

IMPACT OF INTERNATIONAL INTEGRATION ON TOURISM HUMAN RESOURCES IN ASEAN: AN IMPLICATION FOR VIETNAM*

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Abstract

Tourism is one of the critical success factors for continued national development in ASEAN. Particularly, some countries such as Cambodia, Myanmar, Thailand, and Vietnam have experienced progressive growth in their tourism industry life cycle over the years. This paper attempts to explore what and how the existing international integration initiatives such as ASEAN, One Road One Belt, and CPTPP as well as international merging and acquisition activities among multinational corporations can influence tourism development in ASEAN. The discussion also provides strategic implications and suggestions to Vietnam tourism authorities for crafting a better, result-oriented tourism human resource training Master Plan capable of updating and upgrading Vietnamese travel and tour manpower's knowledge, skills, and competences to the world-class level.

Key words: *tourism, international integration, international M&A, tourism training.*

Tourism in ASEAN

Southeast Asia is considered as "The most diverse, beautiful, enjoyable, and accessible landscapes in the world" (ASEAN Tourism 2014). In 2015, ASEAN received 108,904,000 tourist arrival (Table 1) (ASEAN Secretariat, 2017) of which Thailand recorded the

highest number of 29,881,000 tourists, Malaysia ranked the second position with 25,721,000 tourists, and Singapore stood at third place to welcome 15,231,000 tourists. Statistics for ASEAN 10 member countries in terms of tourist arrival in 2015 to their respective country are depicted as follows (Table 2):

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Table 1. Statistics for the top ten countries/region sources of visitors to ASEAN in 2015 are depicted as follows

Country of Origin	Number of Tourists	Share to Total (%)
ASEAN	45,992,000	42.2
China	18,596,000	17.1
European Union 28	9,570,000	8.8
Republic of Korea	5,839,000	5.4
Japan	4,703,000	4.3
Australia	4,191,000	3.8
USA	3,382,000	3.1
India	3,308,000	3.0
Taiwan (ROC)	2,099,000	1.9
Hong Kong	1,515,000	1.4
Top ten country/region	99,194,000	91.1
Rest of the world	9,709,000	8.9
Total tourist arrival in ASEAN	108,904,000	100.0

Source: ASEAN Secretariat, 2017

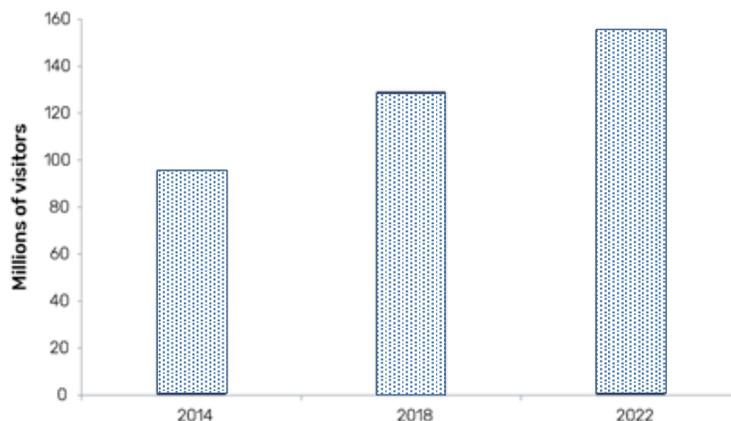
Table 2. Tourist arrivals in ASEAN in 2015

Country	Tourist Arrival	Ranking
Thailand	29,881,000	1st
Malaysia	25,721,000	2 nd
Singapore	15,231,000	3 rd
Indonesia	10,407,000	4 th
Vietnam	7,944,000	5 th
Philippines	5,361,000	6 th
Cambodia	4,775,000	7 th
Lao PDR	4,684,000	8 th
Myanmar	4,681,000	9 th
Brunei	218,000	10 th

Source: ASEAN Secretariat, 2017

It further depicts in the following statistics that international tourist arrival to the ASEAN

region is estimated to grow from 100 million in 2014 to 155.4 million in 2022 (Figure 1).



Source: GlobalData, 2019

Figure 1. International arrivals to the ASEAN region 2014-2022 (millions)

According to the research of Chheang (2013), tourism development has become one of the high-priority development cooperation areas in the interconnected Southeast Asia region. It is argued that regional integration of ASEAN tourism does not only promote socio-cultural connectivity among member countries, it also helps reduce poverty, attract foreign direct investment, create new job opportunities, expedite domestic infrastructure process, and develop new tourist attractions of the respective country.

Many factors have contributed to the increasing popularity of ASEAN as the world's single tourism destination. According to Imtiaz Muqbil, the Executive Editor of Travel Impact Newswire, the driving forces for the growth of ASEAN tourism are (1) Aviation access (2) More border checkpoints (3) Visa-free access (4) Rise of the ASEAN middle class (5) Shorter, more frequent holidays (6) Rise of Myanmar (7) Rise of China and India (8) Strong marketing campaigns (9) Business travel and MICE (10) Strong product

development. (Muqbil, 2014).

Furthermore, the main reasons for travelling and touring the ASEAN region are attributed to heritage and natural attractions, improved tourist facilities, affordable traveling costs, easy accessibility to logistic system, and better-trained tourism human resources (ISEAS Yusof Ishak Institute, 2017).

ASEAN tourism can be categorized into various types as postulated by Tureac and Anca (2008). Basically, it can be classified as:

- Relaxing tourism
- Health care tourism
- Visiting tourism
- Reduced distance tourism
- Professional tourism

The Tourism Unit – Infrastructure Division of the ASEAN Secretariat, which is based in Jakarta Indonesia, has recently published the “*ASEAN Tourism Strategic Plan 2016 – 2025*” produced by the Philippines Department of Tourism as Lead Coordinator for this project, with technical assistance from United States Agency for

International Development.

The vision of ASEAN Tourism Strategic Plan over the next decade to 2025 is:

“By 2025, ASEAN will be a quality tourism destination offering a unique, diverse ASEAN experience, and will be committed to responsible, sustainable, inclusive and

balanced tourism development, so as to contribute significantly to the socio-economic well-being of ASEAN people.”

The strategic direction through which the vision of ASEAN Tourism Strategic Plan can be accomplished is posited as follows (Figure 2, Figure 3):



Source: ASEAN Tourism Strategic Plan 2016-2025

Figure 2. To enhance the Competitiveness of ASEAN as a single tourism destination



Source: ASEAN Tourism Strategic Plan 2016-2025

Figure 3. To ensure that ASEAN tourism is sustainable and inclusive

It is envisaged that effective implementation of such project with appropriate programs and resources through all member countries’ synergistic collaboration, the ASEAN Tourism Strategic Plan (2018) would be able to achieve the following result performance by 2025:

- The GDP contribution of ASEAN

tourism could increase from 12% to 15%.

- Tourism’s share of total employment could increase from 3.7% to 7%.
- Per capita spending by international tourists could increase from US\$ 877 to US\$ 1,500.
- Increase the average length of stay of international tourist arrivals from 6.3

nights to 8 nights.

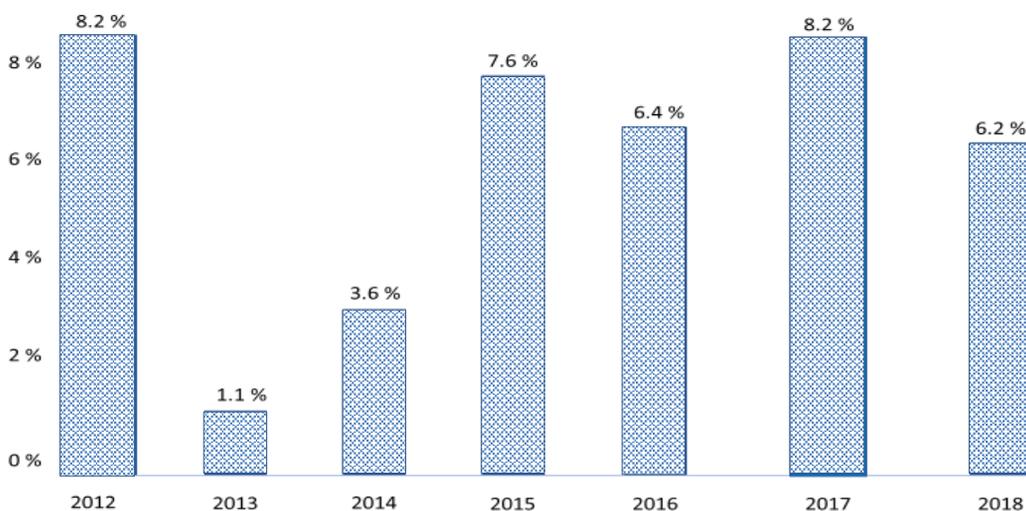
- The number of accommodation units could increase from 0.51 units per 100 head of population in ASEAN to 0.60 units per 100 head of population.
- The number of awardees for the ASEAN tourism standards could increase from 86 to 300.
- The number of community-based tourism value chain project interventions could increase from 43 to over 300.

Vietnam Tourism in ASEAN

Vietnam as one of the member countries in ASEAN has much to learn and benefit from the ASEAN Tourism Strategic Plan 2016 – 2025. The Ministry of Culture, Sport & Tourism is responsible for promoting Vietnam tourism activities as an integral part of the nation’s 2016 – 2020 five-year socio-economic development plan (VNA, 2018). The Vietnam National Administration of Tourism (VNAT) is the government agency of the Ministry of

Culture, Sport & Tourism which manages tourist operations and activities throughout the country. It has full control in terms of business development, planning, public relations, personnel training, conducting research, and instructing and inspecting the implementation of policies and other regulations in the tourism sector.

The tourism industry in Vietnam has been enjoying steady growth of tourist arrival from 5 million in 2010 to 15 million in 2018 (Das, 2019). Tourism is one of the five sectors of opportunity in Vietnam (Asean Business, 2018). The tourism industry in Vietnam generated US\$9.30 billion of revenue in 2016 and is forecast to double by 2027. In 2018, the Country has attracted 15.5 million foreign tourists and 80 million domestic travellers, generating approximate USD26.66 billion in tourism revenue (VietnamPlus, 2018), the contribution of tourism to Vietnam GDP is depicted by the following chart (Figure 4):



Source: Statista, 2019

Figure 4. Growth of total travel and tourism contribution to GDP in Vietnam from 2012 to 2018

The tourism sector in Vietnam does not only contribute directly to the country's

economic growth, but it also attracts tourism investment and creates job opportunities for local Vietnamese. In 2015, the tourism industry created 6,035,500 jobs, accounting for 11.2% of total employment, including 2,783,000 direct jobs, or 5.2% throughout the Country (The Voice of Vietnam, 2016).

Critical Success Factor for Vietnam Tourism

Given the significant impact of the travel and tourism industry on Vietnam's socio-economic performance, the Vietnamese government has prioritized tourism as a major driver of economic growth by releasing the “Strategy on Vietnam’s tourism development until 2020, vision to 2030” in 2011. The plan focuses

on training professionals, market development, branding strategies, infrastructure development, and developing tourism products and services with local cultural characteristics (Das, 2019).

The importance of tourism development in Vietnam has been further postulated by Chi and Vien (2012) whose research suggested major factors influencing the development of the tourism industry. According to their study, it is mandatory for Vietnam government to first identify the critical success factors before tourism plans and policies can be implemented. An empirical examination of critical success factors for Vietnam tourism development are summarized by the following framework (Figure 5):



Sources: Adopted from Chi and Vien (2012)

Sources: Adopted from Chi and Vien (2012)

Figure 5. Critical Success Factors for Vietnam Tourism Development

The critical success factors are categorized into three groups. Group 1 is classified as Tourism Infrastructure & Facilities such as tourism management system, transportation, public infrastructure, hospitality, and technology

application. Group 2 is confined to Tourism Environment that includes political and legal environment, socio-cultural environment, economic environment, and ecological environment, both internally and externally. Group 3 is Tourism Resources

that refer to natural resource protection, tourist spots creation and maintenance, tourism manpower training and development.

Trends of International Integration

International integration among countries is a worldwide phenomenon and contemporary issue commonly highlighted by politicians, scholars, and business practitioners. The trend of international integration has been expedited by the driving forces of globalization that promote borderless political boundary, cross-cultural socialization, unregulated information technology application, and tariff-free market system. Particularly, international economic integration encourages coordination of regional countries into one common market, collective implementation of standardized bilateral trade policies and regulations shared by member countries as well as the development of investment incentives to attract FDIs within the regional bloc.

Over the decades, the world has witnessed numerous successful international integrations between countries for both political and economic reasons (Kirillov & Paweta, 2014). Some prominent examples of such international collaboration are the European Union (EU), the North American Free Trade Area (NAFTA), the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation (APEC), the One Road One Belt (OROR), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the CLV Growth Triangle (Chheang, 2013).

These international integrations imply

both opportunities and treats for tourism development in ASEAN. For example, the liberation of immigration rules and regulations among ASEAN member countries suggests that ASEAN people are more likely to frequently travel and tour their neighbouring countries without the restriction of entry VISA. On the other hand, foreign tourists from non-ASEAN countries are more motivated to visit a series of member countries through tour package which is better, faster, and cheaper. In this regard, ASEAN governments have initiated an ASEAN Tourism Agreement on the 4th day of November 2002 to safeguard the main objective of promoting ASEAN as a single tourism destination in the world tourism marketplace.

Despite the opportunities of international integration in stimulating intra-ASEAN travel and attracting non-ASEAN tourists' visitation to the region, the emergence of international integration also imposes certain threatening conditions for the tourism industry of the respective ASEAN member states. The competition will be intensified with increasingly competitive pressure for each and every ASEAN member government to defend its tourism industry. International and regional tourists are having more options to decide which ASEAN countries to travel, what tourist spots to visit, where the accommodation would be, how long the travelling duration, and how much of money to spend, etc. Furthermore, people have their different perception, bias, and purpose to travel one ASEAN country more frequently over other member countries. For example, Malaysians are more regularly visiting Thailand because of the

latter's unique attraction in religious places, shopping malls, and innovative entertainment programs. Indonesians are mostly attracted by Malaysia's medical tourism in which visitors from Jakarta and Medan can receive quality medical care services from the prominent private hospitals in Penang and Kuala Lumpur. On the other hand, Singapore is the most preferred destination for most ASEAN youths for education tourism where they can study and enjoy local ethnic foods in a well-managed living environment.

Trends of International Merger and Acquisition

International integration in the form of mergers and acquisitions between business firms from different countries has become increasingly popular in ASEAN. Examples of intra-ASEAN M&A activities are Thailand's retail giant Central Group buy over Big C Vietnam for 1 billion euros in 2016 (Nikkei Asian Review, 2016). Petron Corporation, the largest oil refining and marketing company in the Philippines, has acquired ExxonMobil Malaysia subsidiaries in 2012 with a nationwide network of 550 petrol service stations in East & West Malaysia (Petron, 2013). Last but not least, Great Eastern General Insurance Limited (GEG), a Singapore-based insurance giant has acquired Indonesian insurer PT QBE General Insurance Indonesia from QBE Asia Pacific Holdings Limited and QBE Insurance (International) Pty Limited for US\$28 million (Singapore Business Review, 2018).

International merging & acquisition activities involving two or more multinational companies with socio-

cultural diversity. It provides both advantages and disadvantages for M&A selling and buying parties, respectively, which may lead to the creation of tourism opportunities in ASEAN. For example, the M&A organizations may require management staff to frequently visit the company branches within ASEAN for job assignments. Also, the newly M&A management may organise an annual company tour as a fringe benefit offered to the company employees. In addition, the M&A board of directors may travel to other ASEAN countries for attending a business convention, trade exhibition, collaboration discussion, or social visit to family members. All these business-related and personal-related travelling motives increase demand for tourism goods and services.

Vietnam Tourism in The Context of International Integration

Vietnam as one of the ASEAN member states is in support of "ASEAN Tourism Strategic Plan 2016 – 2025" via its "Strategy on Vietnam's tourism development until 2020, vision to 2030". The Vietnam Ministry of Culture, Sport & Tourism together with its agency the Vietnam National Administration of Tourism (VNAT) should work synergistically in the context of international integration that influences the landscape of the ASEAN tourism industry. This necessitates a paradigm shift in terms of strategic intent, managerial approach, and entrepreneurial propensity for the sake of Vietnam tourism development and success sustainability. Given the dynamism of international integration that reveals new opportunities and threats for ASEAN tourism players, the Vietnam authorities are

prompted to liberalize the planning process in updating and upgrading its tourism policies, particularly in the areas of tourism human capital investment, human asset development, and human resource management.

Tourism Human Capital Investment in Vietnam

Theoretically, tourism human capital investment is defined as an allocation of investment funds for the establishment of new infrastructure or improvement of the existing facilities about training and developing tourism manpower. Practically, this means constructing new tourism schools, setting up tourism training centres, installing state-of-the-art facilities, and upgrading the information technology hardware initiated by private investors, government budget, or a private-public partnership (PPP).

Tourism Human Asset Development in Vietnam

Development of tourism human asset involves designing tourism-related education and training programs, offering innovative tourism certification courses, updating the information technology software system with an attempt to improve the quality of tourism human asset in terms of knowledge, expertise, skill, and competence. Training and development of tourism manpower quality should be guided by qualified and experienced trainers or tourism industry veterans who have been exposed to all aspects of tourism business.

Tourism Human Resource Management in Vietnam

Tourism human resource management entails the planning of manpower to ensure a strategic fit between the candidate's

background and job description. The planning process starts from identifying company's need for tourism manpower, inviting job applications through vacancy advertisement, screening job applicants' qualification and experience, interviewing job candidates, recruiting the required number of manpower, developing new staff with training and coaching as well as assigning the right staff for the right job duties and responsibilities. The ultimate goal of tourism human resource management is to enhance the productivity of Vietnam tourism industry thus significantly contributing to the national development and economic performance of Vietnam as a whole.

Recommended Human Resource Strategies for Vietnam Tourism

It is envisaged that Vietnam needs a holistic approach to innovating the human resource plan for its continued success in the international tourism industry. Vietnam is an integral part of ASEAN on one side while sustaining its uniqueness as an attractive tourism-oriented country on the other side. It has a better position to leverage the benefits of "ASEAN Tourism Strategic Plan 2016 – 2025" for accomplishing its "Strategy on Vietnam's tourism development until 2020, vision to 2030". Having synchronizing the studies of ASEAN tourism plan and Vietnam tourism characteristics, we submit the following suggestions about human resource development strategies for the consideration of the Ministry of Culture, Sport and Tourism as well as the Vietnam National Administration of Tourism (VNAT):

(1) Enhancing Local Tourist Guards

Qualifications

There is room for improvement of Vietnamese tourist guards' qualifications in terms of education level and professional credential via tourism training programs. Local universities and colleges as well as internationally recognised foreign higher education institutions may offer industry-driven qualifications such as Diploma in Tourism, Bachelor of Tourism Management, Certified Professional Tourist Guard, and other relevant tourism-related courses approved by the tourism authorities in Vietnam.

(2) Upskilling Local Tourism Management Staff

It is mandatory for the staff of local travel and tour companies in Vietnam to further refine their communications skill, customer service attitude, and administrative behaviour. This is important for developing a better customer relationship particularly with tourists from ASEAN who have a high expectation of the Vietnamese way of hosting foreign visitors in their Country.

(3) Strengthening Hospitality Safety and Security

Tourism human resources also include the employees of hotels, hospitals, clinics, public transportations, police stations, eatery outlets, shopping malls, and tourist information centres. These figureheads are at the frontier to interface with local and foreign guests visiting Vietnam. They must be empowered with responsibility and accountability for the physical safety and security of individual tourists to ensure a favourable hospitality experience and memory during their stay in Vietnam.

(4) Redefining the Integrity Culture

of Tourism Human Resource

To position Vietnam as a world-class tourism heaven with competitive advantage unbeatable by other competing countries, it is critically important to incorporate morality and ethics as a norm of the tourism industry. Morality suggests an honest mindset without having a propensity to cheat, steal, or abuse any single tourist's belongings. Ethics demonstrates a code of conduct and behaviour which is friendly, professional, and non-discriminatory to all incoming tourists from different background.

(5) Upgrading the Occupancy Status of Tourism Human Resources

The societal status of tourism personnel should be acknowledged and recognized by the Vietnam tourism authorities concerning the level of the former's education, experience, skill, and competency. Rewards and incentives such as “The Best Tourist Guard of the Year”, “Certificate of Outstanding Travel & Tour Agent”, “Endorsement of Tourism Training Program” are the feasible instruments to boost the motivation of those involving directly and indirectly in the Vietnam tourism-related business better, faster, and cheaper.

Conclusion

ASEAN is increasingly well-known for its tourism diversity among regional and international tourists. The ASEAN government is aggressively working hand-in-hand with the private sector such as the National Tourism Association, NGOs as well as local travel & tour companies to stimulate intra-ASEAN tourism activities and field visitors from non-ASEAN countries. Vietnam as one of the ASEAN

member nations possesses resourceful and unique tourist attractions as its competitive advantage to welcome tourists from all over the world. In the context of international integration, tourism becomes an increasingly important income source to drive Vietnam economic growth and prosperity. This paper suggests and discusses a few viable strategies for the consideration of Vietnam tourism authorities to update and upgrade the performance of tourism human resources to the world-class level driven by the trends of international socio-economic integration. It is the intention of this conceptual paper that future empirical research can be pursued to examine the causal relationships between the above-mentioned strategic variables and tourism performance in Vietnam so that the confirmed research findings would support the Vietnam government's planning for its tourism industry.

Conflict of Interest

The authors declare no conflict of interest.

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