



# UNIT-12

## Human Resource Management

### Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Understand various characteristics of hospitality industry.
- ✓ Explain the relationship between hospitality industry and tourism.
- ✓ Identify major hotel departments and their functions.

## Unit 12

### Human Resource Management

#### The Importance of Human Resources

The cultivation of human resource is the starting point of all development. Without HR assets being properly trained and skilled, no progress is possible.

The Human Resource Development Policy can be divided into two sections:

- To make available competitive employment opportunities and career options, and to make certain that there is proper staffing at all personnel levels.
- To make available educational and training opportunities for every profession and specialisation, at predetermined and precise levels of skills, whenever required in the country.

The job of human resource development is usually allocated to a separate department of the GTA. This department has to bring together every facet of the national tourism human resource development plan. Developed countries usually have more funds to spend on training programs. Generally, they spend greater amounts of money on expensive training at tertiary level; training that may be made available at a lower cost in secondary schools or via on-the-job/work associated training programs. They additionally arrange adult training programs that generally exist to make up for holes/gaps in prior education and training, or in response to high unemployment rates. Governments can take up other training tasks (at least, some claim, adding to already burdened bureaucracy), which would be better left in private hands. The comparative roles of private and public sectors are different for each country. A lot is determined by the level of private sector development, and its ability and willingness to deal with training efficiently. In turn, this might be determined by the level of organisation of the professional and trade associations. A human resource development strategy, cover training and education for every level, caters to such queries.

#### The Characteristics of Tourism as a Sector and Their Impact on the Management of Human Resources

Certain factors set the limits within which individuals work and are handled in tourism. The quality of tourism service operations takes into account the following factors:

##### 1. Most Tourism Services include a Significant Intangible Component -

A majority of the services provided are elusive in that you do not get anything physical or touchable in exchange for your money. You are purchasing an experience and the assessment of this experience can in-part be composed of a strong one-sided element, along with features that you can judge neutrally. How timely the airline's service is can be measured neutrally, whereas the quality of the onboard service provided will be more subjective. The human contribution to the delivery of both tangible and intangible facets of tourism service forms the main core.

## **2. Tourism Services cannot be Inventoried -**

The chances of making a sale are lost if a service remains unsold. If a room is not rented overnight or a seat stays empty in a theme park ride, this is revenue lost and a chance that can never be regained. To put it differently, services can never be put in inventory or storage, like a lot of non-perishable goods manufactured, that may be stored in a warehouse until trading conditions are favourable. This factor has a huge influence on service organizations - particularly the ones in the tourism sector that manage themselves, especially when it comes to sales and marketing. This factor creates a non-stop level of stress in tourism operations which can in turn have an effect on employees. They are constantly required to take action with regards to short-term sales needs. The operation of effective field management systems, for instance, cheap airlines, can cut down this pressure on the workers considerably.

## **Tourism Services are Time Dependent -**

Tourism services are typically created, delivered and utilised almost simultaneously, usually in the sight of and probably with the involvement of the consumer, in a way that is not seen in manufacturing. The human input in this process is crucial.

## **3. Tourism Services are Place Dependent -**

A lot of tourism services have to be provided to the client where and when they are needed. Production and delivery cannot be carried out from a long-distance or in a localised area. Hotels have to be situated where the people wish to stay and not at places convenient for the hotel company. The use of electronic technology means that this consideration is not as strict as it once was.

Reservations and sales, customer service departments (call centres) and financial processing operations are all types of service functions, which are not dependent on a specific location. This is why a lot of European and North American establishments are conducting these functions off-shore, in countries like India where language barriers are not an issue and technology literacy is high. Location dependency affects the hiring and welfare of tourism employees as they are usually hired from the host community where the tourism operation is situated. This localised factor has effects on skills and the training of the workforce, and in certain cases the ability of tourism organisation to provide some services.

## **4. Consumers are Always Involved in the Production Process -**

Concurrent production and service involves the customer in part of the production process, obviously in situations like self-service facilities or restaurants where there is the chance for the client to select their own fish, but in more general terms, as well. Other customers, whether friends or strangers, constitute a part of the atmosphere or character that we get when we go to a restaurant, movie theatre or concert.

## **5. Tourism Services cannot be Quality Controlled at the Factory Gate -**

Tourism services are hard to regulate, since they require an elevated level of human interaction for their delivery. Therefore, they are automatically subject to variation due to the human element

involved. Due to this, an unsatisfactory service can't be exchanged or returned in the same way that faulty merchandise like an umbrella or stereo system can. At the end of the experience of a service, the provider can offer to compensate for the unsatisfactory experience, but in no way can they replace the experience.

**6. A Different Concept of Marketing is Required for Tourism Services as a Total Organisational Function ( Relationship Marketing) -**

The majority of the tourism organizational staff has to work in direct contact with the client, or at least work very near the customer at service locations. Therefore, the marketing role becomes the responsibility of *all* tourism staff employed in the organisation and is not limited to the specialised marketing department.

**7. There is a Human Role in Tourism Service Delivery or Mediation which Creates a Degree of Uncertainty and Unpredictability -**

While good management and efficient training can minimise the unpredictability of human behavior, it is nonetheless unpredictable in the employees of an organisation. The human element at the production point and service delivery unavoidably creates an element of uncertainty. This is not found in a factory floor of a manufacturing plant, or at worst it can be eliminated by good quality control.

These factors of services generally apply in the tourism sector in particular and add to the way in which tourism organisations are set up and function. They play a role in the operating culture of the organisation – especially, how services are marketed, finances are set up and most-of-all, managing the individuals inside the organisation.

### **The Human Resources Development Strategy**

It is possible to publish the basic human resource development strategy as a short document. It needs to cover the following main points:

- The relationship between tourism development policies and human resources;
- The existing tourism product and labour force – This will contain features such as the number of employees, geographical distribution, gender, age, educational level, length of employment, turnover, seasonal employment, training, background and experience, levels of skills and occupation. Additionally, it will judge the operational standards, level of technology and occupational skill standards;
- The projected development of tourism and the potential workforce, along with training needs, predictions of the expansion in the number and type of hotels and other tourism businesses;
- The existing situation in development of education and training for tourism – inclusive of both pre-employment and post-employment levels. This is will evaluate the competence of available courses

and programs, capacity, location and output. This helps to identify current and future gaps in training sessions;

- The impending development of every level and type of training and education, situated where it is most required along with setting up of any new private and /or public sector tourism training association. It can also suggest measures to promote the development of additional new private sector training schemes.

## Working Conditions

Tourism has developed significantly, however working conditions haven't necessarily kept up worldwide.

In many countries, workers have been made to endure unfortunate conditions. This situation is especially true of hotel, catering and related businesses. The International Labour Organisation's (ILO) Hotel, Catering and Tourism Committee are very recent developments. The ILO's first meeting was held in December 1989 in Geneva. A convention, named the ILO Convention 172, which dealt with the working conditions in hotels, restaurants and related establishments, was adopted in 1991.

This convention is geared towards hotels and comparable businesses that provide lodgings and food, beverages or both. The convention is fairly general in its content and asserts that workers should be provided with rational working hours, provided with overtime opportunities in addition to daily and weekly rest times, in accordance with national law and customs. They must be supplied with ample advance notice of work schedules. Workers have to be remunerated in time or pay for working on public holidays, as agreed to by mutual understanding or in accordance with national law or customs. Also, depending upon mutual agreement or national laws and customs, they should be given annual leave with pay. If they are not entitled to full annual leave, they must get leave in proportion to the duration of service or payment of salary in exchange.

Irrespective of tips, workers must get basic remuneration which is paid regularly. The buying or selling of employment is not allowed. These are the only points covered in the convention - vague as they are, it is a step in the right direction. This delayed and narrow starting point gives an illustration of the backward nature of the sector throughout the world.

More advanced countries have gone ahead and produced more detailed laws and conditions for their tourism workers. The travel sector might be more developed in this area than the restaurants, hotels and matching establishments. Overtime pay must be compensated at a higher rate than what is earned in normal working hours. Working hours and overtime must be recorded properly and every worker is entitled to have access to the records. A progression towards elimination of split shifts should be made. The number and duration of meal breaks have to be in accordance with local traditions and practices, and if the meals are to be taken at the establishment or elsewhere. The minimum weekly rest period has to be 36 hours and, whenever feasible, the rest period should be continuous. The average daily rest duration has to be ten hours continuous. If the duration of annual paid leave is less than four weeks for every one year of service, it should be systematically raised to this level. There should be programs of training, vocational education and management development in place. They must be geared towards

improving skills and the overall standard of job performance, promoting career prospects. A GTA should promote communication between workers and employers to build a solid, fair and mutually agreeable working environment. These are fundamental to the thriving development of the sector.

## Education and Training

The terms education and training have different definitions. Education has to do with providing knowledge and ideas; it relates to a better understanding of the world. Training, on the other hand, provides specific skills sets and it has to do with completing a job effectively. In the vast majority of situations, students need a blend of both. This is especially true when it comes to studying vocational subjects at the more advanced level, for instance, medicine, business, engineering, tourism and hotel management.

The precise mix and balance between skill and education required is a question of judgement. The line that divides education and training is frequently rather blurred. The use of each term also differs from country to country. To eliminate any problems, it is better to link the two terms – education and training. At times, rejecting training denotes an aspect of superiority. Some will always judge education to be superior. This leads to students being taught too few skills and they may end up being too poorly qualified to hold down a job in their field of study.

## A National Council for Tourism Education and Training

The GTA makes every effort to gain the best coordination possible between the different agencies and organizations related to human development resources. Establishment of a national committee or council for tourism education and training is a possibility. This committee or council can consult or advise, with the goal of bringing together the different interests of the government agencies related to tourism, labour and education; the worker's organizations (unions); as well as the professional and trade associations (employers). It can also connect with the association of the country's hotel and tourism schools, if there is one, or some equivalent organization. The committee or council can allow for the active participation of the tourism sector, establish standards and revise policies, results and objectives. It can also keep an eye on educational and training needs, watch for potential modifications and upgrading as need arises.

The committee or council will have to:

- Keep an eye on labour market conditions and similar movements;
- Continuously review existing and future management needs, supervisory, and skilled and unskilled staff;
- Maintain a review of existing education and training institutions as well as centres and their significance to the known needs. Work closely with related authorities and advise any changes or appropriate alterations;
- Based on the information above, recommend the development of new centres or programs listing their planned objectives and programmes;

- Work with a university system to help develop suitable programmes and activities;
- Persuade the private sector to lead in providing training facilities and programmes and to advise any tax or fiscal incentives;
- Persuade the sector to develop in-house training programs, put in place guidelines and organise workshops;
- Maintain a review of the existing database of the numbers and backgrounds of instructors, lecturers and trainers required to meet current and future needs;
- Establish guidelines for career development of vocations.

### Linking Types and Levels of Training

Training needs to continue throughout a lifetime. A person needs to build on what has been learned before, adjust training to their changing needs and gradually develop and elevate their skills. There must be links between the different stages and kinds of training. Each progressive type of training should open more stages for personal progression - such links are vital. Training and education cannot be partitioned and shut-off inside tight compartments. People have to be able to transfer between the different levels and types of courses. A chef, for example, should have the option to study management. Likewise, a university graduate in management must be free to study cooking.

### Surveys of the Workforce

The initial step in the formation of a human resource development plan is the study of the labour force. If no adequate data is available, surveys of currently employed personnel in the tourism industry should be conducted. Such a survey will identify the characteristics (e.g. educational level, gender, length of employment, staff turnover, seasonal employment experience, training background, occupation and level of skill), and the trainings required. They will also evaluate the technological level, operational standards, and review the development of occupational skill standards for the field. Surveys begin with the identification of hotel numbers, tourist facilities and services in the country by category, size and geographical distribution. The methods, which are used for the collection and analysis of data, should be examined and agreed upon with the private sector.

### The Estimates of Future Workforce Needs

Employment ratios from the survey, after adjusting for trends, and can be applied to potential development of tourism to be able to approximate future labour requirements by occupation and skill level. The potential development of the tourism sector will take into account the growth of tourism traffic, the number and establishment of new hotels and tourist facilities, as well as the future outlook. These needs of the new staff must be resigned with labour market conditions and the sector's current recruitment and selection policies.

### The Adequacy of Existing Education and Training

This refers to the existing state in the development of education and trainings related to tourism – at pre and post-employment levels, which requires surveying. Additionally, the competence of current courses and programs, quality, location, output and capacity has to be assessed. Every educational institute, centre and training programme has to be acknowledged and its curriculum, training resources and criterion evaluated for current relevance and usefulness. Post-employment training inclusive of on-the-job training and train-the-trainer courses have to be evaluated.

### **Future Training Needs**

Future labour force requirements have to be transformed into future training requirements. These can be matched with the facility of the current educational and training facilities and agendas. By doing this, the deficits in this capacity to fulfil future needs can be pinpointed. These are known as training gaps. These cracks have to be filled - a strategy to take care of all future training requirements has to be established. It must be created according to all levels, specializations and every part of the country. As suitable, it has to cover universities, tertiary-level vocational training centres and secondary schools.

It needs to incorporate a structure for minimum standards, in-service training, management, supervisory short courses programmes and foreign language instructions. If justified, it will also propose the establishment of new private and/or public sector tourism training centres, to correlate properly with the national educational and vocational training structure. It should also propose methods to encourage the development of additional new privates sector training initiatives.

### **Recruitment, Retention and Turnover**

The movement of personnel within tourism is a direct element of the broader environmental, structural and sectional function characteristics that have been outlined above. Certain segments of tourism in some countries (especially, developed ones) face continuous challenges in recruiting suitable staff, skilled and unskilled, to take up the main posts in the industry. They also confront challenges regarding the training of these staff after recruitment and cutting down on what may be sky-high labour turnover rates. The effects of changing seasonal demands, compensation issues (see below), distant working conditions and issues arising out of these troubles add to the problem. The tourism industry has been observed to be highly-reactive to short-duration local and international events, in regards to willingness to economise on staff to meet short-term financial needs. The influence on travel and transport divisions in the aftermath of the terrorist attacks on September 11, 2001 is a case in point example. Prospective workers may not want to risk their long-term security by seeking employment in an environment that is considered to be unstable or perhaps temporary.

At the same time, the tourism small business environment also indicates that hiring procedures may not always be carried out in a way that guarantees the selection of the best and most appropriate workers for the job. Insufficient credibility is accorded to the outcomes of formal education and training, while prospects for workplace improvements are restricted. Due to this, the hiring strategy of internal promotion/promoting from within is not used as widely in tourism industry as it should be.

## Rewards, Benefits, and Compensation

The common understanding of the tourism industry in many developed countries is that of fairly low pay (Baum, 1995; Wood, 1997).

This is brought about due to a number of reasons:

- The tourism industry is thought to be the employment equivalent to large, but not necessarily standard, hotels or catering sub-sector;
- The low-skills atmosphere of a lot of tourism posts;
- Few workplace organisations are some tourism establishments, while this does not apply to the traditional airline sector;
- It is often seasonal or part-time work;
- The grey or 'tipping' environment within a lot of the tourism operations, cutting into basic compensations;
- Tendencies to de-skill work in tourism by substituting HR for technology;
- Employment accessibility to the majority of the population, due to seasonal and temporary work-related options.

Tourism can also offer very high-paying and high-status jobs within the industry, such as working for airlines. In developed countries, tourism jobs can be highly valued with pay scales that work in accordance with local conditions and are competitive with other options in the market. The experience of the newly industrialised states, such as, Malaysia, Singapore and Taiwan, indicates that as the economy grows, the appeal and competition in wages in tourism goes down, challenging tourism operators in meeting their employment requirements.

## Human Resources Information Systems

The human resources information system forms a part of the GTAs MIS, typically matched through the research department. It keeps an eye on employment trends, the current labour force profile and labour market profile, trends in sector growth and development, potential workforce and training requirements and the volume of available educational and training systems to respond to them. To carry this out, the results of the surveys discussed above have to be employed. As a prerequisite for annual licensing of hotels and other tourism businesses, applicants may be required to provide specific human resource data.

Occasionally, specified surveys should be carried out to complement the information system. These can cover certain sections of the sector, or precise questions, or targeted locations and provinces.

## A Framework of Minimum Standards, Occupational Skill Standards, Trade Testing and Certification

Occupational skill standards are the minimum levels of knowledge and skills that a worker in a given field, and at a specific level, needs to have. These are the lowest satisfactory standards – workers can always do better, but should not fall below these levels. The focus of these standards is on employable skills. There also has to be a given amount of know-how at each level. Standards for the various jobs are agreed, and job testing and certifications should be created according to basic, intermediate and final skill levels.

Equivalent curriculum development and skill testing should proceed according to three steps:

The standard should clearly state what the employees have to be able to accomplish, where, when, how and under what conditions. It shows the skills and knowledge they need to possess. The teaching materials and curriculum need to mirror the required standard, allowing the trainee to attain the appropriate level of performance.

Tests confirm that the trainee can reach a given level of performance satisfactorily. Skill standards aid in establishing and maintaining sector-wide quality targets. They help employers form performance evaluations, career planning, hiring, selection and putting together training plans and goals. They establish a platform for inter-company comparison, and allow skills-development to be supervised for the entire sector. National certifications allow for rapid identification of skill levels along with the outputs of training institutes. The system of testing further allows the entire staff to gain knowledge related to their level of skill. Where classification systems for hotels and tourism businesses exist, minimum training standards (the quantity and categories of workers certified in accordance with skill standards) can also be employed.

Upon initial observation, it appears as if industry-wide occupational skill standards are highly production-focused instead of market-focused. The first question being – what do the employees do? This then moves on to inquire about the skills and knowledge they need to have to be able to carry out the function. A marketing tactic would begin with what the staff has to do in order to meet the customer needs. Skill standards, on the other hand are affected by major hotels and tourism establishments, the majority of which are run by multinational companies. Normally, such establishments have already fine-tuned their product to the demands of the mainstream markets.

## Minimum Requirements for Training Institutions

Apart from the government agency authorized for approval and licensed training institutes, minimal standards have to be put in place. Applications and submissions have to contain:

- A plan covering at least five years. It has to detail the needs and validations for the courses on offer, and specify student recruitment and connections with the hotels and various tourism projects;

- Standards and curriculum outlining their connections with relevance to national skill standards and curriculum. Samples of teaching materials and methodology should also be included;
- The numbers of instructors and teachers, their experience and qualifications and student/teacher ratios. The targeted number of students or those enrolled and the program capacity in addition to annual outputs;
- The financial inclusive of capitalization, anticipated operating results and sources of funds, grants from the government or any expected student tuitions;
- The amenities: the land area, ration of floor area, variety of facilities, planning ratios, offices, classrooms, library, laboratories, student facilities and any other areas;
- The administrative staff and organisation systems;
- The type of employment potential graduates can obtain upon completion of their training/education.

## Pre-Employment Education and Training

### Vocational Secondary Schools

A few secondary schools may already have or *should* have courses specializing in hotel, catering and travel subjects. This will maintain this specific basic type of pre-employment courses at the secondary level of education, allowing the tertiary level to focus on the more advanced courses. These introductory courses will prepare high school graduates for careers in the sector. Courses can encompass accommodation-related subjects, such as, tour and travel operations and food preparation.

### Government-Funded Tertiary Level Hotel and Tourism Educational and Training Institutions

The mentioned types of tertiary level institutes are normally expensive to construct, equip and operate. Some countries have tried to leave this stage of training to the private sector. But, the private sector might not be properly developed to make this possible.

In these circumstances, the public sector will have to play its part in establishing a few main institutions to:

- Teach and set-up management and supervisory-level programs and courses;
- Carry out research on hiring trends, workforce and training requirements, acting as a resource for the GTA and aiding the upkeep of the human resources section of MIS;
- Operate well-established libraries, centres of documentation and maybe offer computer and internet access;
- Perform the role of a key resource in the progression of national vocational skills standards and curriculum, and a method of trade testing and certifications;
- Create training materials for every level of tourism education and training;

- Prepare upcoming vocational teachers for the country's secondary schools, in addition to private tertiary-level tourism and hotel schools. Take up the role of the resource centre in the development of government tourism officials in tourism management and development arrangements;
- Become a resource centre in specialized areas of tourism development, for instance, taking the role of a custodian of culinary heritage, or by promoting small enterprise development in tourism.

In countries without resource limitations, there can be many tertiary level academies providing hotel and tourism courses. Their input has to be monitored by the GTA and the relevant national committee or council.

### Training For Small Hotel and Tourism Enterprises

Since small and mid-sized tourism businesses provide a vital source of new jobs and generate income for rural areas, new ventures of this type can create more employment opportunities for the local population. Aid will concentrate on the areas thought to be vital to success of business establishment and growth.

This includes:

- Recognition of business opportunities;
- Technical help in forming projects and carrying out feasibility studies;
- Provide training in the fundamental skills and knowledge needed to start and operate a business enterprise (management, entrepreneurial, financial, social and technical skills);
- Help in gaining the necessary loans and finances;
- Ongoing technical help and advice;
- Developing support networks for the small businesses.

### Cooperatives

Developing cooperatives is also linked with the field of small/micro-tourism. The case for the establishment of cooperatives is strong within these operations, especially small hotels, with a concentration on marketing and training.

#### Further Reading:

- ✓ *Susan Jackson, Randall Schuler, Steve Werner, (2012, 2009), Managing Human Resources*
- ✓ *Michael Armstrong, (2006), A Handbook of Human Resource Management Practice*
- ✓ *Scott Snell, George Bohlander, (2013), Managing Human Resources*