

GEARING UP FOR GROWTH

A STUDY OF EDUCATION AND TRAINING
FOR CAREERS IN ASIA-PACIFIC TRAVEL & TOURISM



EXECUTIVE SUMMARY



American
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Foundation



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A technical report
prepared by the
Center for Tourism
Policy Studies School
of Travel Industry
Management
University of Hawaii



FOREWORD

Travel & Tourism is the world's largest employer generating more than 212 million jobs worldwide or 1 in every 9 workers. Jobs in this key service sector will increase faster than in traditional industries and are forecast to grow by 59% by 2005.

We are facing a new global industrial environment in the 1990's in which employment and job creation are critical criteria. At the same time, the mounting competition in our industry and the market demand for service are pushing for greater productivity and higher value.

In this climate, our companies' investment in people, in training, and in education take on an increasingly important policy role.

Within the WTTC, we have been focussing on this reality and, together with the American Express Foundation, have embarked on a series of studies of long-term human resource needs. The first study, entitled *Education for Careers in European Travel & Tourism*, was published in 1991. This is the second in the series and appropriately targets the world's fastest growing region—Asia and the Pacific.

If we don't get it right here, the entire global travel system will feel the consequences and, with it, the global economy. Equally, if we do get our human resource program right, it will provide a leadership example to the rest of the world.

We are particularly grateful to the University of Hawaii School of Travel Industry Management—particularly Dean Chuck Y. Gee and Dr. Robert Allen—for the quality of the research conducted for this study. We urge policymakers in the industry and government to take note of it, and to work with us to implement the recommendations.

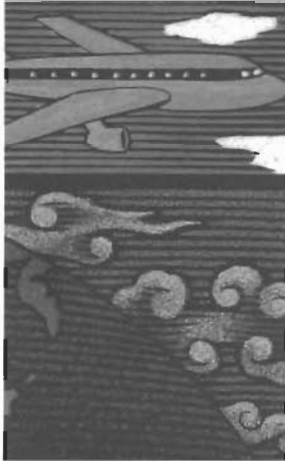
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Vice Chairman, World Travel & Tourism Council

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PREFACE



**ASIA-PACIFIC
TRAVEL &
TOURISM WILL
PROSPER
THROUGH
INVESTMENT IN
HUMAN CAPITAL.**

The Asia-Pacific Travel & Tourism industry has grown remarkably in the past four decades—from less than 100,000 international visitor arrivals in 1950 to nearly 53 million in 1990. This should not be a cause for overconfidence on the part of leaders in the region's industry, but an opportunity to reflect on the factors that have made such growth possible.

One critical factor that has been singled out by travellers and tourism professionals alike is the longstanding Asia-Pacific tradition of high service standards—a unique blend of efficiency and hospitality that is as central to the region's global reputation as are the beauty of its shores and beaches, the majesty of its mountains and forests, and the grandeur of its culture and historic monuments.

For the Asia-Pacific Travel & Tourism industry to prosper in the years ahead, every effort must be made to nurture this tradition through well-conceived programs—at both the national and regional levels—of investment in human capital. Countries that invest most in human capital attract the most physical capital; and countries that attract the most physical capital are far ahead of their rivals in the increasingly intense global competition for visitors.

Gearing Up For Growth is an important part of this effort and will greatly assist in "getting the word out" about the key role of human resource development to the future vitality of the Asia-Pacific Travel & Tourism industry. Drawing on the collective experience and expertise of some of the most prominent Asia-Pacific Travel & Tourism employers, the report highlights the urgent need for more—and better—tourism education in the region. Perhaps even more important, the report draws attention to the fact that government and industry often carry out their human resource strategies in isolation from each other and must join forces in order to achieve their common goals.

The Pacific Asia Travel Association welcomes this timely report and believes that it will be instrumental in focusing the attention of Travel & Tourism industry leaders on solutions to the region's pressing human resource problems—and in stimulating action on these issues.

Lakshman Ratnapala
Executive Vice President
Pacific Asia Travel Association

HIGHLIGHTS



BOTH QUANTITY AND QUALITY OF WORKERS ARE KEY CONCERNS FOR THE REGION'S TRAVEL & TOURISM EMPLOYERS.

Issues

- **Industry Growth:** The Asia-Pacific Travel & Tourism industry, which employs 1 out of every 9 of the region's workers (1 out of 11 excluding South Asia and China), is projected to grow more than 1.2 times as fast as the worldwide industry in the current decade (Sections 2.1, 2.2).
- **Labor Shortages:** More than 53 percent of the employers surveyed for the study are experiencing moderate-to-serious shortages of managerial and skilled workers. The shortages are particularly acute in the hotel and resort sector of the Travel & Tourism industry (Section 4.2).
- **Cross-Border Labor Movement:** In part, these shortages are being dealt with through the legal and illegal migration of workers—particularly unskilled workers—from the region's developing nations to newly industrialized countries with labor shortages. Current estimates are that more than 2 million Asia-Pacific men and women are working outside their countries (Section 4.5).
- **Recruitment:** Because of the lack of public awareness of employment opportunities in the industry and the belief that Travel & Tourism jobs offer only limited chances for recognition, advancement, and reward, the industry will continue to experience difficulty in attracting the most qualified workers (Sections 3.1, 4.11).
- **Expansion of Tourism Education:** Employers strongly favor the creation of more Travel & Tourism education by governments in the Asia-Pacific region. Nearly 60 percent of employers believe that it is "very important" for governments to establish more programs to prepare skilled and semi-skilled workers for the industry (Section 4.4).
- **Effectiveness:** Only 16 percent of employers believe that existing tourism education programs are "very effective" in preparing managers for the Travel & Tourism industry; less than 9 percent believe that they are "very effective" in preparing skilled and semi-skilled workers (Section 4.4).
- **Relevance:** Nearly 64 percent of employers believe that it is "very important" to make tourism education programs more relevant to work place needs. But many employers appear to underestimate the importance of their own role in making sure that this is accomplished. Only 37 percent of employers state that it is "very important" to increase input from employers in the design of tourism education programs (Section 4.4).
- **Private Sector Activity:** Training and staff development have emerged as important in-house functions for firms in the Travel & Tourism industry. Approximately 79.5 percent of the surveyed firms have established a separate training department; 87.8 percent have conducted a training needs assessment;

and 90 percent have developed a training plan (Section 4.6).

- **Problems for Small Businesses:** Many of the firms surveyed in connection with this study were selected because of their size and prominence in the Asia-Pacific Travel & Tourism industry. But most firms in the industry are small and lack the resources (e.g., a human resources department) to address their staff recruitment, retention, and skills upgrading needs on an in-house basis. These firms are being hardest hit by the labor shortages and educational deficiencies discussed in the report.

Recommendations

- **Involvement:** National Tourism Organizations should take a more active role in educating government decision-makers about the critical contribution of education and training in developing a successful Travel & Tourism industry.
- **Public Awareness:** NTOs in the Asia-Pacific region should take immediate steps to increase public awareness of career options and opportunities in the Travel & Tourism industry with special emphasis on school-based career education programs.
- **Performance Standards:** National education authorities should establish competency-based performance standards for

selected occupational preparation programs in the Travel & Tourism industry.

- **Training Councils:** NTOs, in collaboration with the private sector, should establish permanent education and training councils to assess and promote the effectiveness of national Travel & Tourism education systems in meeting the labor needs of employers.
- **Leadership Development:** National education authorities should emphasize leadership development in the design of Travel & Tourism education and training programs.
- **Priorities:** The staffing and budgeting priorities of Travel & Tourism employers should reflect greater attention to human resource development activities.
- **Partnership:** The Asia-Pacific Travel & Tourism industry should promote a viable "partnership" model with government and education through increased involvement and coordination to achieve common goals.
- **Funding:** Asia-Pacific Travel & Tourism employers should examine their allocations of corporate training funds among occupational categories and, if necessary, redistribute these funds to more effectively address critical skill shortages.

**GOVERNMENT,
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FORCES TO HELP
TRAVEL & TOURISM
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