Overview of Research on Domestic Tourism Talents Supply and Demand

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Abstract

Tourism in China has been developing very fast recently. The key recourse of tourism is talent. Currently, China tourism's problem exists in the relationship between talent supply and demand, in which the supply is insufficient and imbalanced. However, little research has been conducted on the prediction of the tourism talent demand, and hence little literature is available. This paper uses growth of Gross National Product (GNP) per capita, number of inbound tourists, number of domestic tourists, and technology development as variables to predict total number of tourism talents.

Keywords: Tourism Talents; Supply; Demand

1. Introduction

Tourism industry has become number one industry global wise. According to World Tourism Organization (WTO), tourism population and revenue will have annual growth of 4.3% and 6.7% from 2010 to 2020, respectively, which is higher than annual 3% growth of wealth at the same period. By 2020, tourism industry will have revenue at $16 trillion, 10% of the world's Gross Domestic Product (GDP), and will provide 300 million job opportunities, 9.2% of the world's job positions. These will strengthen tourism's number one industry position in the world.

China is fastest in tourism development among the world. According to the WTO, by 2020, China will become the number one tourism destination and number four tourist source. The industry development demands more tourism talents. However, the supply of tourism talent (note: tourism talent refers to students graduated from higher education tourism colleges or vocational schools) is far less than the demand. Not only the quantity but also the quality of graduates is low, and employment rate in the tourism industry is low as well. It is difficult for the tourism colleges and schools although the industry may look promising because structural unemployment rate is high. The insufficiency, low quality of graduates and structural employment imbalance bring problems to further development of tourism. Therefore, it is in need to predict the tourism talent supply and demand, to approximate the total number and structural level of talents.

2. Research on China Tourism Talent Supply and Demand

2.1. Debate on the number of supply and demand

According to World Tourism Council, China tourism industry revenue will increase from $500 billion (9.2% of GDP) to $1.697 trillion (9.7% of GDP) from 2010 to 2020. China's has a great tourism market potential. According to "China Tourism Industry twelve five-year development plan", by end of 2015, domestic tourist population will reach 3.3 billion, with revenue of 1.94 trillion Yuan, and tourists from overseas will be 153 million, with revenue of $54.9 billion. And 83 million people traveled abroad. Total tourism revenue was 2.32 trillion Yuan, and direct employment reached 15.25 million.

In fact, most of the numbers significantly exceeded the target numbers shown in "China Tourism Industry twelve five-year development plan". In 2013, the domestic tourist population was 3.262 billion, and revenue was 2.627612 trillion Yuan, 10.3% and 15.7% increase from 2012, respectively. The number of tourists from overseas was 129 million, and revenue in foreign exchange was $51.664 billion, 2.5% decrease and 3.3% increase from 2012, respectively. The number of Chinese tourists to other countries was 98.1852 million, 18.0% increase from 2012. Total tourism revenue in 2013 was 3.36 trillion Yuan, 14.0% increase from 2012.

Tourism in China has been developing very fast recently. The key recourse of tourism is talent. According to the statistics analysis, talent development is highly dependent on economic development. From 2000 to 2005, the direct employment in tourism increased 5.83% annually, and revenue increased 11.21% annually. The ratio of revenue increase rate to employment increase rate is 1.92, i.e., every 1% employment increase will create 1.92% revenue increase.

Tourism industry is highly related to and can promote development of other industry. The number of industry related to tourism is more than 110. The qualification for tourism employment is low, and it has large number of openings and employment rate. In 2009, China had more than 11 million tourism employees and more than 65 million tourism related employees, with 500 thousand new hires annually, which was 9.6% total employment in that year. In 2013, the number of tourism employees and tourism related employees increased to 13.5 million and 80 million, respectively. Tourism has played a key role for economic and society development. However, the talent supply is far less than the demand.

There is debate on the number of employment increase in tourism. From literature review there are some different opinions. According to some scholar, in eleven five-year plan, China tourism employment increased 700 thousand per year, and by 2010, the tourism employment was more than 10 million, and the employment in tourism related industry was more than 49 million. There are still more than 2 million demands on tourism talents, which will increase 200 thousand annually. Former chief of National Tourism Administration, Shao Qiwei stated that by 2015, the revenue increase from tourism will account for 4.5% of GDP increase, and 12% of service industry increase. The direct employment increase in tourism will be 500 thousand each year. Tourism industry plays more important role in ensuring revenue increase, broadening domestic need, adjusting structures and promoting employment. According to "China Tourism Industry twelve five-year development plan", the direct employment increase in tourism is 750 thousand annually, while based on WTO, during eleven five-year and twelve five-year, the direct employment increase will be one million annually. According to other sources, during 2005 to 2015, China will need 4 million more tourism employment annually. Therefore, by 2015, the total employment will be 70 million to 75 million.

Despite the debate, tourism has most employment in all industries, and talent supply is far insufficient.

Partly estimated, tourism related PhD enrollment and graduates were about 200 each in China, and PhD candidates were about 800. And master enrollment and graduates were about 1600 and 1300, respectively, and master candidates were about 4300. According to Summary of Tourism Colleges and Schools in China from 2012 to 2013, higher education and secondary vocational school graduates were about 185.4 thousand and 104.4 thousand, respectively, and subtotal was less than 300 thousand. It shows a trend of decreasing. The talent supply is significantly less than demand.

2.2. Tourism Talent Structure

China has joined the world economic loop and adapted the international practice. According to the WTO, by 2020 China will become the number one tourism country,

therefore there is demand for diversity and internationalization of tourism talents. According to the experience of developed countries on the tourism talent structure, the ratio of talents with master degree to bachelor degree should be between 1:10 and 1:16. Some scholars conducted study on tourism industry (especially on tourism hotels, travel agencies and graduates interns), and it reveals that tourism requirements for graduates are: first, high level management talents with international knowledge and management skills, or creative overall management talents who know foreign languages and are familiar with tourism industry. The demand on this level accounts for 10% of tourism management employment, such as hotel general manager, chief marketing officer, and chief human resource officer. Second, mid-level management talents with some theoretical knowledge, which account for 20% demand of tourism management employment, such as hotel operation manager. Exhibition tourism, tourism product development has high demand on this level of talents. Third, talents who have some management skill and service technique, which account for 70% demand, such as tourist guide (including high demand foreign language tourist guide), hotel operation department supervisor, excellent servicer and front desk receptionist. Finally, tourism also demands e-business special talents.

In 2013, tourism related PhD enrollment and graduates were about 200 each, master and bachelor graduates were about 1300 and 42.2 thousand, respectively. Graduates from higher and secondary vocational schools were 143.2 thousand and 104.4 thousand, respectively. Therefore, in the talent pyramid, there are about 1.5 thousand with advanced degree, 185.4 thousand with bachelor or higher education degree, and 104.4 thousand with secondary vocational degree. The ratio of graduates with advanced degree and bachelor degree is far less than 1:10 or 1:16. The ratio of graduates with bachelor degree and above to higher vocational and secondary vocational is 4.37: 14.32: 10.44, which deviates from 1:2:7 as stated above. The numbers above show imbalance on the talent structure level.

3. Literature Review on Research of China Tourism Talent Supply and Demand

There is a bunch of literature on the tourism human resources, however, little is on prediction of talent supply and demand. Some literatures are summarized below:

3.1. China Tourism Talent Supply and Demand Prediction Research Based on Grey System – by Li Yangyang, Yang Qiang

Li Yangyang's research was based on assumptions below:

1. Tourism talent supply refers to supply of tourism management students from tourism higher education and

secondary vocational schools; Tourism talent demand refers to demand from tourism industry.

2. China tourism industry employees refer only to tourism management graduates from tourism higher education and secondary vocational schools. [1]

In the author's opinion, the first assumption should refer to the graduates only, not all those students who are still in the colleges. Moreover, Li Yangyang only listed star-rated hotel, travel agency and others as the number of people working in tourism, and neglected the number of people working at tourism scenes. The predicted total revenue in 2013 was 2.057191 trillion Yuan, which is far less than actual 2.627612 trillion Yuan. Therefore, the number of people working in tourism must be higher. Also, Li and Yang took ¼ of 927.055 thousand higher vocational schools students (231.763 thousand) as the number of graduates in 2013, which is far more than actual number of 186.9 thousand. Similarly, Li and Yang took ¼ of 630.021 thousand secondary vocational schools students (157.505 thousand) as the number of graduates in 2013, which is far more than actual number of 104.4 thousand. According to Li and Yang, the supply is lower than demand from 2011 to 2020.

3.2. Hunan Tourism Talent Demand Prediction Model – by Sheng Yanchao

This research was based on the variable selection on predicting total number of tourism talents. GNP was taken as an indirect variable on promoting the number of tourism talents, based on Stephen, Wei Xiaoan (1993) and Sun Gennian (1998) research results. Sheng stated that the development trend and increasing rate of the total number of tourism talents mainly rely on economic, technology and society development. More specifically, first is national economic development (such as GNP increasing rate), second is total tourism revenue, and third is tourism factors investment (such as human resource and capital investment). Therefore, the model used growth rate of GNP, number of tourists from overseas, number of domestic tourists, and technology development to predict the growth rate of the number of tourism talent.

Sheng stated that GNP reflects citizens' tourism motivation and ability, and technology development reflects a nation's tourism scale and potential. The number of domestic tourists also reflects one nation's tourism scale, and the scale and potential of tourism industry should be supported by a number of tourism talents. Therefore, using these variables to predict the total number of tourism talent demand is reasonable and feasible. [2]

3.3. Tourism Talent Demand Prediction Model Based on Life Cycle of Tourism Destination – by Ma Xuefeng

This research was based on the theory of life cycle of tourism destination. Ma stated that the demand of the destination is different at different stages, hence the tourism talent scale associated with it should be different. The model was based on the assumptions: (1) the total demand of talent is related to the tourism destination development and propagation. As it propagates, the number of tourists to the tourism destination will increase, so will the tourism employment. (2) The degree of influence on the tourism talent variable is different during the evolvement process of tourism destination.

Similar to Li Yangyang, Ma has considered research from Stephen, Wei Xiaoan (1993) and Sun Gennian (1998). He stated that GNP is a variable to promote the tourism talent development. Therefore, his model used growth rate of GNP, number of tourists from oversears, number of domestic tourists, technology development to predict the growth rate of tourism talents. At the meantime, he considered the influence of evolvement stage of tourism destination on the growth rate of tourism talent. Ma used a corrected factor K in the model, which is different from Li's model. [3]

4. Conclusions

Based on the literature review above, conclusions are summarized below:
1. Relationship of tourism talent supply and demand is in disorder. Talent supply is insufficient and level is imbalanced
2. Little research is available on the prediction of the tourism talent demand. Some statistic numbers are difficult to obtain
3. Variables including growth rate of GNP, number of tourists from overseas, number of domestic tourists, and technology development can be used to predict the growth rate of tourism talents

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