

THE ROLE OF THE EDUCATION SYSTEM IN THE DEVELOPMENT OF HUMAN CAPITAL IN THE HOSPITALITY INDUSTRY IN POLAND

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ABSTRACT One of the main problems of vocational education is to adapt school education to the changing needs of the labour market. This article characterizes the current Polish system for training personnel for the needs of the hospitality industry as well as presents employers' expectations in that respect. The article constitutes the result of literature studies and an analysis of available secondary data on the analysed issue.

Introduction

From the point of view of economics, the hospitality industry should be treated as a form of management in the service sector. Services are the most dynamically developing sector of the economy globally as well as in the European Union and in Poland. The service sector constitutes more than 70% of the gross domestic product in the most economically developed countries. Economic activity in the hospitality service market has a great impact

on that percentage. Even though it is extremely difficult to clearly estimate the share that the direct hospitality economy has in the gross domestic product, the research shows that, depending on the measurement method, this is between 3% and 6% in the case of the Polish economy (Report, 2016, p. 3).

Hospitality enterprises are service companies, i.e. ones in which the human factor plays a special role. By bringing their experience, skills, abilities and own value systems, employees contribute to the development of a specific organizational culture and climate, which shape the distinctiveness of the whole system that a hotel enterprise is. In order for a hospitality enterprise to function efficiently in the market economy, it should not only have adequate staff in terms of size, but also in terms of professional qualifications. Their level directly depends on the education system.

The objective of this article is to characterize the current Polish system for training personnel for the needs of the hospitality industry as well as presents employers' expectations in that respect.

The article constitutes the result of literature studies and an analysis of available secondary data on the analysed issue.

The concept of human capital in the theory of economics

In the theory of economics, capital is understood as "all previously produced resources that are used in the production process" (Cyrson, 1997, p. 20). It can be divided into:

- a) financial capital (money used for investments and current expenses of a company);
- b) physical capital: capital goods, that is assets necessary for the production process (buildings, machinery and devices, equipment, stocks of materials and semi-finished products);
- c) human capital (acquired qualifications and productive capabilities of employees).

The essence of human capital is perceived differently, what results in multitude of concepts. Over the years, the approach to the issue of skills, education, experience and human attitudes as a capital has evolved in line with the development of the theories of economics. Although G.S. Becker and T.W. Schultz are considered to be the creators of the human capital theory, the origins of this idea can be traced back much earlier. Even the Ancients presented a positive approach to the division of labour and specialization that is reflected in the product quality. For instance, Xenophon of Athens (c. 430–355 BC) shared this approach as he stated in his work on management called *Oeconomicus* that "a highly-specialized craftsman will produce a better object than a regular producer" (Stankiewicz, 1987, p. 46). Xenophon deliberated on the division of work in accordance with vocational qualifications suggesting the relation between efficiency increase and skills a labourer had.

The economic thought was not a coherent scientific system during the times of the ancient and feudal societies, and economic views were of a normative character that was subordinated to the ethical and moral system. At the turn of the 16th and 17th centuries, new concepts emerged in the Western European countries that attributed the quality of being able to create wealth to work. One of the first people who realized the importance of the human in economic processes was W. Petty (1623–1687). He believed that the human factor is the basis for wealth and economic progress (Petty, 1958, pp. 563–573). According to W. Petty, the people's resources are renewable and can be developed and not depleted as it is the case with natural factors. The capital in a person, including their vocational qualifications, was for W. Petty one of the four factors – apart from land, labour, fixed assets and materials – that create national wealth. Despite considering land and labour to be essential, he underlined that people's qualifications make that labour more efficient.

The second half of the 18th century was a period of a dynamic economic growth on the British Isles. Against this background, A. Smith's (1723–1790) theory of economics was developed where one of the capital categories was people's skills. Simultaneously, A. Smith claimed that a person and its capital in the form of accumulated skills should be treated separately. While skills are part of personal wealth, at the same time they are an element of the wealth of a society to which a person belongs (Smith, 2013, pp. 40–41). By highlighting the similarity between labourers' qualifications and the properties of physical capital, A. Smith emphasized the need to invest in education. He claimed that work efficiency is determined by work quality and this in turn depends on the education and skills of a person.

J.B. Say (1767–1832) also referred to A. Smith's views by seeing the benefits of the division of labour and intangible benefits that labour may bring. According to J.B. Say, human capital is created through various forms of education related to upbringing in a family, schooling, on-the-job training and acquiring skills. J.B. Say believed that acquired knowledge is a capital of a given individual. Thus, he saw that the human capital in a person cannot be transmitted. J.B. Say's significant accomplishment was the concept of entrepreneur's individuality (production organizer) who is not to be confused with a capitalist as a capital owner. This way he emphasizes a special role of an initiative, organizational talent and other personal traits that are essential to run an enterprise. He was also the first to estimate the size of human capital through the value of future income (Say, 1960, p. 867).

J.S. Mill (1806–1873) presented similar deliberations on the importance of education in the production process and economic growth. He distinguished two components of human capital: people's resources and skills, which he included in the national wealth and individual resources of a person. This way, although he separated people's personalities from their economic values, J.S. Mill posited the determination of labourers' value through their knowledge and skills that define the level of qualifications (Mill, 1965, p. 605).

J.S. Mill put special emphasis on the surplus of supply on the labour market. He established groups of people who had better and worse qualifications. By differentiating the qualifications labourers had, J.S. Mill defined their level by the time and cost of education. He also pointed out that the remuneration of people with better qualifications should be higher than that of unqualified people by an amount that would cover the costs of studying, make up for the losses caused by having lower remuneration during the time of education, including interests that a studying person would gain if they had not had to pay for education. J.S. Mill highlighted that a precondition for labourers' willingness to increase their qualifications is being paid more than less qualified people are throughout the whole work period.

As stated above, representatives of different theories of economics have laid foundations for the human capital category, but the development of a complete human capital concept can be dated no sooner than the 1960s. At that time, human capital was introduced for good to economics as a production factor by T.W. Schultz and G.S. Becker.

For T.W. Schultz (1902–1998), human capital was people's knowledge and skills and he emphasized the fact that individuals consciously invest in themselves to improve the economic results they achieve and their own wealth. This way he focused the attention on social and economic results of such investments by setting forth a thesis which stated that a faster growth of national income in comparison with a growth of labour, land and physical capital input is mainly connected with an increase of the level of education among working people (Schultz, 2014, p. 24). At the same time, T.W. Schultz thought that each individual is equipped with a specific knowledge, skills and qualifications that can be treated as production factors. According to his theory, the outlays made to increase the quality of the human factor in production processes should be treated from a purely economic viewpoint, and more precisely

as investment outlays. T.W. Schultz was the first to treat investment in people in such a way and distinguished five groups of components that develop human capital: formal education, on-the-job training, health, educational programmes for adults and migrations (Schultz, 1961, pp. 8–13).

Whereas G.S. Becker (1930–2014) analysed the issue of investment in education as well as related costs and effects in reference to unemployment. He understood investment in human capital as allocation of resources that impacts future real incomes. He classified basic kinds of such investment in the following manner (Becker, 1975, p. 43):

- expenditures on health care that increase the lifespan and raise health levels,
- expenditures on education within the education system,
- expenditures on vocational training and traineeship in enterprises,
- expenditures connected with population migration in order to adapt to new employment conditions,
- expenditures for acquiring vocational information,
- expenditures on scientific research.

The founders of the theory of human capital used the fundamentals of I. Fisher's (1867–1947) theory of capital which defines capital as the value of resources that have the property of providing services that exist at a given time, whereas profit is the exchange of services at a given time (Fisher, 1927, p. 9). I. Fisher emphasized that all resources can be treated as capital if they are used by a company. According to this view, the capital category can also include human beings by treating their skills, knowledge and vital forces as a resource that is a source of services in the form of future satisfaction or incomes.

It is worth noting that human capital undergoes the process of depreciation as some skills deteriorate when the person becomes older and are forgotten if they are not used. One way to develop human capital is to have practical experience as well as formal and informal education (Tokarz, 2008, pp. 61–69).

Vocational education system for the needs of the hospitality sector

The vocational education system encompasses all forms of vocational education and training focused on a general goal, that is providing the participants of this process with necessary knowledge and skills essential for efficient and effective performance of the trained occupation (Stalończyk, 2014).

The first link in the process of institutional preparation of staff for the needs of servicing hospitality movement is schools specializing in hospitality. Educational establishments can be divided into:

- a) basic vocational schools with programmes lasting between 2 and 3 years, which graduation grants a diploma confirming vocational qualifications after passing an exam and allows further education in supplementary general secondary schools or supplementary technical secondary schools;
- b) 4-year general secondary schools which grant a matriculation certificate after passing a matriculation examination;
- c) 4-year specialized secondary schools with vocational education and training (in specific branches of industry), which grant a matriculation certificate after passing a matriculation examination;
- d) 5-year technical upper-secondary schools that grant a diploma confirming vocational qualifications after passing an examination and a matriculation certificate after passing a matriculation examination;
- e) 2-year general secondary schools and 3-year supplementary technical upper-secondary schools for basic vocational school graduates;

- f) post-secondary non-tertiary schools with programmes lasting up to 2.5 years that enable students who have completed secondary education to obtain a diploma confirming vocational qualifications after passing an examination.

In 2016, there were 2,053 upper-secondary schools specializing in hospitality (including 631 technical upper-secondary schools, 86 supplementary technical upper-secondary schools, 141 post-secondary non-tertiary schools and 1,195 basic vocational schools) in Poland (Report, 2016a, p. 195).

Basic vocational schools mostly educate cooks and waiters. Even though the programme, in quite significant part, consists of traineeship and practical training, the level of preparation to work is minimal and at best allows the students to perform tasks under the supervision of a more qualified specialist (Tokarz-Kocik, 2017, pp. 128–130).

The next level of education for the needs of hospitality are post-secondary schools, including post-secondary non-tertiary schools that train 'hotel service technician', 'hospitality service technician' and both of these occupations simultaneously. They are run in vocational technical upper-secondary schools and their objective is to prepare students to the same occupation as in the case of technical upper-secondary school graduates. Post-secondary schools are mainly directed at general secondary school graduates who can obtain a diploma of a technician which is an equivalent of a diploma obtained by technical upper-secondary graduates.

The subsequent level of education in hospitality-related occupations is higher education (bachelor, master and doctoral programmes). Higher education programmes include, among other things, the following specializations: hospitality and recreation, economics, management. It should be noted that only the hospitality and recreation specialization grants a Master's or Bachelor's degree in hospitality and recreation. In other cases, the title depends on the specialization of selected programmes. The objective of higher education is to prepare graduates to hold managerial positions in hospitality enterprises. In 2016, 89 higher education institutions in Poland offered education in hospitality and recreation (Report, 2016a, p. 217). The system of education for the needs of servicing hospitality movement in Poland is quite extensive in terms of offered studies, specialisations, modes and types of schools. The large number of schools results in many graduates. Their number is presented in Table 1.

Table 1. Number of graduates of upper-secondary schools and higher education institutions educating personnel for the hospitality industry

	2002	2006	2009	2016
Number of upper-secondary education graduates	10,641	15,777	35,269	35,697
Number of higher education graduates	6,808	9,309	13,365	11,355

Source: Report (2016a), p. 154.

As Table 1 shows, the number of graduates of upper-secondary schools increases regularly, whereas in terms of graduates of higher education institutions, a decreasing trend can be observed: over 5 years (2009–2016), the number fell by 2,000 people (–15%). It is mainly due to a drop in the birth rate.

Apart from institutional education, qualifications necessary for work in the hospitality industry can be also obtained through specialist courses.

Adapting the education system to the needs of the hospitality labour market

The hospitality industry generates many workplaces. In 2016, the number of people working in the tourism industry in Poland was 519,400 what constituted almost 6% of workforce of the whole economy and the largest group of workers, i.e. 34%, was employed in the hotel industry (Tourism Satellite Account, 2016, p. 36).

Vocational education and training is a field of universal education which development is determined by the condition and needs of the national economy. Vocational schooling is responsible for the supply side of the labour market. In a perfect model, supply should be absorbed by demand. In reality, there is usually no balance between demand and supply (Yiu, Law, 2012, pp. 377–402; Zopiatas, Constanti, 2012, pp. 44–51).

If vocational schooling does not respond to the needs of the national economy, this generates tensions in the labour market meaning that the oversupply of specialists occurs in specific occupations parallel to supply shortages in others.

The Polish labour market shows oversupply of graduates in many occupations, including hospitality-related ones. As the report by the Ministry of Labour and Social Policy entitled *Shortage and Surplus Occupations* shows, out of 2601 occupations listed in the classification of occupations and specializations as many as 67.4% of them constituted surplus occupations in 2015, i.e. the labour market demand was lower than the number of people searching for work in such an occupation. Three occupations related to servicing hospitality movement, i.e. a cook, a short order cook and hotel industry technician (Table 2).

Table 2. List of selected surplus professions in Poland in 2015

Code profession	Name of the profession	Surplus professions
512002	a short order cook	20,376
512001	cook	19,608
422402	Technik hotelarstwa	8,314

Source: Report (2015), p. 14.

The disparity between supply of graduates and demand for their work may result from the insufficient quality of education and from the fact that graduates lack qualifications adequate for work in the hospitality industry. It is proved by information from the report “Results of the Survey of Preference Concerning the Vocational Education Graduate Profile among Employers from the Hotel, Catering and Hospitality Industry” (Report, 2016a, b).

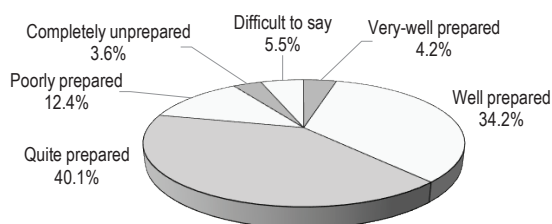


Figure 1. Assessment of the employed vocational education graduates

Source: Report (2016b), p. 174.

According to the research results presented in Figure 2, employers in the hospitality industry most often think that graduates that they employ are quite prepared to work (40% of answers). A positive evaluation was given by 38.2% of the respondents; 15.8% think that graduates are not sufficiently prepared to work.

The lack of correspondence between the knowledge and skills of workforce and the knowledge and skills that there is a demand for in the economy results in a number of unfavourable effects including mainly a possibility of employment of only a part of a work supply and graduates' frustration related to it, income reduction or social pathologies.

Conclusions

The personnel necessary for servicing hospitality movement is prepared by educational establishments of upper-secondary and higher education. The system of education is quite developed in terms of offered studies and specializations. However, it is characterised by excessive focus on theory and unsuitability for the needs of the labour market.

As the survey conducted in 2016 by the Hospitality Department in the Ministry of Sport and Hospitality shows, employers of the hospitality industry value most graduates of vocational schools (such an answer was given by 68% of the respondents). The responding employers prefer their employees to have higher education (27%). Only 5% of the respondents consider general education as desirable (Report, 2016a, b, p. 10).

Institutional education should be supplemented with an extensive as well as closely supervised system of specialist courses and postgraduate studies. It is also essential to monitor the hospitality labour market constantly, what enables forecasting and gives grounds for determining the scope of educational needs of hospitality in a few years.

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