

Human Resource Development in the Tourism Sector in Asia

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Introduction

Tourism is one of the most important economic activities in the world today, because it directly generates services, products, foreign currency, employment and investments. In countries where tourism has become a flourishing service industry, it has a far-reaching economic and social impact on national development.

According to the June 2008 edition of the UNWTO (United Nations World Tourism Organisation) World Tourism Barometer, the first results for 2008 suggest the relative stability of international tourism. In spite of uncertainties posed by the global economy, international tourist arrivals grew at around 5% between January and April 2008, compared to the same period of 2007.

Prospects for international tourism remain positive, although the overall economic climate has deteriorated since the last quarter of 2007, reducing consumer confidence and putting pressure on household spending and travel budgets. UNWTO expects tourism demand to grow, but at a slower pace over the remainder of the year.

Overview Of Tourism Industry In Asia

Against the background of a strong growth of above 7% per year since 2000, countries in Asia and the Pacific are also pushing international tourism and attracted 185 million visitors in 2007. While Japan (+14%) has taken off as a destination, Malaysia (+20%) Cambodia (+19%), Vietnam (+16%), Indonesia (+15%), India (+13%) and China (+10%) keep improving their growth rates (UNESCAP 2005).

The overview of the tourism industry is examined more closely in Singapore, Macau, China and Thailand. In Singapore the tourism scene is set against the backdrop of growing opportunities from both traditional outbound markets including the United States, Europe and Japan. STB (Singapore Tourism Board) is setting ambitious targets for 2015 focusing on high-growth potential markets such as China and India. This is to ensure that the tourism sector in Singapore remains competitive and continues to be a key contributor to the economy in the years to come (STB Jan 2005). STB's targets for 2015 are given in the following table:

2015 Targets

| Indicator | 2004 | 2015 Target |
|--------------------------------|---------|-------------|
| Tourism Receipts (S\$ billion) | 10 | 30 |
| Visitors Arrivals (million) | 8 | 17 |
| Tourism Employment | 150,000 | 250,000 |

For the first five months of this year in Macau, visitor arrivals almost reached 12.6 million, registering an increase of 17.4% compared with the same period of 2007. Furthermore, international market arrivals continued its growth trend and surged close to 49% for the first five months. As of 2007, the market share of the international market in visitor arrivals was 9.3% for the first five months of 2008, Macau has achieved

satisfactory results of 10.5% in the market share of international visitor arrivals (Macau Govt Tourism Office June 2008).

Revealing its market plan for 2009, the Tourism Authority of Thailand (TAT) announced a slightly conservative target of 630 billion Baht in foreign tourism revenue from 16 million visitor arrivals for next year. This year's foreign tourism target is generating 600 billion Baht in revenue from 15.48 million arrivals. Tourism was earlier projected to grow by 10% in foreign revenue next year expecting a total of 17 million visitor arrivals. For domestic market, earnings from next year's travel industry will reach 407.6 billion Baht, an increase of 5% from this year, with approximately 87 million trips being made (TAT 2008).

Human Resources Development In The Tourism Sector

The rapid growth rates in the industry have a direct impact on tourism employment and human resources development in terms of demand for professionals, specific skills and related training and education facilities. The need to develop and train the required human resources in various segments of the tourism industry has been widely recognized in Asia and the Pacific (UNESCAP, Nov 2005).

The United National Development Program Report 1996 charged all ASEAN members, and Indo-China with relatively poor human resource development (United Development Report, 1996). The UNDP-1996 report ranked 174 countries throughout the world according to a "human development index" based on factors such as adult literacy, education, per capita GDP and life expectancy. None of the ASEAN members was ranked among the top 20 countries.

Progress has been made on four main issues (identified at the Intergovernmental Meeting on Tourism Development held in 1996), but they still require consideration in view of the constraints that are still found in human resources development. The four main issues are a) shortage of qualified human resources b) gaps in the availability of tourism training infrastructure and qualified trainers and teachers, c) the lack of attention given to the conditions of work in the tourism sector and d) the ongoing need for long-term national strategies and policies covering human resources development in the tourism sector.

Current Status Of Human Resource Development in Tourism

Tourism labour force supply and demand

Singapore is also getting ready for the spike in manpower demand in the tourism industry, especially with the development of the two integrated resorts and several signature events that Singapore will be hosting to attract the international tourist dollar. Therefore, the government is investing S\$360 million over the next three years in manpower development to train and prepare some 74,000 workers for the growth in the tourism sector.

More tourists will mean more jobs for Singaporeans. Singapore can expect some 50,000 to 60,000 new jobs in the tourism industry over the next three years, with a wide range of service careers from managers and accountants to event organisers, surveillance officers and chefs. More full and part-time service workers will be needed to be tour

guides, retail assistants, waiters and guest-relations officers to give our visitors a "Uniquely Singapore" experience. The prospects for a career in tourism-related sectors have never been brighter.

In Macau, a recent study conducted by the Institute for Tourism Studies found that another 156,000 workers or about 85% of the 2006 workforce will be needed to sustain Las Vegas-style round-the-clock operation in Macau. The study on manpower assessment and needs was commissioned by Macau's Secretary for Social Affairs and Culture and conducted in part by the University of Nevada Las Vegas William F Harrah College of Hotel Administration (Macau Govt Tourism Office June 2008). The hotel and gaming sector will likely have the highest demand for new human resources, estimated at around 66,000 followed by 33,000 for wholesale and retail and 30,500 for public administration and social security. With close to 27 million visitors in 2007 already straining existing human resources, Macau must adopt effective policies for imported labour to meet the needs of the future (Macau Govt Tourism Office June 2008).

The biggest crisis facing Thailand's travel trade is trained human resources. There are simply not enough trained people, in rural areas where they turn rice farmers into waiters. The culture of service delivery has been ingrained in the people of Thailand for many years but as the economy continues to grow at a rapid pace, and more opportunities are presented to locals from other industries, the tourism and hospitality industry can run the risk of a drop in standards from less people entering the workforce.

The tourism industry must continue to attract new generations by offering a clear career path. The focus is up-skilling the existing workforce and offering training programmes that meet international demands. Foreign talents that work in Thailand must also adopt the approach of developing local talent with clear succession planning within their organizations. Thailand should maintain its culture in the face of rampant development and attend to maintenance and retention of human resources in the face of competition in the region.

Major issues facing Human Resource Development

According to an ILO 2003 report, a number of trends are emerging in the labour market that are common to many countries throughout the region. Two of the issues that concern human resource development are mobility of labour and skills shortages.

For more skilled openings, particularly at managerial and professional level, most companies noted that there was a need to import labour from abroad. Hotel companies in China, Malaysia and Indonesia made specific mention of the lack of qualified personnel at this level. They noted that the procedure for importing labour could be time-consuming and sometimes difficult. It was felt that the transfer of technology and knowledge skills was an important element in their staff development.

Low worker commitment and a shortage of skills are the most frequently cited problems facing the industry by both the trade itself and by industry practitioners and organizers. Particular mention was made of the need to train chefs in specific cuisines to cater to the tastes of the increasingly cosmopolitan traveler. Skills at the management level are particularly lacking in many countries and a shortage of those with leadership qualities appears to be a common problem.

Besides these, according to an ILO report in 2003, there are other common issues faced by the tourism sector. The issues are the quality of training, relationships with the industry and career development concerns. There is concern over the quality of many of the training courses currently offered. In some countries, the lack of national standards, or the shortage of well-qualified trainers or even shortage of resources to fund training centers and programmes.

Another issue in many countries is the lack of contact between the travel and tourism industry and the academic establishment that is responsible for higher-level training and education. This indicates a need for central authorities such as the relevant government ministries or the national tourist office, depending upon the distribution of responsibilities, to take lead in improving cross-sector co-operation.

Even where lower-level training is broadly satisfactory, there is concern over a lack of skills upgrading and opportunities for life-long learning. The point is made that it is often difficult for staff to progress through the organisation that employs them. If this situation could be improved, it would create a “virtuous circle” by providing better opportunities for skills upgrading. This could help to eliminate the perception of an industry that offers career perspectives, thereby improving its ability to attract new recruits (ILO, 2003).

Human Resource Development Strategies

Regional Level

In April 1996, ASEAN labour ministers adopted four projects for co-operation among the seven member States. These are a project on promotion of self-employment and development in the informal sector, a project for an ASEAN training and information center for improvement of working conditions, an ASEAN program on industrial relations, and an ASEAN regional project on human resources development planning. In addition, ASEAN members are working on establishing common skilled-labour standards to facilitate the employment and mobility of skilled workers (Competitive Review, Jan 1999).

In order to address some of these issues, the members of ESCAP took the initiative in 1997 and created the Network of Asia-Pacific Education and Training Institutes in Tourism (APETIT), which has grown to include 211 education and training institutes and national tourism organizations in 42 countries and areas. Closer cooperation among countries of the region is one way to overcome some constraints related to human resources development effectively, since various countries and tourism organisations and institutes possess certain strengths and expertise that could be usefully shared with other APETIT members. Networking has strengthened institutional links among tourism training institutes and formed the basis for exchanges of expertise, experiences and information related to human resources development.

Regional cooperation in sustainable tourism development could mobilise international and regional organizations to provide supporting action in appropriate issue areas that link poverty reduction to tourism development. Multi-stakeholder groups could be involved in catalytic regional initiatives that incorporate innovative strategies as well as expand the implementation of proven approaches. The ongoing need to develop and train the human resources required to provide tourism services effectively and

efficiently leads to the recommendation that partnerships and networking to support tourism education and training be strengthened (UNESCAP, Nov 2005).

National Level

At national level, three countries' strategies will be examined. They are Singapore, Macau, China and Thailand.

Singapore. In Singapore, a TOURism TALent Plan (TOTAL) was drawn up by the Work Development Agency (WDA) and the Singapore Tourism Board (STB). The plan is to prepare the workforce for the spike in manpower demand for the three years. At the same time, the TOTAL Plan aims to enhance the professionalism and improve the image of the tourism industry (STB, Oct 2007). The three-thronged approach looks at Continuing Education and Training (CET) for adults, pre-employment training for students and industry development to attract local workers.

Under the CET for adults, STB has launched an incentive scheme, the Training Industry Professionals in Tourism (TIP-iT), which supports companies who wish to develop their manpower through the acquisition and application of specialized skills/new capabilities that would contribute to STB's Tourism 2015 objectives. The STB aims to train 3,000 senior executives over the three years. Besides this, STB will be developing the Tourism Training Infrastructure Enhancement Scheme that will provide funding for tourism training infrastructures and facilities for specialized training skills for three years. The TOTAL Plan seeks to train a total of 36,000 non-tourism workers in service skills over three years. This will enlarge the reservoir of potential tourism workers to meet the increasing demand for frontline service workers and to facilitate labour mobility between industry sectors. The last area under CET for adults looks at improving the image and professionalism of the industry and make tourism a choice career. The plan is to train and upgrade the skills of 11,000 existing tourism workers focusing on managers and supervisors.

In the area of pre-employment training for students, there will be introduction of more tourism-related disciplines and scholarships to help industry attract talented manpower. STB has been working with post-secondary education institutions to introduce new courses. About 6,000 students will be trained in tourism-related disciplines in three years. STB, WDA and SPRING are offering scholarships to diploma, undergraduate and post-graduate levels at various programmes to attract talent into the tourism industry.

To attract local workers into the tourism industry, STB will launch Tourism Careers Campaign to enhance the attractiveness and improve the image of the tourism industry as an employer of choice. STB will implement the HR/Workplace Practices Scheme to boost the tourism industry's effort in job enhancement and engage the industry partners to improve the workplace and HR practices. The Job Re-creation Programme will redesign some jobs for the hotels, travel services and attractions to attract mature workers to join the tourism industry. The last effort is the Customer Centric Initiative (CCI), a national effort to transform Singapore service standards.

With the TOTAL Plan, the Singapore government aims to train 74,000 workers for the tourism industry with an investment amount of more than \$360 million for three years.

Macau, China. Labour migration into Macau, China is permitted under strictly controlled procedures covering skilled and unskilled labour under separate government decrees from 1988. The government authorizes the importation of foreign labour where the appropriate skills cannot be found locally. The company is fully responsible for the foreign worker including repatriation if necessary (ILO, 2003).

Thailand. Thailand has secured a pledge from the World Tourism Organization (WTO) to assist with the compilation of a Tourism Satellite Account (TSA) as well as the National Tourism Development Plan 2002-2006. Both are critical to the development of Thai tourism in the years ahead. The TSA is an accounting system designed to measure the precise impact of tourism on a national economy, including foreign exchange earnings, jobs, gross domestic product and other economic indicators. Doing this allows the tourism industry to convince ministers and policy-makers to give it due support in line with the economic and social benefits it generates.

In addition, WTO will assist TAT in drafting the tourism component of the Ninth National Economic and Social Development Plan (2002-2006) and educating Thai hospitality industry trainers and educators to meet the WTO's Quality Assurance and certification standards. These training programmes will be a continuation of the seminars and projects held over recent years, with WTO help, including Educating the Educators, and Energy Conservation in Hotels and Resorts (TTG, Dec 2000).

Conclusion

Tourism receipts are growing strong in Asia, contributing a considerable amount to GDP in many countries. As the region looks forward to the next century, the challenges of infrastructure development, environment protection policies and above all, the shortage of skilled manpower, both at craft and management level in the tourism industry, loom large. The need for trained and skilled staff is one of the most pressing issues facing the ASIA region at present. Each country has developed strategies at regional and national levels. These strategies must be implemented to alleviate the shortage of trained manpower for the tourism industry.

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