human capital with embedded tacit knowledge is underscored as a key input for innovation in tourism (Booyens & Rogerson, 2016a; Divisekera & Nguyen, 2018; Pikkemaat et al., 2018). Baum (2015) stresses that there is a need in tourism for highly skilled and creative persons to drive innovation. Alamu (2016) maintains that good human resource management should develop human capital to drive innovation. Indeed, management competencies emerge as a significant consideration for innovation in tourism (Kearney et al., 2014; Martínez-López & Vargas-Sánchez, 2013; Nieves & Segarra-Ciprés, 2015; Pikkemaat et al., 2018). Jensen (2001) maintains that all the processes through which employees learn need to be considered in order to develop competencies towards enhancing innovation, productivity, quality and competition in the tourism industry. Competence can be understood as an individual's capability to make full use of technical, personal and soft skills, and knowledge gained through qualifications,

in the business context based on the capacity of firms to engage, combine and use individual capabilities in a productive manner (Jensen, 2001). While formal skills can be acquired through education and training, individuals do need tacit (informal) skills and on-the-job experience to make use of the formal skills in the workplace (Jensen, 2001). In the African context, human resource development towards developing capabilities for innovation is pertinent since overall skill levels in tourism are observed to be low (Kaplan, 2004; Kraak, 2005; Maumbe & van Wyk, 2011; Mayaka & Akama, 2007). In particular, authors point to a need for capacity building in tourism on the managerial level in African countries like Kenya and South Africa (Booyens & Rogerson, 2017; Mayaka & Akama, 2007).

In order to innovate, tourism employees and entrepreneurs need to employ a particular strategic outlook and set of competencies. Innovation determinants such as strategic thinking and direction, leadership and entrepreneurial orientation, management capacity and professionalism impact positively on tourism-firm-level innovation performance (Čivre & Omerzel, 2015; Kearney et al., 2014; Martínez-López & Vargas-Sánchez, 2013; McPhee et al., 2016; Nieves & Segarra-Cipres, 2015; Omerzel, 2016; Pikkemaat et al., 2018). Larger tourism firms with extensive networks, foreign ownership and more resources (human and financial) at their disposal tend to have the upper hand in innovation and competitiveness (Booyens & Rogerson, 2017; Divisekera & Nguyen, 2018; Kearney et al., 2014; Pikkemaat et al., 2018). However, the majority of tourism establishments are small to very small—up to 90% of total tourism firms in certain countries (Rogerson, 2005). However, SMEs do not always aspire to grow and often exhibit a perceived lack of entrepreneurial spirit and rigorous professionalism, especially older lifestyle entrepreneurs who regard tourism simply as an additional income (see Baum, 2015; Rogerson, 2005). Younger lifestyle entrepreneurs also often suffer from low levels of entrepreneurial and innovation activity. While they are economically motivated, some are constrained by low levels of business skills and difficulties in accessing capital. It, therefore, is not surprising that Pikkemaat et al. (2018) found in a recent study that a lack of knowledge concerning managerial or business practices was one of the main barriers to innovation by tourism SMEs.

A paradox emerges when considering human resource competencies and innovation in tourism and the nature of the industry. On the one hand, managerial competencies are regarded as essential since innovation is knowledge-intensive and tourism is highly competitive as discussed. Therefore, the level of service excellence, managerial competencies and professionalism are key variables in achieving competitiveness. On the other hand, tourism sector is often regarded as a low knowledge-intensive sector lacking in professionalism, and the nature of work is characterized as low skilled and constrained by structural issues inhibiting upskilling, personal growth and upward career mobility as reiterated in the context of South Africa (Baum, 2015; De Beer et al., 2014; Kaplan, 2004; Kraak, 2005; Maumbe & van Wyk, 2011). This brings to light debates on decent work in tourism. Moreover, Baum (2015) points to sustained levels of unemployment in certain developing countries over the past decade since 2008, the raising under-employment with many market entrants being ‘over-qualified’ for available work, and the rising threat of deskilling in certain

work areas as a result of increased technology substitutions. Baum (2015) further highlights a number of changes in the tourism sector which have implications for work. Pertinent changes include changing consumer behaviour on the part of tourists which entails *inter alia* the impact of social media on decision-making, and a higher prevalence of independent travellers (i.e. not on package tours). This is related to changing patterns in tourism distribution via the use of ICTs, i.e. travel agents are circumvented since travellers can easily book directly with providers. As a result, there is a demand in the workplace for new skills and services in relation to use of ICTs and social media marketing, and language skills to accommodate new source markets. Additional issues are fluctuating economic conditions which lead to 'low-cost' offerings, typically by airlines and some accommodation establishments, and a growing awareness of environmental concerns within tourism (Baum, 2015; Baum et al., 2016; Saarinen, 2014). The changes outlined above result in job losses in tourism and intensified competitiveness which necessitates tourism firms to be innovative by offering new and improved services, more sustainable processes, enhanced organizational practices and creative ways to access markets and accordingly market themselves. Tourism authors point to the prerogative of public policy and role of government in effecting positive change with regard to human resource issues and skills development in tourism, in addition to enhancing sustainability, stimulating innovation and improving employment and working conditions in the sector particularly (Baum & Szivas, 2008; Booyens & Rogerson, 2016b; de Beer et al., 2014; Mayaka & Akama, 2007; Solnet et al., 2014).

6.3 Methods

This chapter draws findings from a Tourism Sector Skills Audit and 10-year Tourism Sector Human Resource Development Strategy for South Africa which was done for the National Department of Tourism. This broad-based research incorporated a variety of stakeholders and comprised a range of research inquiries which included qualitative (i.e. focus group and round table discussions with stakeholder groups, and key informant interviews) and quantitative (i.e. firms level, higher education, school educator and graduate surveys) instruments, in addition to the analysis of available secondary data (see HSRC, 2017a). This chapter presents data from the tourism workforce training needs assessment, i.e. the training needs analysis (TNA), one of the firm-level surveys. The TNA survey essentially was a skills audit of individual employees in a cross-section of tourism and hospitality enterprises. The assessment framework was largely derived from the Organising Framework of Occupations (OFO) as it provided a common basis across business entities in respect of occupations in the industry (DHET, 2012). The data collection mechanism was through an online survey, which produced data at both micro- (employees) and macro-levels (enterprise). A non-random quota-based sampling process was adopted with multi-layered stratification by firm size and sub-sector in the tourism industry. The realized sample was 136 firms with a total employee population of 10,918. A total of

2058 employees completed the skills audit. This sample size was fewer than the targeted 170 enterprises. It did, however, cover 27 critical occupations identified for the tourism industry and met the stratification criteria in terms of firm size and representation of firms in tourism and hospitality sub-sectors.

6.4 Findings

6.4.1 Tourism and Hospitality Workforce Education and Career Mobility

The educational attainment of tourism and hospitality employees is presented in Table 6.1. More than half of the sample (56%) falls within the group who have completed Grade 11 or a post-school diploma. Of employees, 28% have a Grade 10 equivalent or lower and 16% hold a Bachelor's degree or higher.

In addition, a pertinent finding of the broader study is that ABET (Adult Basic Education and Training) levels are particularly low in the tourism workforce, especially in elementary occupations (HSRC, 2017a).

An analysis was done to compare the year in which employees obtained their highest qualification with the year in which they entered the workforce. If the year that they received their qualification is more recent than the year that they entered the workforce, it implies that employees continued their education while working. Table 6.2 shows the proportion of employees, by occupational group, who continued their education after entering the workforce. It is apparent that more skilled occupations, i.e. managers and professionals have a much higher proportion of people who continued their education. A total of 32% of managers and 34% of professionals achieved their highest level of education after entering the workforce. The proportions of employees with continued education drop towards lower level occupations with only 7% of elementary occupations reporting continued education. It is proposed that the limited levels of continued education among tourism industry employees, especially

Table 6.1 Educational attainment of tourism and hospitality employees

Educational level	Number	%
Adult education and training (Up to Grade 8 equivalent)	228	11
NQF[a] 1, 2 (Grade 9–10 or equivalent)	349	17
NQF 3, 4, 5, 6 (Grade 11 to diploma or equivalent)	1,145	56
NQF 7, 8, 9, 10 (Bachelor's degree to doctorate)	335	16
Total	2,058	100

[a]NQF—National qualification framework (South Africa)
Source TNA, 2017

Table 6.2 Continued education by tourism and hospitality occupation

Occupation	Cont. Educ.	Not Cont.	Total	% Cont.
Managers	164	344	508	32
Professionals	92	175	267	34
Technical and associate professionals	34	122	156	22
Clerical support staff	94	404	498	19
Service and sales workers	43	299	342	13
Skilled craft and related trades workers	2	5	7	29
Plant and machine operators	1	12	13	8
Elementary occupations	15	186	201	7
Total	445	1547	1992	22

Source TNA, 2017

in the elementary occupations, are evidence of limitations in terms of career path opportunities.

Workforce experience was measured both in terms of total experience where respondents were asked to indicate the year that they entered the workforce and the years in their current post (Table 6.3). The years in the current post provide an indication of organizational knowledge and experience, and also of how mobile employees

Table 6.3 Tourism and hospitality workforce experience by occupation

Occupation	Number	Years since high. qual.	Experience (years)	Years in post	Experience factor
Managers	508	14.9	15.4	5.8	2.6
Professionals	267	16.4	17.8	10.2	1.7
Technical and associate professionals	156	14.0	13.2	6.7	2.0
Clerical support staff	498	12.4	10.6	5.2	2.0
Service and sales workers	342	19.7	15.0	9.4	1.6
Skilled craft and related trades workers	7	17.6	18.1	8.9	2.0
Plant and machine operators	13	23.5	19.5	6.5	3.0
Elementary occupations	201	22.8	17.5	12.1	1.4
Total	1,992	16.1	14.5	7.6	1.9

Source TNA, 2017

are. It is revealed that employees tend to remain in their posts for a fair amount of time which arguably enhances their experience and also performance. However, from a labour market point of view this points to a static workforce. A striking finding is that persons in lower or elementary, craft or sales occupations remain in their positions much longer than those in more senior positions. For instance, persons in elementary occupations remain 12.1 years in comparison to managers' 5.8 years. Experience factors, taking years of experience into account, were calculated. Higher factors point to higher mobility, while factors closer to 1 are indicative of limited career mobility. The experience factor of 1.4 for elementary occupations suggests that there are few opportunities for upward career mobility from this level.

6.4.2 Competencies of Tourism and Hospitality Managers

The TNA assessed the full sample of 2,058 employees against 20,023 tasks.[1] Overall, the findings indicate that employees are largely competent, but critical skills gaps are experienced in a number of areas in relation to specific tasks. Of all employees, 11% have a least one critical skills gap. These skills gaps are most prevalent in managerial occupations. Table 6.4 shows the identified technical skills gaps for managerial occupations.[2] Finance-related skills are identified as the most pronounced skills gap.

Soft skills were assessed similarly to technical skills. That is, each employee was asked to identify how proficient they were in a given skill, how important it was to their function and whether they required training with supervisors verifying the information provided. From the findings, soft skills emerge as a critical skills need across all sub-sectors and occupations.[3] Average soft skills ratings for managers are presented in Table 6.5. Employees and supervisors consistently rate the importance of soft skills higher than proficiency levels. When considering innovation capabilities, soft skills such as communication, leadership, networking, problem-solving and critical thinking, professionalism, service and customer orientation, and teamwork/collaboration all emerge as high in importance and low in proficiency. This said, it is noted that the average importance of soft skills is 4.1, while the training need is only 0.8. In the case of employee self-reported rates, the pattern is similar.

[1] Of these tasks, employees indicated that 2071 (10.3% of total tasks assessed) were not part of their function.

[2] Reservations and housekeeping managers are not included since their tasks and skills gaps are of a more practical nature and not directly relevant to the discussion in this paper.

[3] All employees were assessed on all skills, and it was up to the respondents to identify which were the important skills for their jobs.

Table 6.4 Identified skills gaps in tourism and hospitality managerial occupations

OFO codes and tasks	Number of respondents who do task	% self-rep[a]	% sup-rev[a]	% train need[b]	Sample: No. of firms
Corporate/General manager					**32**
Controlling expenditure and ensuring the efficient use of resources	29	17,2	0,0	41,4	32
Ensuring compliance with legislation, regulations and standards	27	18,5	7,4	44,4	32
Formulating and administering policy advice, strategic and financial planning	28	17,9	0,0	39,3	32
Overseeing the selection, training and performance of staff	26	15,4	0,0	34,6	32
Preparing budgets and overseeing financial operations	27	18,5	0,0	44,4	32
Office manager					**59**
Controlling administrative operations such as budget planning, report preparation and expenditure	56	16,1	3,6	57,1	59
Preparing, or arranging for the preparation of, reports, budgets and forecasts	53	22,6	5,7	56,6	59
Hotel/Motel manager					**30**
Assessing and reviewing customer satisfaction	27	18,5	3,7	44,4	30

(continued)

Table 6.4 (continued)

OFO codes and tasks	Number of respondents who do task	% self-rep[a]	% sup-rev[a]	% train need[b]	Sample: No. of firms
Controlling selection, training and supervision of staff	25	20,0	0,0	44,0	30
Controlling the selection, training and supervision of staff	26	15,4	0,0	42,3	30
Ensuring compliance with occupational health and safety regulations	27	19,5	3,9	37,7	30
Observing liquor, gaming, and other laws and regulations	18	22,2	5,6	50,0	30
Overseeing accounting and purchasing activities	25	20,0	0,0	44,0	30
Providing guests with local tourism information and arrangements	23	26,1	4,3	43,5	30
Supervising security arrangements, and garden and property maintenance	23	26,1	4,3	47,8	30
Undertaking budgeting for the establishment	24	33,3	12,5	41,7	30
Reception manager					**54**
Ensuring compliance with occupational health and safety regulations	49	26,4	7,8	42,6	54
Overseeing accounting and purchasing activities	37	21,6	5,4	56,8	54

(continued)

Table 6.4 (continued)

OFO codes and tasks	Number of respondents who do task	% self-rep[a]	% sup-rev[a]	% train need[b]	Sample: No. of firms
Undertaking budgeting for the establishment	35	48,6	20,0	62,9	54
Café (Licensed) or restaurant manager					**26**
Arranging the purchasing and pricing of goods according to budget	21	19,0	4,8	61,9	26
Ensuring compliance with occupational health and safety regulations	59	15,3	3,4	35,6	26
Maintaining records of stock levels and financial transactions	19	15,8	5,3	57,9	26
Negotiating arrangements with clients and suppliers	20	20,0	10,0	65,0	26
Planning menus in consultation with chefs and cooks	17	17,6	5,9	47,1	26

[a]Self-reported and supervisor reviewed skills needs are flagged on the basis of 'High Importance' (4/5) and 'Low Proficiency' (1/2)
[b]Identified training needs are based on either the supervisor or employee rating the training need as a 4 or a 5
Source TNA, 2017

Table 6.5 Average soft skill ratings for tourism and hospitality managers

Skills need	Employee			Supervisor		
	Prof.	Imp.	Train	Prof.	Imp.	Train
Accountability	3.0	3.5	0.5	3.5	4.2	0.5
Communication	2.9	3.6	0.9	3.4	4.3	1.0
Computer literacy	2.8	3.4	0.8	3.1	4.0	1.0
Enthusiasm and attitude	2.9	3.5	0.6	3.4	4.1	0.6
Initiative	2.9	3.4	0.6	3.3	4.0	0.7
Leadership	2.8	3.5	1.0	3.1	4.1	1.2
Networking	2.8	3.3	0.8	3.2	3.9	0.9
Problem-solving and critical thinking	2.8	3.5	0.9	3.2	4.2	1.2
Professionalism	3.0	3.6	0.5	3.5	4.2	0.5
Service and customer orientation	2.9	3.5	0.6	3.4	4.2	0.7
Strategic capability	2.8	3.4	0.9	3.2	4.1	1.0
Teamwork/Collaboration	2.9	3.4	0.6	3.4	4.0	0.7
Total	2.9	3.5	0.7	3.3	4.1	0.8

Legend: Prof—proficiency level; Imp—importance of the task; Train—need for training
Source TNA, 2017

6.5 Recommendations and Conclusion

Overall, the findings indicate that managers are largely competent in a range of skills assessed, but have pronounced needs for management, finance and particular soft skills. Even though not discussed in detail in this chapter, it should be pointed out that a secondary analysis of TEP (Tourism Enterprise Programme: a small enterprise development initiative) data, part of the broader study,[4] reveals that tourism SMEs suffer generic and financial management skills shortage (HSRC, 2017b). As a result, poor performance in terms of managing their finances and using various financial management tools is detected among SMEs.

The findings presented in this chapter make an important contribution to the tourism human resource development and management literature by revealing that the skills and management competencies required for innovation purposes are underdeveloped at managerial levels in tourism firms, including tourism SMEs, within the South African context. In addition, with regard to management skills essential in top positions, specific emphasis is on financial management and soft skills associated with innovation capabilities. Learning interventions emphasizing soft skills development are pertinent for tourism, as well as other service firms, to foster innovation. This recommendation corresponds with Baum (2015) who argues for a broad set of

[4]The use of TEP data necessitated by the general paucity of both primary and secondary data for tourism SMEs and because the TNA tended to capture responses from larger tourism firms.

skills in tourism beyond a fixation on technical skills and with authors who point to the need for non-technical or soft skills in the South African tourism and hospitality sector (Maumbe & van Wyk, 2011; Swart et al., 2014). However, the findings of this investigation suggest that soft skills training is undervalued since tourism firms appear to prefer technical skills training over soft skills training despite employees and supervisors alike rating particular soft skills such as communication, leadership, networking, problem-solving and critical thinking, professionalism, service and customer orientation, and teamwork/collaboration as being of high importance. At the same time, the proficiency levels of staff in these areas are regarded as relatively low. While the reason for the low training need for soft skills was not specifically interrogated, it is suggested that even though the importance of soft skills is acknowledged supervisors and employees may not be able to link skills training and management competencies with desired business outcomes such as innovation and competitiveness. In addition, the development of soft skills is typically difficult to achieve and measure or assess (see Swart et al., 2014).

From the perspective of human resource development in tourism, it is demonstrated that the vast majority of tourism and hospitality employers in lower occupations experience knowledge gaps and have low levels of formal education and skills training. It is argued that skills training with an emphasis on financial, management and soft skills is not only needed to ensure that managers enhance their innovation capabilities to drive competitiveness in the tourism industry, but also to upskill tourism and hospitality employees in lower skilled positions towards enhancing human resource development and sustainability in tourism by encouraging upward career mobility and decent jobs in tourism. While career mobility and the assurance of decent work in tourism are at best constrained, it is argued that 'government and its agencies can play a useful role in guiding policy and delivering programmes that act to enhance the quality and productivity of people in the delivery of products and services to guests within tourism' (Baum & Szivas, 2008: 794).

The need for a clear focus on employee development in various scales of tourism enterprises (see Pikkemaat et al., 2018) emerges as a key area for policy intervention. It is argued that targeted skills training, upskilling and linkages to external knowledge sources are important to enhance the learning and accordingly the knowledge base of tourism firms for innovation purposes (Booyens & Rogerson, 2016b). In addition, SMEs particularly need support in order to enhance their innovation performance and enhance their competitiveness since SMEs are important from a job creation perspective particularly in South Africa which relies on the tourism and other service sectors for growth and employment (see Joffe, 2017; Rogerson, 2005, 2018). Three areas for policy intervention are recommended.

1. Soft skills outcomes, embedded in most formal tourism and hospitality education and training programmes offered by universities and colleges and as part of government training interventions, need to be strengthened.
2. The creation of mentorship initiatives to support the enhancement of soft skills, as well as financial and management skills, to upskill and equip candidates with competencies for management positions is further recommended. Skills training

of this nature will typically be on-the-job training of a more informal nature. Tourism and hospitality industry associations are well placed to implement such programmes and place persons in employment after completion of programmes with funding and support from government agencies.

3. In order to enhance financial and management skills for top management positions, funding for persons who are in employment to access postgraduate courses in hospitality and tourism management at universities is proposed. More persons need to be trained and feasible funding models need to be investigated.

In conclusion, while tourism is regarded as a growth sector in South Africa which holds potential for employment creation, the sector is also regarded as one characterized by low-skilled employment and low wages. In order to enhance innovation in tourism, a specific set of skills is needed. This investigation reveals critical skills gaps in relation to financial, management and soft skills required for innovation across tourism and hospitality occupation levels and sub-sectors. In the view of sustainability, it is important to not only develop the financial and soft skills of persons in top management positions towards enhancing tourism innovation, but also of employees in lower occupation levels in order to foster upward career mobility and decent work in tourism.

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