

Human Resources Management in Tourism Industry

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Abstract

The quality of tourism services depends to a very large extent on the work of employees and also on human resource management, which has the role of ensuring that the work is carried out in the best possible conditions for maximum efficiency. The importance of human resource management in this sector lies in the many advantages it offers, particularly in terms of competitiveness. In this respect, human resource management has a responsibility to obtain, select, motivate, educate and develop, reward and retain its employees. The purpose of this paper is to indicate the importance of human resources in modern tourism. In order to carry out the research, official statistical data provided at European level on the development and type of employees in the tourism industry were analysed, as well as the extent to which human resource management strategies can influence these data were analysed.

Key words: tourism, labour, HR, management

J.E.L. classification: Z3

1. Introduction

Socio-economic as well as technological changes influence the development of modern tourism. Today, tourism is of economic importance for many countries and provides employment to an increasing number of people, being a labour-intensive activity that depends heavily on the quality of human resources. This can be achieved and maintained through strategies of human resources management through studying interpersonal relationships within an organisation, and creating a sustainable human resources policy based on motivation, education and evaluation of results and achievements. In order to achieve these objectives, human resource management is the complex and integrated tool that serves to manage all employees within organisations and in the tourism sector.

The role of human resource management is to ensure a structure of employees who are suited to the jobs they fill in terms of skills, knowledge and abilities. HR management also helps to achieve the company's goals by determining the necessary motivation and interest of employees and developing strategies to achieve sustainable competitive advantage and success of the organization (Bahtijarević-Šiber; 2014). The effectiveness of HR management is also determined by the skills and characteristics of each individual employee, and not only by management methods and strategies. Human potential is extremely important for the success of any company. Human potential is one of the elements that determine the value of a hotel company, for example. Thus, in order to increase the value of intellectual capital and the overall quality of tourism products and services, hotel management hires quality staff, invests in education and establishes the system of evaluating staff and business results, constantly rewarding and improving quality staff. All this is reflected, in the tourism sector, by indicators such as the number of employees, the evolution of the number of employees; the length of time they are employed and most importantly, the satisfaction of tourists with the services they receive.

2. Literature review

Modern management emphasises the role and importance of employers, as well as the importance of psychological factors (skills, goals, motives, expectations) for successful business. Human Resource Management (HRM) refers to the practices and policies that are necessary for management operations related to personal questions to be carried out. This issue is particularly concerned with hiring, training, evaluating and rewarding employees within the hotel company, and ensuring a safe, ethically acceptable and fair environment for them (Gary, 2007).

Human resource management has been defined as "a distinct approach to employment management that seeks to achieve competitive advantage through the strategic deployment of a highly engaged and capable workforce using an integrated range of cultural, structural and personnel techniques" (Storey, 1995). In a simpler sense, human resource management is "activities designed to secure and coordinate an organization's human resources". (Lloyd et. all, 2004)

The four key dimensions of human resource management include (1) commitment: employees are expected to identify the interests and goals of the organization and to be aligned and committed to achieving those goals; (2) flexibility: employees are expected to adapt willingly to changes in the organizational structure without conflict or prejudice; (3) quality: high-level achievement of organizational performance depends on the quality of staff members and the leadership of such an organization; (4) integration: this involves matching human resource strategies with the needs of the business strategy. (Omotayo and Adenike, 2012)

The dimensions and characteristics of human resource management also apply to tourism. A company's human assets (its human resources) are the most important component for most hospitality businesses. Human resources are usually the first point of contact between a hospitality establishment and its customers. Effective management of these human resources is therefore vital to the success of the business. Human resource policies are part of an organisation's overall policy, fulfilling several roles. The extent to which they are a sub-policy or an essential component of overall policy can be a key indicator of how an organisation values its human assets and HR or personnel function (Mason, 2003).

Thus, the human component within a tourism establishment can fulfil several roles within the organisation, which depend on the nature and terms of reference provided by the decision-makers, on the one hand, and competences in line with the tasks of those performing the tasks, on the other. For the purpose of delineating human resource goals, Torrington (1992) identified four roles of human resource managers: (1) establishing formal systems of recruitment, selection, evaluation, discipline and grievance management; (2) creating systems of involvement and participation; (3) providing a longer-term plan for job numbers, together with programmes of skills, quality and career development; (4) working strategically with top management to create organisational structures and management development systems. (Torrington et. all, 2002)

For employees to fulfil their strategic role in organisations, they must be ready to contribute to their development and growth. In other words, they should be ready to add tangible value to the effectiveness and efficiency of the organisation. Thus the aim of HR managers is to become strategic contributors to the success of the organisation by managing human resources in a business-like approach. Human resource systems practices and operations have virtually replaced fundamental personnel management in organisations.

In the main, the nature of HRM-specific activities is driven by large-scale organisational change as employers adapt to a more competitive global economic environment. Management functions and principles are applied to the acquisition, development, retention and compensation of employees within the organisation. It is important for management to have an approachable nature and a friendly attitude. In addition, employees should be provided with opportunities that would lead to their well-being and advancement. Compensation should be commensurate with the job duties performed by employees. (Lewin, 2008)

Thus, the role of human resource management in tourism is to plan, develop and administer policies, measures and programmes that are designed to make optimal use of the human resources of organisations. Human resource management is that part of management that deals with the people employed in organisations and their job tasks. Thus the role of HR management is primarily concerned with the implementation of job tasks. The aim of each individual is to develop the link

with the organisation by making a wholehearted contribution to the implementation of the job tasks. (Burloiu, 1997)

As people are the most important in tourism organisations, motivating employees and all staff should be one of the key tasks of managers. Gaffara and Setiyorini (2010) point out that communication skills and interpersonal relationships are essential for human resource development in tourism. For the performance of the organization it is important for a manager to be resourceful, knowledgeable about business processes. He must be responsible and conscientious when making decisions, courageous when taking business risks and must have a strong will and intrusive, professional and capable associates. (Gaffara&Setiyorini, 2010)

The literature specifies some positive and negative sides of human resource management in the tourism industry. Thus, Keep and Mayhew (1999), for example, in their analysis of the skills problem in the tourism and hospitality industry, suggested that the industry has a number of personnel problems, such as low wages, unfriendly work schedules, poor career structures, short-term hiring or difficulties in recruiting and retaining employees (Keep&Mayhew, 1999). These problems constrain managerial actions and managers' behaviour is determined by these factors. This economic imperative creates a short-term perspective on managerial decision making and human resource management strategy and also means that management is more likely to implement a weak internal labour market.

Other authors consider that this cataloguing of human resource dynamism is a little outdated and that the tourism industry is flexible rather than problematic. In some geographical areas and sub-sectors, tourism and hospitality offer an attractive, high-ranking work environment with competitive wages and conditions that is in high demand in the workforce and benefits from low staff turnover. (Nickson, 2007)

However, hotels are experimenting with new approaches to human resource management in order to adapt to factors influencing management decisions that are different in the tourism industry than in other industries. Moreover, it is argued that the performance of human resource management is reflected in the performance of tourism organisations and customer satisfaction (Hoque, 2000). These challenges facing human resource management in the tourism industry, such as recruiting, developing and maintaining an engaged, competent, well-managed and well-motivated workforce, make the work of managers difficult. Human resource management needs to focus on providing high quality service to customers who are increasingly demanding and discerning.

3. Research methodology

The aim of this research focuses on the influence of human resource management on the evolution of the number of employees in the tourism sector, as well as the duration and type of engagement. The development of the tourism sector leads to the creation of more jobs and human resource management helps to recruit and retain employees with the potential to meet the company's objectives indefinitely.

The research methodology is based on EU-wide statistical data on the evolution of the number of employees for the years 2019-2021, as well as existing patterns in the accommodation sector, relating to gender, age of employees, and period/type of employment.

The indicators chosen to analyse the evolution of seasonal tourism during the Covid-19 pandemic in the European Union are the *evolution of the number of employees in the European Union countries*; the *distribution of employees by area of activity, duration and type of employment contract*, during the period 2019-2021. The data processed in the research were taken from official data provided by Eurostat (2023).

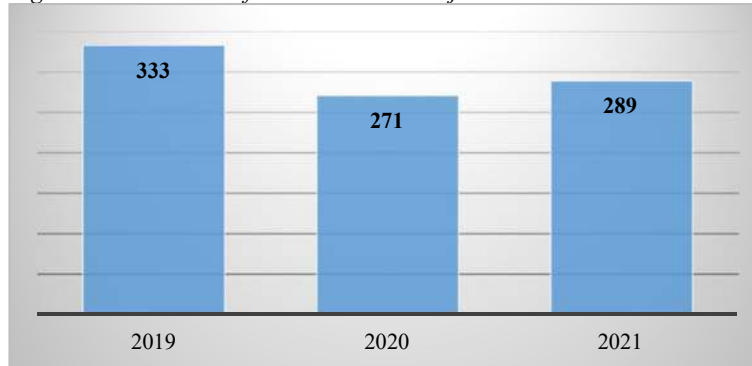
4. Findings

Tourism is an economic activity that generates a huge number of jobs. Since the success and results of work in tourism depend mostly on human resources, it is necessary to take into account the quality workforce, which will be motivated to work and will contribute to the success and competitiveness of the company. However, as stated, optimising the development of tourism will take place in an environment of constant trade-offs between the necessary increase in

competitiveness which, among other things, also means cost reduction, and labour costs, and the expected increase in employment.

The tables and graphics below present the basic indicators of the tourism workforce at global and European level based on official statistical data. Globally, the number of jobs employed in tourism decreased in 2020 and will increase slightly in 2021. This was not caused by poor human resource management necessarily, but by a particular situation that humanity faced during that period, the Covid-19 pandemic. This led to a drastic reduction in tourism activity and thus a reduction in the tourism workforce, among many others. 2020 was a special year because of the outbreak of the COVID-19 pandemic. The measures taken to contain the virus caused a severe economic downturn. There was a hiring freeze in almost all sectors, with tourism being one of the worst hit.

Figure no. 1. Number of travel and tourism jobs worldwide 2019-2021



Source: processed by the authors based on data provided by www.statista.com

The evolution of the number of tourism employees in Europe is shown in figures in Table 1. Each category of employees (employees for their own company, employees for another company, those contributing to their own family business) experienced different dynamics in the years analysed, especially in the years affected by the covid-19 pandemic.

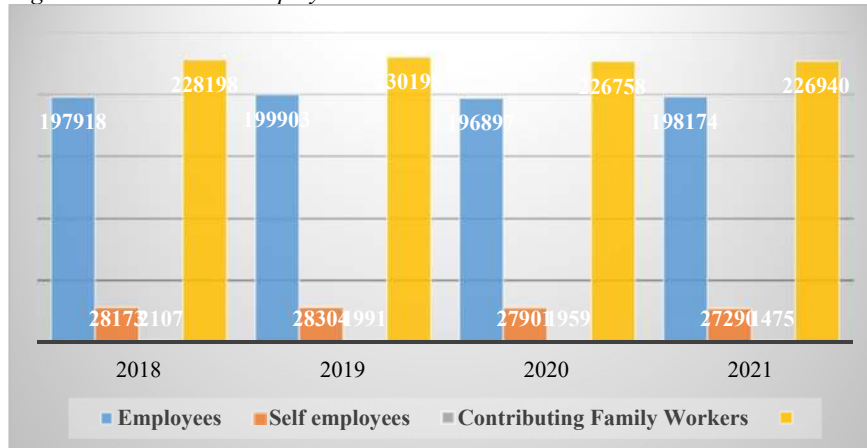
Table no. 1. Evolution of the number of tourism employees in Europe 2018-2021

	2018	2019	2020	2021
Employees	197.918,0	199.903,7	196.897,1	198.174,2
Self employees	28.173,1	28.304,0	27.901,7	27.290,5
Contributing Family Workers	2.107,2	1.991,0	1.959,5	1.475,3
Total	228.198,3	230.198,7	226.758,3	226.940

Source: Processed by the authors based on data provided by www.statista.com

In Europe, the decrease in tourism employment has not been so drastic, with almost the same number of employees in 2020 and 2021. Most of the employees in tourism are those employed for a travel company, while self-employed and contributing family workers account for a very small percentage. This implies a higher degree of human resource management.

Figure no. 2. Tourism employment evolution 2019-2021



Source: Processed by the authors based on data from <https://ec.europa.eu/eurostat> (2023)

The field of tourism is vast and encompasses several interlinked areas of activity. Moreover, as the tourism industry also creates substantial indirect jobs through complementary activities such as retail, food production, services and construction, the total number of jobs in the EU increases to 20 million. The table below shows the distribution of employees in the main tourism industries in Europe over the period analysed.

The “accommodation” sector of the tourism industry includes: hotels and similar accommodation; holiday and other short-stay accommodation; campgrounds, recreational vehicle parks and caravan parks; other accommodation; buying and selling real estate; renting and operating own or leased real estate; real estate agents and managing real estate on a commission or contract basis (Colin&Horodnic, 2020).

Table no. 2. Distribution of employees by area of activity in tourism in Europe 2018-2021

	2018	2019	2020	2021
Air transport	372,6	411,6	389,4	344
Acomodation and food services	9437,8	9515,2	8287,8	7935,5
Accommodation	2393,3	2405,7	1984,2	1877
Travel Agencies	570,3	575,9	485,2	407,4
Total	197918	199903,7	196897,1	198174,2

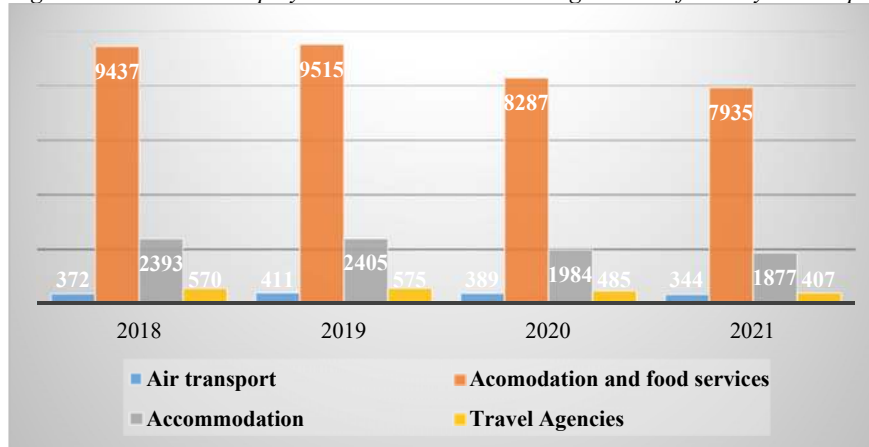
Source: Processed by the authors based on data provided by www.statista.com

Within the selected tourism industries, the share of employees in accommodation and food services was much higher than in travel agencies and air transport. Thus, only 0.2% are employed in the air transport sector and 0.25% in the travel agency sector and 4.5% in the accommodation and food services sector in Europe (mainly accommodation establishments) as can be seen in the graph below. This ranking is driven by the qualifications required for jobs in air transport, and in travel agencies it is the digitalisation of travel agencies, with most bookings now made online. On the other hand, the high number of jobs in the accommodation and tourism services sector is driven by flexibility and acceptability. According to existing European data, a large number of people with a lower level of education (those who have not completed higher education) as well as young people are employed in this sector. (Eurostat, 2023)

Traditionally, tourism industries have a particularly young workforce, as these industries can facilitate entry into the labour market. However, in 2020, the COVID-19 crisis affected the labour market for 15-24 year olds more than other age groups. With a decrease of -25% compared to 2019, the impact on youth employment in selected tourism industries was even heavier than the impact on this age group in the rest of the non-financial business economy, where the decrease was 8%. (Eurostat, 2023).

As tourism tends to attract a young workforce, often at the start of their working lives, some key characteristics of employment in this sector are slightly less advantageous than in other sectors of the economy.

Figure no. 3 Tourism employment distribution according to area of activity in Europe, 2019-2021

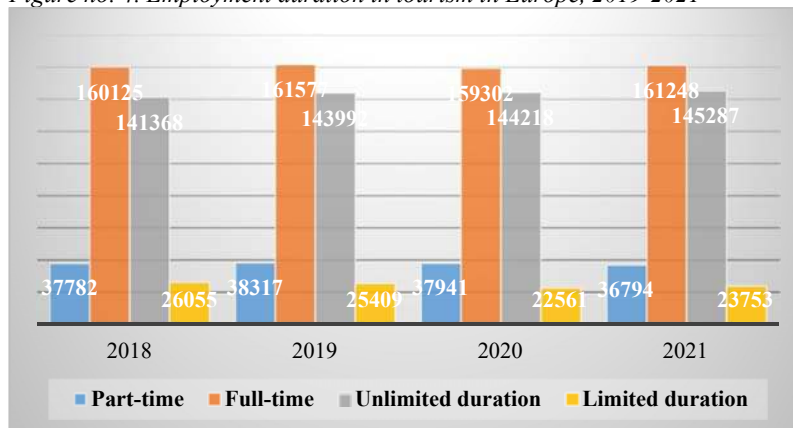


Source: Processed by the authors based on data from <https://ec.europa.eu/eurostat> (2023)

Statistics from the years under review show that full-time tourism jobs and permanent jobs are more common than part-time or fixed-term jobs. If part-time and full-time jobs are analysed separately, there is a major difference between the two. However, human resource management in tourism is blamed for the high number of part-time employees, which is considered to lower the quality of employees at European/global level (Andriotis, Vaughan, 2004). As for short-term jobs, they are determined to a very large extent by the tourism sector.

Although tourism's potential to generate jobs in areas where there are few other employment alternatives has prompted many EU governments to expand their tourism industries, tourism in many EU countries has been criticised for creating seasonal, part-time and low-quality jobs, often filled by migrants and women. The seasonal nature of tourism also creates fluctuations in employment levels and employed workers often have to find other jobs or even remain unemployed in the off-season.

Figure no. 4. Employment duration in tourism in Europe, 2019-2021



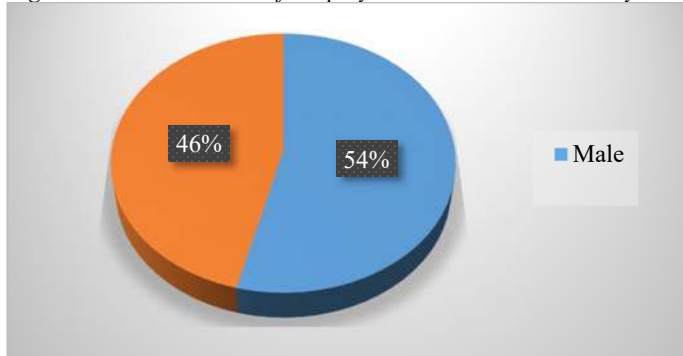
Source: Processed by the authors based on data from <https://ec.europa.eu/eurostat> (2023)

Given that peaks and troughs in labour demand are higher in tourism than in the general labour market, employment characteristics in the tourism industry may differ from the wider EU economy, with fewer permanent or full-time jobs, and therefore so will the socio-demographic characteristics of the workforce.

The tourism industry is known to have a high participation of women. In the hospitality industry, domestic tasks (room organisation, housekeeping and laundry service), food and beverage service,

especially many kitchen tasks, are mostly performed by women. This is also true for reception, cashier jobs, administrative and accounting tasks. Women predominate in travel agency work. However, the number of men employed remains higher than that of women, as shown by statistics from recent years.

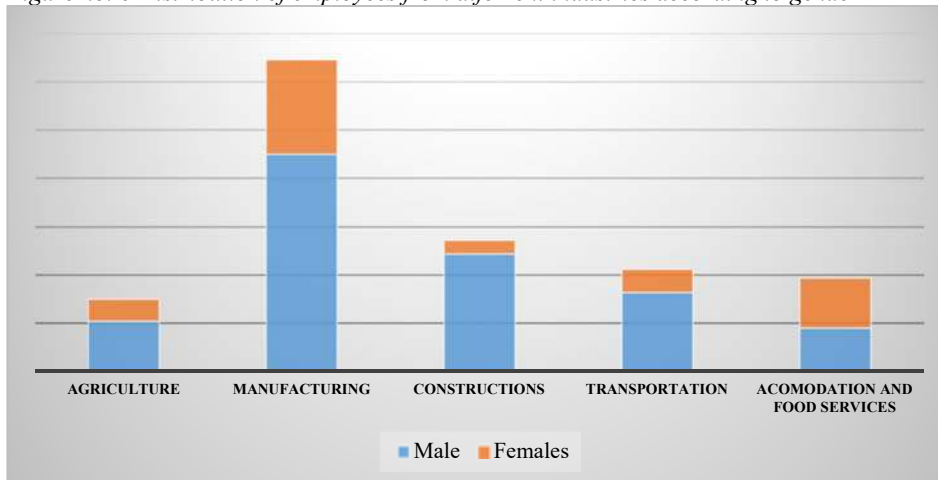
Figure no. 5 Distribution of employees in the tourism industry according to gender



Source: Processed by the authors based on data from <https://ec.europa.eu/eurostat> (2023)

Women employed in tourism (in all areas of the tourism industry) account for 46% of jobs and men for 54%. This seems to make the situation rather even. However, the high percentage of women occupying positions in tourism is not determined by comparison with the percentage of men in this industry but by comparison with other industries. Also, jobs in accommodation and tourism services are predominantly occupied by women (Figure 6).

Figure no. 6 Distribution of employees from different industries according to gender



Source: Processed by the authors based on data from <https://ec.europa.eu/eurostat> (2023)

As we can observe, the percentage of men working in industries such as agriculture, construction or transport is significantly higher than for women. The same is not true for the hospitality sector, where the number of women employed (approx. 5,200 thousand on average) is higher than that of men (approx. 4,500 thousand on average).

5. Conclusions

Most employees in the tourism sector are those employed by a company under a contract of employment. The tourism industry sector with the most employees is hospitality. It is characterised by a large number of employees who do not have higher education and young employees aged 15-24. There are also more female than male employees in the hospitality industry, as it is known that female participation in this sector is higher.

The accommodation industry as part of tourism generally includes the hotel sector. Accommodation is the main service provided by the accommodation sector, which is subdivided into resorts, hotels, inns and motels, guesthouses, lodges and other accommodation (Ottenbacher et al., 2009). As specified in the literature and as the analysis in the previous section shows, the hospitality sector generates a higher number of jobs than other areas of tourism. However, this sector is characterised by fluctuations in the labour force, lack of employee qualifications and the predominant presence of women. In this respect, human resource management faces difficulties in creating stable jobs and retaining employees, the main reason being the seasonality of tourism in many countries and regions.

In this sense human resource management can take into account in determining approaches, personalisation despite standardisation. If the service offer can be highly personalised then employees have more discretion and autonomy, leading to a professional or participative approach to HRM. Such a situation exists in luxury hotels, where employees enjoy more discretion or empowerment in the provision of services. Thus, human resource management policy and practice must be compatible with the nature of the service provided to customers.

Given the high number of young and less educated people as well as women employees, one can consider applying a HRM style based on organisational flexibility and the debate between "high road HRM" and "low road HRM". Organisational flexibility can be exercised using two different methods: functional flexibility - emphasising more competencies - and numerical flexibility - emphasising a strict cost control policy (Knox&Walsh, 2005). However, functional flexibility can be achieved through training practices, career development and participative decision-making activities. In the case of short-term or part-time employees, this approach will not be cost-effective, requiring HR management to implement a strategy that involves reducing training and development costs and more characterised by numerical flexibility. Numerical flexibility focuses on outsourced forms of work, such as casual or fixed-term contracts or outsourcing of labour to achieve an optimal cost structure (Kalleberg, 2003).

Numerical and temporal labour strategies are a way to maintain a supply of mobile workers at low cost. However, time-based work strategies can hinder functional flexibility. Compared to permanent employees, casual workers typically receive lower wages and limited training opportunities and career development. At the same time, their commitment to the company is lower, and their lack of training can lead to poorer quality tourism services. Thus, fluctuating demand, the nature of the service offering, organisational flexibility objectives (numerical vs. functional) and the business strategy that the hotel pursues are often seen as decisive factors that determine HRM approaches in the hotel sector.

The presence of more women in the hospitality sector compared to other areas of the tourism industry and to other areas of activity in general is driven by gender dynamics. It is undeniable that women have excelled in the hospitality sector not only in India but across the world. Hospitality businesses predominantly employ women in various positions as it is a core service sector where women are considered as an asset because of their skills. Looking at the current situation, the majority of employees in the industry are women. However, this does not lead to a gap, as there are many industries (agriculture, manufacturing, construction or transport) where the number of male employees is significantly higher.

Therefore, human resource management in tourism and especially in hospitality is in constant motion and needs to be constantly adapted to environmental conditions. Managing human potential includes decisions that have key short and long term effects on the business performance and success of a hospitality company.

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