

## The Mechanism of Business Integration and the Training System for the Tourism Industry

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### ABSTRACT

High-grade training and serving tourists are some of the main conditions for improving the quality of integrated tourist product, the attractiveness and competitiveness of Russian tourism, which causes the relevance of the article. The purpose of this article is to present the results of the integration of business study and training system for the tourism industry through the establishment of a national system of professional qualifications, conducted within the framework of the research work "the Formation of the organizational-economic mechanism of creation of national system of professional qualifications in the hospitality industry" (registration number of RTD projects: AAAA-A16-116021510165-3). General scientific methods of cognition, including theoretical research (analysis, synthesis, aggregation), as well as methods of logical-determinant structure information, structural-descriptive method, and expert evaluation were used to study this problem. The approach to training for the tourism industry, proposed in this article is fundamentally different from existing approaches, those that see it as part of the national system of professional qualifications. The article substantiates that the basis of the mechanism of integration of business and education is the development of business representatives and professional standards activities. The authors note that professional standards are the basis not only of improving the system of personnel training for the tourism industry, but also the subsequent independent assessment of the qualifications of graduates of universities and colleges. The materials of the article are of practical value to educational institutions engaged in the training of personnel for the tourism industry and the companies in this sector.

### KEYWORDS

Training; tourism industry; professional standard;  
integration mechanism

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## Introduction

### *The perspectives of the world tourism development*

Tourism is a world industry, a sphere of the biggest investment activities that attracts a great amount of workers who have different professions and

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qualifications. Today it forms about 10% of global gross domestic product. For many countries, tourism industry is a crucial resource of getting income and the foreign currency. Tourism has a great impact on the key sectors of economy such as trade, transport, restaurant and hotel services being a catalyst for socio-economic development. Tourism being a catalyst of positive economic processes helps to accelerate regional development and as an export-oriented sector of the economy brings substantial cumulative revenues to the budgets of all levels.

The world tourism organization (UNWTO, 2014) has developed a forecast "Tourism: 2020 Vision" (Global Report on Adventure Tourism 2014), assessing the pace of the tourism development, predicted further positive dynamics of the global tourism industry in the long term period until 2025, explaining that the number of tourists on the planet increases every year by 4 – 6 %.

Despite all the global economic crises and their impact on the development of the world economy, the tourism industry continues to evolve. With an average annual growth rate of 4% by 2020 the number of international tourist visits will reach 1, 6 billion, and by 2030, 1.8 billion people. This shows that every fifth inhabitant of the Earth will travel.

According to the forecasts, the contribution of the tourism industry in the global GDP by 2020 will be 10%, which accounts for \$9.2 trillion. Moreover, the world tourism organization provides the following forecasts relating to the tourism in Russia: "Russia may be one of the leaders in the field of travel and tourism, which, with the development of tourist infrastructure at the international level, is able to accept about 40 million tourists annually. In 10 years, Russia may become one of the ten most popular destinations of tourism (Travel Trade Russia, 2016).

### ***The economic role of the tourism industry in the world***

S.L. Smith (1998), the founder of the tourism product concept, pointed out that "the tourism product is the result of a complex production process, so its impact on the global economy has both direct and indirect impact".

From an economic point of view tourism is a factor of consumer demand's appearance at the place of temporary residence of a person. This demand manifests for hotel services and similar accommodations, souvenirs, special facilities and equipment for holding business events and incentive tourism, items needed for vacation, etc. Therefore, as a result of the initiation of the demand for the services mentioned above, there is a need for the development of many industries that satisfy this demand in the territories visited by the tourists, i.e. the multiplier effect of the tourism occurs.

The list of activities characteristic of tourism include: activity of hotels with restaurants, activity of hotels without restaurants, activities of youth tourist camps and mountain tourist bases, camping activities, organization of complex tourist service, provision of excursion tickets, accommodation and transport, tourist information services and tourist assistance services and others (Bunakov et al., 2015).

Thus, the specificity of tourist activity is to attract related industries to meet the needs of tourists (transport, food, retail, etc.) and thereby it complicates the process of calculating total income. According to D. Honek (2001), the expenses of tourists appear in the form of direct (accommodation) and indirect revenues from the tourism industry (supported products).

A. Simon (2014) believes that the assessment of the economic role of tourism is to determine not only the direct contribution of tourism to the economy of a region or a country, but in the indirect impact through the multiplier effect that is determined through the share of income from tourism and related industries in the gross domestic or regional product, employment, investment, incomes of the regional budget, etc.

The tourism multiplier allows assessing fully the level of total income of the tourism sector. Direct revenues from the accommodation services, as a rule, do not exceed 40% of the total effect that the tourism industry has on the development of the region. E.L. Pisarevsky (2014) cited statistics that in Russia the generalized travel multiplier is 2.6. This means that each ruble spent by the tourist in the tourism industry accounts for 2.6 rubles spent by a tourist in 32 related sectors of the economy. In some countries this figure is much higher and reaches 3-3.5 rubles.

Therefore, tourism industry has good prospects of the development that can be achieved with proper training of the employees who serve tourists

### ***The need for business integration and personnel training system for tourism industry***

With this purpose, Federal Agency for tourism (Rosturizm) is now implementing the project of training and professional development of specialists of tourism industry. It is planned to increase spending on trainings of tourism personnel at the expense of the budget under the program "Development of domestic and inbound tourism in the Russian Federation". Due to this it is planned to train not less than seven thousand people until the end of 2016.

In 2015, the total number of specialists trained in the ten programs developed by the Federal Agency for tourism, amounted to five thousand people. In 2016 it is planned to improve the skills of seven thousand employees in 15 training programs. Gradually through the creation of pilot areas in each region of the Russian Federation the number of trainees will be increased to 10 thousand a year (Travel Trade Russia, 2016).

However, as can be seen from the above statistics, tourism covers not only the services of travel agencies, but also many other organizations that provide additional and supported services. Consequently, we need an integrated approach to train not only for tourism, but also for all related industries (Zaitseva, Goncharova & Androsenko, 2016), as well as the prospects for changing the types of professional activity (Atlas of new professions, 2014).

The most important direction of work in this area, according to the authors, should be the establishment of a national system of professional qualifications through the development of professional standards. In turn, professional standards will be the basis for advanced training and for their subsequent evaluation.

In the reference to the assessment of the personnel, in Russia there are already the systems of certification (attestation) of the staff. They can be divided into two groups:

#### 1. Obligatory:

- registration of separate types of professional activity is regulated by law;
- certification (attestation) ensure the worker's professional activities, e.g. medical professionals, lawyers, specialists of the organizations supervised by Rostekhnadzor, arbitration managers, pilots, cadastral engineers, and others.

#### 2. Voluntary (independent):

- system that is checking in Rosstandart (website gost.ru). This registration is of a notifying character and shall specify the maximum number of scopes (types) of professional activities that are subject to the staff certification - system of assessment of qualifications by the National Council under the President of the Russian Federation on professional qualifications.

Despite the fact that each of these systems has its advantages and disadvantages, the authors believe that the most promising is the development of the projects for the integration of business and training system for the tourism industry in the framework of the National Council under the President of the Russian Federation on professional qualifications (the Council).

The objectives of such integration in the framework of the national Council not only for the tourism industry, but also for Russian economy in General are the following:

- enhance professional mobility of workers;
- assessment of the quality of professional education and training;
- creation of conditions for employee's participation in continuing education;
- strengthening the role of professional associations in the development of professional qualifications;
- the establishment and (or) confirmation of suitability of qualification of the applicant with the provisions of the professional standard;
- improving the competitiveness in the labour market of employees who have passed independent assessment of qualification.

The achievement of goals will allow improving the quality of integrated tourist product, increase the attractiveness and competitiveness of Russian tourism.

### **Methodological Framework**

To assess the prospects of tourism development it was used the data forecast «Tourism: 2020 Vision» (Global Report on Adventure Tourism, 2014), which allowed to make the conclusion that the tourism growth in Russia is constrained by insufficient development of the tourist infrastructure of the international level.

Based on the forecast and expert assessments in the study it is revealed that the tourism industry has good development prospects. To achieve them, it is necessary to have good tourist infrastructure of international level, high qualified specialists, who serve tourists.

During the study of business integration and training system problems within the tourism industry desk research methods were used in order to study

the foreign experience of creation and functioning of the professional qualifications national systems, assessment of the professional qualifications national systems and to identify industry-characteristics.

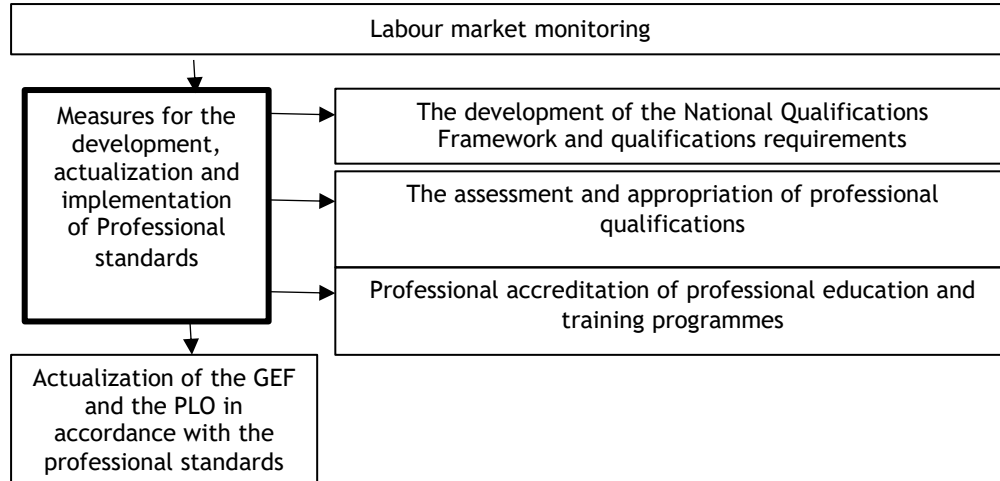
As information sources in the study were used materials of Rosstat of the Russian Federation, Federal Agency for tourism, the data of the RF Government plans for the establishment of independent centers of qualification assessment, the information obtained in the result of independent research, the results of interviews with representatives of the tourism industry and education, as well as the information from the scientific literature. The main trends in the change of the training system have been identified on the basis of foresight of Education (The foresight of the Russian education 2030, 2013) and the change the prospects of professional activities (Atlas of new professions, 2014).

## Results

### *Professional standards, as a basis to improve employees training process and its evaluation*

As it was mentioned above, the only possible way of business integration mechanism and training system development within the tourism industry is the development of a national system of professional qualifications, which is based on the professional standards requirements (Esenina, 2013).

The main government and professional community activities in the professional standards and qualifications assessment sphere can be represented in the following diagram (Fig. 1).



**Figure 1.** The main government and professional community activities in the professional standards and qualifications assessment sphere

As it's shown in Figure 1, professional standards developing includes the data collected from the market monitoring process of a certain professional activity type and the very professional standards are the basis of personnel training system improving (actualization of the GEF and educational programmes), professional public accreditation of these programs, an organization of independent qualification evaluation system.

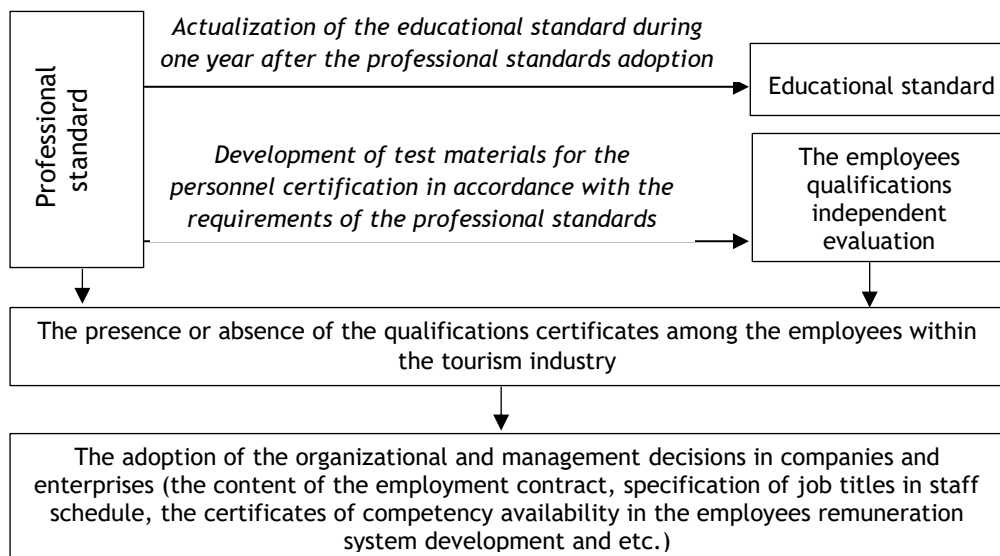
Over the last 10-15 years in the Russian Federation there were many decisions made at the various public levels concerning the necessity of the professional standards development and their use in business. Much has been written about the foreign experience in this sphere, much research and dissertations. But the business was sidelined from all of this.

Over the last 3-4 years the situation has radically changed. Today no Federal state educational standard (GEF) is approved by the Ministry of Education, unless employers took part in its development. No educational programme is set unless the employers approve it. Moreover, the Ministry of Education requirement is that employers should be involved in the educational process, in the defense of final qualifying works, and besides, nowadays in many colleges there is the main condition that the employer should be not just a member but the chairman of the state certifying commission as well.

In general, it's worth suggesting the fact that tough economic situation in Russian economy will probably lead to the realization that business itself should start to form the social inquiry to what graduates and with what skills they need. Furthermore, this inquiry should reflect the peculiarities of a region.

### **Accounting of the independent evaluation of the professional qualifications in the hospitality industry results by the employers**

Professional standards are the basis for the training system improving within the tourism industry as well as for further independent evaluation of the universities and colleges graduates qualifications. Moreover, the presence of the candidate for the position, or employee of the organization will be the basis for the organizational and management decisions in organizations and businesses - from the content of the employment contract, specification of job titles in staff schedule to the certificates of competency availability in the employees remuneration system development and etc. (Figure 2).



**Figure 2.** The general scheme of the professional standards requirements accounting by the professional community (employers) and the education system

Analyzing the foreign experience of the professional qualifications national systems establishing and functioning the authors of the article revealed the following financial conditions which are necessary for the formation of the business integration mechanism and the personnel training system within the tourism industry:

1. The Coordinating body of professional qualifications – organizational, technical and methodological support is carried out by The Ministry of Labour in Russia and The Russian Ministry of Education.

2. The Council of the professional qualifications in the hospitality industry is financed by the legal entity that found it.

3. The Qualifications Assessment Centers within the hotel industry are financed by their own funds received as a payment for providing the services of the independent assessment of applicants qualifications.

There are other possible variants of the financial conditions establishment that are necessary for the formation of the business integration mechanism and the personnel training system within the tourism industry. For example, at the expense of the insurance companies involvement (Zaitseva & Chernikova, 2013).

Much has already been done both at the state level and at the level of individual industries and professional activity types including the development of the Plan of Qualifications Assessment Centers foundation in Russia (Table 1).

**Table 1.** The Plan of Qualifications Assessment Centers foundation in Russia (in accordance with the Decree of the Russian Federation from July 9, 2014 r, 1250-p)

<i>Indicators</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
The quantity of new Qualifications Assessment Centers, units at the end of the year	5	15	20
The number of people confirming the qualification, thousands of people	2,5	17,5	67,5

All of this will increase the objectivity of the evaluation of the qualifications of graduates from colleges and educational centers. At the same time, it is necessary to change students learning technologies.

### ***The change of training technologies in accordance with the business requirements***

The main trends in the change of the personnel training system are highlighted in a study (Zaitseva et al., 2015). In particular, the authors of the article draw attention to the fact that IT-technology for training will be used in the education process more actively – from on-line simulator to even on-line worlds.

According to the Education Foresight (The foresight of the Russian education 2030, 2013), another trend will be the strengthening of individualization in education as a consequence the appearance of a job such as a developer of educational trajectories. Education will become more substantive and practical-oriented, especially in adult education. This will lead to a shift in emphasis in education from the theory study to the development of real projects and the implementation of startups during the learning process. The



implementation of the dual education programmes will effectively combine learning and work in the real business.

Gradually, in the Russian education the role of higher education will decrease, giving place to practice-oriented programmes (Rakitov, 2004). This is currently central for training of employees, who are able to work in the modern tourism industry. Even now choosing between an university graduate, who learnt "The tourism industry" (Bachelor) and a college graduate with a degree in "Tourism Specialist" employers prefer students with the specialized secondary education, considering them as to be better prepared for the practical work.

## Discussions

Research issues of the integration of business and training system efforts in the tourism industry are highlighted in T.G. Ko (2005), M. Mayakaa & S. Akama (2007), G. Miller, (2001), A. Simon (2014), S.L. Smith (1998) and others.

Besides, in these studies the authors mostly analyzed personnel training issues. At the same time, the concept of the foundation of the professional qualifications national system, as the basis for the integration of business and education efforts were not considered at all.

Conducted research showed that there are many studies where the great attention is paid to the changes in the existing training system for national economies by increasing the role of employers in this training process. So, H. Folmer & T. Jeppesen (2003), Kh. Hafeez, Ya. Zhang & N. Malak (2002), Y. Holtzman (2008) write that the modern system of professional educational programs development and implementation must change in accordance with labor market requirements.

P. Singh (Singh et al., 2013) directly indicates on the fact that the current employees skills must correspond to the requirements of each type of professional activity. However, the concept of training requirements standardization must be implemented in order to increase the labor mobility.

The study, which the authors of this article conducted, is fundamentally different from the existing approaches to staff training within the tourism industry by the fact that it considers it as one of the directions of the national system of professional qualifications, which, as a result, will improve the quality and increase the competitiveness of the Russian tourist business. It is the development of the professional standards of every type of activities by the business community that should be the basis of business integration and personnel training.

## Conclusion

Application of the mechanism of integration of business and training system for the tourism industry through the establishment of a national system of professional qualifications will facilitate the development of a civilized market of tourist services. Training of managers and ordinary employees of the tourism industry and related industries subject to the requirements of professional standards will improve the quality of training that will inevitably affect the quality of services and financial performance of the tourism industry. And due to



the multiplier effect of the tourism industry it is possible to predict the improvement in the employment situation and, consequently, the quality of life of the local population involved in the process of providing the tourists with various services.

### Disclosure statement

No potential conflict of interest was reported by the authors.

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