

Hospitality and Tourism Education and Training
A Case Study of Scotland.

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ABSTRACT

The purpose of this study is to examine the role of education and training and its impact on labour supply to the Scotland hospitality and tourism industry; what are the current issues are there? And how those issues can be minimised? Its also seeks to identify the relation between the customer satisfaction and the service employees via service quality for maintain the growth of the hospitality and tourism industry. It also tries to identify the current labour market issues of the hospitality and tourism sector in Scotland, and how these issues can be minimised. Research will be conducted through five individual interviews. This research should help the hospitality and tourism managers/employers understand the importance of retaining staff. Also it will aim to make educational institutions aware of the gap between the content and the design of their hospitality and tourism courses/degree programmes in relation to industry demand, as highlighted in relation to current labour market issues such as staff turnover rate, retention problems, and the image of the hospitality and tourism industry in Scotland.

Key words: Service quality, staff turnover, poor image, education and training.

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Table of Contents

Abstract.....	i
Acknowledgement.....	ii
Table of Content.....	iii
Chapter One Introduction.....	1
1.1 Dissertation outline.....	2
Chapter Two Literature review.....	5
2.1 Service quality, Consumer attitude and consumer satisfaction.....	5
2.2 Human Resource management and Development.....	9
2.3 Complexity of Service.....	15
2.4 Hospitality and tourism education and training.....	18
Chapter Three An Overview of Scotland.....	25
3.1 Geography and Demography.....	25
3.2 Tourism in Scotland.....	25
3.3 Scotland Tourism Employment.....	29
3.4 Education of Scotland.....	31
3.5 Educational Institutions, Administration, Management.....	32
3.5.1 Pre-School and School education.....	32
3.5.2 Pre-School Education.....	32
3.5.3 Primary Education.....	33
3.5.4 Secondary Education.....	33
3.5.5 Tertiary level education.....	34
3.5.6 Vocational training and further education.....	34
3.5.7 Universities and Higher Education.....	35
3.6 Current situation of Hospitality and - -Tourism education and training of Scotland.....	35
Chapter Four Methodology.....	38
4.1 Research method.....	38

4.2 Qualitative Vs Quantitative research method.....	39
4.2.1 Quantitative research method.....	39
4.2.2 Qualitative research method.....	39
4.3 Case Study as a research method.....	40
4.4 Questionnaire Vs Interview.....	41
4.4.1 Questionnaire.....	41
4.4.2 Interview.....	41
4.5 Limitation.....	44
Chapter Five Findings and Analysis.....	46
5.1 Findings.....	46
5.1.1 Service Quality.....	46
5.1.2 Present issues of labour market.....	49
5.1.3 Role of education and training.....	51
5.2 Analysis.....	55
Chapter Six Conclusion and recommendation.....	57
Bibliography.....	58
Appendix.....	71

Illustration

Structure of the dissertation.....	4
Table 1: Forecast of Arrivals of Scotland: 2005-2025.....	27
Table 2: Forecast of Expenditure in Scotland: 2005-2025.....	28
Table 3: Employment in Scotland 2005.....	30
Table 4: Tourism- related Employment 2004-2005.....	30
Model: Relation to service quality & satisfaction.....	56

CHAPTER ONE

Introduction

Tourism is one of the main economic activities at a global level. Tourism has grown at a rapid rate in the last five decades. Since World War Two, tourism has become one of the most important social economic activities, especially for those countries with less developed, modern, service-industry based economies (Dritsakis, 2004). According to the *World Tourism and Travel Council*, global spending on travel and tourism exceeded US\$6trillion in 2005. The report also shows a 5.7% growth in tourism from 2004 to 2005. According to UNWTO in 2005 international tourists arrival worldwide exceeded 800 million compared to only 40 million in 1950 (www.wttc.org).

So many countries seek to develop tourism for its various economic and social benefits such as income, foreign currency earnings, cross cultural exchange and employment (Dritsakis, 2004). Scotland is no exception. The tourism industry is of significant economic importance to Scotland. In 2004, over 21 million overseas and domestic tourists visited Scotland bringing about £4.5 billion to the economy, accounting for 5 percent of national gross domestic product. Tourism ranked as the country's fourth-largest employer, accounting for 8 percent of the Scottish total employment (Scottish Executive, 2004). Yet the tourism industry faces the persistent challenge of recruiting and retaining a skilled labour force. Labour turnover is nearly double that of other industries and the skills gaps among tourism staff, skill shortages

in particularly managerial/supervisory staff, are greater than in any other industry.(Martin, Mactaggart, and Bowden, 2006). Mullins (2001) suggests that a high level of labour turnover is problematic for all organisations. Rowley (1998) highlights the importance of human resources by pointing out that business success stems from human resources and their management, including development. This understanding helps to set the aim of this research to investigate the key issues on the labour market of Scotland's hospitality and tourism industry, and how these issues can be minimised. Also this research paper will examine the role of educational institutions in seeking to supply skilled people to the Scottish hospitality and tourism industry. Through this, paper will explore how services employees create quality service to make customer satisfy for maintain the growth of the industry.

1.1 Dissertation outline

The dissertation is broken down into six chapters.

Chapter one

This chapter seeks to highlights the structure and contents of the dissertation, as well as introducing the objectives and the approaches of this research paper. This paper sets out to investigate issues in the current labour market in the Scotland and how these issues can be minimised to maintain the growth of the industry via service quality.

Chapter Two

This chapter of this research paper will be a review of the literature and the theory related to the topic. This literature is drawn from a wide range of sources that explore:

- 1) The characteristics of service to link with service quality; and their impact on customer satisfaction.
- 2) Importance of the service employees and their development to maintain service quality.
- 3) Importance of hospitality and tourism education and training to maintain service quality to achieve customer satisfaction.

Chapter Three

This chapter will provide an overview of information on Scotland; such as geographic and demographic information, current hospitality and tourism trends, and the current employment situation in Scotland.

Chapter Four

This chapter examines the methodology and the techniques adopted to achieve the research goal.

Chapter Five

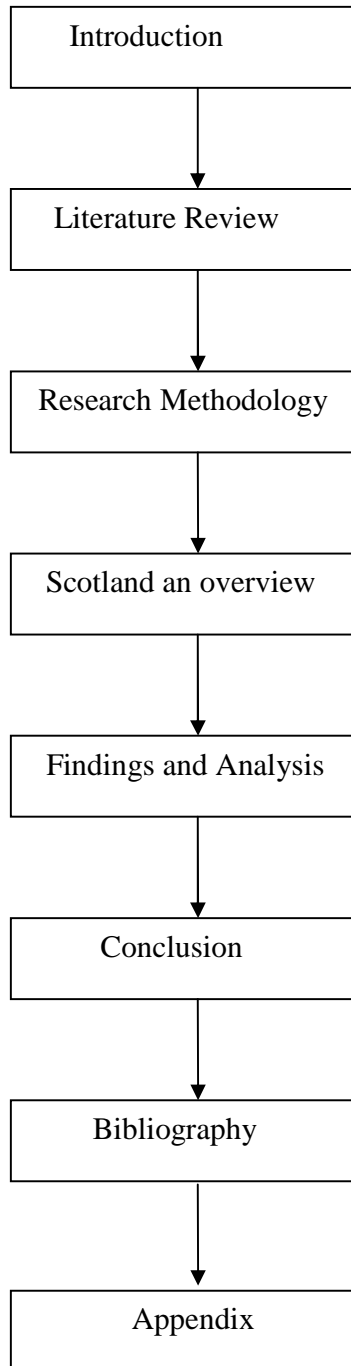
This chapter will analysis the research findings. The primary data was collected through interviews. Five individual experts in the related subject area were

interviewed to collect the primary data in order to find out the current skills situation in Scotland.

Chapter Six

This is a conclusion chapter; this chapter concludes with a summery of the findings and is based on primary, secondary and the tertiary data. Recommendations are made.

Structure of the dissertation is given below:



CHAPTER TWO

Literature Review

2.1 Service quality, Consumer attitude and consumer satisfaction

Customer orientation lies at the heart of the marketing concept (Bateson and Hoffman, 1999). The purpose of a business is to create and maintain satisfied and profitable customers (Levitt, 1986). Customers are attracted and retained when their needs are met. So businesses are required to understand the customers and to build the organisation around them. This requirement is particularly important for service, which in many instances still tends to be operations dominated rather than customer oriented (Bateson and Hoffman, 2006). Customer satisfaction depends on a product's perceived performance in delivering value relative to a buyer's expectations. If the product's performance falls short of the customer's expectation, the buyer is dissatisfied. If performance matches expectation the buyer is satisfied. Thus, customer delight creates an emotional tie to a product or service, not just a rational preference and this creates high customer loyalty. Satisfied customers make repeat purchases, are less sensitive, and talk favourably to others about the company and its products. So businesses need to realize the importance of creating satisfied customers. (Kotler, 2003).and this is possible when business know much about customers and their attitudes. Such as, how they make decisions, how they choose among alternatives and how they evaluate these service once they are received. Customer attitudes are important because they reflect what consumers think and feel. They also can be used to explain what consumers intend to do. This understanding helps to

describe how consumers make choices. This involves a consumer's overall, enduring evaluation of a concept or object, such as a person, a brand, a service (Arnould, Price and Zinkhan, 2002). Customer attitudes can be different from customer to customer. These attitudes normally differ by customers' age, group, gender, family structure, social class and income, race and ethnicity and culture. People have attitudes about almost everything- religion, politics, clothes, music and food. An attitude describes a person's relatively consistent evaluation, feelings and tendencies toward an object or an idea. Attitudes put people into a frame of mind for liking or disliking things and moving towards or away from them (Kotler, 2003). A regular customer of a restaurant who receives a bad meal may begin to believe the food quality of that particular restaurant is decreasing. If that customer again receives a bad meal so then a negative belief may be permanently fixed and they will stop purchasing from that restaurant. So it is important for the business to develop the customer beliefs or attitudes toward the product or service of the business.

Allport (1997) says the concept of attitude helps to explain the consistency of a person, since a single attitude may underline many different actions. Psychologists define attitude as the relatively enduring orientations that individuals develop towards the various objects and issues they encounter during their lives (Fontana, 1981). An attitude is not fleeting; it is an orientation that lasts over time. An attitude is general in that it summarizes evaluations over a wide range of situations. Attitudes are product of information acquisition. That is attitudes are learned beliefs, feelings, and reaction tendencies. Beliefs are thoughts, linking an object to some feature or characteristic (Sternthal and Craig, 1982). Actually attitudes help consumers to make choices

whether minor or important, such as consumers have attitudes towards a restaurant and attitudes towards a university. A consumer's overall evaluation of a product sometimes accounts for the bulk of his or her attitudes toward it. When a business or manager wants to assess attitudes of a customer, it can often be sufficient for them to simply ask the customer "How do you feel about the Carlsberg?" By doing this a business or manager can understand the customer's needs and feelings toward the product or service. So, based on that, they can deliver the product or service to the customer for meet their requirements to make them satisfied.

Satisfaction can be defined as "A judgement that a product, or service feature, or the product or service itself, provides a pleasurable level of consumption- related fulfilment, including levels of under or over fulfilment" (Oliver, 1997). Customer satisfaction has been noted as a major element needed to create and sustain a competitive business (Ueltschy, Laroche, Tamila, & Yannopoulos, 2002). Customers will be satisfied if the services they receive are at least as good as they were supposed to be, "a consumer is considered satisfied when his weighted sum total of experiences shows a feeling of gratification when compared with his expectations. On the other hand, a consumer is considered dissatisfied when his actual experience shows a feeling of displeasure when compared with his expectation" (Choi & Chu, 2001). So there is a need to provide the quality of product or service to the customer, to meet their expectations. This is because service quality leads to customer satisfaction. Service quality offers a way of achieving success among competing services and service quality differentiation can generate increased market share and

ultimately mean the difference between financial success and failure. Ample evidence suggests that the provision of quality can retain the customer. Repeat customers yield many benefits to the service organization. The cost of marketing to them is lower than that of marketing to new customers. (Bateson and Hoffman, 2006). Also regular customers are familiar with the script so the level of risk for them is reduced. The true quality is said to be evaluated by the customer during and after the service encounter. Customers will tend to compare their pre-service expectation with the perceived or actual performance. Differences between expected and perceived performance will have an influence on the customers' perception of the organisation- either positive or negative. This appears to be the main theoretical underpinning of the service quality model (Gronoos, 1983).

The importance of service quality in service organizations has been proven as a critical determinant of competitiveness (Lewis, 1989). However, despite the increasing importance of the service industry and quality service as a critical success factor, service quality concepts are not well developed within the service sector. In the context of this review, it was found that the service sector is still behind the manufacturing sector in terms of embracing philosophies such as Total Quality management (TQM) (Wilkinson, et al 1991). Dale and Cooper (1992) describes Total Quality Management (TQM) as the involvement of every member of the organisation co-operating to furnish products and services that meet their customers' needs and expectations. Linking to this, Wilkinson and Witcher (1991) further state quality in service organisation goes beyond the mere application of quality management into the

whole organisation. Quality becomes the way of life that inspires every part of the organisation.

2.2 Human Resource Management and Development

Customer expectations for quality are increasing, presenting the industry with a double-edged sword; at the same time that qualified labour is becoming harder to find and keep, customers are demanding increasingly high levels of service excellence (Hughes 2002; D'Annunzio-Green et al, 2002). Linking this issue with seasonality, a common characteristic of tourism enterprise, Baum and Hagan (1999) discuss that the lack of sustained employment, which is characteristic of seasonal operations, undermines the ability of operators to deliver quality, which the marketplace, increasingly, expects.

Wiley (1990) has included customer satisfaction as a correlate of employee attitude and performance, stressing the importance of quality service to organisational achievements.

The behaviour and skills of the 'service employees' are a most crucial part of the customers' evaluation of the quality. The behaviour of service providers could directly influence the customers' judgement of the nature of the service (Goodwin and Ross, 1990). Service quality has since emerged as an irrepressible, globally pervasive strategic fact. Firms that are being able to produce and maintain quality in their services are more likely to gain competitive advantage. However, quality service is not easy to achieve, because not everyone can perform well during the service delivery (Powel, 1995). Consistency of quality service is difficult to ensure due to the

variability of the human element. Kamdampully(1997) spells out the directions of this variability and the centre stage part played by employees in quality service:

- The quality of service performance varies from one service organization to another.
- The quality of service performance varies from one service performance to another.
- The quality of service performance varies for the same performer from one occasion to another.

This internal logic is already becoming clear: capable workers who are well trained and fairly compensated provide better service, need less supervision and are much more likely to stay on the job. As a result their customers are likely to be more satisfied, return more often and perhaps purchase more than they otherwise would (Schlesinger and Heskett, 1991). Berry et al (1989) suggest that, in an organisation that has the culture of providing quality service, they could motivate their employees through challenging them to perform to their potential and give rewards for what they do. In today's competitive marketplace, organisational effectiveness depends on understanding customer's values and communicating this understanding to employees in the form of employee-performance goals and expectations (Heskett et al, 1994).

The smaller the labour market from which an organisation has to generate a pool of potential employees, the more challenging the staffing function. Frequently, tourism businesses are located in remote or peripheral areas and can be particularly challenged to attract a quality workforce. The unemployment rate can also dramatically affect the availability of labour. Within developed countries, expanding economies have resulted in a significant reduction in the number of people seeking jobs in the tourism industry. (Hughes 2002; D'Annunzio-Green et al, 2002).

Demographic trends are also important, typically young people (under 24) dominate the hotel workforce, choosing this type of work for reasons of ease of entry, travel, opportunities, variety and friendliness (Timo and Davidson, 1990). Riley and Szivas (2003) describe tourism as a sector “where easily acquired, transferable skills co-exist and engender weak internal labour markets in organisations that economically are bound to a rate of throughput.” Riley (1996) points to the features of employment in these conditions in terms of recruitment, training and professional status and, unsurprisingly, notes that many areas of tourism work typify weak internal labour market characteristics.(Baum, 2007). So there are pressures to accept unskilled employees, which can be reduce the service quality to the customer.

For many hospitality and tourism operators, expansion opportunities in local, domestic markets have recently been limited by intense competition. At the same time, there are attractive and often lucrative opportunities for business growth in foreign markets (Go and Pine, 1996). Expanding international travel, technologies advances and the emergence of seamless organizations have further fuelled the rapid expansion of hospitality and tourism organizations (Kriegl, 2000). The global economy and globalization has become a fundamental part – even a priority- of business operations for many hospitality and tourism organizations, irrespective of the size. The challenges for organizations operating in international markets present something of a new frontier in term of employee issues (Luthans et al, 1997).

Historically, one of the biggest challenges facing the industry is human resource management (Olsen et al, 1990). Human resource management will continue to be one of the challenges faced by managers throughout the foreseeable future (Berman, 2004). The challenge to find and nurture employees in a tightening labour market is especially important in the hospitality industry. Even though, in today's environment where technological advancements have revolutionized the concept of hospitality services, it is impossible to offer superior guest experiences to customers without well-trained and knowledgeable employees (MacVicar and Rodger, 1996). Pringle and Kroll (1997) state that intangible knowledge based resources (e.g., human capital) are more likely to lead to a sustainable competitive advantage when the environment is changing rapidly. The human capital (knowledge, skills, and behaviour) reinforces the importance of people-related competencies that ultimately link to a firm's success (Wright et al., 1994). Therefore, effective human resource management can be considered as the new source of competitiveness (Chan et al., 2004). Understanding how to effectively manage this competitive source for better organization performance is of great concern for all hospitality establishments (Singh et al, 2007). Hospitality firms compete against one another primarily on the level of services that they can offer to their customers. Due to this competition, employees that are involved in providing these services can be considered as one of the most important resources possessed by hospitality firms (Goldsmith et al., 1997). The hospitality industry is a labour intensive industry and thus provides a wonderful environment to explore issues of HRM (Singh et al, 2007). From an organisational perspective, human resources encompass the people in an organisation its employees and the

human potential available to the business. The people in an organisation offer different skills, abilities, and knowledge that may or may not be appropriate to the needs of business. Additionally, their commitment and motivation vary. Some people identify with an organisation and are motivated to help achieve its objectives. Others regard their employing firm as a vehicle for personal goals. Some maybe are overworked while others are underutilized. Invariably, there is a gap or mismatch between the actual performances of employees and the ideal requirements of a business. Human resource management (HRM) focuses on closing this gap to achieve greater organisational effectiveness (Price, 2004). Actually, human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic development of a highly committed and capable workforce, using an integrated array of culture, structural and personal techniques (storey, 2001). A working definition of human resource management(HRM) produced by a plenary group including practitioners of the Steering Committee for HRM Standards and Qualifications in South Africa(1999) is given below:

"It is proposed that we take human resource management to be that part of management concerned with:

All the decisions, strategies factors, principles, operations, practices, functions, activities and methods related to the management of people as employees in any type of organization (including small and micro enterprises and virtual organization).

All the dimensions related to people in their employment relationships, and all the dynamics that flow from it (including in the realization of the potential of individual employees in term of their aspirations).

All aimed at adding value to the delivery of goods and services, as well as to the quality of work life for employees, and hence helping to ensure continuous organizational success in transformative environments”(Price, 2004).

There are varieties of HRM definitions. But the nature of this research is not to explain what HRM is. The goal of this paper is to consider how service employees provide better service quality to the customer to make them satisfied. Here HRM can play a significant role by recruiting the right people for the right position, then help them achieve the right standards or develop them to maintain or provide better service delivery.

Employment practices which can be seen to largely contradict an HRM approach have also formed part of employee management in the same period. Examples here would include down-and right-sizing and business process re-engineering. Human resource development (HRD), in particular, is an integral part of HRM. Keep (1989) states simply that ‘training and development should be regarded as central to anything that can be sensibly termed HRM’. In all service organizations, this centrality is clearly important, as ‘people are the only organizational resource that can shape and create the ways in which all other business resources are used (Toraaco and Swanson, 1995).

Organizations large and small are facing problems to maintain quality service to the customer, which HRD alone will not solve in any sustainable way. However, HRD

can help by addressing specific ability needs, valuing learning in different ways, being proactive and aligning explicitly with strategy, demonstrating value added, enhancing communication and enabling managers (Joy-Matthews et al, 2004). In general sense it has long been recognized that there is a correlation between how workers are managed on the one hand and sustained organizational performance on the other (Pfeffer, 1994). Some studies have added to this conviction, such as incentives, performance management and extended training as being as important to competitive advantage as strategy, structure, technology or market share (Pfeffer, 1998). However, the very economic forces that are making so-called human capital more important are also changing the implicit contract between employer and employees. So, as well as organizational best practices, employees now days a need to take responsibility for their own careers and skills updating (Lawler, 2003). Skills make a real difference to business performance; increases in training are associated with increases in productivity, higher skills returns arise when training complements wider human resource practices and investment in skills is linked to innovation and flexibility (SSDA, 2003).

2.3 Complexity of Service

Nowadays, in the hospitality and tourism industry, people are increasingly concerned about the service they are getting. Customers are demanding higher and higher level of service, and firms are recognising more and more the critical role service plays in their ultimate success (Heskett et al, 1994). The delivery of service within tourism and hospitality is frequently located firmly within marketing. Service enters the

discussion through a consideration of the characteristics of tourism which set the industry and its products apart from other industries and products (Baum, 2006).

Service companies are different from manufacturers in that they do not produce anything tangible from scratch. Consequently, service firms often face challenges such as how do they market their product that no one can see; price a product that has no cost of good sold; inventory a product that can not be stored; or distribute a product that seems inextricably link to its provider? (Bateson and Hoffman, 2006).

Service offered by hospitality firms, if compared to manufacturing are different because of the four unique characteristics namely intangibility, inseparability, heterogeneity, and perishability (Cowell, 1984). These characteristics create difficulties for service employee to deliver quality service to the customer.

Customers' perception toward business is to get the same standard or improved standards of service each time they return to the firms. So if service employee can improve their service delivery standards time on time, in turn it is beneficial for the business. But the unique characteristics of heterogeneity indicate "the variation in consistency from one service to the next" (Bateson and Hoffman, 2006). That means, in a service business, no two service performances are ever exactly alike. Because services are performed by people for people, so service performances cannot really be controlled, some variation in the service experience will always occur (Olsen, Teare, and Gummesson, 1996). Some factors such as service employees' personal problems, feelings, moods etc. can create significant differences in their day to day service performance. Because of these features present in the services, businesses are facing difficulties to maintain the desired service quality to the customer.

The intangibility factor is said to be the key that will differentiate service industries from other industries (Cowell, 1984). A service can not be demonstrated, nor can a sample be sent for customer approval in advance of purchase as like product does (Baum, 2006). Service are defined as performances, deeds, and efforts; where as, goods are defined as objects, devices, and things. Because of intangibility, services can not be seen, felt, tasted or touched in the same manner as physical goods can be sensed. As a result of intangibility of services a number of problem arise such as patent protection, the difficulties involved in displaying and communicating that attributes of the service to its intended target market, and the special challenges involved in the pricing of services (Bateson and Hoffman, 2006). Concern of pricing, yield management systems are used by airlines, hotels and other service providers to ensure optimum use of facilities and these are usually focused on pricing and marketing strategies (Baum, 2006).

A unique characteristic of inseparability creates another problem in services. That means, sales, production and consumption of a service take place almost simultaneously, while there is usually a long lead time between production and sale of product in other words the concept of inseparability as used in the continuum. That means it is difficult to distinguish between the production of the hospitality and tourism service and its consumption, especially when the customer is personally part of that production process. This has critical implications for the management of quality in the tourism and hospitality business, in that the level of checks and inspection characteristic of the manufacturing sector not can be applied (Baum, 2006).

A service can not be centrally provided; inspected, stockpiled or warehoused it is usually delivered where the customer is by the people who are beyond the immediate influence of their management (Baum, 2006). Perishability refers to the fact that services not can be saved, their unused capacity can not be reserved and they can not be inventoried. Unlike goods that can be stored and sold at a later date, services that are not sold when they become available cease to exist. So without the benefit of carrying an inventory, matching demand and supply within most services firms is a major challenge. Furthermore, the lack of inventories and the need for the service provider to provide the service leads to several possible demand and supply scenarios. In contrast to their service producing counterparts, manufacturers of goods could more easily adapt to these scenarios through selling or creating inventories (Bateson and Hoffman, 2006). The nature of these demands fluctuation, over time and the extent to which supply is constrained. That means if the demand exceeds the supply for a particular service the business may be lost to another provider. For example, if one particular restaurant is full and the customer has made up his or her mind to eat out, he or she will go to another restaurant (Payne, 1993).

These four unique characteristics of services play a very different role in service oriented businesses then they do in pure goods businesses. Traditional management practices, which work under the premise that the operations department is solely responsible for producing the product and that the marketing department is solely responsible for selling it, cannot work in a service business so there is a need to understand service delivery. Consequently, logic suggests that the firms should be organised in a manner that supports the people who serve the customer, because

service employee are an important source of product differentiation. (Bateson and Hoffman, 2006). So businesses need to match their demand and supply, that means according to their customer needs and demands business should recruit the right people for the firms and its not end itself, by proper empowering to them such as training, business can make them right standard for meet their customer expectations for maximise their profit.

2.4 Hospitality and tourism education and training

Learning can perhaps be best understood as a change in an individuals range and repertoire of behaviour. It is the process by which behaviour is modified, either by the addition of new and different capabilities, or by the extension and enhancement of those that an individual already possesses (Joy-Matthews, Megginson, and Surtees, 2004). They further state, if learning is based on and follows from experience, and then it seems clear that learning will be influenced by a person's exposure to different situations. Learning outcomes leading to increased capabilities will, therefore, reflect the nature, variability and intensity of what people are required to do and the opportunities that they have to experience new and different situations (Joy-Matthews, Megginson, and Surtees, 2004). Taylor (1995) states that learning styles are a means for improving communication. Styles include visual, auditory, and tactile. Personal preferred learning styles are so deeply ingrained that people have the tendency to apply their own style to deal with other people. Yet they need to address the various learning styles of the audience. It is widely accepted that working in the hospitality field requires interpersonal, analytical, social and managerial skills. How

hospitality educators impart these skills has been the topic for a great deal of discussion. However, evidence suggests that human resource management (HRM) will continue to be one of the challenges faced by managers throughout the foreseeable future. The challenge to find and nurture employees in a tightening labour market is especially important in the hospitality industry. Even though in today's environment where technological advancements have revolutionized the concept of hospitality service, it is impossible to offer superior guest experiences to customers without well-trained and knowledgeable employees (Mac Vicar and Rodger, 1996; Singh et al 2007).

Human resource development (HRD) has become extensively used within every industry as manpower is considered a crucial resource in an organisation, even in automated establishments like factories. It still needs people to control and look after the machines. The concept can be suitably applied to the hospitality and tourism industry as the business is regarded as service-oriented. Moreover, organisations in the hospitality and tourism industry have experienced a great deal of turmoil as the competitive forces within their industry have shifted under weight of globalization (Go, Monachello, and Baum, 1996). The importance of human resources is that business success stems from human resource and their management including development. The essential nature of human resources popularised with a focus on the need to cultivate closer and more positive relations with employees (Peters and Waterman, 1984). By empowering their employees, businesses can maximise their benefits by satisfying customers, and it is possible when they will get a good service experience from the business. As a service oriented sector, in hospitality and tourism

businesses human resources are power of main product. Here education and training is one of the major tools of empowerment to develop these products.

However, Brogan (1994) points out that “Employees did not see the business benefits of investing in their employees who were often part-time, temporary and viewed as low-calibre. Employees and entrants perceived tourism job as having little status, low pay, and poor conditions. Training provides perceived tourism businesses as being apathetic about training and provided and provided what they could rather than what really was actually required”. Moreover, the indifference or lack of concern is felt mostly in the context of the institutional framework for human resource development in hospitality and tourism (Brogan, 1994). Most of the human resource development (HRD) studies mention education and training as the development tool for the human resources. The Irish Department of Taoiseach (2005) notes “the most important property is now intellectual property, not physical property. And it is the hearts and mind of people, rather than traditional labour, that are essential for growth and prosperity. The emergence of a knowledge society means an ever-increasing demand for a well-educated and skilled workforce across the whole economy” (Fàilte Ireland, 2005; Baum, 2006). The significance of hospitality and tourism management education and training has been recognized globally. For many years now education and training provide the skilled human resources. In an environment of contemporary global business, the majority of tourism and hospitality business require human resources to be educated (Mariger, Miller, 1999; Valachis, 2003). Before defining hospitality and tourism education and training it is better to define first the term education and training. John Dewey the American philosopher has defined education

in 1916 “it is that reconstruction or reorganization of experience which adds to the meaning of experience, and which increases ability to direct the course of subsequent experience” (Baum, 2006). The Manpower Services Commission (1981) defines the term “training” as “A planned process to modify attitude, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or range of activities. Its purpose in the work situation, is to develop the abilities of the individual and to satisfy the current and future needs of the organization” (Wilson, 2001). Baum argues that training is for skill and education is for life. Furthermore he states, universities and educational institutions provide the education while training is generally provided by business or the industry (Baum, 2006). Vocational education was defined by Walls in 1968 as “a scheme of education in which the content is intentionally selected, wholly or largely, by what is needed to develop in the student some of the most important abilities on which professional competence depends” (O’Cooner, 1996). Making the link with business and education, Power et al, (1988) mention that education can improve the business financial situation; it can promote advancement of knowledge by improving the quality of instruction and research, also increase the numbers of graduates in high demand fields such as finance, computer science, engineering etc. Activities aim at developing the knowledge, skills, moral values and understanding required in all aspects of life rather than knowledge and skills relating to only a limited field of activity. The purpose of education is to provide the conditions essential for young persons and adults to develop an understanding of the traditions and ideas influencing the society in which they live and to enable them to make a contribution to it. It involves the study of their own and

other cultures and the laws of nature as well as the acquisition of linguistic and other skills which are basic to learning, personal development, creativity and communication (CEDEFOP:1996; Wilson, 2001). The growth or realisation of a person's ability is, through conscious or unconscious learning. Development programmes usually include elements of planned study and experience, and are frequently supported by a coaching or counselling facility (Manpower Services Commission, 1981; Wilson, 2001). Wilson (2001) states that development indicates movement to an improved condition that for the individual means advancing the physical and mental potential we all possess. In many respects development indicates growth and movement by the learner rather than learning itself. Garavan (1997) considered the nature of training, education and development and came to a similar conclusion that all involving learning. Therefore it is suggested that all four (education, training, development and learning) are seen as complementary component of the same process, that means the enhancement of human potential or talent (Wilson, 2001)

Within the context of hospitality education, according to Pizam and Milman (1992), hospitality is a field of study that is housed within colleges of Humanities, Agriculture, or Business, which are themselves housed within universities. The location of hospitality programmes within universities makes it logical to evaluate the contributions of hospitality education toward universities missions (Ladki, 1993). According to Gunn (2002), tourism is combination of geographic, economic, environmental, social, and political dimensions. So tourism is also the field of study

which is housed within colleges of humanities, political science, business etc. and which are themselves housed within universities.

To meet the challenges of a service-oriented industry, managers need to be not only adaptive but also innovative; be able to make quick decisions based on instantaneously available information; and be fairly assertive without being overbearing. All these require high standards of service professionalism, which can only be achieved through well-conceived and planned systems of training (Wong, Pine, and Tsang, 2000). They further state, a dedicated effort to enhance and upgrade an individual's and a company's competency in the rapidly changing hospitality and tourism industry requires management to provide effective and efficient training from time to time to update service delivery techniques and revamp old procedures. The strong service nature of hospitality and tourism, raising the overall standard of service professionalism to guests is a challenge that faces all managers of service oriented businesses. In planning and designing the appropriate training for their employees, however, it is important for the manager's of the business to understand the needs of the employees and what standard is required for the business, so that trainers can design a set of learning experiences more closely related to the actual physical workplace to foster the application of skills and increase the success of the training process (Wong, Pine, and Tsang, 2000). So this needs quality management who can understand the business needs, here education plays the main role, because education can give these types of quality skills.

This chapter has reviewed the relatively wide ranging literature to bring a variety of ideas on service and service quality, customer satisfaction, human resource management and development, and hospitality and tourism education and training. The aim of this review is to structure a series of questions for gaining primary information on Scotland. That is: why there is a need to maintain service quality, how it can contribute to the growth of Scotland's hospitality and tourism industry. Why is there a need for skilled people in Scotland to maintain service quality, and finally how education and training can contribute to supply these skilled people to maintain the growth of Scotland's hospitality and tourism industry?

CHAPTER THREE

An Overview of Scotland

3.1 Geography and Demography

Scotland is a nation in northwest Europe and one of the four constituent countries (England, Scotland, Wales, and N. Ireland) of the United Kingdom. It occupies the northern third of the island of Great Britain and shares a land border to the south with England. It is bounded by the North Sea to the east, the Atlantic Ocean to the north and west, and the North Channel and Irish Sea to the southwest. Apart from the main land, Scotland consists of over 790 islands (www.wikipedia.com).

The total area of Scotland is 30,414 sq mi ((78,772 sq km). Edinburgh is the capital city of the country but the largest city is Glasgow. The total population of Scotland are 5,094,800 (2005 est.), and the GDP (PPP) per capita is £16,200

(www.scotland.org). Religions are Church of Scotland (established church—Presbyterian), Roman Catholic, Scottish Episcopal Church, Baptist and Islam (www.wikipedia.com).

3.2 Tourism in Scotland

Tourism is one of the biggest income sources for Scotland, which contributes every year a healthy amount to the Scottish economy. The beauty of Scotland lies in its natural beauty and man made attractions, magnificent cities and their famous museums, crystal clear blue sea with sandy beaches, Lochs and islands, heritage and

culture are impossible to frame in a short list. It is one of the most popular tourist destinations in the world because of the appeal and variety of its tourism products.

Tourism is regarded as Scotland's most important industry, accounting for 27,000 tourism businesses of all kinds and supporting jobs and income in industries such as food, retail and distribution, financial and transport services. Tourism is an important provider of jobs and income in rural areas, also providing training opportunities and skills for young people (www.sdi.co.uk).

Tourism is characterised by the sector's spatial distribution and the relatively low import content of the services it trades. Therefore, tourism is an important element in the further economic growth of the country. In 2003 tourism was worth £4.4 and over 18 million tourists took over night trip to Scotland. In 2004 nearly 21 million tourists took overnight trips in Scotland and spent around £4.5 billion. In 2005 the figure was 24 million, which means Scotland tourism industry is attracting every year an increased number of tourists. (www.visitscotland.org).

Scotland is unique among tourist destinations for the wide variety of reasons and motivations that bring people to its shores to enjoy the scenery and outdoors activities to be found in the Highlands and Islands, such as hill walking, climbing, boating, skiing, fishing, cycling and golf; savouring the cultural attractions on offer during the many festivals; or simply checking out the urban scene in Scotland's towns and cities(www.visitscotland.org).

The availability of information about current and future events is important for effective decision-making by individuals and businesses in tourism and other

economic sectors. However, to the extent that information is only improperly available, decision-making is likely to be sub-optimal. Within this context, national tourism organization (NTO) can support tourists and businesses by providing a fuller range of information, which they can use to determine their current and future actions. Thus, for example, a national tourism organization can help businesses by providing and publicizing information about current performance and future trends in the destination, as well as domestic and international tourism markets, which individual businesses would, otherwise, be unable to obtain (Page and Hall, 2003; Blake et al 2004/2).

According to visitScotland (2007) forecasts, point to reasonably buoyant growth in visitor numbers and expenditure over the next 20 years. Visitor numbers are projected to increase from the 17.3m recorded in 2005 to 21.8m in 2015 and 27.3m by 2025. Overall growth will an average 2.3% pa over this 20 year period and international arrivals will increase more rapidly than domestic tourists, with the share of foreign tourists increasing from 13.9% in 2005 to almost 16% by 2015. Reports further state that expenditure by tourists will increase rather more rapidly than numbers. Overall expectation is that expenditure will increase by around 4% pa in real terms with international spend again increasing more rapidly, its share going up from just under 29% currently to around 33% by 2015(VisitScotland,2007).

Below Tables 1 and 2 illustrate the above forecasts.

Table 1: Forecast of Arrivals to Scotland : 2005 - 2025 (m)

Year	International	Domestic	Total
2005	2.4	14.9	17.3
2015	3.5	8.3	21.8
2025	4.2	23.1	27.3
2005-2015(pa%)	3.7%	2.1%	2.4%
2005-2025(pa%)	2.9%	2.2%	2.3%

(Source: VisitScotland, 2007)

Table 2: Forecast of Expenditure in Scotland: 2005 - 2025 (£m 2005 prices)

Year	International	Domestic	Total
2005	1.2	3.0	4.2
2015	2.1	4.2	6.3
2025	3.1	6.1	9.2
2005-2015(pa%)	5.6%	3.5%	4.1%
2005-2025(pa%)	4.8%	3.6%	4.0%

(Source: VisitScotland, 2007)

From the above forecasts, it can be seen that Scotland's tourism industry is growing, so in order to serve this increase in numbers of tourists, there is a need for extra employees.

3.3 Tourism Employment in Scotland

Tourism-related Employment refers to employment in industries which depend on tourism to a greater or lesser extent. In 2005, hospitality and tourism employed 209,662 people. (VisitScotland, 2005). More than a quarter of all those employees worked in restaurants, a further 19 percent work in hospitality services while 21 percent worked in hotels (people1st, 2006).

Tables 3 and 4 illustrate the total employment in Scotland's hospitality and tourism industry.

Table 3: Employment in Scotland 2005

	Full-Time	Part-Time	All
Tourism related Employment	98,329	111,341	209,662
All employment in Scotland	1,637,465	753,977	2,391,442
Tourism related as % of all Employment in Scotland	6%	14.8%	8.8%

(source: VisitScotland, 2005)

Table:4: Tourism -related Employment 2004 – 2005

Industry	2004	2005	% Change(04-05)
Hotels	48501	48135	-1%
Camping Sites	4404	5466	+24%
Restaurants	52250	54041	+3%
Bars	39448	40410	+2%
Travel agencies	8933	8545	-4%
Archives, museums etc	10176	10510	+3%
Sporting events	28268	29050	+3%
Recreational activities	13342	13504	+1%
Total	205,370	209,662	+2%

(source: VisitScotland, 2005)

From the above tables its understanding that compares to up growing tourism and hospitality industry the number of staffs are not increasing significantly. According to Tait and Flether (2005) the sector has around 5000 vacancies and more than 3600 tourism industry businesses have hard-to-fill vacancies.

This research paper does not aim to find out any procedures to attract the employees in the hospitality and tourism sector, but its aim is to consider how the employees can contribute to sustain this growing industry.

3.4 Education in Scotland

Education in Scotland has a long and distinguished history. By the end of the 15th century, for example, Scotland already had three universities (St Andrew's,

established in 1411; Glasgow, established in 1451; and Aberdeen, established in 1495). Schools run by the Church already existed in the middle ages but by the 16th century the burghs (towns) were also founding schools. Over the years, many schools were established in Scotland, with the result that in large area of the country by the mid 19th century a very large proportion of the population was literate (Scottish Executive, 2005).

The Scottish Education Department was created in 1885 in London and moved to Edinburgh in 1922. Its formation however, took Scottish education along quite a different path of development from the educational system of England and Wales. The most striking developments in the period up to 1945 as the establishment of a single external examination system for Scotland in 1888; the founding of more than 200 new secondary schools in the period between 1900 and 1991; and the creation of 36 local education authorities in 1918 to replace the unwieldy system of almost 1,000 School Boards. In addition, all the school run by the Roman Catholic Church came into the state education system in 1918 (Scottish Executive, 2005).

Scotland's education has always enjoyed a high status and most of the key principles/values on which it is built are long established. The provision of free, compulsory education for all within a specified age group (currently 5-16) is fundamental. So, too, is the broadly based curriculum, which originally was designed to ensure that young people could survive and make progress in any one of several occupations. It now prepares them, with certification, for the several changes of job

that they may well have to face in an era of rapid socio-economic development (Scottish Executive, 2003).

3.5 Educational Institutions, Administration, Management

3.5.1 Pre-School and School education

All primary and secondary schools have the opportunity of forming a School Board. School Boards currently operate in 83% of State primary schools, 96% of secondary schools and 56% of special schools (Scottish Executive, 2005).

3.5.2 Pre-School Education

In recent years, increased recognition of the importance of pre-school education has led to a commitment to secure free, part-time pre-school education for all 3 and 4 years olds whose parents wish it.

3.5.3 Primary Education

The idea of elementary or primary education for all children from the age of 5 years goes back well over 400 years to the year 1560. At present, education laws require all children between the ages of 5 to 16 to receive education and therefore the age of admission to primary school is 5. Primary education is provided free by every education authority (Scottish Executive, 2005).

3.5.4 Secondary Education

Secondary education in Scotland extends over six years from the age of 12. All state schools are comprehensive and students attend them full-time for four, five or six years. Subject choice in years 3 and 4 and 5 and 6 makes it possible for pupils to pursue academic or vocational interests, including, in many education authorities, work experience, but, essentially, the whole secondary curriculum is provided in each school. Education is not compulsory after the age of 16 (year 4) and a number of pupils leave school at that point. 16 is also the age at which students take the examinations for the Scottish Qualifications Certificate (SQC), formerly the Scottish Certificate of Education (SCE), at Standard Grade or newer National Qualifications equivalents. Education up to 16 can therefore conveniently be designated Lower Secondary Education and that between 16 and 18 Upper Secondary Education (Scottish Executive, 2003).

Secondary schools set out to provide an education which prepares pupils for a place in society and which meets their personal, social and vocational wishes, and the expectations of their parents, employers and of the tertiary education (Scottish Executive, 2005).

3.5.5 Tertiary level education

Educational provision in Scotland for students at the end of their secondary school career has for many years meant either some form of vocational training or more

advanced study in a college or university. Over the years the opportunities available for those leaving school at the statutory leaving age and for those leaving school after completing a full secondary course, but without qualifications to enter a higher education institution, have been in vocational training and further education. For a minority there was the opportunity of entry to university and to the professions. This situation has changed considerably in recent years (Scottish Executive, 2005).

3.5.6 Vocational training and further education

Vocational education and training is offered in further education colleges, by independent trainers and by employers in the workplace. The colleges offer a wide range of programmes from access level to professional level. The programmes are constructed from ‘building blocks’ of units and are designed to meet the specific needs of employers and other users. They include ‘core skills’ as well as suitable blends of theory and practice and can be designed to incorporate extensive periods of skills’ development gained in college workshops and other specialist areas (Scottish Executive, 2005).

3.5.7 Universities and Higher Education

There are at present in Scotland 21 higher education institutions. 20 of these (14 universities, including the Open University, and 6 other HEIs) are funded directly by the Scottish Higher Education Funding Council (SHEFC) (Scottish Executive, 2005). Universities and Higher Education Institutions provide, sub-degree courses, first degree courses, courses for the education and training of teachers, courses for post-

graduate studies at Masters and Doctorate levels and courses at higher level in preparation for a qualification from a professional body. Higher education institutions are also expected to carry out research (Scottish Executive, 2003).

3.6 Current situation of Hospitality and Tourism education and training of Scotland

The design, validation and provision of education and training services to the hospitality and tourism industry are supported by the public and private sector. This supports given by number of different bodies. In Scotland along with University sector, private colleges and further education colleges there are other 28 organisations have specific contribution to make to hospitality and tourism skills in Scotland. The Department of Hospitality and Tourism Management at the University of Strathclyde in Glasgow was established as a specialist management college in 1944 as the oldest university provider of tourism, hospitality and leisure education in Europe and the first to offer both degree and postgraduate courses in this area (Baum, 2006). Apart from university sector all the colleges offering diploma and certificate courses, such as higher national diploma (HND), higher national certificate (HNC), Scottish qualification certificate (SQC), Scottish vocational course (SVQ). And all the other 28 organisations offer wide range of medium and short courses. This suggests that hospitality and tourism courses are strongly represented in further education such as vocational course. This in turn would appear consistent with the significant and diverse craft base which underpins the industry. Universities courses are for the non-

craft area. There is a relatively limited role of the university sector in the tourism and hospitality education. In Scotland there are currently 14 universities amongst them only a few universities offering hospitality and tourism degree program to the student. Universities also specially target international students. Therefore, their role as a net contributor to the development of the Scottish tourism workforce becomes less significant (Skills Dialogues, 2002).

In addition to traditional classroom based learning, much learning also can take place in the workplace. This learning is normally very operational in focus. It can be provided across the team. This type of development activity is frequently the most valuable because it is closet to the immediate skills requirements and behaviours associated with high standard of job performance. (Fàilte Ireland, 2005). There are some organisations in Scotland, that run a “graduates training programmes” for new graduates, to give them a chance of practical application of their traditional class based study.

Also there are some hospitality and tourism businesses (especially large organisations) that have the training programmes to improve their staff skills. To arrange these programmes, they are spending a significant sum of money-in 2005, 66 percent of employers trained their staff as a cost £12 million (people1st, 2006).

CHAPTER FOUR

Methodology

This paper will look at the needs of the skilled people in the sector by considering a range of questions, such as why there is a need to maintain service excellence, how it impacts on industry, how businesses can maintain this quality by providing the right kind of training and how educational institutions can contribute to the sector by providing the right kind of skills according to the sector's demands. Also, this paper will look at the reasons for labour turnover, how it impacts on industry and how business and management can minimise this turnover through providing training and other retention strategies.

4.1 Research method

Research is defined as "a systematic approach conducted for the collection and analysis of data so that the necessary information can be taken" (Jankowicz, 2000). It is a time-consuming exercise, which must be carefully managed in order to obtain the best value from the available resources (Johns and Lee-Ross, 1998). The objective of the research design is to identify needs and future development with regard to employees' performance towards the creation of quality service. The research design aims to examine the relationship between maintaining this sector's growth needs and the needs for more hospitality and tourism skills. A qualitative approach is suitable for this research as it enables a large amount of interaction and can obtain information for this study in a short period of time.

Data refers to known facts or things used as a basis for inference or reckoning (Hussey and Hussey, 1997). To complete this study and collect information, the researcher used primary, secondary, and tertiary source of information techniques. The primary source involved semi-structured interviews with the some experts of the hospitality and tourism industry in Scotland, to explore the organisation problems and views as to their perception of service quality also how the skilled people would make to overcome the problems. The secondary research involves the usage of library books, academic journals, articles and case studies. And tertiary internet sources of information were also used.

4.2 Qualitative Vs Quantitative research method

Based on the purpose of the research, normally researchers choose a suitable method for the research.

4.2.1 Quantitative research methods

According to White (2000), in quantitative research the results are given numerical values and the researcher uses a mathematical and statistical treatment to help evaluate the results. However not all types of research can be measured by the numbers, normally quantitative method are suitable for the science subjects (Zheng, 2005).

4.2.2 Qualitative research method

According to White (2000), no two situations are the same and every phenomenon is unique in this approach and with a qualitative investigation the researchers observe a great deal and any results are more descriptive in nature rather than sets of numerical data. "There are many occasions in which we want not to 'count', or quantify some social phenomenon or interaction, but to investigate feelings, attitudes, values, perceptions, motivations- those unobservable, fluid and intangible factors which explain human behaviour. Only words can do that" (Clark, et al, 1998). Qualitative research is suitable for case study and action research (White, 2000).

The nature of this research is to investigate perception of the needs of skilled human resources in hospitality and tourism industry in Scotland. So it is believed that qualitative research methods are suitable for this research.

4.3 Case Study as a Research Method

According to Yin (2003) case study research is appropriate when an investigator desires to define topics broadly and to cover 'contextual conditions' and not just where the event takes place. Since the researcher placed the study within the context of hospitality and tourism education and training, and how the skilled people can maintain the growth of hospitality and tourism industry, a fairly broad definition of context is needed.

Furthermore, according to Yin (1994, cited in Gummesson, 2000) a case study can be used to explore, explain and describe. Exploratory case studies imply testing a hypothesis but hypothesis is not the intention of this research. Sen (1980, cited in Gummesson, 2000) notes that description is largely matter of mere observation and reporting....this is an 'absurd argument' because description also involves making choices, and these choices are directed by what he refers to as our 'paradigm' 'access' and 'pre-understanding', because of this there is no description without analysis and interpretation. Since the aim of this research is not to describe the importance of hospitality and tourism education and training in Scotland but it also try to explain: why Scotland needs more hospitality and tourism educated people? Therefore a combination of a descriptive and an explanatory case study was used for this research.

4.4 Questionnaire versus Interview

Based on the purpose of the research, normally researchers choose a suitable primary technique for the research.

4.4.1 Questionnaire

The questionnaire is a less time-consuming method than other approaches such as observation, diaries and focus groups (Johns and Lee-Ross, 1998). There is a need to ensure the clear layout of the questionnaire form and its careful design that the respondents would not feel confused (Hussey and Hussey, 1997). But the fact is the research involves a self-completion questionnaire there might be some questions that the respondents would not easily understand so they may misinterpret the questionnaire questions as well as it might require extended writing of answer.

Perhaps a small number of respondents have the patience or motivation to write as fully as they might speak.

4.4.2 Interview

According to Patton (1990), an interview provides the opportunity to find out what is in someone's mind. Interviews have been used to find out from people those things that cannot directly observe. Interviews encourage respondents to talk, ask supplementary questions and ask respondents to explain their answers. They are usually conducted with a relatively small number of subjects. Each interview is guided by a checklist of topics rather than a formal questionnaire (Veal, 1997). The purpose of this technique is to get below the surface reactions of the respondent and discover the more fundamental reasons underlying attitudes and behaviour (Kinnear and Taylor, 1996). The purpose of a research interview is to get as much relevant information, facts, opinion, and to understand the attitudes present within an organisation (Ramli, 2000).

An advantage of interviews is that it can be used with almost all segments of population. Another great advantage of interviews is that the interviewer can control the pace of interview. So clarity of answer can be ensured as well as when the respondents misinterpret a question, the interviewer can explain the question to respondent and can guide the person on to the right track (Ramli, 2000). Due to nature of this case study, the researcher understands that interviews should be the suitable technique for this research.

Since the objective of this research to find out about the current skill situation in Scotland, so it is best to interview experts who have knowledge about this sector especially on the Scotland hospitality and tourism labour market, rather than to interview hotel and restaurant managers, because these managers can only tell about their individual business not about the whole country. That is why the researcher chose experts as source of the primary data for this paper. The interviewees who were chosen because the researcher believes that they have great knowledge about this subject, and this belief was developed based on their commitment to their profession, long term experience and their research on this subject.

For the interview, questions were designed to examine the present labour market in Scotland as well as to find out why this sector needs more skilled people to maintain the growth of the industry via service quality. The structure of the questions is given in Appendix.

4.5 Limitation

In preparing this dissertation, the writer encountered a number of issues. First issue a lack of responses and willingness of possible respondents to answer. This was because of their busy schedule and the summer holiday; so many experts in the field were out of the city. So this had an impact on the research findings. Second issue was limited period of time available for the study. The third issue was that not many related documents and information source was found to evaluate the current hospitality and tourism education and training courses and programme in Scotland. The fourth issue is qualitative approach is chosen for collect primary information so

researcher's gathered information from a target people rather than a wide range of people. The fifth limitation of this research paper is its focus on only Scotland's current situation of hospitality and tourism education and training rather than a region or the whole world. And finally, there was the shortages of money for go to the different places in Scotland for collecting the primary data.

CHAPTER FIVE

Findings and Analysis

5.1 Findings

This chapter presents the findings based on the interviews with five experts of the hospitality and tourism industry in Scotland. They are:

- 1). Respondent A (scenario planner of visitscotland)
- 2) Respondent B (senior lecturer, The Department of Hospitality and Tourism Management, University of Strathclyde)
- 3) Respondent C (senior lecturer of Glasgow Caledonian University)
- 4) Respondent D (lecturer, The Department of Hospitality and Tourism Management, University of Strathclyde)
- 5). Respondent E (lecturer, The Department of Hospitality and Tourism Management, University of Strathclyde)

The discussions of this chapter are based on the information gathered from the interviews. The interview questions were structured from the findings of the primary information gained from the literature review.

The information which was gathered through the interviews is discussed below under three sub-headings.

5.1.1 Service quality

With rising customer expectations and choice, the competitive edge in the sector increasingly rests on raising service standards. At a time when quality and value are

more than ever determinants of success on a global stage, the Scotland is fast falling behind other international tourist destinations which are better able to deliver “World Class” standards of excellence (Skills Dialogues, 2002). Respondent “A” said, cost of production in Scotland compare to Asian countries is not comparable. Scotland has high costs. So to provide the value of money to the international tourists is quite hard. Respondent “C” said, it use to do with international exchange rates, because weakness of the dollar and euro, the strength of the GBP. So its have impact on the cost of production as well as value of money of tourists, this is one of the major factors here. Another factor is that Scotland’s hospitality and tourism businesses are dominated by small and medium sized businesses. In one sense it is the strength of the industry. But in other sense it is a weakness, because they cannot provide the up to date technologies for maintain the high level of service excellence. Another issue with the small and medium sized businesses is their less skilled staffs. Because for provide the better service need skill people, but skill people needs better salary. So this is the issue here.

Responding to the questions regarding, how these issues can be minimised

Respondent “C” said, large organisations do not have any problem with above issues, because they have money, so can provide to their staffs up to date technologies and resources for maintain the high level of service. Also they can recruit the quality staffs. Here the issue they are facing is cost of production. But because of their skilled staff and the high levels of technology they are satisfying their customers by giving them value for money.

In relation to the concerns of small businesses, Respondent “D” said, it’s true to recruit good people need money. But the fact is if business has good people they can satisfy their customers. Consequently they (customers) come back to the business again and again, as well as by word of mouth recommendation they will generate more new customers to the business. In result, business does not have to spend money on advertisement, do not have to offer any discounts. In this way, by recruiting good staffs business can earn more money.

In response to question about how Scottish hospitality and tourism can gain more loyal customers. Respondent “D” said, actually customer loyalty are comes from delivering promises. So every employee is responsible for knowing what promises are made to the customers. Whether in term of “star ratings”, whether in term of “advertising”, whether by the “web site”. So any communications being made to the customers by the business for meet their (customer) expectation. Then its responsibility to every employee to do their best for meets their (customer) expectation. If employees can do that, that will create loyal customers.

Respondent “D” further stated, about the satisfied customers, if they (customer) do not come back, but they will tell their friends “what a great place it was”, so in this way business will build up loyalty even if it is not a same person coming back. Because by their recommendation their friends will come, they also have great stay and time, so then they will go back and tell their friends. In this way business can build up loyalty.

Respondent “B” said to make a link with recruitment; there is no doubt service employees need to recruit correctly. They need to have adequate training; they certainly need adequate skills in English. He further added businesses need to provide their staff with necessary resources and equipment to do their (employees) job properly. Also staff need motivation, they need to be rewarded not necessarily in monetary term but they need to feel some benefit and reward to doing their job. In this way they can deliver the good services to the customers for make them loyal to the business. Respondent “D” said, it is sort of service profit chain idea, if business has happy staffs so they can creates happy customers. If customers are happy, they will come back. Also staff will stay with the business longer. So this is the end of the virtual circle.

5.1.2 Present issues of labour market

Responding to question about present issues in the hospitality and tourism labour market in Scotland, Respondent “A” said it is true; the sector suffers from high labour turnover rates compared to other industry. There are number of reason for that, one is cost of production. Another is perception of the industry and the value of the industry. Respondent “C” added small businesses can not often give people a career. They can provide jobs rather than a career. So here career is the big factor. Respondent “E” added to make a link with the career, it is a cultural issue, and people see it as a very low option for the career. People have seen it bit of dead end job. So from the students it’s not seen viable career option.

Respondent “C” point out, “level of payment”, “seasonality “, “long working hours”, and “unsocial hour”, are all reasons that people are showing less interest in entering into the industry.

Responding to question on staff retention and the turnover issue, Respondent “B” said, in Scotland there are many restaurant and hotels where people are working 16 to 17 hours a day, and they are getting something around £12,000 per annum. From that £12,000, £2,000 are taken away for accommodation by employers, so the actually they gets £10,000, that is much less then the minimum wages in UK. But to earn this money they are working 6 days a week and working incredibly long hour. These types of jobs are very physical as well. On top, there has some poor management such as staff bullying and staff harassment. This is perceived to be simply part of the occupation and the culture. But some people cannot handle these types of things, so all of these issues have impact on high labour turnover rate.

In response to current labour market issues, Respondent “A” said, there is another important issue which is migrant labour, predominately the eastern European labour force. There are various issues that relates to that matter. On the positive side some evidence says these people have a much better work ethic. But on the negative side, firstly it does creates cultural tension, because that could seen as taking jobs away from the people of Scotland. Secondly, there is a question about their language (English) skills. Thirdly, there is a issue about authenticity of products, as an example

a international tourist he/she visit Scotland, has a break in a hotel or restaurant with no Scottish people are working there. Then the questions will arise on the authenticity of the products. Fourthly they depress wages, that means they are ready to work in a less payment so its have impact on reduce the wage scale.

Respondent “D” talked about impact of labour turnover on a service quality.

Obviously this has an impact on service quality. Because they (new employee) do not know the system of the business, do not know the customers, every week customers come back and see different faces, so customers do not feel very welcome either, so it reduce customer satisfaction.

In response to questions about how these issues can be minimised, Respondent “C” said, besides general education there are many kind of training are there, for example, induction training, supervisory skills training, chef training, management skills training et cetera. All of those programmes prepare staff for the business demand, when staff can do the things well they become assets for the business. For keep these assets, Respondent “A” said business need to motivate their staff by paying them, by treating them well, by organising them, by training them, moreover business need to make sure their staff feeling respected and needed. Respondent “B” said turnover has two faces. The first is that the staff think they always get a better option such as payment, environment et cetera. somewhere else. And second poor management, heavy work-load all have an impact on staffs’ turnover. Respondent “E” said

management/employers need to respect their staffs and make them feel that they don't have to work somewhere else. So in this way this issue can be minimising.

5.1.3 Role of education and training

According to People1st (2006) the sector suffers from skill shortages, at present there are 15 percent of the hospitality, leisure, travel and tourism workforce in Scotland who do not have any qualifications and a further 19 percent are qualified to either Level 1 or entry level. Nearly a quarter of the sector's workforces are qualified to Level 2 and over a fifth is qualified to Level 3, also a relatively low proportion of people working in the sector hold Level 4 or higher qualifications. Another study suggests, many employers in this sectors finds there new employees are not job ready in term of basic skills, they are lack skills innumeracy, ICT, literacy, and communication skills such as English language skills (skills dialogue, 2002).

In respond to question about above issues, Respondent "B" point to problem of limited literacy, innumeracy and ICT learnt within the general education system.

Respondent "D" said, its also not the job of the educational institutes to train people for the specific roles, what educational institutions are doing is to train people how to operate business in term of marketing, finance, human resource management, planning, operations et cetera.

Respondent "A" said, there is two things, firstly need to think about supply of courses in Scotland according to the size of the country. And secondly, there are many students who started their degree on hospitality and tourism, but by the time it is

come to year four there are approximately 60% of students who skip the degree for number of reasons. Then if we look at the remaining 40% of students, we will see in two years time that numbers are reduced down from 40% to 12%. So every hundreds students that started degree in hospitality and tourism, there are stay only twelve on that career path. The reason is, undergraduates are investing their 3 to 4 years time and also paying tuition fees, but in return compare to other industries they are not getting a high salary. So that is why people are encouraged doing science or other management degrees but not hospitality and tourism degree programmes.

Respondent "B" said there are some content problems in degree courses. Secular to course like the MBA, the problem of this types of higher degree courses is the content of those courses is geared towards the large organisations' needs rather than the small micro organisations.

Respondent "E" said different educational institutions provide and design courses for different roles. Traditionally further educations look at training people to one level, such as in restaurants and hotels as their waiters, chefs and supervisors they are come from further education route. Where as, managers and executives they come from higher education. Actually it is very straight way to look at it, because many people out there who come from further education can do the entire works and vice versa. So here is the content problem that is needs to be changed.

In response to how to minimise these issues, Respondent “D” said, the sector is changing, so the course they need has to change as well. For example, the University of Strathclyde is for the first-time ever going to launch a BA tourism degree; this university is evaluating their MSc. Degree. Next year this university will start a new Hospitality Management degree programme. This is not the end. The university is always investigating and talking to Alumni worldwide to find what needs to be changed. He further state “We always talking about should we bring brand new courses, should we change or offer new courses or offer new modules. So I think this very important for the industry”.

Respondent “B” said, further education, secondary education, and the higher education all of them are playing their different role to supply the skills to the sector. Respondent “A” said educational institutes are the one provider, there are other providers as well who supply the skills to the industry such as business themselves, and some training providers, and training consultancy firms. They all are playing their roles.

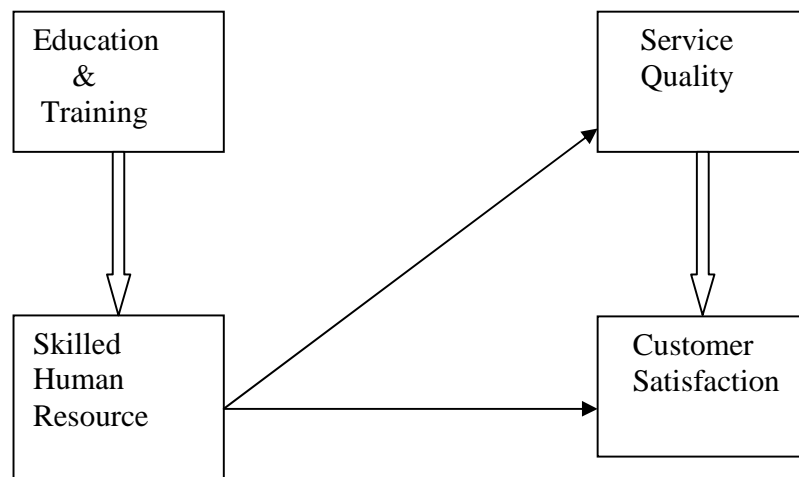
Respondent “C” said, by providing career led courses, universities and colleges can attract more students, along with this they should provide bursaries and some grants to the students. And also they need to make sure that it is easy to move from one stage of education to another stage of education. That is to say, from diploma to degree, from degree to post graduate courses. For example, this year Glasgow Caledonian University takes in to the third year of its undergraduate programme, 75

students who have done an HND. Other universities are doing this, but not significantly. This is an important contribution, in that way educational institutes can play a role to supply skills to the industry.

5.2 Analysis

Bateson and Hoffman (2006) discussed customer satisfaction and service quality: Satisfaction is the outcome of the evaluation a consumer makes of any specific transaction or experience where as service quality means a way of achieving success among competing services, outcome of quality deliver repeat purchases as well as generate new customers. Here service employees can plays a very important role. From the interviews, the researcher finds that the sector suffers from key issues like poor image, high staff over turn rate, cultural issue et cetera. all of them are barrier to the supply of skills to the industry. But to maintain industry growth, there is a need for quality service and that quality can be achieved by skilled human resources. These skilled people can design the service and product for fulfil the customers' satisfaction. Proper education and training can help to get these skills. Within the model proposed here, education and training make skilled human resources; skilled human resources can maintain better service quality and can satisfy customers. Service quality leads to the customer satisfaction. To maintain the growth of the industry, customers need to be understood in detail as well as a focus is needed on product or service quality, so customers will get a better service experience. These experiences deliver repeat purchase and can also bring new customers.

Model: Relation to service quality & satisfaction



CHAPTER SIX

Conclusion and Recommendations

Researcher's found evidences from the interviews, human resources are very important in the Scotland hospitality and tourism industry but the area is characterized by unconstructive attitudes to investment in human capital, inflexible employment practices and an educational and training support system of doubtful relevance (Parsons, 1996). Actually it is a hugely varied sector and includes hotels, restaurants, bed and breakfasts et cetera. There are several kind of operation and a wide range of jobs. So there are varying levels of skills required for this sector for maintain quality service to the customer which helps to enhance the industry's health.

Evidences of the interviews said issues like most of the businesses here in Scotland are not year round businesses, and the sector is dominated by small and medium sized businesses, which are not able to give to people any sustained career. So the sector fails to attract quality people. According to Lane (1992), "... 'imported employees' and 'lack of career structure' are among the features of non-sustainable tourism. In addition the hospitality and tourism industry is notorious for its poor image, with its seasonality, low wages, poor working conditions, lack of any properly laid down

career ladder or planning, ad hoc recruitment practices and indifference to training and development”.

Human resources development has an important role in the growth of tourism; as education can lead to more clarity regarding this growth issues, develop a realistic image of tourism and, more importantly, help develop sustainability oriented professional `ethics' and `subculture' within the tourism industry (Hultsman, 1995). So there is an important role for the education to develop the tourism within the country.

According to the `Cycle of Quality Service' concept of Schleisinger and Heskett (1991), as reported in Baum (1995), `capable workers who are well trained and fairly compensated, provide better service, require less supervision and [are] more likely to remain on the job. For individual companies, this means enhanced competitiveness'. In addition, `the key to quality service is the human being who deliver them' (Poon, 1993; Baum and Jithendran, 2000).

There are different layers in the education system, such as universities, colleges, institutions of higher learning, technical institutions, colleges, secondary schools, primary schools and adult literacy programmes, etc. (Baum and Jithendran, 2000). All of them have contributed to supply skills to the Scottish hospitality and tourism industry.

At present, a large number of academic qualifications are offered by Universities and colleges, representing different approaches to hospitality and tourism education (Tribe, 1997). But researcher's found by the interviews some problems are there, the lack of industry orientation and too much theory is more evident in this stream of hospitality and tourism education and can be an example of offering what the teachers are interested in rather than on the basis of what the industry requirements are (Brogan, 1994), and this could result in major labour market problems (Goodenough and Page, 1993). Mismatch between industry requirements and what is provided by hospitality and tourism education has been and continues to be a major issue in tourism, especially considering the rapid changes taking place in the hospitality and tourism industry (Cooper et al., 1994; Baum and Jithendran, 2000). So there are always questions about the quality of the students from the employer. That needs to be changed.

The Scottish Executive (2003) have stressed the need to focus on the changing requirements of learners and to be responsive to the demands of employers, whilst at the same time maintaining the value of the student experience and their retention from entry to qualification. So need to be providing more industry-led courses. The educational institutes should change the content of courses such as IT skills, communication, team working, problem solving, numeric, motivational skills, literacy should be provided as a priority in the content of the course. They should find innovative means of giving students opportunities to acquire these soft skills especially in relation to people care and management skills. Teaching should embrace work-related contexts where possible, e.g. high quality case studies which apply

general business skills within hospitality and tourism also universities and colleges should use semester/term-time work experience of students as an educational opportunity and bring work-based experiences to enrich student learning. In addition they could focus on producing the top-level management staff for tourism and hospitality (Littlejohn and Watson, 2004). It is also important that they should take more and diversified approaches, such as distance and e-learning can be developed in order to address the specific problems of the tourism industry in training and staff development which are caused mainly by its large concentration of small and medium sized businesses(Martin, Mactaggart, and Bowden, 2006).

Also students should understand that they will enter a sector dominated by small businesses, these often possess a culture of long working hours, hard physical and mental work (Littlejohn and Watson, 2004). But they can be inspired by the TV celebrities such as Jamie Oliver and Gordon Ramsey and understand that this industry can provide them very bright career.

And in relation with to poor image, it is recognised that in the relatively recent past many actions have been taken to improve the attractiveness of tourism in the job market in both the under UK and in Scotland. These include a greater recognition at the Scottish national level that tourism is one industry that does offer real opportunity for future economic growth; greater efforts have been put to strengthen the image and profile of the industry through heavy investment and the development of a series of

initiatives to improve skills for tourism businesses across whole Scotland (Scottish Executive,2004).

It has been forecast that in the next five years, there will be a high demand for labour in the tourism industry with particularly strong demand for managerial and other senior occupations in a broad range of service industries including the tourism industry, the hotels and restaurants sectors (Futureskills Scotland, 2003). It is therefore very important that more effective approaches should be taken by both educational institutes and the businesses to tackle the problem of these skill shortages at both higher and lower level, if the hospitality and tourism industry in Scotland wants to be a successful industry in this global and highly competitive market.

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Appendix

Question 1: As an expert could you please tell me what the “world class” of Service excellence is? How service employees can contribute for deliver this service excellence?

Question 2: what do you think, Scotland are maintaining the “world class” of service quality to compete with other international destination?

Question 3: We heard about customer loyalty, so how employees can play the roles for achieving this customer loyalty especially on Scotland point of view?

Question 4: Businesses within this sector are varied in size like large organization to Small businesses; along these most businesses are here is seasonal base; so could you please tell me regard these issues how Scotland can maintain the level of service excellence.

Question 5: Some studies suggest, compare to other sector this sector are suffer from high staff turnover rate. As an expert could you please tell me what the reasons behind that are?

Question 6: How retention problem and staffs turnover rates have impact on service quality?

Question 7: How these turnover rates and retention problem can be minimised? Is there any role for training?

Question 8: we know there are clear relation between customer satisfaction and employees’ satisfaction. Could you please how employees can be satisfied or how empowerment can play the role for satisfy the employees?

Question 9: Many employees are finding their new employees are not job ready in terms of basic skills: they lack skills in literacy, numeracy, ICT, communication. So as an expert could you please explain how these skill gaps can be minimised? What type of training should take place to minimise these gaps?

Question 10: According to People1st (2006) currently there are 28,400 people working as managers in the hospitality, leisure and travel and tourism sector in Scotland. Amongst them 7% of managers have no qualification, 19% are qualified to level 1, and 26% are qualified to level 2. So how do these unqualified and less qualified managers have an impact on businesses for maintaining the quality of service as well as on the overall business?

Question 11: How can educational institutes play a role to minimise these skill shortages?

Question 12: What is your say about current educational courses and programmes, are they well designed and can they supply the right skills to the sectors?