

Human Capital Needs and Challenges for the Tourism Sector

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ABSTRACT

Over the years there has been a change in the demand and supply of Human resources for the Travel industry, with the demand now being for more specialized personnel. But the fact is that Tourism Teaching / Training Institutes especially in South Asian Countries are of a more recent origin, and therefore are at times quite unable to meet the demand of the professional personnel's for the industry. The present paper studies the Human Resource needs for the Tourism Sector and suggests ways and means for attracting and retaining employees in the Travel industry, mainly by standardizing course curriculum, imparting training, increasing industry academia interaction at all levels and formulating an apex body for tourism education and training in the country.

KEYWORDS: *Human Resource needs, Human capital, Tourism multiplier, course curriculum.*

INTRODUCTION

Tourism is a direct outcome of leisure time and discretionary money available to the people. The extraordinary gallops taken by technology - both in terms of inventions and information, the changing demographic profile of the population globally, and of course, the developments in tourism infrastructure have prompted millions of people to be involved in touristic pursuits in the 20th century. The magnitude of contribution of tourism to the world economy has been quite commendable. With the increased movement of tourists from one place to another, it is obvious that many jobs are created in the process. It provides a vast spectrum of employment from highly trained managers of 5-star hotels to room boys, sales girls, and handicraft artisans and transport workers. Over 200 million men and women worldwide are estimated to work in the travel and tourism sector, equivalent to about 8% of global employment. Women make up 70% of the labour force in the tourism sector, and half the workers are aged 25 or under. One job in the direct tourism industry induces roughly one-and-a-half additional (indirect) jobs in the tourism-related economy. Around the world, between 13 and 19 million people less than 18 years of age work in an occupation tied to tourism, which includes the airlines, travel agencies, tour operators and others in hospitality related operators need thousands of them with a variety of skills which are not too difficult to master. There is also high potential for self-employment in a variety of ancillaries, such as horticulture and handicrafts. In fact, there are very few activities in which the potential for providing gainful employment is so wide ranging. The ILO report estimates that some nine million workers in the global hotel and tourism economy may have lost their jobs in the wake of September 11 and the economic downturn in 2001-2002. In the international tourism research literature, different employment categories have been created on the basis of different definitions of tourism. For the purpose of investigating the economic impacts of tourism, the definition of the WTTC seems to be more appropriate, though, in our case, too wide to apply (due to temporal and financial constraints): "The Travel and Tourism industry is defined by the economic activities (personal, investment, government, business and net export) associated with travel as measured by the wide variety of current and capital

expenditures made by or for the benefit of a traveller before, during and after a trip" (WTTC, 1995). Human resource development is of vital importance in the service industry like tourism. People engaged in this trade deal with people and create their needs. They are the ones who create experience, good or bad, and therefore, determine the quality of the 'product offer' to the tourist. We may spend crores of rupees on building infrastructure but it is they who create the ambience that lures or repels the tourist. A lot, therefore, depends on the right selection, training and development of the personnel engaged in tourist services. It also assumes importance because of its impact on the national economy.

In the tourism and hospitality industries, it is important to keep in touch with customer's real expectations. Inquiries into what customers actually want can be revealing. Coyle and Dale conducted research into what customers of hospitality organizations defined as Good quality 'in service, and also into hospitality managers perceptions of what the customers would rate as 'good quality' managers perceptions were colored very much by their own demands, as providers, for the performance of their staff" they thought that customers prime requirements were reliability, courtesy and understanding, in that order. Customers, by contrast, rated reliability 'third' on their list. Their 'prime requirements were responsiveness, that is attentiveness and speed, courtesy, and than reliability. What emerges is a picture of customers who value competence in hospitality industry staff, but who are willing to trade a modicum of human error against attentiveness to their needs (Coyle, M & Dale, B., 1993).

TOURISM EDUCATION & TRAINING

The traditional careers options especially in India are still looked upon as respectable, both in terms of status and monetarily. To name a few for comparison these traditionally sought after careers are (i) The Civil Services (ii) Technical and Technological services (iii) Medicine and (iv) Management. It has been arguedⁱ (**Lea 1988, Pearce 1989, Burns & Holden 1995**) that tourism jobs are not real jobs but are usually low skilled and low paid, seasonal, for women, whom may take employees, form other sectors (Matheson & Wall, 1982). Refocusing our attention to the qualities needed to succeed in tourism, it is clear that academic excellence only should not be a necessary pre – requisite for tourism professionals. Over the years tourism education, has not achieved the priority desired. A small cadre of people, primarily representing academia and government has been attempting to find a place for tourism education on the public agenda. Though in certain areas these individuals have been extremely successful, the overall picture shows a lack of significant support and leadership for tourism education. Considering the present day needs of multifaceted tourism, of which the hospitality industry is, a large but more well – defined segment, the present situation in regard to training in tourism is unsatisfactory especially in South Asian Countries. In addition to establishing training institutions, and often supplementing the programmes of these training centers, there are several types of training techniques which are typically considered and applied in internationally assisted training programmes of developing countries (Chawla, 2003).ⁱⁱ Education holds the key to unlocking potential economic growth opportunities to achieve a competitive advantage in the tourism sector. Tourism education offers great potential to make a significant contribution towards the creation of value added activities in the tourism sector and the sustenance of its competitive advantage. (Go, 1995, p. 33).ⁱⁱⁱ But the fact remains that even today Tourism Education is not generally the first choice for students pursuing higher studies. According to a survey 73% candidates opted tourism courses only and simply because of better prospect of employment. About 10% were not sure of the real purpose of pursuing these courses and only 17% opted tourism because this is what they wanted and would love to be into this industry.

Though tourism education has started to develop at Post Graduate Level, it is still in the initial phases. There is no established core curriculum in higher tourism education and there has not been any attempt to develop one. Though there are similar courses in all the important

tourism programmes (like geography of tourism, tourism marketing, economics of tourism, tour operations, tourism planning, travel agency & tour operations etc.), every programme places emphasis on different aspects of tourism.

The major reason for the lack of consensus over a core curriculum is probably the fact that most of the newly established institutions do not have established and standard syllabi to fall back upon and hence even today they are following a trial and error method. Academic bodies like the University Grants Commission also do not put forth a model curriculum to be adopted by institutions offering courses in tourism and travel management.

On an academic level tourism education has been growing over the years, and to some extent the danger of over-provision of tourism graduates is not seen yet. To avoid this problem, education has several alternatives: to establish closer links with the industry in order to forecast the demand for specialized labour force, and to develop special programmes based on these forecasts; to modify the structure of education by increasing the role of vocational education; or to provide students with high quality education which is relatively general, but complex enough, so the result is a flexible labour force with strong intellectual abilities and a wide outlook on the whole of the tourism industry.

Links between academic institutions and the tourism industry have been growing in the last few years. Though there is still a relative lack of contact, the establishment and extension of these links have been among the main priorities for most institutions. Typical examples of co-operation with the industry are the invitation of guest lecturers from companies, industrial placements of students at a certain stage of their studies, postgraduate programmes and short courses offered to managers from the industry, co-operation in research with student involvement (usually in marketing) and consultancy by academic staff.

In the UK, the National Liaison Group for Higher Education in Tourism has identified seven areas of knowledge which can act as a model for any tourism degree programme in the region. 5 (Holloway, 1996):

1. The meaning and nature of tourism
2. The structure of the tourism industry
3. The dimensions of tourism and issues of measurement
4. The significance and impact of tourism
5. The marketing of tourism
6. Tourism planning and development
7. Policy and management in tourism

The greater productivity made possible by training makes higher wages possible. In general, many of the operational activities in the industry require learning on the job, rather than formal training, and managers frequently state their preference for recruitment on the basis of personality rather than formal qualifications. In fact it has also been noticed that the industry displays a reluctance to give formal recognition to acquired skills, and this may reflect a wish to avoid claims for higher wages and prevent undesired mobility. On the other hand, a recent study also suggests that practical training and experience is more highly valued. Moreover, high staff turnover in the industry makes returns on training investment hard to evaluate.

At middle management level and higher, however, tourism education is a formal requirement. In Canada, it is estimated that more than one-third of jobs in hotels require post-secondary education, including language proficiency, but a Brazilian study shows that only 12 per cent of hotel and restaurant staff have completed secondary school.

Tourism-related degree programmes have been slow to acquire recognition as a truly academic discipline although, given the increasing social and economic importance of tourism, a sound knowledge of its economic, social, cultural, environmental and political dimensions is essential. This is particularly the case in countries, including developing countries, where tourism is growing rapidly.

HUMAN CAPITAL FOR TOURISM SECTOR

Human resource development is of vital importance in a service industry including tourism.. The present system of tourism training programmes suffers from several weaknesses, both in its qualitative and quantitative dimensions. The WTTC Human Resources Task Force White Paper makes six recommendations for government authorities:

- Take a leadership role in the development of HR;
- Recognize the important role that Travel and Tourism plays in the overall economy and provide it with an appropriate place in local, national or regional strategic planning;
- Facilitate urgent investment in education and training;
- Bridge the gap between education and industry;
- Promote Travel and Tourism careers - this will help stimulate interest in the industry as a source of employment;
- Develop comprehensive national/regional strategies to help the international competitiveness of the Travel & Tourism sector.

The need to develop the required human resources in various segments of the tourism industry has become imperative as a consequence of the rapid growth in tourism, rapidly changing technology and dynamic changes in the international tourism market. Issues related to human resources development in the tourism sector involve the quality of human resources, their conditions of work, their training and educational opportunities, the role of the private sector and the role of the government in giving attention to and finding solutions to problems and constraints. The availability of skilled and trained manpower is a crucial element in the successful long-term development and sustainability of a tourist destination. In the ultimate analysis, skilled and trained human resources will ensure the delivery of efficient, high-quality service to visitors, which is a direct and visible element of a successful tourism product. High standards of service are particularly important in sustaining long-term growth, since success as a tourist destination is determined not only by price competitiveness or the range of attractions available, but also by the quality of the services provided. Repeat visits, a vital factor in maintaining growth, will be deterred if standards of service do not meet expectations.

The major problems and constraints facing human resources development in the tourism sector can be summarized as follows^{iv}:

- a. Shortage of qualified manpower, particularly at the managerial level, which poses a major obstacle to the overall development of the tourism sector;
- b. Shortage of qualified and experienced teaching staff;
- c. Shortage of training materials and facilities;
- d. Lack of strategies and policies for human resources development in the tourism sector;
- e. Difficulty in keeping pace with rapidly changing technological innovations and dynamic changes in the global marketplace;
- f. Complexity of the multidisciplinary nature of tourism studies;
- g. Gap between the training capacity of training/educational institutes and the actual need of the industry;
- h. Shortage of higher-level programmes for management development.

Attracting and retaining good staff and ensuring consistent quality can only be achieved with management commitment to effective training. Investment in training and education will have long and lasting returns through increased productivity and improved staff performance. Yet the returns on this investment will only really be worthwhile if supported by appropriate government policies and measures, not only in education and training, but also in other areas such as infrastructure and transport planning, and labour market programmes.

There is a need for higher academic skills and increasing technological know-how - to respond to the demands of this increasingly technology-driven world. There is also a need for

more broad-based training, which helps develop a variety of skills. There is a growing shortage of skilled labour in all sectors of the tourism and related industries. These weaknesses are not helped by the rigidities in some government labour policies, by restrictive immigration policies and a lack of labour mobility.

The close involvement of government in HR development through the organization of formal education and training programmes is essential to the efficient operation of the Travel & Tourism sector. Programmes should improve general as well as vocational skills and quality of service. National education and training policies should take into account labour and social issues, and should be geared to stabilizing the workforce and reducing labour turnover.

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The changing nature of tourism demand has contributed to inadequacies in the Travel & Tourism employment sector, largely because formal education and vocational training programmes have failed to adapt to the changing needs of the industry. On the one hand, there is a need for higher academic skills and increasing technological know-how – to respond to the demands of this increasingly technology driven world – yet there is also a need for more broad-based training, which helps develop a variety of skills. There appears to be a growing shortage of skilled labour in all sectors of the tourism and related industries. Yet the inadequacies of training, particularly on-the-job training, or job enrichment make it difficult to attract and retain qualified personnel.

If Travel & Tourism is to attract the caliber of people to the industry that it needs, companies need to create a culture in which people want to work. HR must ensure employees can establish an effective balance between their working and private lives. Working hours and locations must be flexible and employees must be free to set their own pace and to determine their own benefits package. HR must establish a working atmosphere that makes the organization an ‘employer of choice’, and employees must also feel able to participate in the management affairs of the organization.

Only by raising awareness of Travel & Tourism’s economic and social importance will the industry be able to persuade governments to factor Travel & Tourism into their labour market policies and to attract the right caliber of people to the industry. Elaborate human resource development strategies are usually linked to long-term business development plans, and these are more frequently associated with large enterprises. They are based on a budget set aside for training and providing for trainers to be contracted from outside the organization. A system of assessing training requirements through frequent staff appraisal is found at establishments where staff development is taken seriously. Where training is less formalized, on the other hand, it is done by managers or supervisors who are not training specialists; there may be no budget set aside for it in spite of a declared willingness to offer training to staff. In such cases, training is often reactive rather than proactive, i.e. restricted to induction training for newly recruited staff and statutory (compulsory) safety and health training. It is also common for scheduled training sessions to be cancelled when employees are not replaced at their workplaces and therefore fail to turn up.

RECOMMENDATIONS

Pre-Employment Student Selection & Induction

- Select students with a genuine desire to work in a dynamic and demanding industry;
- Offer a realistic induction to and experience of the demands of the industry by including more work experience/ work placement;
- Ensure that new entrants understand the demands of the industry, including personal presentation and demeanor, and the service response customers expect;
- Communicate realistic entry level and career progression expectations.

Pre-Employment Training

- Encourage a long term commitment to the industry by realistic induction to the demands of the industry, through more work experience/ work placement;
- Promote the traditional apprentice system where appropriate, to facilitate career progression and on the job experience with periodic institutional training;
- Make better use of the training package by customizing the training content and delivery mode to the needs of the learner and marketing qualifications and training as both a completion stage for new entrants into the industry and as a development opportunity into management for existing employees.
- Ensure that customer service and 'soft skills' are delivered and assessed;
- Build on practical skills to develop a 'culture' of service, so that new entrants have an appreciation of service delivery as a holistic experience;
- Ensure relevance of training to the workplace;
- Develop interpersonal and teamwork skills, in particular the ability to perform practical tasks with confidence whilst communicating effectively with customers and colleagues;
- Develop literacy and numeracy skills to a functional level to overcome the general lack of ability to adequately perform workplace written communication and functional maths tasks.

Industry Training

- Customize content and delivery to the needs of the enterprise and learner;
- Implement a mentoring approach to the delivery of management skills and encourage more 'life long learning' for self employed managers;
- Continue to build training partnerships with the industry;
- Offer employers, especially in regions, flexible options through short, sharp focused 'bundles' of units delivered through portfolio assessment, on line, and face to face.
- Provide enhanced access to training for existing employees and employers through flexible delivery strategies where development opportunities are sought.

CONCLUSION

Human Resource Development is not just a step towards success of an organization, but is an essential ingredient for the success of the travel sector. Organizations are today paying more and more attention to getting personnel who have the right attitude towards work and who are willing to learn. A learning atmosphere and opportunities for learning and developing are offered by most companies and proper HRD Strategies are now forming the lifeline of all successful organizations. Organizations are aiming at getting personnel to work enthusiastically alongside them, and for this the basic foundation is once again a properly formulated HR Strategy, a strategy which is ready to adapt to the changes taking place in the dynamic environment.

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