Necessity of Changes in the System of Hospitality Industry and Tourism Training in Terms of Import Substitution

Natalia A. Zaitseva1*, Irina V. Goncharova2, Marina E. Androsenko3

1Plekhanov Russian University of Economics, Moscow, Russia, 2Russian Academy of National Economy and Public Administration, Moscow, Russia, 3State Institute of New Forms of Learning, Moscow, Russia. *Email: zaitseva-itig@mail.ru

ABSTRACT

The purpose of the authors in this study was to prove the relevance of research identifying the necessity of changes in the system of training for hospitality industry and tourism in terms of import substitution. The aim of this research was to assess the significance of tourism in the framework of import substitution, to justify the need for changes in the system of training for hospitality and tourism industry in recent situation. It is also essential to give practical recommendations on training and education development. The authors implemented expert assessment method and statistics analyses, tourists’ questionnaires evaluating their travel preferences and personal materials and findings to enable construction of complex model of training and education development for hospitality industry. All above mentioned techniques allow authors to introduce their own findings concerning this issue in terms of import substitution. Through the study the authors scrutinize and generalize the problems concerning training and education for hospitality industry and give offers and solutions to improve activities most vital and perspective for the industry. The authors emphasize that it is essential not only to follow our national concept of import substitution but also to take into consideration the employers’ requirements for staff working in hospitality. Furthermore, it is of vital importance to influence hospitality management to take part in educational programs development, while educators and scientists should introduce new technologies of customer service to the business organizations. As a result of implementing authors’ recommendations given in the following article it will be likely to generate competitive tourism products and modernized educational programs which will meet customers’ demands. The article findings are of practical importance for training and development in hospitality industry organization. It also has practical significance for all types of training organizations in hospitality industry and researchers of international training for the industry in the terms of import substitution.

Keywords: Tourism, Import Substitution, Personnel Training, Development

JEL Classifications: H25, H54, O14, Z31

1. INTRODUCTION

1.1. The Role of Tourism in World Economy

Development of tourism industry in modern economy is booming. The contribution to world economy from tourism sector has been rising significantly. In 2015 the World Travel and Tourism Council announced that tourism sector generated 10% of the world gross domestic product. It is more than automobile industry (7%) and even chemical industry (8.6%). Tourism generated 5.4% of international export and nearly 30% of service export according to the statistics in 2014. Tourism stimulates many supporting industries due to multiplying effect. As a result the contribution of travel and tourism economy to total employment is expected to rise substantially and every 11th job of total employment will be to some extent connected with tourism industry.

It is evident that “tourist product is a result of complex production process” as it was highlighted by Smith, the author of tourist product concept. Thus tourism has both direct and mediate influence on world economy (Smith, 1998).

Tourism is considered to be the basis for stable destination development in a number of regions. But nevertheless United Nations World Tourism Organization (UNWTO) pays attention to problems connected with intense growth of tourism in their research of positive effect of this industry on economy in general. UNWTO identifies the following problems of reverse

...
tourism influence: Negative effect of rural and eco-tourism on environment, ambiguous impact of tourism on cultural and natural heritage of some countries, wild life preservation necessity and many other factors (Bunakov, 2015). These different attitudes to pros and cons of tourism impact make some researches doubt about the positive effect of tourism. Some of these authors are Middleton and Hokin (Souty, 2003). Another researcher, Miller, singled out that tourism possesses indicators of stable growth. He highlights the following problems: Natural environment protection, employment of local residents in tourism infrastructure development, capital outflow and customer satisfaction (Miller, 2001).

1.2. Impact of Tourism Development on Training and Education for Hospitality Industry

Research of tourism development and its impact on social and economic situation worldwide and some particular regions will seldom come across problems connected with influence of tourism development on training and education system for tourism and hospitality in the whole (MNC Horizon Report: 2015, 2015).

The gap between educational programs of many universities and professional schools and requirements of employers and labor market in hospitality industry has been determined due to the influence of changing working environment in conditions of modern economy in general and enhanced demands for personnel competence and skills (Folmer and Jeppesen, 2003; Hafeez et al., 2002; Holtzman, 2008; Rakitov, 2004).

There has been significant discrepancy in students’ proficiency and competence and employers’ demand for efficient workforce (Singh et al., 2013). Many hospitality professionals assess graduates’ competence to be at a low level (Sirat, 2010).

The substitution concept put on special requirements to tourism and hospitality employees in many countries including the Russian Federation as well. This concept is being practically implemented in different ways starting from partial support on regional level and reaching the state level implementation of national import substitution program. Specialists who are involved in national package tour development should possess skills of competitive tourist product generating and promoting. Branding tourist destinations is also a vital skill for tourism personnel (Dzhandzhugazova, 2013). Unfortunately we can state that modern system of professional education for tourism does not meet employers’ requirements both on regional and international level. Tourists nowadays are also waiting for better service while travelling to different destinations due to changing customer demand.

2. METHODOLOGICAL FRAMEWORK

Desk research, expert assessment and sociological research methods were used by the authors in the process of international and national experience of hospitality education analyses.

The results of the hereafter mentioned organizations were used in the research: Master Card Global Destination Cities Index 2015, American Express Spending and Saving Tracker (1,500 respondents), Eurobarometer interview (30,1000 respondents in 33 European countries), interview conducted by The All-Russian Public Opinion Research Center (1,6000 respondents in RF). Moreover the authors used research findings while interviewing education system specialists and hospitality industry professionals in terms of import substitution: There were 300 respondents who are involved in the process of Higher Education in Moscow (“Tourism related programs”) and representatives of Moscow travel agencies. The research was conducted in September 2015.

In order to make general conclusion of the research generalization and synthesis methods were used which allowed authors to make personal assessment of training and education system for tourism in the framework of import substitution. It will also allow authors to give recommendations on system improvement.

3. FINDINGS

3.1. The Impact of Tourism on Employment

The main thesis, which was used in this study, was the fact that in most developed countries tourism has become one of the basic needs for middleclass. Therefore, in the latest report of the World Economic Forum it was stated that middle class in not only in developed but also in developing countries considers the annual family trip as a major need, which is still second after buying a car. That is why the number of tourist trips is growing from year to year. While in 1950 the total number of tourists in the world amounted up to 25 million people, in 1995 it already exceeded 0.5 billion people, whereas in 2014 it was 1.1 billion people.

Revenues from tourism grew in a similar manner: From 2 billion dollars in 1950 to 1.245 trillion dollars in 2014. The main reason was not only growing number of tourists, but also the fact that tourists expenditures increased, as shown in Figure 1.

For the period from 2009 to 2015, tourist expenditures grew by almost 45%. Clearly, that these expenditures are not only for traditional tourist services (hotels, restaurants, museums, etc.), but also for supporting services included in the integrated tourist product. It is important to develop recreational infrastructure so that it will meet tourists demands in order to provide high quality tourist services. It has become obvious long ago for countries where tourism became one of the most important sectors of national economy. The Seychelles and Malta are foremost among the top countries to employ most active labor force in the tourism industry (Figure 2).

Thus, it is obviously that development of modern tourism infrastructure will be unfeasible without increasing attention to the personnel training system. It should be done taking into account the employers requirements and the changing tourists’ preferences.

3.2. Tourism as Industry, Providing Import Substitution

One of the most important reasons why citizens of different countries prefer to spend their holiday at home, i.e. to get involved in the system of import substitution, is available essential
infrastructure for holiday making and travel (change of holiday destination from foreign into domestic).

Such citizens all over the world account for the majority of population which is obviously given on the example of three tourist groups: Americans, Europeans and Russians (Figure 3).

Despite the fact that the proportion of the population who prefer not to go abroad on holidays for these three groups is different, there is a clear upward trend in all three groups. The reasons for this growth are different. For Russians the main reason is lack of budget for any holiday (according to the statistics every fifth Russian resident could not afford any holiday expenditures), whereas for Americans the reason is absence of opportunity to take a holiday.

However, the main commitment for the government in many countries is the development of various forms of tourism industry support and stimulation of the residents’ interest to travel for leisure within the country. Therefore, in Russia proportion of state budget on tourism development has been steadily increasing for the 5 consecutive years (Figure 4).

One of the important items of expenditure of the federal target program “development of domestic tourism in the Russian Federation (2011-2018 years)” is training and retraining of those who are already working in the tourism industry. However, as the results of research conducted by the authors (Zaitseva et al., 2015), training and skills development occurs on older programs do not meet the requirements of the market.

3.3. Perspective Guidelines for Tourism Personnel Training and Education

Training and education system for tourism has been undertaking slow but certainly stable development and changes. Top priority should be given to the mostly perspective and required labor market professions and jobs (The Foresight of the Russian education 2030, 2013). We will spot the most perspective professions. It was already mentioned in Atlas of new professions (Version 2.0, 2014) that as a result of implementation of the most significant trends such as using new mechanic technologies and even robot technologies in tourism and simultaneous enhancement of customization and individualization in customer service in tourism there will be a growth in demand for unique service creating new impression and emotions.

Atlas of new professions for service and hospitality will require including by 2020 such professions as: Producer of tailor-made tours, destinations brand manager, intellectual tourism system developer, designer of additional destination reality, developer of tour navigator. Later after 2020 there might be a need for robot concierge (specialist responsible for operating and controlling housekeeping robots in hotels) and destinations architects (specialists responsible for information landscape creation) taking into consideration destination resources types and preferences of tourists and most required type of tours for the period in question.

It is evident that we can’t find any professional school or university which will offer educational program for such professions neither in Russia nor in any other country. At the same time concept of import substitution realization requires training and education of efficient specialists who will be able to create competitive regional tour product that will meet local and foreign customers demand.

4. DISCUSSION

The problem of research how tourism influences country economy and system of training and education for tourism and
hospitality is revealed in works of the following researches Frechtling (1999), Gollub et al. (2003), Hawkins and Middleton (1998), Honek (2001), Ko (2005), Bayburova and Stepanenko (2013) and others.

At the same time we should mention that the above mentioned authors analyze issues concerning training and development for all types of tourism: Inbound, outbound and to some extent - domestic tourism. The concept of import substitution has not been analyzed at all.

Research carried out by the authors has principal difference with other approaches to training and education for tourism. Authors consider the system to be one of the drivers for national economy which has a potential to stipulate domestic demand both in the tourism industry and supporting industries.

But tourism will be able to become a driver in economy only when it is provided with qualified human resources. To implement this task it is essential to address the issues related with training and education system for tourism. Based on analyses of industry employers and representatives of professional schools interview results carried out by the authors in September 2015 in Moscow, we can allocate top priority problems in human resources training which were identified by this two groups of residents (Table 1).

In conclusion of research study we present the following model of training and education for tourism industry system changes in conditions of import substitution (Figure 5).

In the following model secular arrow points out that while considering national system of import substitution in tourism industry requirements for business community (employers) and educational system change in process of mutual influence: Employers introduce amendments for recent educational system and representatives of education and science introduce new technologies in customer service. This interpenetration will make it possible to react quickly to the changes of consumer behavior and implement new products and technologies.
Table 1: Top most important problems conserving training and education for tourism in conditions of import substitution.  
Source: results of the research carried by the authors, 300 respondents

<table>
<thead>
<tr>
<th>Tourism industry employers’ opinion</th>
<th>Representatives’ of training and education for tourism opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing educational standards are not relevant for training efficient personnel for tourism industry</td>
<td>Employers do not want to take active part in the process of training and education of personnel and modernization of educational programs for tourism</td>
</tr>
<tr>
<td>Tourism industry requires universal specialists who will be able to work in multiple task environment and stressful situations. Educational system does not train students to acquire these qualities</td>
<td>Financial difficulties lead to overstaffing and negatively affects the quality of educational programs</td>
</tr>
<tr>
<td>There is lack of cooperation between professional and educational standards</td>
<td>Employers do not want to take part in students training, organization of master classes, and internship for students and teachers</td>
</tr>
<tr>
<td>The teachers qualifications do not meet tourism industry requirements</td>
<td>Employers in tourism do not want to organize internship for students because many companies make employees redundant and even close up</td>
</tr>
<tr>
<td>There is no technology of employers’ assessment of educational programs quality and graduates’ proficiency</td>
<td>Travel companies run mostly outbound tourism whole in circumstances of import substitution it is essential to develop training and education for the needs of domestic tourism</td>
</tr>
</tbody>
</table>

5. CONCLUSION AND RECOMMENDATIONS

The authors used materials of international research of training and development for tourism industry and analytical and statistical data. Thus, necessity for changes of educational system as not relevant for implementation of import substitution concept is well founded.

Having scrutinized training and education system for tourism we can state that that most companies in this industry show their interest in changes of education system and are willing to take part in integration concerning this improvement. That is why it is important to oblige employers start formulating their social demand for graduates they really need, identifying qualities and skills they find crucial. This demand should be individual and different for all regions of the country. It will be possible only when employers start working out educational standards and programs together with teachers and scientists. It is highly recommended that representatives of tourism companies come to universities for open door days, take part in master classes and get involved in internships.

It will enable to stimulate demand for domestic tourism only if we create competitive national and regional tourism product in the terms of import substitution. Otherwise residents will prefer other variants of spending their leisure time or even stay at home for the period of economic downturn but they will not spend their money on bad quality service.

The findings of research conducted by the authors of this article can be used in development of both national and regional programs of import substitution. They also can be helpful while working out strategy for tourism development on regional level in RF. Also the results of the following study can be recommended for management of educational organizations which are involved in training for tourism industry as they are facing certain obstacles due to demographic recession and lack of students. Valid priorities’ determination for types of training and education for tourism industry will provide competitive educational product for the market in question.

REFERENCES

Miller, G. (2001), The development of indicators for sustainable
tourism: Results of a Delphi survey of tourism researches. Tourism Management, 22, 351-362.


