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PROBLEMS OF MANAGING WORKFORCE IN THE HOSPITALITY AND TOURISM INDUSTRIES

Akhmedova Olena Olegivna, PhD in Public Administration, KhNUE, Department of Tourism, Kharkiv, Ukraine

Abstract: Although the hospitality and tourism industries are the largest employers, they present the particular contexts which shape the sector and cause the human resources managers to face particular problems.

Key Terms: hospitality and tourism industries, employment, management.

The hospitality and tourism industries are the largest employment sectors of the world. Thus, according to the World Travel and Tourism Council [6], these sectors directly employ over 100 million people worldwide and support 1 in 10 jobs. Over the upcoming decade they are expected to provide a total of 74.5 million new jobs, 23.2 million of which will be directly provided within the sectors. However, it is quite problematic to trace the real employment situation as the tourism statistics focus on different data and methods. European tourism statistics [5], for example, focus on either the accommodation sector (data collected from hotels, campsites, etc.) or on tourism demand (data collected from households), and relate mainly to physical flows (arrivals or nights spent in tourist accommodation or trips made by a country's residents).

At the same time, jobs are less stable in hospitality and tourism than in the rest of the industries and its nature can be defined as the sectoral labour market which includes a wide variety of organizations encompassing areas like hotels, guesthouses, bed and breakfast, farm houses, holiday parks, restaurants, pubs and cafes, airlines, cruise ships, travel agencies, tour companies and so on. Equally, it is also recognized that it would be wrong to imagine that the industry can be thought of as homogenous (an obvious example is the spread of different types of organizations in the industry, from the local chip shop to huge multinationals with a presence all over the

world) [4]. Despite this growth in larger chains most sectors of the industry are still dominated by small, usually owner-managed units consisting of family labour and a small number of helpers. Clearly, then, the sector is better conceptualized as heterogeneous [4]. However, whilst there is great heterogeneity in the types and size of organizations there may be certain recurring features in large parts of the tourism and hospitality industry, which are outlined below:

- large numbers of individual units of varying size and many different types are located throughout the whole of the country and internationally;
- many units operate 24 hours a day, 7 days a week, 365 days a year;
- there are high fixed costs, a fixed rate of supply, but a fluctuating, seasonal and often unpredictable demand;
- it is both a production and service industry;
- there is a wide variety of customers seeking to satisfy a variety of needs and expectations (for example, leisure, business, conference and so on);
- services are supplied direct to the customer on the premises and the customer usually leaves with no tangible product;
- managers are expected to demonstrate proficiency in technical and craft skills as well as in management areas;
- many different skills are required but there are relatively large numbers of semi- and unskilled staff;
- the majority of staff are low paid;
- staff are often expected to work long and unsociable hours;
- there is a large proportion of female, part-time, casual, student and migrant labour;
- generally, trade union membership is low;

- there is high labour mobility within the industry, and a high turnover of staff joining and leaving the industry;

- the industry is labour intensive.

At any one time people will be trying to either change their job or acquire a job and employers will be looking for employees, and this means that, in principle, in the external labour market all workers are assumed to be competing for all the jobs all the time [2]. Within this process there is also a need to have some awareness of a range of macro-economic issues, political and social factors and their impact on the external and internal labour markets, which will change and affect the work of managing workforce practitioners directly and visibly, in terms of issues like employee/industrial relations, recruitment, training and development and pay [1].

In Ukraine, there are some demographic changes that are having a significant impact on labour supply, among them:

- declining birth rates of the population;
- increases in longevity, plus more young people into higher education, mean that the 'greying' of the workforce formed the largest group in the workplace;
- the workforce is becoming increasingly 'feminized';
- the role of people from ethnic minorities is likely to become increasingly significant – they could account for no less than 50 per cent of growth in the working population over the next decade;
- the influence of migration due to anti-terrorist operation and hostilities.

There is much debate about how best to respond to greater feminization in the labour market and how best to balance work and family. A key issue within this broader debate is the support from the state to women in providing maternity leave and pay and facilitating a return to work. Practices vary significantly between countries and this is a good indicator of the extent to which governments are willing to intervene in a key labour market issue [3]. For example, in the UK women have the right to return to work after 26 weeks paid maternity leave. Employers also have to 'seriously consider' requests from

parents for more flexible working. This is in contrast to the US where there is no nationwide policy on parental rights and no national provision for maternity leave, paid or otherwise. The same is also true for Australia where maternity leave is unpaid and only available to employees who have been on the payroll for 12 months prior to the birth. The most family-friendly countries are arguably Sweden and Norway. For example, in Sweden both parents are entitled to 18 months off work and in Norway a year's leave is paid at 80 per cent of salary. Under the current system, France offers employed mothers 16 weeks' paid congé maternité (three to six before the expected date of birth and 10 to 13 after). In Ukraine a woman can be on a paid maternity leave up to 3 years.

In many countries paternity leave is available to all fathers regardless of the couple's marital status. An employee should inform his/her employer at the earliest possible opportunity that he/she intends to take time off and confirm the provisional start date by registered letter with proof of receipt at least one month before the leave is due to begin.

Perhaps the single biggest influence on the nature of labour markets in the tourism and hospitality industry is the recognition that there are often wide fluctuations in short-term demand for the product, which has major and obvious implications for the staffing of an organization.

Allied to this demand unpredictability is the fact that the industry is labour intensive, which means labour is a high cost in the total costs of tourism and hospitality businesses. Therefore, many employers have tried to minimize labour costs.

This has meant that traditionally the industry has been staffed with what is the so-called 'marginal workers', namely: women, young people, students, migrant workers and ethnic minorities. Resultantly, it is argued by many that these workers form the basis of a casualized, part-time workforce. This workforce finds themselves in a low-skill job characterized by relatively low pay, which leads to a lack of motivation and commitment on the part of employees, who may perceive they are in a job which is often stereotyped as being about servility.

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Author

Akhmedova Olena Olegivna, PhD in Public Administration, KhNUE, Kharkiv, Ukraine (akhmedovayelena@hneu.edu.ua)

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