Palestinian Market Development Programme

Rapid Market Study Analysis

Quality of Front-Line Workers in Tourism
Elements going into TVET activity

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UKaid from the British people

وزارة الإقتصاد الوطني
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Contents

List of Acronyms

AAUJ	Arab American university in Jenin
AHA	Arab Hotel Association
AHLAEI	American Lodging and Hotel Association Educational Institute
Diyafa	Diyafa – Hospitality Management Consulting firm
ETVTC	Episcopal Technological and Vocational Training Centre, Ramallah
EU	European Union
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
HLITOA	Holy Land Incoming Tour Operators Association
IATA	International Air Transport Association
INGOs	International Non-government Organisations
ISIC	International Standard Industrial Classification Codes
MICE	Meetings, Incentives, Conferences, and Exhibitions
MoEHE	Ministry of Education and Higher Education
MoTA	Ministry of Tourism and Antiquities
NGOs	Non-government Organisations
oPt	Occupied Palestinian Territory's
OQR	Office of the Quartet Representative
PalTrade	Palestine Trade Centre
PCBS	Palestinian Central Bureau of Statistics
PCRHTS	Palestinian Centre of Restaurants, Hotels and Travelling Services
PMDP	Palestinian Market Development Project
PPP	Public-private partnership
SSS	Sun, Sea and Sand
SWOT	Strength, Weaknesses, Opportunities and Threats
TOT	Training of Trainers
TVET	Technical Vocational Education Training
UFTAA	Universal Federation of Travel Agent Association
UK	United Kingdom
USAID	United States Agency for International Development
VFR	Visiting Friends and Relatives

Executive Summary

The tourism and hospitality sector has experienced a strong rebound between 2007 and 2012 in tourism service exports. However, almost all agree that the available tourism human resources are not sufficient and not adequate to the volume and level of capacity and demand and are a main barrier and constraint in the value chain of the tourism sector such as hotels and restaurants, which need additional qualified labour. The skills of employees are still not matching the expectations and in general tend to have a negative impact on the quality of services provided to tourists.

Tourism sector activities are partially hindered by a number of external constraints mainly restrictions on movement and access by Israelis. Furthermore, there is no level playing field with the Israeli companies in the tourism value chain. Israeli companies operate in Bethlehem and elsewhere in the West Bank, however, Palestinian companies, unless they are located in East Jerusalem, are not allowed to operate in Israel.

Nevertheless, tourism is additionally constrained by internal gaps such as underdevelopment of key sites and ancillary activities, a lack of diversified high-quality products (accommodation and dining), weak branding, underdeveloped promotion and sales channels, and poor service quality.

Desk research and interviews have validated that the poor quality of services in the sector is primarily due to:

1. Skills gaps amongst current, aspiring, and front-line workers
2. Lack of a vocational training curriculum which meets international standards
3. Absence of vocational schools or training centres for tourism
4. Lack of information about market requirements amongst Technical Vocational Education Training (TVET) institutions

There were key characterization and findings about the tourism sector. Production and delivery of service in the hospitality industry are two inseparable functions. Services to customers are seen as guest relationship, which requires the ability to develop personal relationships with guests. This skill may be difficult to develop by all employees while at the same time they also try to be productive. Another upcoming need for interpersonal skills is the sensitivity to ethnic, cultural and religious diversity of guests. Another finding is that faith-based tourism to Palestine is seasonal in nature, and therefore service providers have to be very cautious with costs during off-season periods.

Finding talented front-end staff is a challenge, despite the fact that the Palestinian hospitality industry has low barriers to entry for labour. Most front-line employees do not possess any front-line certification or formal training. It is not common to see employers investing in the capacity development of their workforce.

The lack of having a realistic expectation about the market can impact the morale, ethics, and willingness of employees to work in the industry.

Some actors in the tourism value chain have recently started collaborating with the USAID COMPETE project and GIZ, to change practices and upgrade their vocational training curriculum. One example is of Bethlehem University. The University has collaborated with international experts to develop a new tourism vocational curriculum based on a student-centric pedagogy. Other market system activities include establishing a hospitality school, launching international certification

training for the existing workforce, establishing the hotel classification system and drafting the new tourism law by the Ministry of Tourism and Antiquities (MoTA).

This brief report and analysis also indicate there are further opportunities in the market system to improve the front-line vocational education and have better trained aspiring and existing employees as per the following:

1. **Opportunities for interventions on core function:** commercial relationships between the potential workers and the employers and whether trainees understand the demand for skilled labour, the potential market for their services and the value proposition. Whether the industry can standardize the profiles that they are looking for and communicate them to both the aspiring / current potential employees as well as the TVET institutions. Industry association can also be a catalyst in this process of information sharing. Industry image improvement will assist in improving the core relationship through salary guides, industry job boards, transparent career paths, partnership with the TVET on internship programs and curriculum development.

2. **Opportunities for interventions on supporting functions**

For TVET Institutes

a. Capacity building to TVET institutions to upgrade their business model to meet industry needs and requirements to enable them to start selling their training programs. This will also entail revisiting their target market and revise the student selection criteria including gender coverage accordingly as well as re-design their value proposition based on their own SWOT analysis.
b. Capacity building to TVET to enable them to provide employment support services to students such as career path counceling, industry orientations, internship support and job placements
c. Invest in developing a national hospitlity school infrastructure to include a working hotel and restaurant
d. Invest in a train the trainers program and new equipment to cater for recent trends in the hospitality industry
e. Rolling the newly developed curriculum and student-centric training program nationally and making that a national standard with the caveat that each region has its own type of tourism and there is no one size that fit all nationally. The vocational training for existing and aspiring employees in accordance to international standards is an enabler to support growth in the tourism sector and develop a higher standard of hospitality and tourism services to inbound visitors.
f. Training institutes need to upgrade their curriculum to cover providing basic front-line service in hotels; with specialized focus on high end service need in resorts and upscale hotels. They also need to provide training programs for restaurants and tourism-facing businesses, including for tour guides & tour operators.

For Hospitality Industry

g. Offer training and attractive incentives as a retention strategy, which will also change negative perceptions and image of the industry as an interim period for employment.
h. Continue promoting and diversifying the value proposition to reduce seasonality including developing direct international joint ventures, improve bargaining power with

Israeli tour operators through aggregation to negotiate better pricing and improve profit margins for better business sustainability and competitiveness.

i. Re-branding of the industry. Employers need to allow staff to have better work / life balance, better career prospects, develop loyalty and retention strategy, and change perceptions of the hospitality industry

3. Opportunities for interventions on the Rules and Enabling environment

a. Pass a new law after discussion with private sector associations and with relevant public stakeholders. Laws should encompass a balance between incentives and compliance clauses to spur market system dynamic to ensure quality of service and have better gender coverage in the workforce With Associations and MOTA as Regulator, approve the new design curriculum for the vocational curriculum that was supported by USAID / Compete project and GIZ project, which should be based on needs from the hospitality industry

b. Utilise mechanisms such as 'Mystery Shopping'[1] and other inspection mechanisms to ensure service quality standards as per the Classification Manual. Follow up by measuring whether this system is having an impact on hospitality industry training

[1] Mystery shopping is a technique whereby an individual pretends to be a customer to investigate the quality of a service offering. The technique allows for a first-hand report of customer experience.

Introduction

Several national tourism development strategies have called for the upgrading of the tourism value chain in Palestine. Proposed measures have included a combination of business linkages with customers, policy reforms, capacity development of existing workers, and an improvement in the education of aspiring employees.

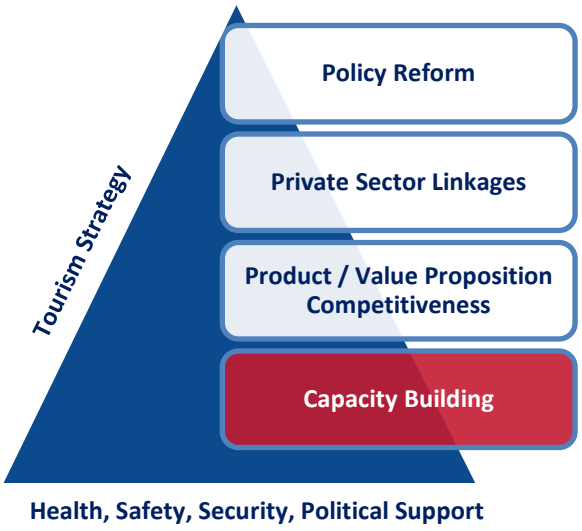

Figure 1 Elements of a Standard Tourism Strategy in the Value Chain

This report is intended to be a brief analysis on the failure to graduate quality aspiring employees as part of the capacity building pillar, specifically front-line staff from the vocational education and training centers. It provides quick analysis on the tourism sector and its potential and subsequently provides analysis on the core relationship between the suppliers of vocational graduates and the hospitality industry buyers such as hotels and restaurants. The report provides analysis on the supporting functions and rules related to the supply and demand, largely based on literature desk research and review of several previous studies that have highlighted the lack of quality of service in the hospitality sector.

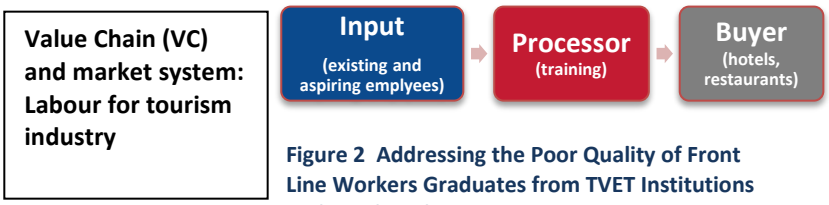

Figure 2 Addressing the Poor Quality of Front Line Workers Graduates from TVET Institutions in the Value Chain

The desk research conducted has highlighted that the available tourism human resources are neither sufficient nor adequate and are a main constraint in the value chain of the hospitality industry in the hotels and restaurants, which need additional qualified labour. Furthermore, the skills of current employees are still not matching the expectations of employers and in general tend to have a negative impact on the quality of services provided to tourists. Likewise, the interviews conducted with Ministry of Tourism and Antiquities (MoTA), USAID / Compete project staff, hotel owners who are also board members at the Arab Hotel Association (AHA[2]), the executive staff of the Holy Land Incoming Tour Operators Association (HLITOA[3]), Bethlehem University, Diyafa – Hospitality Management Consulting firm, Palestinian Centre of Restaurants, Hotels and Travelling

[2] www.palestinehotels.com/
[3] http://www.holylandoperators.com/

Services (PCRHTS), and Palestinian Technology College in Deir El-Balah have all assisted in analyzing the market system failure in the hospitality quality of service in relation to the current workforce and aspiring employees who are graduates of the local TVET centres.

The Importance of the Tourism Sector

Given the occupied Palestinian territory's (oPt) multiple religious, historical and natural assets, faith-based tourism is regarded as one of the economic sectors with the greatest potential to boost economic growth and generate employment.

After a period of sharp decline between 2000 and 2006 (following violence in the oPt) the sector experienced a rebound. Between 2007 and 2012 there was a substantial turnaround in tourism service exports with the sector breaking previous performance records. In 2010, tourism's contribution to GDP was $885 million, or nearly 15% (a substantive increase from 9% five years prior).[4] However, this number is prone to fluctuation, as intermittent violence has a drastic impact on inbound visitors.

More recent analysis (2012) by the Portland Trust as well as by the Office of the Quartet Representative (ORQ) indicates that contribution to GDP had fallen to between $250m (Portland Trust) to $271m (OQR).[5] The Portland Trust estimates that tourism provides about 2% of all employment (around 17,000). This estimate is comparable to those from the OQR and the Palestinian Central Bureau of Statistics (PCBS) estimates of 15000.

Number of Tourists

In August 2013, 83,000 tourists visited Palestine, but as war raged in Gaza at the beginning of August 2014, only 17,000 tourists visited[6]. However, tourism in the West Bank and Jerusalem has been improving since the end of the Israeli military offensive against the Gaza Strip in August 2014. The current Minister Rula Maayeh, told Ma'an news agency that tourist cancellations are down from a high of 60% during the war to only around 30% now, and that the rate is gradually going down.[7]

Religious and historical sites have attracted more than 1 million international visitors and account for more than 3 million domestic tourist visits annually. The number of international inbound visitors to Palestine characterised as Christian faith-based pilgrims. Palestine's faith-based market is largely a subsidiary to the Israeli one and remains well below the almost three million tourists that visit Israel each year and a day visit to Bethlehem is an items on itinerary that is sold by Israeli tour operators or their stay at hotels in Bethlehem is channeled through by Israeli tour operators.

The pilgrim market specifically has a fluctuating high season between March and April and October through November. The majority of hotels lack guest accommodation business during the rest of the year and try to make up for it with functions and conference facility renting especially in Bethlehem and Jericho. These indicators reflect the level of businesses at the Palestinian tour operators' level as well as other services and subsectors.

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[4] Palestinian tourism reaches new heights http://www.maannews.net/eng/ViewDetails.aspx?ID=338147

[5] http://www.portlandtrust.org/sites/default/files/pubs/beyond_aid__a_palestinian_private_sector_initiative_for_investment_growth_and_employment.pdf

[6] http://www.maannews.net/eng/ViewDetails.aspx?ID=730087

[7] http://www.maannews.net/eng/ViewDetails.aspx?ID=732633

Despite the current seasonality nature of tourism, the number of operating hotels, number of guests and the nights they stay at Palestinian operating hotels has been steadily growing as per the table 1 below:

Indicator	2009	2010	2011	2012	2013[8]
Number of operating hotels	92	87	91	98	113
Average number of workers	1,514	1,692	2,091	2,449	2,797
Number of guests	451,840	576,159	507,372	575,495	600,362
Number of guest nights	1,041,246	1,283,178	1,245,509	1,336,860	1,467,709
Average occupancy of rooms[9]	1,479.1	1,740.5	1,417.1	1,513.7	1,458.5
Average occupancy of beds[10]	2,852.7	3,515.6	3,412.4	3,652.6	4,021.1
Percentage occupancy of rooms %	34.9	37.9	28.4	29.1	24.8
Percentage occupancy of beds %	30.7	35.3	31.9	30.7	29.9

Table 1 Main Hotel Indicators, 2009 – 2013 (West Bank and East Jerusalem)[11]

The average occupancy of rooms and beds continue to grow in 2014. According to PCBS[12], the number of hotel guests in the West Bank grew during the first half of 2014 to 356,609 hotel guests spending 854,815 nights (an average of 2.39 nights per hotel guest), an increase of 30% compared with the first half of 2013 as per Table 2. It is an overarching strategy for the tourism industry to increase the number of nights of stay to impact the dollars spent by tourist in the local economy; while, there is not much details by PCBS on the spend by tourists per day and what are their purchasing habits.

Number of Guests by Nationality During First Half of 2013 and 2014	First Half 2013	First Half 2014
Palestine	25,773	28,063
Israel	29,168	28,286
Asia	33,187	36,983
USA & Canada	21,922	35,680
European Union.	110,610	126,177
Other European States	29,203	74,696
Other Countries	23,663	26,724
Total	**273,526**	**356,609**

Table 2 Number of Guests by Nationality during First Half of 2013 and 2014

Hotel guests' destinations stays were distributed by region as follows: 51% in the South of the West Bank (e.g. Bethlehem), 31% in Jerusalem hotels, 14% in the middle (e.g. Ramallah and Jericho) of the West Bank, and 4% in the North (e.g. Nablus) of the West Bank. Nearly half of the visitors came from European countries, around 10% from North and South America and 12% from Israel. Palestinian hotel guests constituted 15% of the total[13].

Additional PCBS statistics presents the following facts on tourism in Palestine[14]:

[8] http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/hotel_an_e_%20mainind-2013.htm
[9] The average number of occupied rooms on a given day. It constituted 29.1% of total available rooms in 2012.
[10] The average number of occupied beds on a given day. It constituted 30.7% of total available beds in 2012.
[11] http://www.pcbs.gov.ps/Portals/_PCBS/Downloads/book1975.pdf
[12] http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_WTourDy2014E.pdf
[13] http://www.portlandtrust.org/sites/default/files/peb/issue80_may_2013.pdf
[14] http://www.pcbs.gov.ps/site/512/default.aspx?tabID=512&lang=en&ItemID=1218&mid=3172&wversion=Staging

1. During the first half of 2014, around 3.16 million visits were made to tourist and leisure sites in the West Bank. These included:
    a. 1.69 million visits by domestic visitors
    b. 1.47 million visits by inbound visitors
    c. The number of domestic and inbound visits grew by 26% and 19% respectively compared with the same period in 2013.
2. Most inbound visits were to
    a. Bethlehem governorate with 42%, followed by
    b. Jericho and Al-Aghwar governorate with 28%, and
    c. Jenin and Hebron with 11% each.
3. In 2014, Palestinians residing in Israel accounted for the largest proportion of inbound visitors with 34%, followed by 16% from Russia, 7% from the United States, 4% each from Italy and Germany, and 3% each from Poland and Indonesia. When compared to year 2012, Palestinians residing in Israel also made up the largest number of inbound visitors with 35%, followed by 12% from Russia, 5% each from the United States, Italy and Poland, and 3% each from Germany and Indonesia.

As such, Palestinians from inside Israel have been considered a reliable market for the inbound visitor market. Other inbound visitors of pilgrims from Russia, United States, Italy, Germany, Poland and Indonesia have followed in importance.

4. Furthermore, most domestic visits were to Nablus governorate with 22%, followed by Qalqilya and Tulkarm governorates with 17% each, Jenin governorate with 14%, while Ramallah and Al-Bireh governorate has the lowest share of domestic visits at 2%. It should be noted that inbound and domestic visitor data from PCBS did not include Jerusalem governorate and the Gaza Strip.

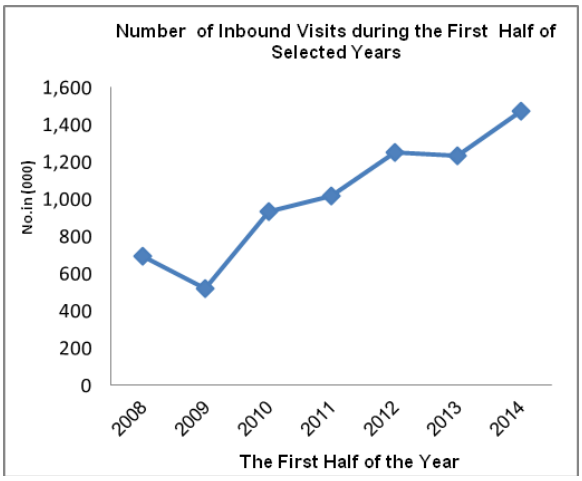

Figure 3 Number of Inbound Visits During the First Half of Selected Years

Number of Tourism Establishments

In 2012, there were 6,593 establishments working in the tourism sector in Palestine (up from 4700 in 2010[15]). The main operations included 3,490 restaurants, 965 outlets in beverage serving, 283 shops selling souvenirs and handicrafts, 229 working in antiques and wooden handcrafts, 270 car rental services, 126 providing services organizing trips to Haj and Umrah, 117 in short-term accommodation (hotels), 151 travel and tourism agencies, and a further 962 establishments engaged in related tourism activities like: creative, arts and entertainment activities, and other recreational activities.

In 2012 there were 98 hotels in the West Bank (up from 91 in December 2011): 30 in East Jerusalem, 30 in the middle region of the West Bank, 27 in the South and 11 in the North. In 2014, PCBS has indicated a continued growth in the number of hotels and room: 113 hotels in the West

[15] Diagnostic Study: Export Readiness and Potential of Services Sectors, 2013 Published by PalTrade and www.pcbs.gov.ps/Portals/_pcbs/PressRelease/TourismE2010.pdf

Bank comprising 6,621 available rooms with a total of 14,675 beds[16]. As indicated in Table 1, the average room occupancy dropped as the number of guests did not follow the increase in hotel facilities (rooms and beds) in 2011 and 2012.

PCBS report has also indicated that "the total value added of establishments working in tourism activities was US$326.2 million; it was US$246.7m in 2010, which was an increase of $70.3m compared to 2009. In 2014, the gross value added was made up of 33% by accommodation activities, 29% by restaurants, 10% by other amusement and recreation activities, 9% by beverage serving activities, 6% by renting and operational leasing of passenger cars (without drivers), 3% by retail sale of souvenirs, craftwork and religious articles, and 10% distributed on the remaining tourism activities."

Tour operators registered as members of the Holy Land Incoming Tour Operators Association (HLITOA) do not number over 43. The rest, around 220, are travel agents, selling airline tickets, outgoing packages and some incoming tours and Haj packages. This latter subsector is yet to be organised. There are so many unlicensed businesses who are selling outgoing packages and some others bring in incoming tourists. When a souvenir shop or a restaurant or a bus company does this the whole concept of professional serving is at risk.

In Gaza, there has been a significant drop in the number of operating hotels, while the number of guest is almost 30% of those in the West Bank despite the blockade:

Indicator	2010	2013[17]
Number of operating hotels	34	22
Average number of workers	103	528
Number of guests	1224	1747
Number of guest nights	2483	N/A
Average occupancy of rooms	6.8	N/A
Average occupancy of beds	6.8	N/A
Percentage occupancy of rooms %	2	N/A
Percentage occupancy of beds %	1.2	N/A

Table 3 Main Hotel Indicators, 2010, 2013 (Gaza)[18]

In Gaza, the total value of investment in hotels reached up to US$85 million in 2013, and the average annual revenues for each hotel was US$330,000. [19]

	2005	2006	2007	2008	2009	2010
Total No. of workers	1477	1255	1042	864	976.32	1257
Total value of Revenues	33375089	28368826	23546126	19543285	22083912	23476693
Median consumption	19563751	16629188	13802226	11455848	12945108	11282567
Added Value	13811338	11739638	9743900	8087437	9138804	12194126
Compensation of paid employees	9275799	7884429	6544076	5431583	6137689	6033678
Profit Margin	4535539	3855209	3199824	2655854	3001115	6160448
Investment Capital	27217965	23135270	19202274	15937887	18009812	33883048

Table 4 Added Value and Median Consumption for tourism sector in Gaza March 2011 [20]

[16] http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_WTourDy2014E.pdf
[17] http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/hotel_an_e_%20mainind-2013.htm
[18] http://www.pcbs.gov.ps/Portals/_PCBS/Downloads/book1975.pdf
[19] Islamic University magazine for economic and administrative studies, Chapter 23, Issue no.1 , p. 41 - p. 73 January 2015: ISSN 1726-6807 http://www.iugaza.edu.ps/ar/periodical/
[20] The effect of Gaza Blockade on the tourism sector in Gaza - Statistics, Analysis and Policy Department - Ministry of Economy - http://www.mne.ps/mne.html

In addition to the constraint of available front-line staff, the war on Gaza has exacerbated the constraints on the tourism sector overall. A recent journal article has recently quantified the direct losses and damages of the tourism market system in Gaza as per the below table 5.

B	Tourism and Antiquities	North	Gaza	Middle	South	Total
Direct Losses\damages						
1	Hotels	3.00	2.34	-	-	5.34
2	Restaurants	0.01	1.01	0.04	-	1.05
3	Halls	0.26	0.02	-	-	0.28
4	Total tourism	3.27	3.36	0.04	-	6.67
5	Antiquities	-	-	0.01	-	0.01
Total of Direct Damages		3.268	3.364	0.048	-	6.7
Indirect Damages						
1	Job opportunities lost	0.30	0.50	-	-	0.80
2	Total indirect damages	0.30	0.50	-	-	0.80
3	Opportunity cost					
4	Stop in production and income during the coming period	0.30	0.40			0.70
5	GDP loses in this sector	0.30	0.60	0.10		1.00
Total of Opportunity Cost		0.60	1.00	0.10	-	1.70
Total Losses in Tourism and Antiquities		4.2	4.9	0.1	-	9.2

Table 5 Distribution of losses in Tourism and Antiquities sector in the Gaza Strip by geographical governorate (in millions of dollars).[21]

[21] Islamic University magazine for economic and administrative studies, Chapter 23, Issue no.1 , p. 41 - p. 73 January 2015: ISSN 1726-6807 http://www.iugaza.edu.ps/ar/periodical/

Current Number of Employees and Gender Involvement

The following two tables indicate the growth pattern from 2010 to 2012 of the number of employees in the oPt in the tourism activities.

ISIC	Tourism Activity 2010 (Value in 1000 US $)	No. of Employed Persons		Unpaid Employment		Paid Employees		Compensation of Paid Employees	
		Male	Female	Male	Female	Male	Female	Male	Female
16292	Manufacture of wooden antiques	593	7	42	0	351	7	1992.70	23.20
47736	Retail sale of souvenirs, craftwork and religious articles	2,747	723	72	203	1,975	520	12,699.10	2390.30
49221	Passenger road transport by scheduled long- distance bus services	321	4.00	44.00	0.00	277.00	4	1,957.50	18.20
55101	Short-term accommodation activities	1,679	295	51	6	1,628	289	17,518.60	3302.50
56101	Restaurants	7,934	115	4,787	80	3147	35	16,452.30	130.10
77101	Renting and operational leasing of passenger cars (without drivers)								
79110	Travel agency activities	365	146	123	7	242	139	3369.60	1815.80
79902	+ Provision of visitor assistance services	188	45	102	10	86	35	305.50	98.20
79122	Haj and omra operator activities								
	2010 Total	13,827	1,335	6,121	306	7,706	1,029	54,295.3	7,778.3

ISIC	Tourism Activity 2012 (Value in 1000 US $)	No. of Employed Persons		Unpaid Employment		Paid Employees		Compensation of Paid Employees	
		Male	Female	Male	Female	Male	Female	Male	Female
16292	Manufacture of wooden antiques	657	13	315	13	342	0	1,837.6	0.0
47736	Retail sale of souvenirs, craftwork and religious articles	752	43	364	0	388	43	2,378.0	267.9
49221	Passenger road transport by scheduled long-distance bus services	554	2	54	0	500	2	3,144.3	6.6
5510	Accommodation activities	2,647	427	114	11	2,533	416	26,140.6	4,110.3
5610	Restaurants	10,183	466	4,792	142	5,391	324	31,002.8	1,383.0
5630	Beverage serving activities	2,817	11	1,143	1	1,674	10	5,482.4	891.7
77101	Renting and operational leasing of passenger cars (without drivers)	700	35	385		315	35	11,341.8	88.5
79110	Travel agency activities	210	40	33	0	177	40	2,176.9	195.5
79121	Tour operator activities	160	82	71	0	89	82	1,607.6	159.6
79122	Haj and omra operator activities	282	65	150	20	132	45	664.9	522.8
9000	Creative, arts and entertainment activities	300	61	95	5	205	56	451.1	92.9
9329	Other amusement and recreation activities	2,262	199	901	4	1,361	195	853.1	360.9
9999	Other tourism activities*	33	8	13	0	20	8	108.9	44.7
Total		21,557	1,452	8,430	196	13,127	1,256	87,190.0	8,124.4

***Include the activities in the link:**
ISIC Other tourism activities
77210 Renting of recreational and sports equipment, 79902 Provision of visitor assistance services, 91021 Operation of museums of all kinds, 91031 Operation of botanical gardens activity
91032 Operation of zoological gardens activity, 93111 Operation of facilities for indoor or outdoor sports events

Table 6 Employee Compensation in the Tourism Enterprises in the oPt by Sex and Tourism Activity, 2010 and 2012 [22] [23] [24]

[22] Palestine Tourism Sector published in August 2013 by the International Chambers of Commerce – Palestine and Friedrich-Naumann-Stiftung, http://www.iccpalestine.com/resources/file/publications/WTO%20&%20the%20Palestinian%20Tourism%20Sector.pdf
[23] http://82.213.38.42/Portals/_pcbs/Tourism-Activity/tables2_e.htm
[24] http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/TourAct-2012-E-02.htm

ISIC	Tourism Activity	2010 No. of Employed Persons		2012 No. of Employed Persons	
		Male	Female	Male	Female
16292	Manufacture of wooden antiques	593	7	657	13
47736	Retail sale of souvenirs, craftwork and religious articles	2,747	723	752	43
49221	Passenger road transport by scheduled long- distance bus services	321	4.00	554	2
55101	Short-term accommodation activities	1,679	295	2,647	427
56101	Restaurants	7,934	115	10,183	466
77101	Renting and operational leasing of passenger cars (without drivers)			700	35
79110	Travel agency activities	365	146	700	35
79902	+ Provision of visitor assistance services	188	45		
79122	Haj and Omra operator activities			282	65
5630	Beverage serving activities			2,817	11
79121	Tour operator activities			160	82
9000	Creative, arts and entertainment activities			300	61
9329	Other amusement and recreation activities			2,262	199
9999	Other tourism activities*			33	8
	Total	13,827	1,335	21,557	1,452
		15162		23009	

Table 7 Selected Employment Growth Patterns in the Tourism and Hospitality Industry

There is clear growth of employment when comparing the 2012 statistics with the number of employed persons in 2010 such as in the accommodation activities and in the restaurants International Standard Industrial Classification (ISIC) codes[25].

In 2012, there were 2,647 employees in hotels, of whom only 427 were female (16%, an increase from 9% reported in 2009). The PalTrade Tourism Export Strategy[26] also highlighted that the accommodation industry is mostly male dominated industry. This reflects the cultural preference for male hotel staff to interact with (male) travellers, including chamber 'maids' and room service personnel, all of whom are normally male. However, this percentage is slightly increasing when benchmarked to 2009.

Expected Growth in Employment and Accommodation

Even though the hotels consist of only 1.7% of the total entities in the sector, they employ 13% of the sector's total labor, given their human capital, operational and guest services requirements. This indicates that the sector has strong absorptive capacity for employment.

The OQR estimates that tourism employment, estimated at 15,000 in 2014, could double within three years (assuming 25-35% per annum growth). These numbers are also echoed at meetings of key stakeholders from the private and public sectors (convened by PMDP) and are often attributed to the increasing number of hotels in the country.

[25] In 2012, PCBS introduced new ISIC classifications, which are 5630: Beverage serving activities, 79121: Tour operator activities, 9000: Creative arts and entertainment activities, 9329: Other amusement and recreation activities and 9999: Other tourism activities which include ISIC codes as in the above table 6.

[26] http://paltrade.org/upload/multimedia/admin/2014/10/5448e8c6d8011.pdf
http://82.213.38.42/Portals/_pcbs/Tourism-Activity/tables2_e.html

Specific Value Chain Problem Statement and the TVET Context

The tourism sector activities are partially hindered by a number of external constraints by Israel mainly restrictions on movement and access of Palestinian companies and guides to operate in Israel including Israeli control over borders and the entire tourism market value chain-. However, tourism is additionally constrained by internal gaps such as underdevelopment of key sites and ancillary activities, a lack of diversified high-quality products (accommodation and dining), weak branding, underdeveloped promotion and sales channels for business linkages, and poor service quality.

PalTrade published a Diagnostic Study[27] in 2013, which in addition to the issue of the seasonal nature of tourist visits to Palestine, highlighted the following as constraints for the industry:

1. Underdevelopment of key sites and ancillary activities (branding and product)
2. A lack of diversified, high-quality products in accommodation and dining
3. Underdeveloped sales and promotion channels

One of the reasons that this analysis is a brief one is due to the several reports have highlighted that there is a current constraints of poor service quality of staff in the hospitality sector and a consensus on this constraint is voiced by public, private and educational institutions.

For example, the Master Plan for Developing Tourism in Bethlehem study that was prepared by Alternative Business Solutions in 2011 also gives the recommendation to raise the quality of service levels as an objective to improve visitor experience for a destination approach. The study argues that this will drive increased visitor spending and profitability as it also improves visitor's access to information so that visitors will have a better ability to make choices among the wide selection of the product offering that are put on sale by the hospitality industry. The front-line staff can upsell these product offerings in a professional and courteous way as they have direct interaction with visitors, if they are professionally trained to have first-hand knowledge of the value proposition of the destination market and how to upsell them. These are the "ambassadors of the destination so to speak". The study also described that the expected outcome is when better patronage is delivered visitors would tend to want to stay longer, repeat their visits e.g. from pilgrimage to independent, improve the destination appeal and image, increase the spend on arrival and attract positive media attention.

Another study that highlighted this constraint was the PalTrade Diagnostic, which stated that one of the main constraints to the growth of the tourism sector is the "Deficiency in tourism skills at almost all levels." The study indicated that the "supervisory level is either missing or sometimes undervalued and thus very weak". Most of the hotels and tour operators interviewed for the study, have shown concern of the gap between line level tourism staff and management. The hospitality industry affirmed the inadequate skill availability and that the deficiency is almost at all levels where "guests complain from not being attended to in timely manner and many line level staff do nothing before they are called to attention."

A second study by PalTrade, which is the Tourism National Export Strategy,[28] also highlighted the need to improve the quality of service to clients in the hospitality industry in order to increase

[27] Source: Diagnostic Study: Export Readiness and Potential of Services Sectors, 2013 Published by PalTrade
[28] http://paltrade.org/upload/multimedia/admin/2014/10/5448e8c6d8011.pdf

client satisfaction. It stated "The quality of tourism services provided in the State of Palestine often falls below international best practice levels."

Likewise, the Portland Trust Beyond Aid report highlights the poor service quality and recommends improving the service quality in the short-term through "creating a new, world class [vocational] hospitality school in partnership with a best-in-class international provider would serve as a means to drive service quality improvements in Palestinian tourism establishments."

According to Diyafa USAID / Compete project[29], some tourists have written negative reviews on the Trip Advisor and booking engines online. These negative comments were regarding the cleanliness throughout the hotel facilities including the bedrooms; they also noted lack of language skills and front desk reception skills; some also mentioned average food and lack of variety; unprofessional staff and poor service as well as noise due to wedding parties.

Last but not least, one of the OECD Tourism Committee recommendations in 2014 was that tourism and hospitality employers must develop strategies to remain competitive with a better trained workforce.[30]

The consensus from different stakeholders was the driver for this market development approach study brief to address and analyse in an attempt to understand and explain the constraints behind the poor service quality in the hospitality industry and to subsequently address these failures related to:

1. Skills Gaps of all levels of existing and aspiring workers, including front-line workers
2. The numbers of existing and aspiring employees attended vocational training
3. Availability of proven and tested front line hospitality vocational curriculum benchmarking international excellence
4. Availability of tourism vocational schools with adequate training experience
5. Circulation of job profiles the end market is looking for and communicating such job descriptions to both employees and TVET institutions

Core Relationship

Certain problems about the real commercial relationships between the potential workers and the employers and whether the aspiring employees understand the demand for skilled labour, the potential market for their services and the value proposition and vice-versa has been researched and analyzed.

A study[31] in 2011 has conducted focus group discussion on male and female graduates from TVET institutes in general and documented a list of their problems that addresses some of the issue in the core relationship, from the point of view of the students, between the supply and the demand sides of the vocational education institutes and the hospitality industry such as hotels and restaurants includes:

1. "Low basic salary earned by graduates upon employment

[29] Hospitality School Model Feasibility Study and Implementation Plan & Training Modules and Implementation Plan for In-Service Workforce. July 2012. USAID/DAI Project
[30] http://www.oecd.org/cfe/tourism/ABOUT%20THE%20OECD%20TOURISM%20COMMITTEE.pdf
[31] Randa Hilal (2011). Qualitative and Quantitative Training Needs Assessment Study for Qualified Workforce within the Basic Work Levels.

2. Limited job opportunities and it mostly relies on personal relationship with relatives and acquaintances, or through training in the field where students can demonstrate their skills during this interim stage
3. Favouritism and nepotism interfere with the hiring process with no accountability on such measures to be governed by law in the private sector especially since the majority of SME enterprises in Palestine are family owned
4. Employer's monopoly on vacancy information [by not sharing it externally] and depriving graduates from using it and acting upon it. Furthermore, the hospitality industry (potential employers) do no document the profiles that they are looking for and communicate them to both aspiring / current potential employees as well as the TVET institutes
5. Specialization job opportunities are few, hence driving graduates to seek employment in other sectors"

From the above bullet-points, costing and fees for enrolling in the courses were not the main constraints to this focus group of students. It was mostly market system type of constraints.

The next section provides more detailed analysis for the supply and demand side of this market system.

Supply Side Analysis (Training Providers)

This section provides analysis on the training providers where the Ministry of Labour oversee the programs of the vocational training centres, whilst universities and community colleges as well as United Nations sponsored schools are accredited by the Ministry of Education and Higher Education (MoEHE). The MoEHE is also responsible for the vocational hospitality Tawjihi (High School) streams such as the Episcopal Technological and Vocational Training Centre, Ramallah (ETVTC) and Arab Orphan's Committee in Jerusalem. High school graduates of Tawjihi can continue their education at community colleges to attain their diploma in hospitality or at universities such as Bethlehem.

According to the Ministry of Higher Education statistics in 2011, the Palestinian educational hospitality institutions produced 550 graduates in 2011 as in the below aggregated analysis table.

The North region of the West Bank is missing academic education in the tourism sector. Al Najah University in Nablus offers a Bachelors of Tourism and Archaeology under the Arts Faculty and The Arab American University of Jenin, but they are both either inactive or have not gained a good reputation as a hospitality school. Al-Rawda community college stands to be the active school covering the North for hospitality industry vocational certification graduating 11 aspiring employees in 2011 (Table 7).

The number of graduates of students from Nablus and Jenin as well as Gaza is much lower from those institutes in Ramallah, Bethlehem and Jerusalem (see Table 7). As number of inbound tourists establishments (e.g. restaurants) continue to grow in Nablus, the high cost of transportation is a barrier to consider enrolling in TVET institutions in Ramallah and Bethlehem. Likewise, there is not enough quality vocational training centres in each region and a lack of quality national hospitality school to cover the central and northern regions of the West Bank has been highlighted as a constrain by different student stakeholders. Other constraints on the demand for these courses and front line TVET program are analysed in the below sections.

The Notre Dame Center also has a school for hotel management and tourism. They run programs for about 100 students each year in different levels. The best chefs in Ramallah restaurants come from these two colleges.

The Bethlehem University in the South, under the Institute of Hotel Management and Tourism – a member of the International Hotel Association and the European Hotel School Directors and is the only International Air Transport Association / Universal Federation of Travel Agent Association (IATA/UFTAA) authorized training centre in Palestine. The University offers Bachelor of Science in Hotel Management (131 credits), Diploma in Hotel Management (65 credits), Diploma in Travel Agency Management (65 credits), Diploma in Tour Guiding (48 credits). Nevertheless, these course tracks are largely academic and are taught by academic staff who are not necessarily current industry practitioners. These current academic Bethlehem University courses do not meet the industry requirements for the front-line skills as highlighted in the gap analysis study[32].

Furthermore, most of the TVET institutes are non-private sector entities. Diyafa – Hotel Management Consultancy has been the most active private sector firm in rolling hospitality industry certification promoting the American Lodging and Hotel Association Educational Institute (AHLAEI)[33] certification. Diayafa has targeted the existing workforce to provide AHLAEI certification for staff in front-line, supervisory and executive levels of the hospitality industry organizational structure. The USAID Compete project has subsidized the cost for over a 1000 existing hotel staff to enroll in these short courses to acquire the AHLAEI certifications.

The situation in Gaza Strip is very similar to the West Bank as there is not enough Vocational Training Centres to cover the Northern and Southern part of Gaza Strip. The only active centers exist in Middle Area and Gaza City where transportation costs are also an issue.

Palestinian Technology College in Deir El-Balah; which is a governmental TVET institution; is the only community college that is providing certification in food and beverage (F&B) Management (66 credits) includes, preparation and serving of Eastern & Western meals, desserts, etiquette, and ways of effective communication. The other Diploma in Hotel Management (65 credits) includes, reception & hosting skills, check-in, check-out procedures. hotel rooms management, and basic hotel accounting. The total number of graduates since started reaches 300 graduates, 20% of them female.

The other known college; Gaza College for Tourism; located in Gaza City and is currently providing Diploma in Travel Agency Management (72 credits) and includes, airlines ticketing, tour packages, handling services, transport, Air Cargo, etc.

Generally speaking, all the hospitality courses introduced by the two colleges are largely academic and are taught by academic staff who are not necessarily recent industry practitioners. Furthermore, the college curriculum and courses do not meet the recent industry trends and requirements for the front-line skills, which this market system is addressing.

It is worth noting that the GIZ through its TVET programme has recently supported the Palestinian Technology College in Deir El-Balah in partnership with private sector represented by Palestinian Centre of Restaurants, Hotels and Travelling Services (PCRHTS) in order to revise their current curriculum to be harmonized with current industry needs and the growing labor market. Another

[32] Hospitality School Model Feasibility Study and Implementation Plan & Training Modules and Implementation Plan for In-Service Workforce. July 2012. Diyafa supported by USAID/DAI Project
[33] https://www.ahlei.org/

activity by GIZ is to upgrade the college infrastructure to fit into the vocational training needs meeting quality standards.

Institution Name	Institution Type	Location	Degree Offered	Accreditation Body	Training / Courses being Offered	Typical Target Market	Tuition / Credit / Hour	No. of Graduates in 2011[34]
Arab American university in Jenin (AAUJ)	Academic	North / Jenin	Inactive	MoEHE	N/A	Aspiring Employees		N/A
An-Najah University	Academic	North / Jenin	Inactive	MoEHE	N/A	Aspiring Employees		N/A
Al-Rawda	Community College	North / Nablus	Vocational Certificate	MoEHE	Hotel Management	Aspiring Employees	$38	11
UNRMTC	Community College	North / Ramallah	Vocational Certificate	MoEHE		Aspiring Employees		21
Educational Science Faculty-Women Community	Community College	North / Ramallah	Vocational Certificate	MoEHE		Aspiring Employees		42 graduate being all females
Episcopal Technological and Vocational Training Center	High School	North / Ramallah	High School	MoEHE	High School Certificate	Aspiring Employees		24
Diyafa - HMC	Private Sector	Central / Jerusalem	Industry Certificate and AHLA Standards	USA AHLAEI	AHLEI Certificates	In-Service Staff		
Arab Orphan's Committee	High School	Central / Jerusalem	High School	MoEHE	High School Certificate	Aspiring Employees		25
Notre Dame	Community College	Central / Jerusalem	Unaccredited Vocational Certificate		Culinary	Aspiring Employees	$48	110
Bethlehem University	Academic	South / Bethlehem	Academic Degree and Diploma	MoEHE	Bsc. in Hotel Management Diploma in Hotel Management Diploma in travel agency (IATA) / Tourism Office Management High Diploma in Pilgrims Guides	Aspiring Employees	$50	Bsc: 111 graduates with 49 being females Diploma: 127 graduate with 46 being female
Dar Alkalima College	Community College	South / Bethlehem	Vocational Certificate	MoEHE	Tour Guides	Aspiring Employees		37 graduates with 10 being females.
Talitha Qumi	Community College	South / Beit Jala	Vocational Certificate	MoEHE	Food and Beverage Management Hotel Management	Aspiring Employees		6 in Food and Beverage Management and 7 in Hotel Management with one graduate in each stream being a female
Palestinian Technology College - Deir-Elbalah	Community College	South / Gaza	Vocational Certificate	MoEHE	Food and Beverage Management	Aspiring Employees		19 graduates with 5 being females
Gaza College for Tourism	Community College	South / Gaza	Vocational Certificate	MoEHE	Tourism Office Management	Aspiring Employees		10 graduates with 1 being female

Table 8 Distribution of Graduates from TVET Institutes

[34] The Ministry of Higher Education Statistics in 2011 http://www.mohe.gov.ps/ShowArticle.aspx?ID=336

PMDP also identified additional schools that were not captured as part of the Ministry of Higher Education statistics report in Gaza as follows:

Applied Future Polytechnic	Community College	South / Gaza/ Gaza city	Vocational Certificate	MoEHE	Hotel management Culinary Arts	Aspiring Employees		
Al Aqsa University - Gaza	Academic	South / Gaza/ Gaza city	Diploma		Diploma in Tourism & Hotels Management	Aspiring Employees		
Applied Future Polytechnic	Community College	South / Gaza/ Gaza city	Vocational Certificate	MoEHE	Hotel management Culinary Arts	Aspiring Employees		

Table 9 Additional TVET Institutions providing training to aspiring employees

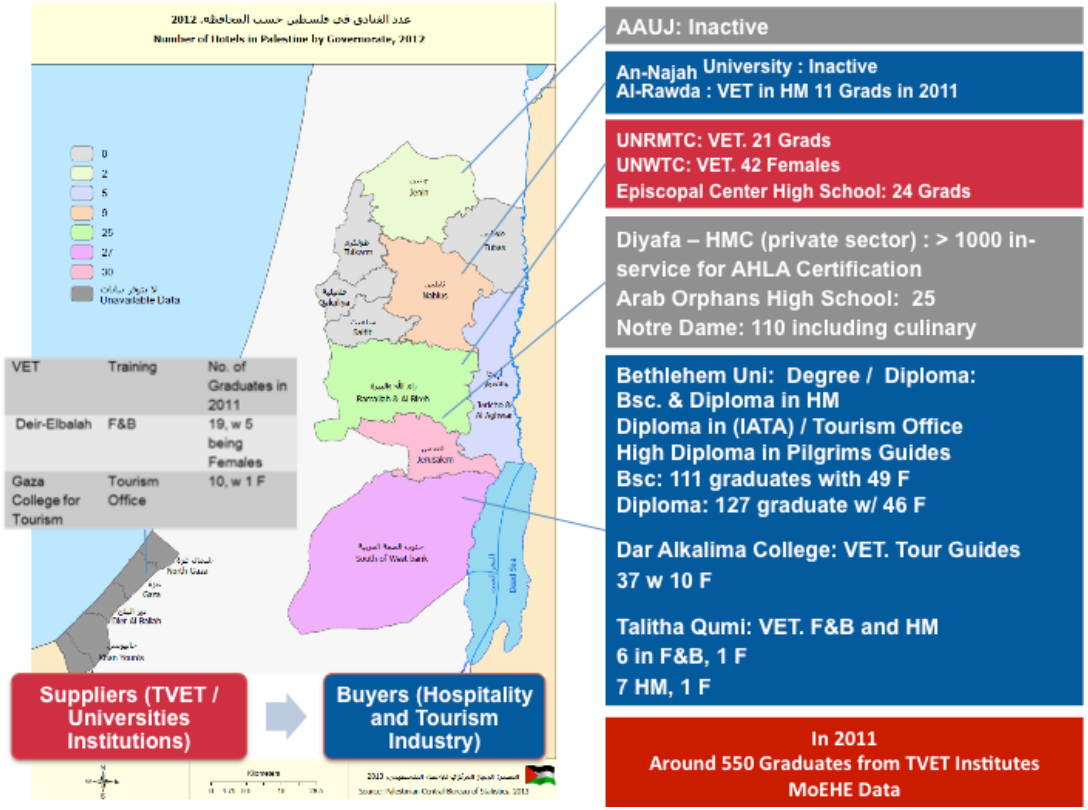

Figure 4 Summary of MoEHE Statistics on the Number of Graduates per Annum in 2011

The below graphics illustrate the value chain for the formal education for the aspiring employees and the education value chain for the existing workforce. For example, a high school graduate from a hospitality school can enroll at a university, community college or TVET to continue his / her education or can join the workforce immediately at the end market. Students may receive employment support services from their training institutes. They can pursue their education by obtaining an industry recognized certification and specialise while on the workforce as well after some years of experience. However, such industry certification has been rolled out through donor support and has not been available outside of such support. Recently, they had the opportunity of obtaining an industry certificate from AHLEIA supported by the USAID Compete project. The preferred way for the private sector is to provide their employees with informal education taking the form of awareness-raising. Specialization education for front-line training is yet to become a critical activity in the market.

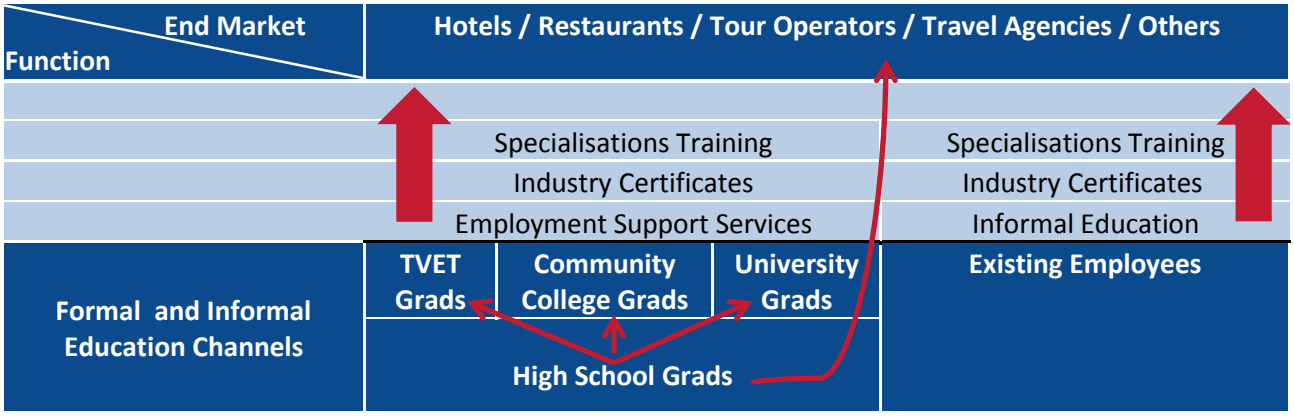

Figure 5 Formal and Informal Education Value Chain for Aspiring and Existing Employees

Supply Side Supporting Functions

There continues to be available literature explaining the supply side constraints. GIZ published study in 2012[35] in which a survey of 3681 economic establishment in addition to 163 stakeholders representing TVET institutes, policy makers, graduates and different stakeholders was conducted. The study indicated that Vocational Education Training institutes suffer from several short-comings, of which: infrastructure, equipment, competent vocational trainers and flexibility to allow for the opening new needed areas of specializations meeting industry needs. In addition, most of these institutes are lacking the systemized relations with the labour market that would facilitate the sharing of information amongst them. The other challenge mentioned in the study was related to the TVET governance contributing to its shortcoming. Further research and analysis is detailed below.

Access to information

There is no single source of information about TVET institutes and for those that provide hospitality courses and training (the supply side). Furthermore, students do not have access to career paths and trends in the industry for the hospitality careers in order to examine their options and studying preferences and whether such information is based on market trends and needs.

As the north of the West Bank lacks quality and reputable training programs, the geographic fragmentation of the occupied Palestinian territories and lack of affordable public transportation makes it a challenge for students to travel to the south and enrol in hospitality courses and training.

In Gaza Strip, there are challenges facing students' access to such training programmes either because of the relative geographical distance, weak outreach of TVET institutes, or weak accessibility of students to recent trends in the hospitality industry.

Infrastructure

Training and educational institutions in this sector are available but the curriculum is not focused on the all facets of the tourism industry specialization and does not train existing and aspiring employees accordingly to acquire practical skills, practice and master with an underpinning of the conceptual and theoretical framework of the discipline.

Some discrepancies in the type of delivery and subjects of the training programs exist whereby guest services, supervisory skills and time management was not available at both university and community college settings. Bethlehem University for example does not provide all front-line training programs such as housekeeping, but do offer reception desk operations. Likewise, they offer courses in food and beverage services and its costing, marketing and sales. Again, these courses are mostly academic in nature and involve more theory lecturing rather than vocational practicing at actual settings. On the other hand, community colleges do provide the housekeeping training, but still lack the needed food and beverage service and its costing. Another skill highlighted in the gap analysis is the English language skills and communication knowledge and skills as a general gap.

Furthermore, training and educational institutions also do not have the financial capacity to train the volume of current and future employees needed in the hospitality industry. The tuition fee

[35] Randa Hilal (2012), Labour Market Survey: Training Needs and VET Relevance Gaps Analysis published by GIZ

structures are either fully or partially subsidized by donors including the highest fee structure of US$50 per credit hour at Bethlehem University as mentioned in Table 7. Accordingly, these fee structures do not provide the TVET institutes with sufficient funds to continue developing their certifications offering. At the same, time students have to appreciate higher tuition fees in not just obtaining training, but also in obtaining supporting activities in career path orientation through sharing of industry information, proven supporting services in obtaining a job based on the TVET's track record and other value add services.

Moreover, the lack of a vocational oriented national hospitality school that has its own restaurant and hotel has been highlighted by different stakeholders in the public and private sector studies[36] as a main deficiency for this market system. As a matter of fact, such school compliments theoretical academic education into practice leveraging these existing facilities on campus and can include a dorm facilities for students. Nevertheless, a recent change of behaviour is being undertaken by Bethlehem University. The university is being influenced by Johnson and Wales and Benilda School in Manila on their set up and pedagogy in teaching vocational hospitality courses. Bethlehem University also recognize the need to develop local capacity on national basis based on international standards to facilitate for this knowledge transfer.

Similar constraints for academic institutions are observed in Gaza. Community colleges in Gaza do not invest in long term professional relationship with the tourism value chain businesses. Furthermore, the hospitality industry training programmes are mostly theoretical and lack the practicing aspects. College have very simple unsuitable labs where currently GIZ are upgrading one of the school's labs to include well designed models of ideal hotel rooms and restaurant kitchens according to Palestinian standards.

Related Services

The supporting services to be provided by VET institutions to their graduates in various specializations have been discussed by GIZ[37] and these services can include: "1) Linking graduates with the labour market, 2) conducting follow-up graduates' surveys and labour market studies, 3) training graduates and updating their technological skills 4) acquainting them with profession's latest developments, 5) invite them to meet to discuss their challenges and 6) assist them establish graduates' association."

Most graduates do not receive career counselling and employment support services from their universities/colleges. The majority of students lack a support network which can help them navifate the professional world. Accordingly, a large segment of the student population would benefit from job counselling and employment services.[38]

To link TVET institutes with employers, the GIZ sponsored vocational programs have established one-stop-shop service offices in cooperation with the governorate offices and chambers of commerce at different districts. Furthermore, the GIZ has published the www.tvet-pal.org as an umbrella of their support to the Technical Vocational Education and Training program highlighting the local councils that support their work and assist graduates in their job search post-graduation. The Website also includes information about the member vocational centres who have received grants from GIZ. This website can become all-encompassing of all academic institutions including

[36] Diyafa
[37] Randa Hilal (2011). Qualitative and Quantitative Training Needs Assessment Study for Qualified Workforce within the Basic Work Levels. Published on www.tvet-pal.org
[38] Randa Hilal (2009), Impact of VET on Women Entering the Job Market, which is a paper presented at a conference at the Hisham Hijjawi College in Nablus Published on www.tvet-pal.org

those that did not receive GIZ support. It can also link with the private sector associations specifically HLITOA and AHA – who are the membership based organizations and are key market players to be part of the governance structure of the one-stop-shop. As such, the website can be used for job boards or to classify job descriptions. These can be considered as potential areas of growth for the online platform.

In the absence of specialized recruitment agencies that push their candidates to the market, it is not certain if aspiring employees will make use of an online job boards and that candidates will be actively applying to online job advertisements. As such, it is also an opportunity for TVET schools to develop their support services and be able to tell private sector businesses on exactly which candidates are available. Again, most of the TVET graduates may not have the social networks to connect them to employment opportunities that may not be communicated by employers to begin with either.

Supply Side Rules

Informal Rules and Norms

In Gaza, because of the mentioned community stigma, only an average of 22 students per annum join tourism TVET programmes, while TVET institutes could accommodate three times as much. Further GIZ research[39] that support the supply side analysis also shows that community stigma is the main reason behind the lack of interest to join TVET programs as in the survey and indicated low opportunities of work or employment and weak TVET program in their area are the main reasons behind parents' unwillingness to enroll their children in TVET programs.

In a focus group meeting with unemployed female graduates that was conducted by Randa Hilal[40] with the communication stream between 2002 – 2007 from the Lutheran Global Union, the feedback from female graduates advised that their parents prefer that their daughters work in large corporates and not in micro or small enterprises for cultural reasons. Parents even have a preference for a public sector as a place of work for their daughters while the public sector does not employ TVET graduates. Nevertheless, the paper made the point that TVET training increases the opportunity for gender to enter the workforce, this is despite the high unemployment rates amongst them. The paper concludes the apprenticeship and internship programs were a catalyst for graduates to find employment opportunities with many graduates improves their wage earnings overtime.

In Gaza and in addition to what was mentioned above, the local authorities in Gaza are prohibiting female graduates to practice certain types of activities in hotels and restaurants such as serving of food and beverages, night shift receptionist, while allowing female to serve in wedding parties.

Moreover, one of the main reasons behind the lack of interest for females to join TVET programs is community stigma mostly because of some cultural traditions. Families in Gaza find it hard to accept their female members to work in hotels or restaurants as they feel embarrassed. Therefore, Palestinian Technology College incentivised by GIZ offering exemption for female students to encourage them joining the courses programmes.

Sector Specific Regulations

[39] Randa Hilal (2011). Qualitative and Quantitative Training Needs Assessment Study for Qualified Workforce within the Basic Work Levels.

[40] Randa Hilal (2009), Impact of VET on Women Entering the Job Market, which is a paper presented at a conference at the Hisham Hijjawi College in Nablus

In general, the trend at Palestinian vocational training centres and academic institutions is that faculty lose contact with the industry over time. As a result, academic instruction can often overemphasize theoretical concepts rather than practical application.

In Gaza, the only community college that provides VET courses is a governmental institution, in which, it faces challenges in accessing needed financial & human resources. Besides, it suffers very restricted governance by MoEHE. The college reported some difficulties in initiating any profitable innovations.

STANDARDS

The vocational curriculum for the hospitality industry is not a unified nationally. The vocational text books for the TVET community colleges are perceived to be out-dated in terms of content and do not include international standards and its pedagogy lacks the practical side of training and they differ from one school to the other.

However, market dynamics in the supply side are changing. With a new vision to transform and meet industry needs, the USAID / Compete project has assisted the Bethlehem University in developing a vocational curriculum for five front-line worker in Front office, Food safety, Sanitation, Food and beverage, Culinary arts, and the Cultural and communications. The new vocational curriculum at Bethlehem University will be administered by the Ministry of Labour and MoTA and is student-centric as its pedagogical approach for learning. Since the Bethlehem University vocational curriculum has recently been completed its deployment in the market is yet to be tested.

In addition, GIZ / TVET programme has been supporting Palestinian Technology College in Gaza to develop vocational curriculum for food & beverages management, and hotel management in close partnership with PCRHTS as representative for hotels & restaurants owners. The new curriculum will be accredited by the Quality Accreditation Committee before getting the final accreditation from MoEHE. It is expected to be valid next academic year 2016 - 2017.

In comparison, private sector-led training in hospitality (such as from the AHLAEI)[41] is simple and more relevant training. It is also complemented by videos that target existing workers, especially those with several years of work experience.

Furthermore, there are not enough qualified trainers at these institutions. Qualified trainers should not only have mastered the subject matter, but also have a passion for teaching it.

In Gaza, both supply and demand sides agree that there is a huge shortage of supply of qualified trainers. While, the available trainers not only lacking relevant specialities, but also have not been ever exposing to an updated professional expertise either regionally or internationally.

Demand Side Analysis (Hospitality Industry)

The hospitality industry in Palestine is characterized as family owned, with only 10% of the companies are structured with a corporate organization structure. The former group category of companies tends to be owned and managed by family members. Others employ General Managers, but with limited responsibilities. Normally, there are no middle management layers in family owned businesses, with focus being on supervising level. Line staff do exist but with a ratio 0.4 – 0.7 staff

[41] https://www.ahlei.org/

per room, which is below international norms of 1 – 1.5 staff per room. The seasonality nature of the tourism sector has been contributing to staff to guest ratios in the hotel industry.

A recent USAID Compete project sponsored hospitality industry surveyed[42] of 30 hotels covering different sizes based on hotel rooms interviewing 1711 persons has indicated that only 25.6% are certified academically as per the following break-down:

	Total	%
University Degrees	228	13.3
College Degree – 2 Year Diploma	84	4.9
Vocational Training Center Certificate	127	7.4
Total Higher Education Certificate	439	25.6

Table 10 Academic Certification Attainment by the Current Workforce

Within the pool of certified employees, the study indicated that hospitality graduates have to compete for hospitality jobs with other graduates from other majors such as Business Administration or Language Arts, etc. As a matter of fact, the survey indicated that 24 employees out of 34 surveyed for front line were either university or college graduates. They take on such front line jobs due to high unemployment rate in Palestine (reaching 20.3% in the West Bank alone) and 6% were working to cover their school tuition fees. In this context, the importance of TVET providing employment support services to their graduate students and be closer to the industry becomes clear as discussed in the previous section in the study.

The study also highlighted that the core functioning departments of the hotels are the front office, housekeeping, food production and the food and beverage services. At larger hotels, these departments are supported with more services from sales and marketing, engineering and maintenance, laundry, finance and accounting, safety and security, administration and human resources. The study indicated that there are 2250 employees in the hotel sector. Nevertheless, the study distributes hotels based on its number of rooms as in the below table indicating that the majority out of 90 hotels listed by PCBS (76.7%) have less than 75 rooms:

Number of Rooms	Number of Hotels	%
Less than 30 rooms	16	17.5%
Between 30 - 75 rooms	53	59.2%
More than 75 rooms	21	23.3%

Table 11 Distribution of Hotels Based on the Number of Available Rooms

The study also indicated higher turnover among line staff for housekeeping maids, waiters, reception clerks, kitchen cleaners and cooks respectively. Fifty percent of interviewed line staff employees do not see themselves in the hospitality industry five years from now as they do not see a career path for themselves within the family owned business environment.

Twenty two out of 34 from line workers interviewed agreed that they needed professional training: while 27 out of 34 agreed that training would give them new skills for their future career in the hospitality industry. The list of skills highlighted in chronological order of priority are: customer care (across all levels within the hotel organization), waiters (serving in formal and informal setting and etiquette, dining room operation and procedures), food and beverage costing (as control means and establish best purchasing practices and maximize profit margins on selling items),

[42] Hospitality School Model Feasibility Study and Implementation Plan & Training Modules and Implementation Plan for In-Service Workforce. July 2012. USAID/DAI Project

marketing/sales (in person, social media, communication mix), supervisory skills (how to lead and supervise staff), reception (image of hotel through well-dressed, friendly, caring, and enjoy serving guests), housekeeping (cleaning tasks including making beds, vacuuming halls throughout the hotel) and time management.

The study also indicated that 55% of supervisors were new recruits to the industry. The list of skills that were highlighted as their priority are: sales/marketing, customer care, quality food and beverage service in the same rank followed by management and supervisory skills, hospitality ethics, time management, food and beverage costing, handling challenges and objections, housekeeping, safety and hygiene, supervisory skills, supervisory train the trainer skills, communication skills, basic cooking, reception procedures and risk management.

Taking globalisation and technology advancement into consideration, further literature review[43] also identified other non-hospitality technical skills such as: interpersonal oral and written communication skills; supervising skills, ability to develop guest satisfaction, problem solving, effective management of life threatening situations e.g. fire, maintaining professional and ethical standards, administrative skills and financial management as well as leadership qualities to be able to turn ideas into productive action.

The PalTrade Tourism National Export Strategy[44] is also in line with the studies and recommends the upgrade and development hard and soft skills, English language courses for current workforce and aspiring employees with additional focus to be on Indonesian, Polish, Italian, Ukrainian, Chinese and Russian.

Demand Side Supporting Functions

Access to information

Neither government nor the private sector associations have developed a job classification system for the tourism occupations as the standard for the industry, which would include levels of experience based on the number of years in service by the staff members and accordingly the industry would agree on a salary pay range for these job positions.

A GIZ sponsored study[45] has conducted focus group discussion on male and female graduates from VET institutes and documented a list of their problems related to markets that includes:

1. Due to high unemployment rates amongst the youth, the preference by the industry is to employ university graduates who are willing to do the same task and accept low pay, with no enforcement of minimum wage law, as well as have better linguistic aptitude and better overall life skills
2. Lack of integration between VET graduates with the market and supporting services to see them employed or provided them with internship or apprenticeship opportunities. If they do, companies do not provide trainees with adequate experience during their training at their establishment as further gaps exist in mentoring, supervision and monitoring students' progress

[43] Whitelaw, Paul et al, (2009). Training Needs of the Hospitality Industry
[44] http://paltrade.org/upload/multimedia/admin/2014/10/5448e8c6d8011.pdf
[45] Randa Hilal (2011). Qualitative and Quantitative Training Needs Assessment Study for Qualified Workforce within the Basic Work Levels. Published on www.tvet-pal.org

According to Meqdad, et al study in 2015,[46] hotels in Gaza do recruit employees from TVET graduates. However, the number of graduates from these institutions as per the MoEHE is low with only 29 graduates (Table 7).

In general, there is no standardized human resource recruitment system among hospitality businesses in Gaza or the West Bank. Therefore, graduates only know about the job vacancies through their peers or by approaching these businesses to seeking employment proactively. Hospitality businesses hire front-line workers according to criteria that are mainly based on to charisma, elegance, and life skills. The salary wages in Gaza range from ILS 800 to ILS 2500 / month according to number of years of experience of the staff member, his professionalism and skillfulness. In the West Bank, salaries are generally higher due to higher cost of living and it varies from one city to another. Jerusalem is the highest paying salaries where East Jerusalem hospitality industry establishments cannot compete with the salaries paid by the Israeli establishments located in West Jerusalem to eligible Palestinians who are allowed to work in Israel - such as those who have Jerusalem identification cards. Hence, there is an economic reality for the best qualified employees in Jerusalem is to work at Israeli operated establishments due to higher salaries as their main incentives. In return, East Jerusalem hotels find it difficult to recruit Palestinian from the West Bank as accessibility to Jerusalem has been a constraint for more than a decade to West Bank Palestinians. There is also an issue of industrial relations issues on the complexity of hiring and firing West Bank Palestinians. Hence, East Jerusalem does not have a good supply of aspiring employees.

With low overall satisfaction of the performance of the front-line workers; there is general feeling among the business owners in Gaza and West Bank that the current TVET programmes do not offer any value-add training or benchmarking in the hospitality industry.

INFRASTRUCTURE

The Diyafa USAID Compete study indicated that hotels with less than 30 rooms, or between 30 – 75 rooms do not hire employees at executive level as they are largely family owned and managed as indicated earlier.

In Gaza, executive and supervisory levels in hotels and restaurants have low accessibility to the recent trends of infrastructure technologies that would be available in hospitality industry. This, in turn, has impacted negatively their ability to develop new differentiated products & services. The key is creating a comfortable and productive environment for guests, while running an efficient, profitable operation.

In an environment like hospitality where both productivity and serving guests are intertwined, meeting the needs of guests is a determining loyalty factor. Interestingly, there is no any business service provider in Gaza that is specialized in hospitality industry. Exposure visits as well as learning trips to countries that have well developed hospitality industry will be essential to develop the industry in Gaza.

RELATED SERVICES

There are different types of tourism. These can include MICE. MICE is used to refer to a particular type of tourism in which large groups planned usually well in advance are brought together for some particular purpose such as Meetings, Incentives, Conferences, and Exhibitions. It can include

[46] Islamic University magazine for economic and administrative studies, Chapter 23, Issue no.1 , p. 41 - p. 73 January 2015: ISSN 1726-6807 http://www.iugaza.edu.ps/ar/periodical/

those who are visiting friends and relatives (VFR), business tourists, shopping tourists, cultural tourists, sun sea and sand (SSS) tourists, or those who are seeking adventure, eco-tourism, leisure and holiday, Diaspora medical (dentist) care, or seeking other special interest such as learning Arabic in a short period of time.

There is no one size that fits all to cater for the different types of tourists. In the West Bank for example, the type of tourist that normally visit Bethlehem are typically faith-based Christian pilgrims, in Ramallah they tend to be non-government and business professionals, whilst in Nablus and Jericho many of them are visiting for shopping and leisure respectively. Hence, the operations and value proposition as well as the business model /plan for these clusters of hotels will differ accordingly.

Despite of the fragile and unsafe conditions; there are still some styles of tourism in Gaza such as; political tourism[47], the solidarity tourism to break the siege[48], in addition to the domestic tourism as well as international NGO professionals visits to conduct their humanitarian work; these styles of tourism have been contributing to the survival of the hospitality sector. Indeed, Gaza visitors mostly tend to be INGOs staff, journalists, and foreigners in solidarity or in few cases expat technical consultants. Unstable non safe political situation makes it very difficult to attract other types of visitors to Gaza; however, hotels owners and executives do realize the big gap they have in tourism marketing. Despite the fragile political situation, the current level of hospitality quality services will not be ready to cope with any potential activation of the tourism sector following stabilization of the political environment. A survey as part of the Bethlehem Master Plan conducted by Alternative Business Solutions to assess visitors' experiences in Bethlehem through a satisfaction questionnaire indicated that nearly 54% were visiting Bethlehem as part of an organized tour. The remaining 46% categorized as non-organized and include individual, couple, family and friends. In terms of nationalities, respondents came from 41 different nationalities including (26% Russian, 19% USA, 15% German, 5% Italian and 5% UK. Organized Groups (usually Pilgrims) tend to be older with over 60% over 45 years of age. Non organized visitors tend to be younger with over 65% under the age of 45.

For organized pilgrims a tour on the other hand planning process is done up to 1 year in advance.

With regard to where visitor obtain information for their trip, differences existed between the two main categories. While both used travel agents as a source of information, the non-organized category relied heavily on friends and the Internet. On the other hand, the organized tours (pilgrimage tours) obtained their information from their respective churches. Pilgrims tend to spend a very limited amount of time at the Manger Square. Over 80% of both organized visitors and non-organized visitors spent less than 2 hours at the square (most of which was spent inside the Church of Nativity). The rest of the sites and attractions around the square received an average of 20% of visitors to the area. This finding in particular shows a missed opportunity for the business in the area.

The survey also collected visitors' answers on quality related services on a scale of "Very Poor", "Poor", "OK", "Good" and "Very good".

The quality of accommodation rooms at the hotels was assessed being "Good" and "Very Good" by 48.4% of 121 responding visitor to Bethlehem. The quality of service at hotels was assessed to be

[47] Foreign media coverage of the political events since the first Intifada (thousands of journalists have been coming)
[48] Hundreds of activists had come through via flotilla movements.

Good and Very Good by 49.1% of 145 responding guests. Ease of finding your way around through road signs as being good and very good received a 30.2% rating out of 111 responses.

The quality of service at restaurants and coffee shops was assessed to have "Good" and "Very Good" ratings of 43.1% from 156 guest responses. Prices at these establishments were perceived at 33% being "Good" and "Very Good" out of total 166 responses.

61.6% of people have responded that tour guides have the required knowledge and 56.3% of respondents have perceived the tour guides as being professional.

Quality of service by the souvenir shops was deemed to be 43.5% Good and Very Good from 131 survey respondent.

From 174 survey respondents 28.6% have assessed that the Information offered at the Tourist Information Centers are Good and Very Good. Only 28.8% saw that the quality of promotional material to be in that same category.

Only 38.6% of 135 respondents saw that the Hotel area surroundings being clean.

From the above ratings, the perception indicated by Bethlehem visitors leaves more than 50% space to improve the perception of the quality of Bethlehem value proposition.

According to Meqdadi, et al study in 2015, 36% of hotels in Gaza don't have restaurants, while 54% of hotels have special shops or outlets to sell traditional handicrafts and souvenirs. Hotels and restaurants in Gaza are mostly lacking guest relations or customer care unit.

Demand Side Rules

Informal Rules and Norms

In both West Bank and Gaza, the cultural misconception that the hospitality industry is the last option for dropout students and is not a career of choice does not garner top aspiring students.

Furthermore, the limited career path for employees in a family owned business leaves little aspiration for existing staff. However, the Diyafa study has also highlighted additional informal rules on the Demand side including:

1. Lack of orientation programs to newly hired staff joining the industry
2. Staff are none cultured towards customer care, guest satisfaction and its importance
3. High turn-over within the line-staff levels of all departments that impact quality of service
4. Limited communication between the private sector and the educational institutions on the needs of the industry
5. Very few department heads and executive managers
6. Fear by hotel owner of paying salary increase to staff post training
7. Untrained line-staff (in service)
8. Incorporating of ethics in all systems

Despite seasonality and shortages of qualified staff, businesses are not necessarily revising their pay structure and alter salaries depending on the individuals experience and skill set due to high unemployment rates amongst Palestinian youth.

Family owned businesses in the tourism sector make less use of formal training than large enterprises - whether for managers or staff - due to limited financial resources, limited time and difficulties in accessing training courses locally. Informal training and "on the job" experiences are important tools to enhance staff skills among family owned businesses.

Thus, training should not be limited to structured and top-down approaches to learning and may take the form of "awareness raising" which is less formal and has broader appeal to these businesses. While industry AHLEI certificates training took place in support of USAID, these industry trainings do not give academic credits.

PMDP predicts that businesses will have a change in attitude in the near future, especially since tourism is forecasted to grow and accordingly the assumption is that the industry would want to increase their competitive advantage. Rather than focusing on recruiting candidates based on their skills and experience alone, the industry is growing to appreciate human resources that have a culture diversity fit, career drive and interpersonal personality of the candidates they interview. As a start, to reflect the need of the industry, it is important for the hospitality industry to define the skills and competencies expected from hospitality graduate.

Sector Specific Regulations and Standards

In 2014, the Ministry of Tourism and Antiquities (MoTA) have published the Palestinian Hotel Classification Manual and was able to classify around 30 hotels. This mandatory initiative came as a result of the fruitful cooperation between the Ministry and the private sector supported by USAID / Compete project. The hotel classification system is a process whereby the initial stages were to complete the classification manual and to classify a first batch of hotels.

The classification manual includes criteria for classification that is related to the quality of service and does not just focus on the hotel facilities and amenities. It lists criteria for room service, cleanliness throughout the hotel facilities - such as hotel rooms, bathrooms at guest rooms and communal and exterior; it also rates the service level at the reception whether staff can be recognized by uniform and whether the guest is the central focus of the hotel operations. It also includes criteria related to guest satisfaction, whether the hotel registers complaints from guests and whether they process them correctly. It also mentions turndown services[49], laundry, ironing, dry cleaning, shoe polish and concierge. Hotel guests are also supposed to be given insights on the classification standards and can fill in a questionnaire to rate the services received. Housekeeping quality of service is also part of the classification standards.

However, the classification manual does not put emphasis on linguistic skills of staff such as those in the EU[50]. It also clearly states that "Hotel inspections, as they are done all over the world, are always a snapshot on one particular day in a year. The hotel is judged on what it offers, but not so much on how it offers it. Time is simply too short and the only way to make a solid judgement of the service of a hotel is to experience it. As this is a crucial part of the hotel business, the results of the additional service audits need to be sufficient in order to qualify for the 4 or 5 star category." The quality assurance for the classification requires self-assessment by the hotel whether they meet the

[49] http://en.wikipedia.org/wiki/Turndown_service
[50] http://www.hotelstars.eu/index.php?id=criteria

criteria mentioned in the classification manual to be subsequently inspected by a MoTA staff member. The Ministry is planning to launch the mystery shopper program as an assessment to the 4 & 5 star hotels only as per the classification manual. More quality regime can impact the training.

MoTA in Gaza has announced for several times that they are planning to start the classification process for hotels.

It is still early to assess how the newly introduced hotel classification system is impacting the training for the front-line employees.

Laws

The current laws are from the Jordanian era in the 60s and they still apply today for the West Bank and Gaza[51] [52]. These laws do not meet the requirement of today's dynamic changes in the tourism and hospitality sector. There is also indication of change in this regards. The current Minister Rula Maayeh has been quoted[53] in a press release that a new law for tourism has been drafted.

Other Arab countries have updated their laws to meet these new challenges as industry requirements such as the case of Yemen and Morocco[54] [55], which can serve as a relevant regional case study to develop the enabling environment for the hospitality industry here in Palestine. For example, these contemporary laws mandates the industry to conduct an annual staff training and capacity building plan as part of a hotel industry jobs and profession classification. Furthermore, it calls for the industry to classify and develop a job description for all jobs and professions in the industry. The aim is to develop a reference that will provide comprehensive and audited information on jobs and career path to all workers in the hospitality industry. The classification of jobs publicize the needs of the labour market through a detailed description of the professions in order to make it easier for those in the vocational training sector to distinguish between professions and level groups to which they belong, and between the different skills and requirements for each job. As in the case for Morocco in specific, the job classifications is also associated with the operation of the hotel (reception, housekeeper, room service; food and beverage (f&b), restaurants and coffee shops; travel agencies (travel agent, ticket agent; transport (tourist driver), tourist services and tour guides; sales and marketing. Likewise, the Yemeni law classifies the hotel ratings in greater depth and analysis and also embed the classification of jobs and annual training plan for staff as part of the law.

[51] http://www.moj.gov.ps/tashreaat/law102.htm
[52] http://www.wafainfo.ps/atemplate.aspx?id=2167
[53] AlQuds newspaper p.3 on February 15th, 2015
[54] http://www.yementourism.com/gov/law/
[55] http://www.yementourism.com/gov/law/detail.php?ID=1453 and http://www.tourisme.gov.ma/

Summary of the Analysis

The below illustration provides a high-level summary of the analysis

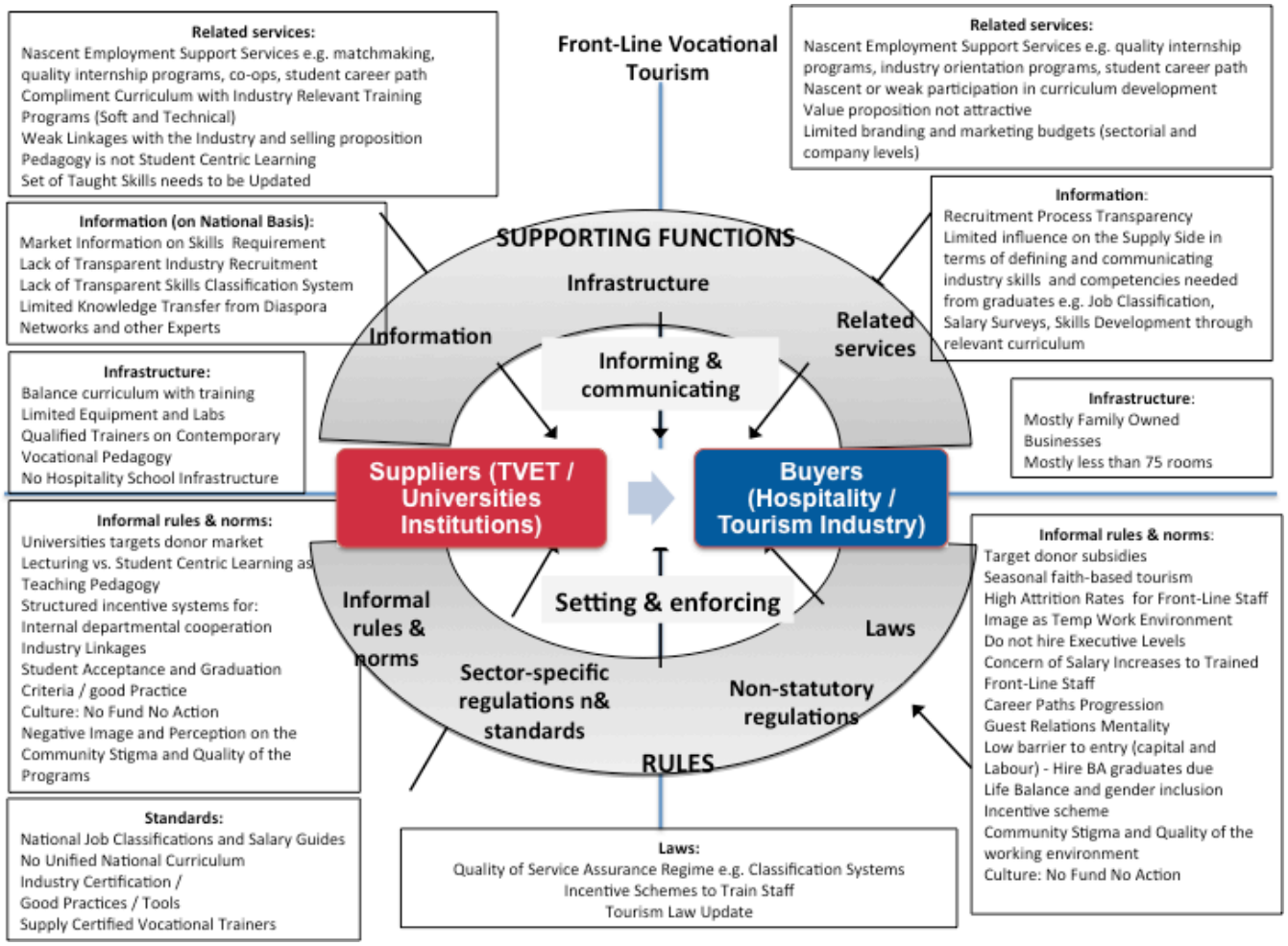

Figure 6 Market System Development for the Front-line Vocational Training

Gender Analysis

There were 155 female graduates out of the total 537 as provided by MoEHE statistics in 2011 indicated in Table 8 in this report representing around 29% of total graduates. Furthermore, according to PCBS, gender participation has increased from 1335 in 2010 to 1452 in 2012 also reflected in Table 7 in this report. Although PalTrade studies have indicated that the hotel sector is male dominant, in 2012, the 427 female workers in the hotels sector out of 2,647 represented an increase of 9% to what was reported in 2009.

Another GIZ study[56] in 2012 has surveyed 3681 economic establishments including hospitality in addition to 163 stakeholders representing TVET institutes, policy makers, graduates and different stakeholders. 21% of enterprises reported lack of qualified trained professionals whether in a field for which training is not provided or with limited capacity or weaknesses in advanced technology. Most employers prefer hiring candidates with work experience. In the survey, attitudes towards employing gender showed that 24% of 3681 enterprises employ women and 34% of them showed willingness to employ women. The study has also found that there is a direct correlation between employment of women and enterprises owned fully or partially by women.

The lack of interest for females to join TVET programs is also attributed to community stigma mostly because of some cultural traditions and parents' concern for their daughters. Parents prefer that they work at large corporate and public places and not at micro or small enterprises.

Nevertheless, GIZ studies reported that TVET institutes have increased the opportunity for gender to enter the workforce. Reports also conclude that the apprenticeship and internship programs generally serve as a catalyst for graduates to find employment opportunities.

Local authorities and families in Gaza are prohibiting female graduates to practice certain types of activities in hotels and restaurants such as serving of food and beverages, night shift receptionist, while allowing female to serve in wedding parties. Therefore, the Palestinian Technology College, incentivised by GIZ, is offering exemption for female students to encourage them joining the courses programmes.

General Key Findings

Production and delivery of service in the hospitality industry is coupled together. Accordingly, services to customers are seen as guest relationship due to the daily interactions with these hotel clients as they stay at the hotel "as guests". Since service most of the times provided throughout the hours of the day developing personal relationships may be difficult to employees while they try to be productive, but it remains to be key. Furthermore, working in the hospitality industry requires sensitivity to ethnic, cultural and religious diversity of guests, which requires high-level of interpersonal skills and communication to value and gain synergies from these differences.

[56] Randa Hilal (2012), Labour Market Survey: Training Needs and VET Relevance Gaps Analysis published by GIZ

Since the bulk of in-bound tourism to Palestine is seasonal faith-based, the hospitality industry should involve expenditure on branding and marketing, which does explain fluctuation on demand. It also requires prudence in management to control many variables operating costs.

The Palestinian hospitality industry has low barriers to entry for capital and labour. This is evident in the number of hotels being planned in Bethlehem. It is also evident, due to the high unemployment rate amongst youth, where many of the staff members are not graduates from a hospitality school. It is also relatively easy to hire and fire staff as part of the overall industrial relations environment.

While, employers recognise the need to improve its staff skills, there is little evidence to demonstrate what employers are doing to enable their workforce to acquire new skills and competencies without donor support. Employers also would like their employees to be up-to-date on industry trends.

Finding a good talent for front-end staff is a challenge. Supply of graduates is still not in par to industry needs. Yet, industry also needs to make their requirement of skills more transparent.

There is a gap between graduates and the reality and dynamics of the market. The new generation of youth is impatient for promotions and climbing the promotional ladder. Not having a realistic expectation about the market can impact their morale, attitude, ethics, willingness and passion to work in this industry as well as their inclination to continue working in it.

Recommendations and Result Chain Analysis

Elements going into a TVET activity

A vocational TVET system for the hospitality industry will require four different elements to work in coordination and function correctly:

1. The industry (potential employers) must define the profiles and active participant in the design of the course and the teaching that they are looking for and communicate them to both the aspiring potential employees as well as the TVET institutions.
2. The TVET institutions must understand the specific skills and quality standards desired by the employers, and have the capacity to be able to deliver them. Furthermore, their business model should provide employment support services.
3. The aspiring trainees need to understand the demand for skilled labour, the potential market for their services and the industry value proposition;
4. The policy environment must be supportive of the development a private TVET industry, with the proper incentives for TVET firms to modify their programmes to meet the needs of the market for labour.

Therefore, a public-private partnership (PPP) should play a facilitative role between these four components, helping the TVET and companies to engage more constructively with the employers to understand their needs and get the end users involved in the definition of the training courses and perhaps even provide trainers to the TVET companies. The TVET institution / companies must develop programmes to market their services to the aspiring trainees in such a way that the trainees understand the end result of the training and the value proposition (why they should pay for training) being offered by the TVET institutions. Finally, for the PPP to closely engage with the private sector, and MoTA as well as the relevant ministries on the policy issues.

Example of activities that will be necessary for the tourism industry, given that there is strong demand for workers (and forecasted in the near future) have already started taking place as part of the USAID Compete project where relationships with tourism companies desiring improved access to workers (and perhaps their association) to identify their labour needs from the companies with the number of employees identified in the survey. The survey also further identified detailed gaps where they exist between the market and suppliers of training providers.

The USAID Compete project has also started engaging with relevant stakeholders to bring them on board to the overall coordination and buy-in for the need of new curriculum. Furthermore, the USAID Compete project is currently preparing preliminary financial feasibility models for the supply of training services to understand what it would cost to deliver the demanded training as part of rolling-out the training curriculum that they have developed in cooperation with Bethlehem University.

The GIZ program has also developed public-private partnerships, were involved also in revising current curriculum, to be more aligned with market needs. Furthermore, the GIZ are also involved in upgrading TVET institutes' infrastructure to be able to introduce practice to theory.

Incentives given to employees can play a critical role in improving service quality, for example by replacing automatic with voluntary tipping to motivate employees to provide decent service. Tip sharing and teamwork could also be beneficial.

The PalTrade Tourism National Export Strategy[57] also recommends internship programs. It also call out for establishing a hospitality and training hotel as a joint venture with the private sector in the form of one-stop-shop covering accommodation, catering, tourism sales and marketing (travel agency), etc. Further recommendations include regulating the sector strategically and systematically through recognized quality standards. For example, the model and experience of developing the hotel classification system should be emulated for the professions / services in the hospitality sector to be based on international standards and administered by the Palestine Standard Institute.

Further activity recommendations on the supply, demand and regulatory constraints are mentioned below:

Supply side (Training Centres)

The below opportunities are meant for the training centres and institutes to consider for improving the front-line market system:

1. Work with Associations and the MOTA to establish standards based on the needs of the tourism companies e.g. curriculum and job classification
2. To directly cooperate with the tourism industry associations, to continue identifying market demand for workers and the profile of the skill set that they would like to have in the employees and aggregate of information under a single electronic channels of delivery. In the absence of specialized recruiting agencies, it is also a good idea to partner up with a vocational school support services that will be able to tell private sector exactly which candidates are available by using a national job board platform. Non-government Organisations (NGOs) can also play this role. Hence, it is important that NGOs and TVET institutions support services find out the businesses needs right away to ensure that TVET institutions can find them the best fit of graduates. NGOs and TVET institutions supporting services need to take into consideration soft skills for graduates such as culture fit, drive and personality of the candidates. TVET supporting services should provide aspiring graduates looking for a new position with counselling to make sure that graduates' expectations on roles, hours worked, salary and overall career opportunities are realistic and within employers' business model.
3. PMDP expects that frontline job opportunities for those in the hospitality will continue to grow. The best candidates will continue to be highly sought after in the market, but there does need to be an adjustment in attitudes towards loyalty and long-term employment commitments. National hospitality industry salary guides, such as those published in Australia, could also help in the management of expectations amongst the workforce.[58].
4. Developing new national curriculum and pedagogy to cover industry standards and trends and improve on content, modes of training and integration of systemized field

[57] http://paltrade.org/upload/multimedia/admin/2014/10/5448e8c6d8011.pdf
[58] http://www.frontlinehospitality.com.au/category/salary-guides/

training as well as focusing on student centric learning. This curriculum should also take into consideration specific region or industry needs. For example, tourism in Bethlehem / Jerusalem is different than Jericho and the north. Also, there needs to be emphasis not just on technical curriculum, but also critical thinking, problem solving, working in diversity setting with language aptitude as a channel of communication, administrative and leadership qualities. Curriculum has to find the right balance between practice and theory. The combination of new training elements will also demand making available new trainers in the market.

5. Subsequently, support the development of the Training of Trainers (TOT) for the trainers to ensure that they have the right skills and develop an accreditation process for TVET institutions and for trainers
6. Skills needs assessment and training provision must differentiate between different skills levels (basic, in-depth) and different occupational roles (Managers with / without customer contact, frontline staff, others (including technical specialists).
7. Continue to assess the capacity of their institutions including the availability of the proper equipment and skills development for their trainers to match continuous curriculum upgrades
8. To upgrade, training institutions also need to understand their own business models better. This could include reviewing their value proposition, pricing structures, diversifying revenue streams, and candidate selection criteria. A new business model could be structured keeping the following elements in mind:
    a. Market analysis of the aspirations of the existing and potential employees (who would be able to pay for it) and identify a segment of the market that is interested in the TVET training
    b. Develop a marketing programme towards the aspiring employees and employers
        i. Develop a value proposition
        ii. Marketing and communications
        iii. Diversifying new revenue streams
    c. Update and develop a transparent selection criteria for entering students as suggested earlier
    d. Gender coverage and interventions targeting the constraints facing existing and aspiring female employees to access TVET training

2. In partnership with the private sector, develop the Hospitality School in Palestine that combines a working hotel and restaurant. This facility, which has garnered attention from public and private sector stakeholders as a critical component for the training eco-system on the supply side and support its activities such as adopting its curriculum for the front-line curriculum, knowledge transfer to local trainers on how to conduct vocational training based on new pedagogy that is student-centric, rolling out train the trainer activities with the intention to expand the vocational training programs nationally by expanding all geographic areas in the West Bank and Gaza. It is recommended for the hospitality school to also engage with private sector providers on rolling out the geographic expansion.

Demand side (Hospitality Industry)

The below section are opportunities for the hospitality industry to improve the market system for the quality of the front-line employees

1. Enhance governance structure of private sector Associations to enhance linkages with labour market and training institutes on their market needs and industry skills requirement and to take an active role in developing job classification system for front-line, supervisory and executive level professions in the hospitality industry
2. Activate Associations website to include job boards detailing the job description that members are seeking
3. Partner with TVET institutes to facilitate graduates' entry into the labour market through career guidance and counselling / mentorship in addition to apprenticeship and internship programs that introduces proper supervision and quality assurance on such programs
4. The seasonality nature of tourism does not increase optimism in the business community, which would increase employment opportunities in the long term. However, this is a gradual process so it's definitely important not to leave recruitment to the last minute and end up recruiting unskilled frontline workers. Alternatively, the industry can develop employment agencies that can be part of the training and supply of the professional or improve the employment supporting services of TVET institutes
5. Continue promoting and diversifying the value proposition to reduce seasonality including developing direct international joint ventures, improve bargaining power with Israeli tour operators through aggregation to negotiate better pricing and improve profit margins for better business sustainability and competitiveness.
6. In order to secure quality talent in the hospitality industry, the most important thing that businesses can do is to offer training and attractive incentives as a retention strategy, which will also change negative perceptions and image of the industry as an interim period for employment. Most of the candidates in the market are not actively seeking new employment due to general market insecurities, but are likely to make the move if the right opportunity comes along. Also, the passive market for aspiring employees does make it difficult to find the best quality candidates from graduates - as they are unlikely to be searching the job boards for new roles not unless they are counselled by NGOs or TVET employment support services.
7. The other most important thing that businesses can do to secure quality talent is to be transparent about their companies' needs. It is essential to communicate all true parameters of the role - including information regarding the hours, salary and career progression expectations. It is important to develop a form of career progression path by which the industry can modernise the recruitment and training process. Employers need to allow staff to have better work / life balance, better career prospects, develop loyalty and retention strategy, and change perceptions of the hospitality industry

Regulatory

1. Key factors that influence the supply of training provisions are tourism policy and legislation.

2. Develop relevant laws, policies and procedures for training and organizing the labour law and policies whether it provides tax incentives and introduces mandatory compliance for business owners to engage in training and employing VET graduates as well as policies that would maintain gender equality. These laws should also balance economic realities in Palestine and not to overburden the private sector with fees, taxes or penalties
3. With Associations and MOTA as Regulator, approve the new design curriculum for the vocational curriculum that was supported by USAID / Compete project and GIZ project, which should be based on needs from the Association companies
4. Activate the Mystery Shopper and / or other inspection mechanisms on all hotels to implement quality inspections to ensure compliance with quality of service level as per the Classification Manual or new law
5. Establish certification programme (certificate exam to be supervised / recognized by regulator and acknowledged by the private tourism companies) that will provide reassurance to the tourism private sector on quality of trainees
6. Enforcement of wage and dismissal laws which can protect employees and owners at family-owned businesses.

Result Chain Analysis and Priorities

The below section presents all the opportunities for the tourism and hospitality industry to increase its sales to tourists and improve their business profitability and thus increase employment and incomes in this sector through means of bringing business level and change to the market system level as per the result chain analysis below for the quality of the front-line employees market system:

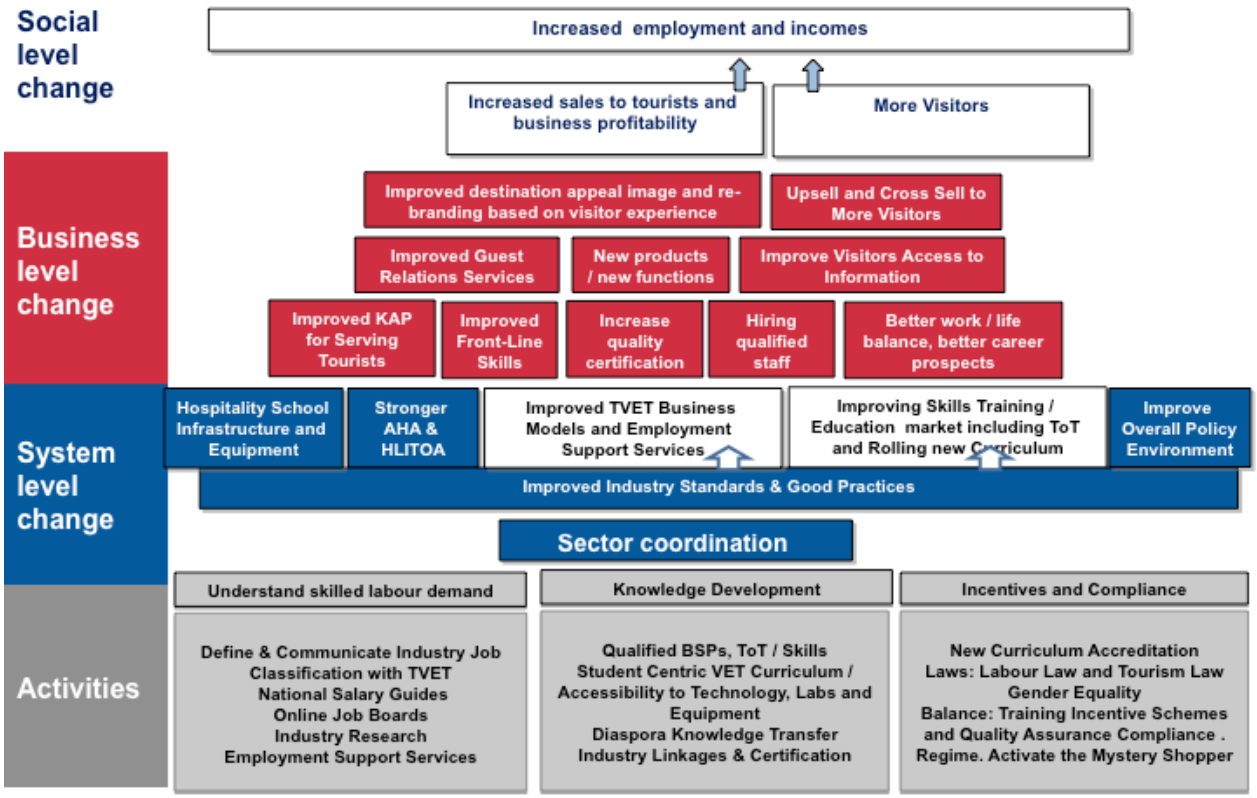

Figure 7 Result Chain Analysis for the Quality of Front Line Employees Market System Analysis

As a general direction, PMDP believe that the critical areas in the market system that requires addressing include:

1. Improving the Business Models for the TVET institutes to provide quality employment support services to their students in cooperation with the private sector such as to students such as career path counceling, industry orientations, internship support and job placements.
2. Improving the skills of TVET graduates through introducing quality internship programs for front-line workers, introducing student-centric vocational content for this target group as well as roll-out the quality training of trainers program for practitioners.

Future interventions on the above will be discussed in close cooperation with relevant stakeholders.

Validation Workshop

A validation workshop was conducted on March 26th with key stakeholders that represented the hotel, tour operators and TVET institutions as well as representatives from MoTA, AHA and HLITOA.

PMDP presented the key finding and the approach in analysing this market system to identify the constraints. These constraints were presented to the stakeholders at the workshop summarized in the donut chart.

While industry representatives including AHA Chairman have agreed that academic training needs to be complimented with practical training at the industry, they have argued that the intensity of academic courses does not allow students much time to practice. They have also argued that they engage less in training their current staff, as they do not feel that they have the minimum qualification to have them trained further or that they will be available at their establishments on long term due to seasonality nature of their business. Indeed, the lack of business and accessing new markets is their main challenge to sustain their staff and invest in them. The low occupancy rates due to growing number of new hotels and rooms is not matched with tourism staying in them for more than one night to be counted in the calculation of the occupancy rate. Hence, it is not enough to have an increase in the number of visitors to the oPt, but also to increase their stay at the local hotels and increase their spend at other establishments in the tourism and hospitality value chain such as restaurants, souvenir shops, etc. The industry also agreed that the hotel classification system requires establishing systems at MoTA for its enforcement. As the integration with Israeli tourism and hospitality value chain is the main source of revenue, the Palestinian private sector representatives also voiced their desire to access new markets and establish joint ventures directly with international tour operators.

Bethlehem University representative made the case that they are bridging industry and academia with the new board of directors being established for their upcoming hospitality school. Their initial joint priority was in the new vocational training content that has culminated in developing 20 vocational units and that they are mostly online[59] and translated into Arabic to solve language barriers to students. Bethlehem University advised that they would like to take this curriculum nationally including Gaza. Furthermore, to say that Palestine will not be a faith-based tourism destination and that tourism can be diversified is an understatement on the value proposition that Palestine with its holy cities delivers to three monolithic religions. However, the standard of how the quality of services is provided to faith-based tourist requires re-packaging to have better pricing structures from typical pilgrim markets coming from Russia and East Europe. New markets require further customization of the value proposition and improve the quality of services qualifying to charge higher hotel night rates to the current "cheap" ones being sold to the Israeli tour operators. Bethlehem University also advised that they are currently working on project to document the job profiling and classifications in the tourism and hospitality industry.

Since most of the hotels are family owned and operated, participants in the workshop made the point that family individuals that manage hotels need to be certified and pass a MoTA exam to qualify them to be able to run their owned venues.

[59] http://www.bethlehem.edu/itt/vocational-training and http://www.bethlehem.edu/ITT

A TVET institute in Bethlehem advised that their institution has to comply with MoEHE rules that their vocational training is 30% theoretical and 70% practice. Hence, the argument is not that TVET institutes are not supposed to provide practical training to their students. However, the real constraint is for their students not learning the skills from this practical training as not all private sector establishments have the capacity to mentor, train or coach these students and they end up doing unskilled chores admitting at the same time that TVET institutes don't have capacity to follow-up with surveys on the graduates' status or provide other quality employment support services or sustain a long-term strategic relationship with the industry.

The above discussion is in alignment to the market system analysis conducted by PMDP including the key findings. PMDP also presented the below recommendations at the Validation Workshop and made the point that the stakeholders require to start changing their behaviour to see the constraints in the market system start being addressed with several recommended activities that can be a starting point.

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