hotel that does not provide excellent service quality is “just an empty shell that cannot be sustained.”

A key element in improving service quality is the recruitment and training of staff. The industry has a high staff turnover, mainly due to “low salaries, lack of support for the hotel profession, and lack of hotel loyalty”. The participants also noted that many hotel employees are from Generation Y, which seems to possess different traits and work ethics than the older generation. Although highly educated and goal-oriented, members of Generation Y expect freedom, understanding and respect, and “work to live instead of live to work”, which can make managing them “a difficult task”.

Several universities have introduced tourism and hospitality programmes, but these often “do not seem to correspond to the needs of hotels” according to Dr Hung. More work needs to be done to facilitate close collaboration between educational institutions and hoteliers, first to identify the hoteliers’ needs and then to “tailor the curriculum” to meet those needs.

**Government Role**

Dr Hung emphasises that the government has “contributed much to the development of hotels in China” through the implementation of regulations, investing in hotels, attractions and infrastructure, and hosting tourism events. The success of the Beijing Olympics in 2008 and the World Expo in Shanghai in 2010 both “highlighted the government’s inevitable role in boosting tourism” and “leveraged the confidence of international travellers regarding hotel services in China”.

Nevertheless, the participants noted some shortcomings, such as poor planning, lack of management skills, heavy taxes and the lack of a clear vision for development. Dr Hung specifically notes that once policy makers understand the strengths, weaknesses opportunities and threats associated with the hotel industry, they should develop a strategic plan to “formulate development strategies, direct its future activities, and improve its performance”.

**A Vital Opportunity**

Although tourism in China is expected to continue its rapid growth, Dr Hung warns that hoteliers should not “take this opportunity for granted” because there is already fierce competition and increasingly more hotels are entering the market. She suggests that to compete with international brands, local hotels will need to define their target market, develop clear branding strategies and create a unique place in the market.

The Chinese government also needs to consider the shortcomings identified by the hoteliers. Dr Hung suggests that practitioners in the hospitality field could “join the planning committee to jointly plan and manage hotel development in China”. In the meantime, there is much to be optimistic about. As Dr Hung remarks, “with proper planning and management, China can be a shining star in the tourism and hospitality industry”.

**Points to Note**

- Hoteliers recognise many strengths and opportunities for China’s hotel industry.
- Hotels are still failing to meet Western standards of service.
- Recruitment and training of staff present a challenge for the industry.
- The central government needs to develop a strategic plan to ensure continued success.


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**Chinese Outbound Tourism Policy: A Form of Diplomacy**

The Chinese government uses tourism as a form of ‘soft’ diplomacy in its dealings with other countries. In a recent published research paper, Dr Tse describes how China delayed granting ADS status to Canada as a “reprisal” for the Canadian government’s criticism of China’s human rights record and for the Prime Minister’s meeting with the Dalai Lama. Eventually, Canada extradited Lai Changxing, who had fled to Canada following charges of corruption and smuggling. China granted ADS soon after. This, argues Dr Tse, illustrates that the Chinese government is prepared to “manipulate ADS to add clout to its soft power and advance diplomatic discussions”.

**Providing Support**

The government also uses outbound tourist flows as mechanisms to offer support to other regions and countries. Dr Tse highlights how it has done so to help its two semi-autonomous Special Administrative Regions, Hong Kong and Macau. Hong Kong weathered a series of economic setbacks following reunification with the mainland in 1997, and it was “no coincidence” according to Dr Tse that China introduced the Individual Visit Scheme in 2003. Allowing visitors from the mainland to visit Hong Kong independently rather than as part of a tour group resulted in an increase of HK$30 billion in tourism income.

The government showed similar support for Macau after the return of sovereignty to China in 1999. To “prove that it could help boost the economy”, the Chinese government opened up Macau’s gaming industry to foreign investment and allowed mainland residents to visit casinos in Macau, even though gaming is illegal in the rest of the country. As a result, the number of mainland visitors increased from 5 million in 2001 to 16 million in 2011.
Further afield, Dr Tse highlights China’s tourism-led reactions to the Indian Ocean tsunami in December 2004. Premier Wen Jiabao pledged that China would encourage its tourists to travel to areas hit by the disaster. In early 2005, China Air launched direct flights to Phuket in Thailand and entered partnerships with new travel agencies to help tourism recovery. When Japan faced a similar crisis after its 2011 tsunami, China introduced a number of measures to help support Japan’s struggling tourism industry. These actions, writes Dr Tse, show that the country not only “takes pride” in helping neighbouring countries, but that doing so also helps China to build its “soft power base”.

Signifying Positive Political Relations

Indeed, it can be argued that outbound travel flows from China signify positive relations with other countries. Dr Tse uses the examples of the UK, Korea, and Sri Lanka to illustrate how the development of Chinese tourism can be seen as a “manifestation of positive political relationships”. For instance, the UK’s efforts to increase the number of inbound tourists have focused strongly on the Chinese market, as evidenced by policies such as making the visa process easier for Chinese visitors.

Korea and Thailand have also enjoyed a considerable increase in visitor numbers from China, and Sri Lanka is anticipating an increase from 25,000 in 2012 to 300,000 by 2016. The development of Chinese tourism in such countries suggests that “tourists are becoming unofficial diplomats building the soft power base”, claims Dr Tse.

Withholding Tourism as a Sanction

Dr Tse also provides examples of how China uses tourism as a sanction against countries it is at loggerheads with. For instance, during the territorial dispute with Japan over the Diaoyu Islands, many of China’s leading travel operators stopped promoting Japan. Others cancelled trips and refunded their customers. This led to an estimated 70% fall in Chinese tourist receipts in the country during 2012. Similar actions were taken against the Philippines in the same year, following an escalation in tension over Huangyan Island.

While Dr Tse acknowledges that these were commercial decisions, he argues that they were clearly undertaken with “some kind of consent and encouragement from the Chinese government”. Withdrawing tourism, he argues, is a hostile act that is intended as a punishment, and China is “powerful enough to exercise this kind of sanction”.

Understand the Political Agenda

Dr Tse concludes that “given the political nature” of China’s outbound tourism, the government uses its control and influence to shape tourism development so that it is “in line with the country’s political agenda”. To benefit from this process, destination markets not only need to “know consumer needs and wants” but they must also “understand the policy and politics” at play.

In a broader sense, Dr Tse writes that the soft diplomacy at work in China’s outbound tourism policy has the potential to increase the country’s “probability of obtaining its desired outcomes on the international front”. That should attract even more attention on the international stage.

Future Hoteliers Embrace Computer-Based Training

Computer-based training (CBT) could soon become prevalent in the hotel industry write the SHTM’s Dr Eric Chan and co-author in a recently published research paper. Drawing on the results of an undergraduate survey conducted in Hong Kong, the researchers show that hospitality and tourism students – the potential hoteliers of tomorrow – perceive CBT not only as an effective method but also that it is compatible with the training needs of hotel employees. Most of the students they surveyed regarded CBT as user-friendly, and noted that they would be confident in being subjected to it. They also indicated their intention to use it in the future. This, argues the researchers, indicates the viability of the method as an industry-wide practice that could be used in conjunction with traditional face-to-face training methods.

Innovative Training Techniques

The maintenance of top-level performance across an industry is no easy task. The researchers note that “high-quality human resource management practices” are necessary and that employee training is a “priority concern” for the industry. Training is now more prevalent than it was in the past, and many hotels recognise the need to invest in specific training programmes. Yet traditional methods such as classroom and on-the-job training, which are still in fairly common use, may be less effective than the innovative training techniques available today.

The researchers write that CBT involves the use of computers to provide employees with “the skills or knowledge they need to perform their jobs”. Like all methods, it has both advantages and disadvantages. For instance, CBT allows employees to “access learning at any time and in any place” and avoids the need for large groups of employees to be involved in training simultaneously. It certainly avoids the “time-consuming and expensive nature” of classroom-based learning, but the content can become outdated quickly. The cost of investment in terms of both time and money thus has the potential to outweigh any savings.

To guarantee CBT’s success, hoteliers need to ensure that users accept and are willing to use it. In short, then need to understand users’ perceptions of and opinions about the method. The researchers thus decided to investigate how undergraduate students studying hospitality and tourism management perceived the “application of CBT in Hong Kong hotels” because the attitudes of such students “directly reflect those of tomorrow’s hospitality employees”.

Undergraduate Student Perceptions

In their survey, the researchers targeted the undergraduate students enrolled in a Bachelor degree programme in Hong Kong. Most of the respondents were female and close to three-quarters were studying hotel management. The remainder were studying tourism management. A large majority of the students were in their second and third years of studies, so they were not unfamiliar with the possibilities that CBT could offer.

The students were asked about their perceptions of and intention to use and recommend CBT as a training method in hotels. For instance, they replied to questions about whether it would be easy to use, whether it would be easy to implement in Hong Kong hotels, and crucially, whether it “would enhance training performance”. Their responses to these and other questions fell into three broad categories: those reflecting the “perceived compatibility” of CBT with hotel training, the “perceived efficacy”, or effectiveness, of CBT, and students’ “perceived self-efficacy”, or confidence, in using CBT. The researchers could then determine the students’ intention to use CBT and to recommend and support its implementation in Hong Kong hotels.

Compatibility with Hotel Training

Most of the students thought that CBT would be compatible with existing hotel training systems. This is particularly important because those who perceived the compatibility of CBT were also likely to recommend its use and support its implementation. Indeed, the researchers point out that this perceived compatibility had the strongest influence on the students’ perceptions of CBT’s suitability as a training method in hotels.

**Points to Note**

- China has an observable outbound tourism policy.
- Outbound tourism is used as a form of ‘soft’ diplomacy.
- It is used to both offer support and impose sanctions.
- Understanding the politics of Chinese tourism is essential for destinations aiming to develop the outbound market.