

Sustainable Development of Skills for the Tourism Sector and Its Financial Impact



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Abstract Tourism has proven internationally one of the most fast growing sectors of the global economy. It has a multiplex character and has established tight connections to the technological evolution and the digital marketing. Businesses and consumers ask for new kind of services and consequently new needs appear and new skills are required from the working population in order to satisfy current trends. This study examines the range of professional skills that should be reinforced in the Greek tourism business environment, along with the financial impact, by employing a secondary research method using data from a variety of resources. The framework of the study includes the “business, educational and academic research systems” with regards to skills development and employers’ needs. Results confirm the necessity for deeper cooperation between education and market in order to improve graduates’ professional skills.

Keywords Skills · Financial impact · Digital marketing · Tourism · Greece

1 Introduction

Global economy in the last decades exhibits continuous transformation especially due to digital technologies [1]. This transformation disrupts the existing structures and creates a new type of entrepreneurial development that impacts every sector of the economy [2]. In parallel, the modern digital technologies change the competitive and the working environment of firms [3, 4].

Tourism industry, through its multiple facets, has created tight connections to the technological evolution and the digital marketing [5]. Additionally, in the current

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market place, firms and consumers, demand new services which request new skills from the working population in order to satisfy modern trends [6].

Greek economy is characterized by high unemployment rate (~20%) while GDP has started to show some recovery signs [7]. One million unemployed citizens seek employment while enterprises complain that they cannot find the proper staff for high and middle technical positions that require candidates with knowledge and appropriate skills [8].

In Europe there is a trend of increasing employment in positions that require high skills while there is decrease in professions that require middle level skills [9]. However, there is an opposite trend in Greece in recent years; employment in positions of low and middle skills has increased while there is decrease in highly skilled professions [10].

2 Problem Statement

Main target in Greece nowadays is the recovery of the economy, however is doubtful whether this target can be achieved sustainably without the synergy of the educational world. Noticeably, a satisfactory connection between the Greek educational system and the market place is missing. This fact is a substantive problem for the country and the tourism industry which constitutes the basic pillar of the Greek economy. There is a trend for the Greek tourism industry to move towards e-tourism through digital marketing. Therefore, the development of digital skills has become a necessity that requires immediate satisfaction and this trend has become clear from current research [5]. The lack of staff with proper skills to cover positions of high modern skills, has been pointed by WTTC [10] worldwide and for Greece specifically by other researchers in the past who pointed to the need for parallel upgrade of studies and competences [11].

Research activities have increased compared to previous decades in an effort to find answers to the problems and questions created by the multidimensional and highly competitive global environment [12]. The fast changing of trends is obvious from studies [13] that show how the distance between Greece and the rest of Europe has increased in the high skilled professions (doubled) during the crisis period.

All previous data and research point to the need for a deep and exhaustive study of viable and long-term strategies towards the sustainable development of required skills and competences of Greek workforce.

3 Purpose and Value of the Paper

The purpose of the current study is to investigate the evolution of the professional skills that should be developed in the Greek tourism industry, especially in the sector of digital tourism marketing, and their financial impact. The authors in the present study used secondary research method, deriving data from multiple sources.

The study additionally has investigated the “entrepreneurial, educational and research systems” in reference to the sustainable development of skills and the needs of the employers in order to contribute to the viability of tourism industry.

4 Literature Review

The transformation of the economy and the fast development of skills is considered of critical importance [10]. SETE research [14], presents the necessity of upgrading the Continuing Professional Development (CPD), the timely preparation of training programs and provision of new skills to the workforce that will be influenced by the unavoidable elimination of various professions. Also the “megatrends” are presented for the Greek and international marketplace and the specific problems connected to the youth unemployment.

Further qualitative research [5] about the skills requirements, points to the necessity for the development and the evolution of competences, with regards to the workforce in the tourism industry and the digital marketing [15, 16].

Armstrong and Kotler [17] refer to the digital marketing as a type of direct marketing that connects consumers and sellers electronically through interactive technologies like e-mails, internet pages, online forums, chat and other forms of communication. Kavoura [18] highlights the need of theories and activities with regards to online communication, current trends and new technologies. Tourism digital marketing coincides with the digital marketing, and is directed specifically to the tourism sector.

Several reports [18, 19] indicate that tourism industry contributes 25 million work places in Europe which is about 11% of total employment while undoubtedly it is strongly affected and transformed by the new information and communication technology [20]. Reports about Greece [21] show that the employment positions in tourism have been 459,000 and represent 12.2% of total employment. Relevant forecasts [10] indicate that employment positions in tourism industry will increase by 5.2% within the next decade. Greece is the digital follower of Europe according to the Digital Economic Opportunity Index (DEOI) [22]. Also the role of tourism education and training is internationally recognized and its contribution and capabilities particularly important.

Adecco [23] points to tourism education and training also noticing that it contributes to the creation of job places and to the enrichment of workforce in knowledge and indispensable skills. Other studies [11, 24] refer to work placements and

internships that support the acquisition of skills in real work conditions. Work placements have proved valuable in supporting graduates to their transfer from the protected educational environment to the work setting and the incorporation of professional skills and competences. Asonitou [25] stresses the importance of professional skills for graduates like team work, time management and computer skills and investigates the barriers that the educational world should overcome in order to provide these essential competences.

5 Method

The authors used secondary research method, deriving data from multiple sources, global organizations, Institutions, educational research, professional chambers (WTTC, EUROSTAT, and OECD) and many others, in order to document safe results about the evolution of professional skills in digital tourism marketing in Greece.

6 Findings

The processing of data and the comparative analysis of secondary research sources have evolved around four axes that are described below.

6.1 Development and Evolution of Skills in Tourism Industry Workforce and Digital Marketing

Comparative study and relevant literature review [4] have indicated the necessity to digitize the tourism sector so that firms can maximize effectiveness and sustainability. Earlier studies of Assael [26] and Heath and Wall [21] have reached the same conclusions. Researching relevant literature the authors approached the dynamics of marketing and its strategic evolution through digital marketing [27] and have noticed remarkable efforts to transform the value chain in the wider spectrum of the economy and most specifically in tourism sector [28]. Modern theoretical approaches in tourism [10] intensify their assertions about the modernization and redistribution of tourism market share due to the impact from Information and Communication Technology. This can be achieved only through the development of sustainable skills with a future orientation.

Qualitative research about the skills of people working in tourism industry [5] has resulted that the average rate of citizens in Europe who use internet for trip

Table 1 Emerging skills in Tourism Digital Marketing processed by authors (source: INSETE 2015) [29]

Emerging skills
Increased perception and occupation with IoT (internet of things)
Development of entrepreneurial and mathematical skills (for investigation and analysis of big data)
Development of digital leadership (e-leadership)
Development of marketing automation skills

organizing, has reached 38%. One out of two Dutch and British, three out of five Norwegian and Finn and two out of ten Greeks use internet for this scope.

The same study has concluded that the basic skills (good knowledge of foreign languages, basic mathematics, capability to learn new things) and the professional skills (knowledge of digital marketing, digital advertisement, managing social media) are relatively covered by tourism employees, while emerging skills are much less developed as shown in Table 1.

6.2 *Development of Skills in the Entrepreneurial System*

Due to the economic recession from 2010 onwards, the establishment of new firms has been dramatically decreased from 39.9% in 1990 to 10.3% today. This fact has triggered research interest to investigate the present situation, the short-term trends and the forecasting of market needs in the skills of today employees. A gap was found [30] to exist between the skills demanded by the employers and the skills exhibited by the employees that will have to be covered by the new educational and training methods. Specifically, for the tourism industry (hotel management) the same study has shown approximately the same gap between required and offered skills by employees while it is impressive that there is no demand for specific digital skills by employers as shown in Table 2.

Multiple studies in Greece record similar results in reference to the skill needs for the market place [19, 31, 32]. Results conclude that a high percentage of firms in Greece (around 60%) faces difficulties to find appropriate staff due to skills shortages. In the same studies 33% of Europeans and 45% of Greeks believe that skills shortage creates significant problems in reference to costing, quality and time shortage in their firms. Results present an increase for middle and high skill level demand for jobs. In the Greek environment is impressive that firms themselves are behind with the establishment of digital work methods.

Table 2 Gap of skills in the employees of Tourism Hotel Sector (source: IOBE 2017) [31]

Skills	Required	Existing	Gap
Communication skills	4.79	4.25	-0.54
Teamwork skills	4.42	3.93	-0.49
Flexibility and adaptability	4.40	3.77	-0.63
Knowledge of foreign languages	4.37	3.88	-0.50
Basic digital skills	4.32	4.03	-0.29
Knowledge about the profession	4.19	3.75	-0.43
Taking initiative	4.11	3.55	-0.56
Solving complex issues	4.03	3.55	-0.28
Organisation skills	3.97	3.35	-0.44
Good knowledge and use of the Greek language	3.95	3.95	0.00
Skill of learning new things	3.91	3.43	-0.48
Mathematical skills	3.44	3.41	-0.03
Creativity	3.43	3.04	-0.39

6.3 Development of Skills in the Educational System

Results of various studies [5, 6, 33] report a gap of skills in the Greek market place. Knowledge is not adjusted to market evolutions and the new trends while there is notable gap of soft skills of graduates. The educational system does not ensure that graduates acquire those skills that are imperative to survive professionally within the fast changing global business environment. The only activities that lead towards this direction have been the reorganization of the post-secondary education Institutions (IEK, EPAS) that aimed to establish the practical application of theoretical courses, contributing directly to the tourism sectors. Reorganization of higher education program studies would contribute to the development of skills and knowledge and would create specialized executives that can become successful professionals within a globalized competitive environment.

The Accenture research [34] has shown that most needed skills are: (1) digital work methods (2) development of digital skills and (3) reserve of digital skills.

Researchers in the Greek [35] and the global level, work on the skills issue and the influences this may have in tourism industry. Impressive results [30, 36] report that 5.6 millions of young people are jobless and 7.5 million neither work nor are trained in eight countries (France, Germany, Italy, Portugal, Spain, Swede, U.K. and Greece).

6.4 Financial Impact of the Tourism Industry

A plethora of studies has proved that the tourism industry has a multiplex character, and its activities have multiplying impact on the employment, the economy and the education. Tourism industry affects positively the GDP of the country, the

employment and the Balance of Payments (BOP) of Greece. Specifically, the contribution of the tourism industry (direct and indirect) in the Greek GDP was 35 billion euros in 2017 (19.7% of total GDP). The number of positions employed in the tourism industry in 2017 was 459,000 (12.2% of total employment) [8]. Comparative analysis of data from different sources [15, 16, 29] referring to the services connected to the tourism industry activities, has shown an increase by 10.9% in the first semester of 2018, in the area of hotels and beverages, transportation and operating tours.

7 Conclusions, Limitations and Further Research

The present study reinforces the importance of tourism sector which has provided the highest number of employment positions from other sectors of the economy while at the same time one can distinguish the multiplying effects this may have for the Greek economy. The positive impact of the tourism activities creates the necessity to have an effective framework of operation in the market place, with appropriate human resources at the knowledge and skill level. The radical increase of the digital customers indicates that the digital marketing for the tourism industry is strongly associated with the sustainable development of skills and the viability of the tourism industry. The specific professional skills that need improvement are: knowledge of touristic marketing and e-tourism marketing, skills in the planning, development and execution of e-programs and campaigns of e-marketing and skills in the marketing analytics and reporting [37, 38]. Greece should become able to face the challenge of skills development by creating synergies between the market place and the educational and research community of the country.

A limitation of the present study is the number of studies that have been processed and analysed. The results of the present study could be further used in order to trigger research on specific methods, procedures, and approaches that could be used in order to create skillful workforce. Additionally, it would be interesting to research the barriers that prevent the country to enter the fourth industrial revolution.

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