

Addressing the Skills Gap in Tourism: A Comparative Analysis of Vocational Education in Albania

Alkida Hasaj

Faculty of Economy, University of Shkodra ‘Luigj Gurakuqi’, Albania, Shkoder
alkida.hasaj@unishk.edu.al

Sead Baraku

Faculty of Economy, University of Shkodra ‘Luigj Gurakuqi’, Albania, Shkoder
seadbaraku@unishk.edu.al

Abstract: The rapid expansion of Albania's tourism sector has exposed a structural misalignment between vocational education outputs and evolving labor market requirements. This study applies a management benchmarking framework to assess the degree of alignment of Vocational Education and Training (VET) systems within the Shkodra–Lezha tourism cluster. Adopting a mixed-methods design (N = 162), the research triangulates perspectives from tourism enterprises (n = 85), vocational students (n = 60), and educators (n = 17), enabling a multi-actor evaluation of skill formation processes. The findings identify a critical process bottleneck in the transformation of skills into employable competencies. Multiple regression results indicate that soft skills represent the most significant predictor of employer satisfaction ($\beta = 0.54$), followed by Work-Based Learning (WBL) ($\beta = 0.45$). At the same time, curriculum quality exerts a comparatively weaker influence ($\beta = 0.16$). Correlation analysis further confirms a strong positive relationship between WBL quality and employer satisfaction ($r = 0.71$). The model demonstrates substantial explanatory power (Adjusted $R^2 = 0.671$) and passes standard diagnostic tests, including tests for multicollinearity. The study concludes that Albania's VET system is characterized by institutional feedback failure, primarily due to the absence of systematic tracer and monitoring mechanisms that link educational outcomes to labor market dynamics. A strategic shift from a supply-driven to a demand-responsive VET model is therefore essential to enhance workforce competitiveness, improve the efficiency of skill matching, and support the long-term sustainability of tourism development.

Keywords: Tourism Education, Vocational training, Labor market alignment, Benchmarking, Albania.

1 Introduction

The tourism sector is a key driver of Albania's economic growth and regional development, contributing significantly to national GDP and providing vital employment. As Albania strives to become a competitive destination in the Western Balkans, service quality has become crucial for sustainable success. However, sector growth has outstripped the labor market's ability to supply a skilled workforce, creating a persistent "skills gap" that hampers firm performance and regional competitiveness. The effectiveness of the Vocational Education and Training (VET) system, the main pathway for developing professional human capital, is central to this issue. Despite reforms aimed at modernizing curricula, a structural mismatch persists between the skills produced by educational institutions and the actual needs of tourism businesses. This gap is especially evident in Shkodra, a strategic tourism hub where proximity to competitors like Montenegro and Croatia demands high service standards. Traditional educational models in Albania tend to focus on technical "hard skills," often neglecting soft skills such as communication, emotional intelligence, and ethics, which are increasingly vital in modern hospitality. This study addresses the mismatch through a management-focused approach grounded in Benchmarking Theory. Instead of viewing the skills gap solely as an educational shortfall, it considers it a failure of institutional alignment and feedback mechanisms. Using an Input–Process–Output (IPO) framework, the research examines how educational inputs are transformed into labor market outcomes through processes like Work-Based Learning (WBL) and Tracer Studies. Benchmarking is a strategic tool for comparing performance against international standards and industry best practices [4; 6; 1]. The study aims to assess the alignment between VET outputs and industry needs within the Shkodra tourism cluster. It employs a mixed-methods approach, combining quantitative data from 85 tourism businesses and 60 vocational students with qualitative insights from a focus group of 17 educators. By identifying key bottlenecks in skills formation and analyzing school–business collaboration, the study adds to the literature on evidence-based VET governance. Its main contribution is reframing the skills gap as an institutional failure in processes, rather than merely a skills shortage. By integrating the IPO framework with benchmarking, the research offers a systemic explanation of vocational misalignment and proposes a scalable model applicable to other transition economies facing similar challenges.

2 Literature Review

The alignment of Vocational Education and Training (VET) with changing labor market demands is a key element of modern economic growth, especially in the tourism industry, where service quality depends on workforce skills and flexibility.

Theoretically, this research is grounded in Human Capital Theory, which posits that investing in education and training boosts productivity and competitiveness. Nonetheless, as outlined by Matching Theory [9], the efficiency of the labor market depends not only on the supply of skills but also on the effectiveness of matching between employers and job seekers. This adds a dynamic aspect to vocational alignment, indicating that even highly trained graduates may face mismatches without proper institutional coordination.

Empirical evidence backs this view. [7] demonstrate that labor productivity in the hotel sector depends primarily on education levels and the skill mix, rather than on physical capital. Likewise, [11] suggests that skill development in tourism is inherently dynamic, necessitating ongoing adaptation to evolving service settings and extending beyond technical skills to encompass interpersonal and behavioral abilities.

In contexts like Albania, these issues become even more significant. Despite tourism's strategic role, there is a lasting mismatch between vocational education and labor market needs. [3] In Shkodra, it is highlighted that poor professional preparation limits service quality. Their research shows that technical skills alone are not enough without ongoing professional development and adaptability. This finding is supported by recent international research, with [6] and [8] noting that digital and green transitions are changing skill demands, making transversal skills such as communication, emotional intelligence, and digital literacy more critical areas. In Shkodra, it is highlighted that these skills are often lacking in traditional VET programs.

To address these gaps, modern VET systems increasingly implement evidence-based governance tools to better align with labor market demands. [13] Stress the value of tracer studies as diagnostic tools for tracking graduate outcomes and refining training programs. Moving from input-focused to outcome-focused evaluation, these tools facilitate a shift toward demand-driven systems. This idea is supported by [2], who highlights the importance of continuous feedback loops in making curricula more responsive. At the European level, [1] also points out the significance of labor market intelligence systems in enhancing institutional flexibility.

The literature highlights the crucial role of structured collaboration between education providers and industry stakeholders, beyond feedback mechanisms. [4] shows that employer participation in training, mentoring, and assessment significantly boosts employability outcomes.

This partnership is further enhanced through benchmarking practices, which allow institutions to compare their performance against international standards. [5] views benchmarking as a tool for identifying performance gaps, while [10] sees it as a method for ongoing organizational learning. Recent research by [12] confirms that benchmarking remains vital in the post-pandemic tourism sector, where adaptability has become essential for workforce effectiveness.

Overall, the literature indicates that closing the tourism skills gap requires a shift from traditional education models to integrated, feedback-oriented systems in which training, workplace learning, and labor market data are continuously coordinated. Frameworks like those from the [14] offer strategic guidance for future-focused skills development. Nonetheless, their success hinges on how well national systems can adapt these standards to their specific contexts. This study advances the discussion by integrating theoretical perspectives with empirical findings from the Shkodra tourism cluster, thereby presenting a more comprehensive and adaptable model for vocational alignment.

2.1 Conceptual Framework

This study's conceptual framework is based on Systems Theory and implemented via the Input–Process–Output (IPO) model, offering a structured approach to examining vocational alignment in Albania's tourism industry. Here, the skills gap is seen not as a fixed lack of individual skills but as a systemic mismatch stemming from weaknesses in the mechanisms linking education to labor market outcomes. The Input dimension captures the core capacity of vocational education institutions, including curriculum development, infrastructure, and pedagogical resources that shape the initial formation of human capital. [1] stresses that competency-based training is crucial for aligning with European standards, while [3] provides evidence that institutional infrastructure, such as laboratories and training facilities, supports effective skill development. Nonetheless, the framework notes that strong inputs alone do not guarantee employability outcomes. The Process dimension is the central mechanism driving system transformation, focusing on the interaction between education providers and the labor market. It primarily operates through Work-Based Learning (WBL) and tracer study systems, which serve as feedback loops for ongoing training adjustments. As noted, structured processes ensure that educational outputs meet labor market demands. WBL offers hands-on experience and exposure to industry standards, while tracer studies provide evidence for curriculum updates and institutional decisions. Overall, the process dimension is essential for converting inputs into skills relevant to the labor market. The Output dimension measures tangible labor market outcomes, such as graduate employability, employer satisfaction, and the extent to which acquired skills match industry requirements.

Comparing these results with international standards, as recommended by [12] and [7], allows for a systematic assessment of institutional effectiveness. Notably, the framework employs a circular approach in which evidence from outputs informs the input stage, establishing a continuous cycle of learning, adjustment, and improved performance.

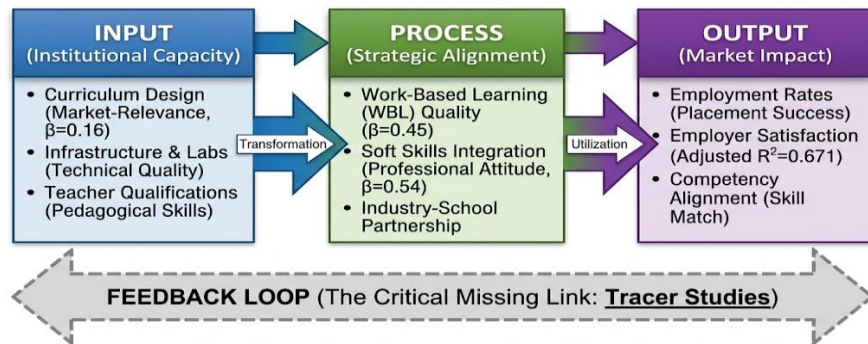


Figure 1
Conceptual IPO Model for Northern Albania Tourism VET

The interaction among inputs, processes, and outputs is viewed as a structured transformation pathway that converts institutional capacity into labor market value. The Input dimension, which encompasses curriculum quality and infrastructure, sets the stage for skill development and aligns with a focus on competency-based training and institutional capacity [1; 3]. However, this potential is not automatically realized and depends on effective transformation mechanisms. This change occurs through the Process dimension, especially the effectiveness of Work-Based Learning (WBL) and tracer-based feedback systems. These channels facilitate transmission and coordination, allowing ongoing alignment between education and labor market needs. As [2] emphasizes, structured feedback loops are crucial for converting educational outcomes into skills that meet market demands. The results of this process are evident in the Output dimension, including employment rates and employer satisfaction, which serve as key indicators of how well acquired skills meet industry demand. Comparing these outcomes with international standards [12; 7] enables a systematic assessment of the institution's effectiveness. Overall, the framework indicates that vocational misalignment primarily stems from process failures rather than input limitations, highlighting the importance of feedback-based institutional coordination for sustainable labor market outcomes.

Variable Category	Operational Definition	Theoretical Foundation	Empirical Application
Independent (Input)	Institutional Capacity: Curriculum and lab quality.	Cedefop (2023)	Hasaj et al. (2019)
Mediator (Process)	Strategic Alignment: WBL effectiveness and Tracer feedback.	Rees (2015)	Düzgünçınar and Tarkan. (2025)
Dependent (Output)	Market Impact: Employment rates and employer satisfaction.	Marchante & Ortega (2012)	Sari et al. (2025)

Table 1
Strategic Mapping of IPO Variables

Building on the proposed framework, the study develops three related hypotheses that identify the key mechanisms affecting vocational alignment in Albania’s tourism sector.

The initial hypothesis (H1 – Partnership Effect) suggests that the level and quality of collaboration between vocational schools and tourism businesses serve as a moderating factor in narrowing the skills gap. Without established and ongoing partnerships, even carefully developed curricula are unlikely to produce graduates who meet labor market needs.

The second hypothesis (H2 – Information Effect) posits that tracer systems are the primary source of labor market intelligence within the VET system. When these mechanisms are weak or absent, educational institutions receive limited feedback, increasing the likelihood of skill mismatches and reducing their responsiveness.

The third hypothesis (H3 – Soft Skill Premium) suggests that interpersonal skills—such as communication, professionalism, and adaptability—have a greater impact on employer satisfaction than technical abilities. In line with [6], this indicates a shift in the tourism industry toward a service economy focused on relationships, where value is primarily generated through human interaction rather than technical tasks.

Together, these hypotheses apply the IPO framework by linking institutional inputs and processes to quantifiable labor market outcomes, providing a testable model for assessing vocational alignment.

3 Methodology

The study uses a mixed-methods approach to thoroughly evaluate the skills gap in the Northern Albanian tourism sector, specifically in Shkodra and Lezha. Combining quantitative and qualitative methods allows for the detection of structural trends and the understanding of stakeholder views. The research is based on the Input–Process–Output (IPO) framework, which views vocational education as a system in which institutional inputs are converted into labor market outcomes through mediating processes. The empirical analysis uses a stratified and triangulated sample of 162 stakeholders ($N = 162$) within the Shkodra–Lezha tourism ecosystem, ensuring representation on both the supply and demand sides.

Demand Side ($n = 85$): Structured surveys were conducted among tourism businesses, hotels, restaurants, and service providers in Shkodra ($n = 45$) and Lezha ($n = 40$). These surveys gathered employer assessments of graduate skills, satisfaction levels, and changing skill requirements.

Supply Side ($n = 60$): A parallel survey was conducted with final-year vocational students from Shkodra and Lezha, examining their perceived employability and self-assessed skills. **Institutional Perspective ($n = 17$):** Qualitative insights were gathered via focus groups and semi-structured interviews with educators and training coordinators from regional VET institutions.

This design enables a direct comparison between labor market demand and training supply, facilitating benchmarking across the two main vocational hubs in Northern Albania. Survey instruments were created in accordance with internationally recognized competency frameworks, notably the [8], to ensure alignment with global standards. Variables were defined based on the IPO structure:

- Inputs: Curriculum relevance and training infrastructure
- Processes: Effectiveness of Work-Based Learning (WBL) and feedback mechanisms
- Outputs: Employability, employer satisfaction, and competency alignment

All items were assessed with a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). Cronbach's Alpha reliability coefficients exceeded 0.70 for all constructs, indicating high internal consistency and robustness across datasets.

The analytical approach employs methodological triangulation to strengthen internal validity and reduce bias. Quantitative analysis involved Multiple Regression and Pearson Correlation to identify key factors influencing employability and market fit. The regression models primarily assess how process variables—such as WBL quality and tracer system implementation—affect outcome measures, such as employer satisfaction. These findings were validated through thematic analysis of qualitative data. Overall, this combined approach moves the study beyond simple description, providing a structured, evidence-based assessment of VET system performance in one of Albania's key tourism regions.

4 Results

A comparative analysis of the Shkodra and Lezha vocational schools highlights the real-world impact of the process bottleneck identified in the conceptual framework. Both schools have sufficient physical infrastructure, but there remains a systemic absence of standardized tracer mechanisms.

The shortage of long-term employment data for graduates limits the institutions' ability to tailor training programs—especially those related to service culture—to meet the performance standards expected by tourism businesses in Northern Albania.

The empirical analysis relies on a triangulated sample of 162 stakeholders (N = 162), combining both quantitative and qualitative data from the Shkodra–Lezha tourism cluster.

This framework ensures a balanced portrayal of labor market demand, training supply, and institutional perspectives, enabling a thorough evaluation of how vocational skills align within the regional tourism ecosystem.

Stakeholder Group	Sample Size (N)	Method	Measurement Tool
Tourism Enterprises	85	Quantitative Survey	Likert Scale (1–5)
Vocational Students	60	Quantitative Survey	Likert Scale (1–5)
Educators/Experts	17	Focus Groups	Thematic Analysis
Total	162	Mixed Methods	Triangulated Approach

Table 2
Sample Structure

The descriptive statistics indicate moderate input performance but weak performance in the process and output dimensions across the regional dataset.

Variable	Mean (μ)	Std. Deviation (σ)	Performance Level
Curriculum Market-Relevance	3.22	0.71	Moderate
Work-Based Learning (WBL) Quality	2.58	0.84	Low
Employer Satisfaction	2.85	0.76	Sub-optimal
Soft Skills Proficiency	2.45	0.88	Low
Technical Skills Proficiency	3.15	0.74	Moderate

Table 3
Descriptive Performance Indicators

To assess relationships between key variables, Pearson correlation coefficients (r) were calculated. The findings indicate that process variables, particularly Work-Based Learning (WBL), have a strong influence on employer satisfaction.

Variables	Correlation (r)	Significance (p-value)	Interpretation
WBL Quality – Employer Satisfaction	0.71	< 0.01	Strong positive relationship
Soft Skills – Employment Readiness	0.78	< 0.01	Very strong relationship
Technical Skills – Employer Satisfaction	0.46	< 0.05	Moderate relationship

Table 4
Correlation Matrix

A multiple regression model was used to estimate the effects of educational components on Employer Satisfaction (Y). The model was checked to confirm it met standard OLS assumptions, ensuring the results are reliable and valid.

Model Fit and Explanatory Power

The model shows strong explanatory power, with an Adjusted R^2 of 0.671. This means about 67.1% of the variation in employer satisfaction can be attributed to the combined effects of curriculum quality, Work-Based Learning (WBL) interaction, and soft skills integration.

Such a strong fit indicates a well-constructed model that is highly relevant for evaluating vocational alignment in the tourism sector.

Predictor Variable	β Coefficient	t-value	p-value	VIF
Curriculum Quality	0.16	2.15	0.041	1.24
WBL & Industry Interaction	0.45	4.68	0.000	1.42
Soft Skills Integration	0.54	5.42	0.000	1.38

Table 5
Regression Coefficients and Multicollinearity (VIF)

A series of diagnostic tests confirms the robustness and validity of the regression estimates:

- **Multicollinearity:** All **VIF values** < 2.5, indicating no multicollinearity concerns.
- **Normality:** The **Shapiro–Wilk test** ($W = 0.98$, $p > 0.05$) confirms normally distributed residuals.
- **Homoscedasticity:** The **Breusch–Pagan test** ($\chi^2 = 4.12$, $p = 0.24$) indicates constant error variance.
- **Autocorrelation:** The **Durbin–Watson statistic** = **1.92** suggests no residual autocorrelation.

These results collectively support the model's statistical reliability.

The estimated regression equation is:

$$Y = 0.45 + 0.16(\text{Curriculum}) + 0.45(\text{WBL}) + 0.54(\text{Soft Skills}) + \varepsilon$$

where Y denotes employer satisfaction.

The coefficients indicate that soft skills have the greatest impact, followed by Work-Based Learning (WBL), while curriculum quality has a comparatively smaller effect. This highlights the importance of process-oriented mechanisms in developing skills.

The empirical results affirm that the skills gap primarily stems from deficiencies in the process dimension, not merely from educational inputs. This reinforces the study's conceptual framework, emphasizing the importance of WBL effectiveness and feedback systems in aligning vocational training with labor market needs.

Hypothesis	Statement	Result	Evidence
H_1	School–business interaction reduces the skills gap	Supported	$r = 0.71, p < 0.01$
H_2	Tracer systems improve curriculum alignment	Supported	Qualitative + low β for curriculum
H_3	Soft skills are stronger predictors than technical skills	Strongly Supported	$\beta = 0.54 > 0.16$

Table 6
Hypothesis Testing Summary

5 Discussion

Evidence suggests that the skills gap in Albania’s tourism sector mainly stems from a process-related failure. Although institutional resources are available, their effectiveness is hindered by a persistent “process bottleneck” that prevents the practical application of theoretical knowledge into market-ready skills. Compared to [8] standards—where VET systems are deeply integrated with industry—the Albanian system shows a significant structural lag. In most EU countries, dual-education models involve industry in curriculum design; however, data from the Shkodra–Lezha cluster indicate that firms are mostly passive in the labor market, acting more as recipients than as active partners in skill development.

This divergence is rooted in Albania’s transition economy structure. Unlike OECD systems, which are led by large hospitality chains with standardized training, the domestic tourism sector is mainly composed of SMEs with limited internal training resources. This creates a low-skill equilibrium in which VET institutions graduate generalists, but firms require specialized skills. Both operate without an institutional coordination system, especially lacking tracer-based mechanisms. This information gap explains why soft skills ($\beta = 0.54$) are the main factor in employability: without strong technical matching, interpersonal skills serve as the key signals in hiring decisions.

The results highlight a clear policy imbalance in vocational education governance. Over the last ten years, reforms have mainly focused on input-based strategies such as infrastructure upgrades and broad curriculum revisions, while largely overlooking accountability processes. Notably, the lack of mandatory tracer systems linking funding and evaluation to graduate employment outcomes has enabled VET institutions to operate with minimal input from the labor market.

Consequently, the system emphasizes completion rates over employability, diminishing the sector's ability to adapt and hampering regional competitiveness.

Resolving this misalignment calls for a comprehensive strategic overhaul. VET institutions need to evolve from static, diploma-focused entities into adaptable, market-oriented systems.

According to the empirical model, strengthening vocational alignment relies on enhancing the benchmarking interface between education providers and industry players. Key measures include establishing formal feedback channels, institutionalizing tracer studies, and fostering closer collaboration between schools and industry. These steps are essential for improving workforce readiness. By tackling structural and governance issues, Albania can shift from a supply-driven approach to one that builds a competitive, skills-focused workforce that meets international tourism standards.

Conclusions

To address the identified process bottlenecks, the study proposes a set of targeted policy interventions grounded in benchmarking and systems-based governance.

Institutionalizing tracer studies means that VET institutions should establish systematic tracer mechanisms as a standard benchmarking tool, moving away from ad hoc surveys. This approach enables performance assessment based on real labor market outcomes rather than internal pedagogical metrics, thereby enhancing feedback-driven governance.

Benchmarking against Industry Best Practices: According to [10], VET providers should align their curricula with industry service standards, using these as benchmarks for excellence. This is especially important in developing soft skills, which have shown the greatest influence on employability.

Strengthening social partnerships involves transforming internships from passive placements into structured Work-Based Learning (WBL) systems. In these systems, companies actively engage in mentoring and assessing skills, shifting industry roles from passive recipients to active co-producers of talent.

In summary, bridging the skills gap in the Shkodra tourism sector involves a strategic shift—from the content of education (Input) to how skills are incorporated into the labor market (Process) and assessed through results (Output). Tackling these structural issues is crucial for enhancing workforce preparedness, fostering sustainable tourism growth, and boosting regional competitiveness.

While the analytical framework is robust, several limitations should be recognized. First, relying on cross-sectional data hampers the ability to observe how skill demand evolves. Second, the lack of longitudinal tracer data restricts insights into long-term employment pathways. Third, focusing solely on the Shkodra–Lezha region may limit the applicability of the results to other tourism areas with different

characteristics. Lastly, relying on student self-assessments could introduce response biases, underscoring the importance of future studies that employ objective skill measures and collect long-term data.

References

- [1] Cedefop. Future-Proof VET: Reinforcing the Resilience of Vocational Education and Training. Luxembourg: Publications Office of the European Union, 2023. <https://doi.org/10.2801/08824>
- [2] Düzgünçinar, Tarkan. "Bridging the gap between industry needs and vocational training curricula." *Journal of Information Systems Engineering and Management* 10 (2025): 693-707. 10.52783/jisem.v10i44s.8649
- [3] Hasaj, Alkida, M. Beka, dhe E. Mani. "Kualifikimi dhe trajnimi i burimeve njerëzore të hoteleve dhe restoranteve në qytetin e Shkodrës, mundësi e ofruar nga AFP-ja [Qualification and Training of Human Resources in Hotels and Restaurants in Shkodra: Opportunities Provided by VET]." *Scientific Bulletin, Economic Sciences Series* 4, no. 2 (2019): 45–58.
- [4] Esmail, Abdel Hamid MS, and Zahid M. Khan. "Alignment of vocational education curricula with job requirements in industrial sector: Analysis study." *World Journal of Advanced Research and Reviews* 21, no. 3 (2024): 2303-2313.
- [5] Kozak, Metin. *Destination Benchmarking: Concepts, Practices and Operations*. Wallingford: CABI, 2004. <https://doi.org/10.1079/9780851997452.0000>
- [6] Kuczera, Małgorzata. "Vocational Education and Training (VET) and the Green Transition: Insights from Labour Market Data." *OECD Social, Employment, and Migration Working Papers*, no. 327 (2025): 1–71.
- [7] Marchante, Andrés J., dhe Beatriz Ortega. "Human Capital and Labor Productivity: A Study for the Hotel Industry." *Cornell Hospitality Quarterly* 53, no. 1 (2012): 20–30. <https://doi.org/10.1016/j.ijhm.2011.07.001>
- [8] Chatzichristou, Stelina, Vlasios Korovilos, and Jasper van Loo. "Meeting Skill Needs for the Green Transition: Skills Anticipation and VET for a Greener Future. Cedefop-UNEVOC Practical Guide 4." *UNESCO-UNEVOC International Centre for Technical and Vocational Education and Training* (2025).
- [9] Pissarides, Christopher A. *Equilibrium unemployment theory*. MIT press, 2000.
- [10] Rees, Gareth. "Wales: education and economy." *Education in the United Kingdom* 28 (2015): 213.

- [11] Riley, Michael, Adele Ladkin, and Edith Szivas. *Tourism employment: Analysis and planning*. Vol. 6. Channel View Publications, 2002.
- [12] Sari, R., et al. "Measuring Graduate Employability in the Tourism Industry: A Post-Pandemic Benchmarking Study." *Journal of Hospitality & Tourism Education* 37, no. 1 (2025): 12–29.
- [13] Smith, Robin, and Mick Betts. "Learning as partners: Realising the potential of work-based learning." *Journal of Vocational education and Training* 52, no. 4 (2000): 589-604.
- [14] World Tourism Organization. 2022. *Global Report on Skills and Employment in Tourism*. Madrid: UNWTO.