

## I. EXECUTIVE SUMMARY

The Armenian tourism industry, to realize its fullest potential in attracting and providing high quality services to tourists, must have a well-trained, highly-qualified work force. Yet, to achieve this goal, full alignment must be in place between the worker skill sets, industry demands, and the education and training being offered by the academic institutions. Though a number of tourism education programs (TEPs) have emerged in recent years, there remains a certain disconnect, not only between educational offerings and the skills necessary to successfully perform the jobs, but also in the business/education partnerships that must be in place to achieve this alignment.

The primary aspects requiring industry/education alignment are generally segregated into skills and knowledge. Skills relate more to worker functions, hands on actions, and tactile activities; knowledge more to awareness of theories, facts, and workplace behaviors. This report is the culmination of CAPS research to determine the specific skills and knowledge gaps present in the Armenian tourism workforce. It has been conducted through detailed interviews with key tourism firms, organizations and TEP representatives, as well as extensive surveying of nearly 250 managers and employees within the Armenian tourism industry.

The survey clearly indicated the most significant skills gaps in the areas of “foreign languages”, “customer service”, and “communications”. Other skill sets that emerged as high priority needs by various respondent groups included “health & safety”, “problem-solving”, “team working”, and “business management”. The survey findings were highly consistent and validated the data reported in the interviews.

In terms of knowledge gaps, the most important were “customer service”, “geography”, and “ethics”. Other key areas for various respondent groups were “food hygiene”, “catering”, “wait staff training”, and “business planning”. Again, these responses were consistent with those of interviewees.

A key finding from the surveying was that 42% of tourism businesses have been experiencing difficulties in filling vacancies. Those positions noted most often being waiting staff, administrative staff, and cooks. The most commonly cited reason causing this shortfall is “lack of applicants with the appropriate skills”.

Other findings, garnered primarily through interviews, related to the TEPs. One of the key underlying questions the research was seeking, was to evaluate factors serving as the root cause behind the inadequately prepared graduates. Some of the principal explanations that emerged by way of explanation were:

- they are too focused on tourism and not enough on hospitality (where most positions are),
- their (academic institutions) curricula are not well-matched to the needs of the industry,
- professors often do not have sufficient (industry-related) experience and/or academic qualifications,
- internships are not as effective as they could be,
- other practical experience opportunities are lacking,
- there is not enough communication between TEPs and industry, and
- resources (within the institutions) such as libraries and computers are limited.

The Skills and Knowledge Needs report offers a series of recommendations to help address the skills and knowledge gaps that had been identified. First, creating a universal baseline for various skill sets will be important as a means to communicate a common level of achievement needed within the Armenian tourism industry. Therefore, a number of national and international certification programs are proposed as an approach to creating this baseline for skills in: wait staff and other hospitality training; customer service; foreign languages; destination management; event management, food hygiene; tourist guide training; heritage interpretation training; and first aid.

A set of 'knowledge' recommendations are provided in the area of curriculum development, including courses/modules to be added and skill development activities or approaches to be integrated into coursework. The knowledge or theoretical enhancements are complimented with recommendations for enhancing 'skills' through the use of internships and other practical experiences; building industry knowledge of professors and TEPs; and improving connections between TEPs and the industry as a means to better equip graduates with the reality of the Armenian tourism industry.

The overall report, based on the findings from the research, will lastly make recommendations on next step action plans. A five point list of action items to be taken in the first quarter of 2008 is mapped out.

## II. INTRODUCTION

One of the largest constraints that the Armenian tourism industry faces is a workforce that is not sufficiently qualified. This finding was reinforced in several recent studies conducted by the USAID-funded Competitive Armenian Private Sector (CAPS) project. The human resources (HR) survey conducted in February 2007 asked representatives from tourism businesses to write-in the largest current HR problem they are facing. Cited most often was a "lack of qualified specialists" (tied with "lack of specialized tourism schools").

The HR survey also revealed that the lack of qualifications among employees is the leading cause of the high employee turnover. This means considerable resources (time and money) are being expended not only in the recruitment process but also for the initial employee training required for these marginally qualified employees. A secondary impact of the lack of qualified employees is poor quality service which tends to impede or erode customer loyalty and further lower the bottom line. Overall, it is apparent that this issue is severely hindering competitiveness - not only of individual businesses, but also for the destination as a whole.

Although part of the problem relates to cultural and economic factors that seem to be inherent in the system, others clearly stem from insufficient or ineffective training programs. In Armenia, four higher education institutions and several technical colleges offer tourism education programs (TEPs). Yet it has often been stated, including in the CAPS workforce assessment report<sup>1</sup>, that there is a major disconnect between that being offered by the TEPs and that needed by the Armenian tourism industry.

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<sup>1</sup> Daly, J (May, 2007) *Workforce Competitiveness Assessment & Report*. Prepared by WSI for USAID-funded CAPS Project.