The Hospitality Talent Gap
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China’s hospitality and tourism industry creates jobs and contributes to the country’s GDP, but it also faces human resources challenges.

by Vincent Wolfington and Mark Wolfington

PRC government policy initiatives, rapid economic growth, and recent events, such as the 2008 Beijing Olympics and the 2010 Shanghai Expo, have helped China’s tourism industry expand rapidly in recent years. Despite adding many new employees in this fast-paced sector, foreign hospitality and tourism companies in China continue to face a shortage of skilled workers.

At the same time, few educational institutions in China focus on hospitality and tourism, and those that do, lack programs that sufficiently prepare hospitality workers to provide services that integrate international standards and best practices. Education experts note that today’s graduates will need a skill set that integrates contemporary knowledge and best practices to succeed in a rapidly changing work environment—and the tourism industry is no exception.

Government tourism industry plans

PRC government leaders have acknowledged the important role the hospitality and tourism sector plays in China’s expanding economy. In November 2009, China’s State Council released the Guidelines to Accelerate the Development of the Tourism Industry, which aim to develop the hospitality and tourism sector and make it a significant segment of China’s economy. To achieve these goals, the guidelines encourage provincial governments to encourage the construction of more hotels and convention centers, provide more transportation services, build more recreation and entertainment outlets, and improve tourism services to compete internationally. In addition, the guidelines recommend that the government develop more qualified entry-level and skilled workers in the hospitality and tourism industry by improving vocational training and enhancing the hospitality curriculum.
China’s tourism boom and human resources gap

The Beijing Olympics and the Shanghai Expo helped the travel industry in China mature by exposing the country to foreign and domestic travelers and spurring infrastructure development. For example, China had roughly 10,200 hotel enterprises nationwide in 2006, but the country boasted more than 15,000 such enterprises in 2010, according to the PRC National Bureau of Statistics (see China Data). From 2006 to 2010, business revenue from hotel services expanded from ¥155.2 billion ($24.4 billion) to ¥279.8 billion ($44 billion).

As China’s hospitality and tourism industry has grown, the demand for qualified workers has increased as well. Over the next few years, the hospitality and tourism industry will become one of China’s largest employers. The World Travel and Tourism Council estimates that the travel industry in China contributed roughly ¥1.1 trillion ($173 billion) in 2011, or 2.5 percent of China’s GDP. The industry’s direct contribution to employment in China is forecasted to expand from roughly 23.1 million jobs in 2011 to 26.6 million jobs by 2021. Further, the hospitality and tourism industry in China has the potential to create rewarding, higher-paying jobs with opportunities for upward mobility. Like many other sectors in China, the tourism and hospitality industry also struggles with employee turnover. Some anecdotal evidence suggests that turnover among hotel workers can be as high as 40 percent per year.

Such turnover rates, combined with rapid industry expansion, are creating a widening gap between supply and demand for qualified workers who understand international standards and best practices. Researchers at Hong Kong Polytechnic University in 2000 analyzed the training and education needs of mainland Chinese academic institutions that teach hospitality and tourism. They reported that China’s lack of qualified tourism educators and employees is a common concern among all levels of Chinese tourism education. Their analysis concluded that the training and educational challenges facing China in the 21st century include improvement of the tourism education system and structure; improvement in syllabus design, with a greater balance between theory and practice; change from a traditional teaching mode to a modernized, innovative, and interactive teaching mode; and greater responsiveness to the industry’s needs.

More than a decade later, China’s tourism education system still faces the same challenges. Industry experts and senior managers at foreign hotels in China report that the country’s current tourism education system remains insufficient because it lacks standards, experienced teachers, and industry input. According to Global Ambassador Concierge LLC’s research and experience, an improved tourism and hospitality education should give students the hands-on, practical knowledge they need to work in an industry with increasingly higher expectations for professionalism.
China’s tourism education system would benefit greatly from collaboration between the public and private sectors. The public sector should implement a standard tourism and hospitality curriculum, as well as hire qualified teachers. The private sector can facilitate the development of teacher training programs and teaching guides that outline critical skills. Private sector involvement in curriculum development can help prepare students for situations they will encounter on the job, as well as introduce the concept of guest services and international standards and best practices.

Educational institutions in China should take specific steps to update course curricula and materials to develop students’ functional, social, and business skills through the following elements:

**Case studies**
Case studies should be designed to develop job skills and to provide testimonials about Chinese professionals who are successful in the hospitality industry. Such studies can also provide students with examples of how tourism and hospitality professionals have dealt with difficult management situations.

**Role-playing activities**
Role-playing activities should be designed to foster communications skills and public speaking, including activities such as reading out loud in class, sharing answers to questions with the class, delivering oral presentations, and participating in class discussions. These exercises allow students to act out situations they may encounter on the job. Role playing can also be used to teach customer service skills and how to perform specific functions of common hospitality and tourism jobs.

**Interactive discussions**
Discussions between the teacher and students and among students help develop teamwork, critical thinking, and communications skills. These discussions can help students learn from each other about their individual practical experiences and promote teamwork through group problem solving.

**Guidelines**
A tourism and hospitality curriculum should introduce students to guidelines on work habits and attitudes, customer service techniques, marketing skills, quality performance, and strategies for career advancement. For instance, the guidelines should be designed to facilitate learning about the organization of hotel departments, the management position hierarchy, and the compensation ladder related to promotion. Understanding these guidelines may help hotels with staff retention efforts.
An effective hospitality and tourism curriculum should develop students’ knowledge of foreign cultures and their understanding of how to juggle complex tasks and work on international teams. These skills will be important for tourism industry employees that work for large or small international or domestic firms. Such skills are critical to teaching employees to manage conflicts among co-workers as well as between employees and customers. The curriculum should also emphasize the importance of developing a career in hospitality and tourism and provide a map to higher levels of responsibility and pay, which should reduce employee turnover. These lessons can be incorporated into the presentation of practical skills through case studies, role play, and practice.

Developing more tourism infrastructure—hotels, resorts, transportation, tourist destinations, and other amenities—is not enough to meet the needs of this rapidly expanding industry in China. The PRC government and private enterprises must invest in tourism and hospitality education to fill the critical gap in workers who understand international best practices. China has invested billions of dollars in infrastructure, but now is the time to invest in human resources and skills development.

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