

# **HUMAN RESOURCE MANAGEMENT. PEOPLE AS CRITICAL RESOURCES IN TOURISM**

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**Abstract:** : The tourism sector offers many and varied opportunities for working lives across its diverse sub-sectors and at different levels throughout the world. The industry's heterogeneity, geographical spread and stochastic demand cycle provides both opportunity and challenge in terms of mapping these against the aspirations and expectations of those attracted into the tourism industry, either as new entrants to the labour force or in the context of change opportunities within their working lives. In most developed countries, traditional models of one sector working lives, built on the notion of a logical and progressive career "ladder" represents a reality which will face fewer and fewer entrants to the jobs market in the future.

**JEL classification:** *L 83, O15, O14*

**Key words:** *competitive advantage, tourism organisation, employees, human resource management*

## **1. INTRODUCTION**

Tourism's characteristics highlight a number of features that have important ramifications for people within this sector and the role that human resource development plays in supporting enhanced productivity and quality at all levels within organisations, destinations and countries:

- Tourism is a 'multiproduct' industry and the different sectors of tourism offer a wide range of occupations with a diversity of human capital requirements;
- Tourism is characterised by duality, whereby large multinational companies co-exist with SMEs and micro-businesses (and tourism is numerically dominated by small businesses).

- The realities of human resource development (for example, availability of training budgets or plans, levels of skills, career progression opportunities and business motivation) are very different for large and small, indeed micro-operators;

- Multiproduct characteristics create diversity within tourism but they are also founded on substantial sectoral interdependencies, built around the notion of the tourist destination which, for most visitors, often subsumes the individual business components within it.

- Destination, as opposed to individual business, management in tourism, creates challenges and problems with regard to ownership and leadership

- Tourism employment, while widely welcomed by most governments, is not without problems as a consequence of the structural factors addressed above but also as a consequence of the weak labour market conditions within which it operates and the perceived low skills set upon which it depends;

- The role of seasonality in structuring how tourism operations are organised and people are managed. Stochastic demand patterns create challenges for tourism businesses in an operational, marketing, financial and, above all, human resource management sense.

## 2. OBJECTIVES

The focus turns to understanding motivational issues and how managers can inspire employees. Performance management integrates employee development which results-based assessment aligned to strategic objectives to achieve the 4Cs: commitment, competence, congruence and cost-effectiveness. It has been a qualitative analysis as there have been no comparable statistics available at EU-level on tourism labour and learning.

## 3. METHODOLOGY

The paper goes on to explain the critical contribution of employees to the competitive advantage of tourism organisations and why human resources are an important issue for the industry. The model of performance management adopted by an organisation must be customised to meet individual business and employee needs. A series of activities were undertaken to fulfil the objectives above. A framework was developed to explore the links between tourism and human resource management. A second round of discussions was held with representatives of the tourism industry to determine how tourism industry is recruiting and retaining employees with the right skills, knowledge and attitudes to their work.

## 4. ANALYSES

Tourism is a fragmented and diverse industry within the economy and is further characterised by diversity in organisational, ownership and operational terms. Indeed, many commentators question the validity of using an inclusive term such as “industry” to capture the characteristics of a sector which contains such a wide range of operations within the public, private and voluntary domain. This heterogeneity is one of the defining features of the sector and impacts upon all aspects of operations, marketing, finance and, indeed, human resource management.

Specifically, in the context of employment and wider human resource development themes, tourism faces challenges which, in part, stem from these structural

and environmental characteristics but also draw on wider attributes that are also present within other areas of service work. Studies of human resource development and wider work-related research within sectors of tourism have addressed the challenges faced by businesses and the wider community in terms of the quality and benefits of such work.

A characteristic of tourism is represented by the attraction of the surplus of labour from other sectors and, implicitly, by the attenuation of unemployment, valorising this way the role in the national economic (Baum, 1995). The relation between tourism and the use of the force of work is manifested on the quantitative and qualitative plan, directly or indirectly.

It is widely argued that people are vital for the successful delivery of tourism services and, as a consequence, those who work in tourism are widely portrayed as a critical dimension in the successful operation of businesses within the sector.” The story of successful tourism enterprises is one that is largely about people – how they are trained and educated, how they are valued and rewarded, and how they are supported through a process of continuous learning and career development. None of this happens by accident” (Failte Ireland, 2005).

Szivas (Szivas & Riley, 1999) argues that “only competent and motivated employees can deliver high-quality service and achieve competitive advantage for their firms and tourist destinations”.

The quantitative increasing of those involved in the organization and the unwinding of voyages, in the serving of tourists is an effect of the significant increasing of the number of persons who make a journey, the distances of departure, the time allocated to holidays etc. the number of those who work in hotels and restaurants, transports, tourism agencies, providing/catering of pleasure, the administrative leadership of the touristic apparatus registering a substantial increase after the development of tourism. These activities are found, totally or partially, in the structure of the touristic industry, which makes it difficult to evaluate with strictness the number of those occupied in tourism; many of these jobs are at the season time or part-time, thus the contribution of tourism to the full-time employments is considerably smaller in comparison to the jobs paid by the hour.

Moreover, we must mention that the area of inclusion of the touristic industry is sensibly different from country to country, pointing out/accentuating the difficulties of commensuration from this sector (Edgel, 2008). The jobs are often created in areas where there are little alternatives of employment. It is worth reminding that many of these places of work attract those who want to work during the season, such as the students who search for a job as representatives of the resort/spa during the summer or the owners who rent their houses during the summer time.

It is clear that, for the countries which are major receiving destinations or which hold an internal powerful touristic demand, the number of jobs is greater. In the balance sheet, tourism, as a form of employment, is beneficial from the economic point of view, although it has to make efforts to create more full-time jobs in this industry.

Tourism creates special benefits, both concerning the reconstruction of the national economy of many countries having a high touristic potential, and also due to the fact that according to the WTO evaluations, the touristic industry stands first in the world from the contribution to the work force employment point of view.

In light of this growth of the tourism industry counterbalanced with the international industry’s vulnerability regarding safety and security issues, the success of

the travel and tourism industry in the global environment will ultimately depend on the professionalism of its workforce (Edgell et al., 2008).

As the travelling population ages and becomes more sophisticated in its needs, desires and expectations, tourism suppliers must deal with more refined market demand (Lozato-Giotart, Balfet, 2007). Industry-wide improvements are being made in the areas of quality service and customer satisfaction. Recognition of travel and tourism career patterns, and of the training and higher education policies and programmes necessary to support them, has taken a longer time to evolve. Much more progress needs to be made in fostering policies to improve tourism education and training, but the prognosis now is better than ever.

Tourism is an industry with an intensive labour market, which is based on people. When tourists visit a destination-attraction, they “buy” not only the charm and the attractions, but also the ability and the services of the employees in tourism. This is why, the development of human resources should be a main preoccupation of the professional people from tourism. In the last years, the countries responded to the growth in the industry of tourism, focusing on the development of the product and marketing.

The modifications encountered on the tourism markets, the reorganization of the industry and a higher competition on the internal and international markets creates a very big pressure on the specialty knowledge. The ability to succeed and the future performance of tourism and the activities who go along with it will depend greatly on the abilities, qualities and the knowledge that the managers are capable to bring to their businesses, goods that they can obtain through the sectors of education and training.

In the past, there has been much discussion regarding the industry’s need to invest in human resources. This is made more pronounced by the number of small businesses that dominate the industry, and their inability either to support or recognize the importance of investing in human resources to improve overall professionalism and the quality of the tourism product (Cooper et al., 1994). Too often in the past, managers view training as a cost rather than as an investment. Edgell et al. (2008) stated that many in the industry are “simply unconvinced of the benefits of tourism education and training” despite the obvious fact that tourism is a service business dependent on the quality of personal skills of those delivering the services.

There is a wide range of problems, both as far as the quantity and also the quality of management are concerned, the facilities from tourism, the accommodation and the catering. Many of these can contribute to the reduction of amateur management which characterizes the small businesses which dominate most of the tourism industry.

Baum and Szivas (2007) argue that the effective deployment and management of people as critical resources within tourism does not happen without considered planning, development and support at the level of the enterprise, the destination and the country. Various actors and agencies, both public and private, can and do take the lead and play significant roles in enabling the tourism sector to recruit, manage and develop human resources in an optimal manner. Key players in this process are frequently local, national and trans-national governments and their agencies.

Riley and Szivas (2003) describe tourism as a sector “where easily acquired, transferable skills co-exist and engender weak internal labour markets in organisations that economically are bound to a rate of throughput.”

Riley (1996) points to the features of employment in these conditions in terms of recruitment, training and professional status and, unsurprisingly, notes that many

areas of tourism work typify weak internal labour market characteristics. Alongside this assessment sits trends within most developed countries and within economic regions such as the European Union which point to erosion of elements of labour market strength and a general weakening of workplace conditions.

Although the development of the tourism industry creates new employment opportunities, critics contend that tourism employment provides predominantly low-paid and low-skilled demeaning jobs (Choy, 1995). The negative aspects of tourism employment focus upon the physical demands of the job, poor conditions of work, job insecurity, low pay, long working hours, high labour turnover and lack of training (Beech and Chadwich, 2006).

Labour turnover is a cost to tourism businesses and can create severe operational difficulties. High labour turnover affects the quality of services and goods. Research (HtF, 2001) has shown that high staff turnover militates against investment in employee development and training.

In this sector the part time jobs are preferred in a greater extent than in others and there are applied flexible methods to the work force employment (the hiring during the weekend, on the occasion of certain events, holidays, or for certain activities-guides, instructors, etc). These flexible formulas of occupation respond to the needs of certain segments of the population-women, students, retired people, creating however difficulties in the recruitment of the working force (Gruescu, 2007).

These particularities influence the number and the dynamic of workers, the level of the labour productivity, the recruitment policies and the organization of the professional preparation. Because of the seasonality, it is hard to obtain a more stable, mature development of tourism, and hence of more stable jobs, the seasonality limiting this way the innovation and the development of the labour force. On the other hand, the structure of the seasonality can be used as a means of obtaining high abilities.

While labour flexibility may be a positive attribute, it can also be detrimental. Although labour markets are increasingly flexible, occupations requiring a flexible workforce may not be identified as viable career choices – in the UK part-time tourism and hospitality employment is significantly higher than in other European Union countries (Keep and Mayhew, 1999). The high proportions of casual and part-time staff employed within the industries may be less inclined to view the tourism industry as a long-term career option, perceiving it to be a transient job. Subsequently, part-time and casual employees may be unwilling to invest in industry-related qualifications. (Beech and Chadwich, 2006).

Liu and Wall (2006) are rightly critical of this neglect when they state that ‘‘tourism’s human resource issues are poorly conceptualised and the many studies of tourism development approaches, both theoretical and practical, provide no consolidation of useful recommendations to situate the human dimension as an integral part of a comprehensive planning framework for tourism’’.

For some people, this is not a concern or a fear but provides the basis for challenge and opportunity, the ability to take control of aspects of their lives and to respond to changes within the external environment in a positive manner. Unlike their grandparents, today’s school leavers and college graduates are more likely to think of their working lives in terms of finite segments rather than sustained and permanent careers, viewing the future in terms of what have been called ‘‘boundaryless careers’’ (Arthur, 1994) or ‘‘fragmented futures’’.

The number of institutions and organizations involved with tourism education and training delivery today is immense. Businesses, themselves, often assume a significant proportion of training, in addition to professional associations, proprietary and vocational schools, high schools, community colleges and university. The training modes for tourism education in the past were often based on guesswork, and since advancement in the industry is characterized by “coming up through the ranks”, or through in-house promotion, the value of a degree was and frequently still is questioned. Exacerbating the problem was the fact that the tourism industry lacks basic consensus on the need for education (Ritchie, 1993).

Shepperd and Cooper (1995) suggest that there is even a “distrust and a lack of understanding of the new range of tourism courses among large sections of the tourism industry”. There is a general agreement that businesses in tourism should play a relevant role in the training and practical education of their employees. Within the educational system there are permanently producing modifications, in order to adapt to the demand in continuous change:

The training institutions in tourism will have to improve their share from the education syllabus which refers to the businesses abilities.

The constant technological change will affect the traditional teaching methods, together with the introduction of some alternatives such as distance education, interactive training etc.

The industry will have an increased responsibility for the preparation of their employees at all levels.

The companies will continue more and more the continuous preparation in order to maintain the commitment and to keep their employees.

International exchange programs at all hiring levels will become usual.

Over the last decade, a number of tourism academic and continuing education institutions have been dedicated to raising the standards for tourism education and training curricula not only to keep pace with the rapidly growing global tourism industry but also to take leadership roles in its quality and direction.

The response to global trends in tourism, by educational and training providers, has been mixed. Baum (2000) points to the institutional and cultural barriers to change within most educational systems, factors that mitigate against the adoption of common tourism programmes and qualifications across national boundaries, notwithstanding the intentions of initiatives such as the Bologna agreement in Europe.

At the same time, there has been a growth in programmes in tourism education offered to a worldwide audience on-line and demand for education in this field through overseas study in Australia, Hong Kong, the UK, the USA and elsewhere remains high. However, such provision is largely structured upon demand from students from developing countries seeking to acquire skills and knowledge as imparted by academic and professional experts in the developed world. This is a questionable model of knowledge transfer and one that Botterill and Baum (2006) describe as neo-colonial in impact.

An other important current and future trends in tourism education and training are closely tied to globalization and political stability. Only the free exchange of information, values, ideas, and people can build a sustainable global stability that enriches all who take part in it (Bremmer, 2006). This can best happen with the continued reduction of barriers to the flow of international tourism education and training. Today’s international students will be leaders of their countries tomorrow, and

all will leave their host countries having contributed to and gained intercultural understanding and appreciation.

A multitude of aspects define the relationship tourism-labour under the qualitative aspect, such as: the level of qualification of these occupants in tourism and the structure of the labour in steps of preparation, the report between those hired with total time and partial time of work, the proportion season employees and the turnover of labour, the cost of the professional formation (Riley & Szivas, 2003).

Effective managers understand the 4Cs – commitment, competence, congruence and cost-effectiveness – and are able to integrate them holistically into business strategy to achieve organisational competitiveness.

- commitment: awareness of business objectives and understanding how they can contribute to their achievement enhance staff commitment to the organisation.

- competence: managerial and employee competence are both critical to the achievement of business objectives and organisational competitiveness. Remedial action must be taken to address skills gap;

- congruence: managers and staff must pull in the same direction and share the same vision to collaborate in achieving business objectives. Transparency and good communication will enhance working relationships and identify any obstacles to achieve business objectives and the way these can be overcome;

- cost-effectiveness: managers must be both proactive and responsive to use human resources effectively and efficiently and maximise productivity.

From the point of view of the professional formation, a great part of the specialists consider that tourism needs personnel with a high level of qualification, with a large horizon of knowledge, well trained, knowing a foreign language of international circulation, capable of recommending and promoting the tourist product; also an important segment of the experts in the field appreciate that the activities which do not require a specialty also have large representation in tourism, this becoming an outlet/market for the unqualified and poorly qualified labour (Edgel, 2008).

The opinions of the experts are sustained by the structure of qualification levels of those occupied in tourism; on the studies made in the main touristic European countries the following have been observed: appreciatively 40% of the personnel's total form tourism is unqualified, appreciatively 42% has medium general preparation, 8%-specialty studies and only 10%- superior studies.

The relatively high cost (comparable, in some authors' opinion, to the one in the industries with high technical level) of the demand of a new job in tourism and its maintenance is determined by the temporary character of the employment of workers in tourism (Baum, 1995).

A particular aspect of the relationship tourism-labour is represented by the quality of consumer of goods and services; this influences favourably the use of the labour in its supplying branches, such as: agriculture, the alimentary industry, the light industry, the construction, the industry of the construction materials, etc. If the tourists are accommodated in a certain area, there are directly created jobs. These workers and their families need preparation and medical assistance. In turn, these create new jobs in shops, schools, hospital in order to satisfy the needs.

The volume and the quantity of the touristic activity depend in an essential way on the employment of personnel, respectively the number of workers and their level of qualification, on the concordance between the characteristics of the preparation of the labour and the functions accomplished, on the professionalism and the quality of the

practice of attributions (Riley & Szivas, 2003). The role of the human factor increased during the contemporary time, thanks to the increase of the consumers exigencies in report to the quality of the services and the participation to the touristic activity of larger and larger segments of the population.

Tourism is an activity offered by people, being the sector in which the productivity tends to be low and where the increases in terms of touristic activity lead to create new jobs. Despite the progress reorganization of the process of production of touristic services, accelerated by the application of new technologies, especially in the countries which have a touristic sector with potential, but less developed, opportunities can be expected of supplementary and the better and more various occupations.

Most of the European countries are very developed from the point of view of the businesses connected to tourism and should be able to cope with the future challenges. Still, there is still room for improvement to overcome the constraints which usually interfere in the businesses connected to tourism in Europe, especially for IMM, to benefit along these perspectives favourable of the market. Among these are:

- the lack of strategic knowledge regarding the touristic demand and the use of these information in operational terms;
- the poor application of the quality control and of the qualitative techniques of management in production, marketing and the offering of touristic services;
- the insufficiency of the appreciation of the richness and diversity of the available attractions all over Europe and which can become the basis for new and original products and touristic destinations

The increasing demand of the tourists for touristic services personalized of high quality is often hard to satisfy, as far as certain touristic sectors lack qualified personnel and suffer because of the lack of high class personnel, often because of the lack of attractiveness of the work environment from tourism (Bremmer, 2006).

The low entry threshold for tourism entrepreneurship leads to a dominance of micro-business (less than ten employees) in the tourism industry. Some owner-managers are seriously deficient in management skills, notably financial management and human resource skills. This affects the viability of small tourism business as well as impacting on their ability to offer an attractive career package for ambitious employees (Beech and Chadwich, 2006).

Generally, the market of work in tourism is characterized by a low level of education. There are differences from country to country and, also, there are differences between the sub-sectors. In each particular sub-sector such as the Suppliers of aliments and drink could require a low level of education comparatively to other sub-sectors. The image is somewhat different for the managers from all the sub-sectors where over the last years a growth of the level of formal education took place.

One factor likely to contribute to poor qualification attainment within the tourism industry is the willingness of the employers to recruit people without the necessary qualification. The concept professionalism is closely associated with status but may incorporate personal attributes, requires qualifications to access employment in particular management and skill areas (Liu & Wall, 2006).



## 5. CONCLUSIONS

The small enterprises have supported a tradition of maintenance of amateur personnel in management, which only the big unities started to change. The qualified personnel and trained professionals, and most of all those with experience in other industries, are an unusual thing outside the big firms. These lead to a lack of complexity of the politics and practices of human resources, which are dominated by unusual styles of management and approaches of the operational circumstances. This makes tourism vulnerable to the ideas, the assumptions and its domination by the practices of management identified in other economic sectors.

The success of the tourism industry and ultimately of the destination depend on the quality of employees. The real human resource challenge for the tourism industry is recruiting and retaining employees with the right skills, knowledge and attitudes to their work.

There are a number of approaches to recruiting, retaining and motivating employees:

- positively targeting recruits from groups under-represented in the workplace;
- providing career development opportunities;
- providing training and development opportunities and ensuring that the organisation views training as an investment rather than a cost;
- ensuring competent line management;
- considering job design and job roles, including: job enlargement, job enrichment, job rotation, job satisfaction and job sharing;
- providing a better deal than employees perceive they can get from alternative employers;
- considering levels of pay and non-financial rewards on a regular basis;
- managing employee expectation;
- ensuring all new recruits complete a well-planned induction programme;
- addressing equality issues, e.g. through the implementation of family-friendly human resources practices.

Increased requirements and opportunities for education and training for individuals within the tourism industry are direct and critical responses to these growth trends. New trends include collaborative organizations, which link traditional competitors (educators at various colleges and universities) while attempting to address the changing needs of the industry (Edgel, 2008). The resulting curricular modules are designed for inclusion in existing traditional tourism and hospitality education courses and programmes around the world. This focus allows for the promotion and sharing of the latest best thinking and practices in tourism education.

The outlining of the profiles of the new jobs can be seen as a result of a general change in the manner in which the work is organized- as we mentioned earlier- but it can be seen as a result of a more complex market, more complex products and changes in the concept of service. As a consequence, the simple and repetitive traditional tasks are transformed in multidimensional tasks to furnish complex products. Another trend would consist in the dividing of the complexity of the service in simple, repetitive functions which need some or very little abilities. This tendency to eliminate the abilities can be seen to a certain extent as a strategy which should cope with the qualified labour.

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