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ABC Travel & Tourism : Specific Staffing Needs of Special Interest Tourism

July 2015

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Summary

The report examines the importance of certain HRM activities like recruitment & selection and training & development in the context of the ABC Travel & Tourism company (also ABC), which is a well-known market player in the tourism and hospitality industry in Europe. The company specializes in special interest tours, but has a more traditional approach to HRM that needs change and upgrade. Today's HRM has evolved a lot from what it was in the early 20th century. The company under discussion needs to take note of that and reorganize its HRM practices with regard to special interest tourism in order to accommodate more softer approaches and thus drive better business growth. The report observes the existing recruitment and selection processes at ABC, along with its limitations, and offers possible solutions to the problems. The report also assesses the training and development practices at ABC and observes limitations to recommend alternatives. The second part of this report is a self-reflective log of the author in the capacity of an HR consultant.

What is HRM?

As Alan Price rightly observes in his book *Human Resource Management (2011)*, organizations are made up of people and therefore, HRM or human resource management is integral to almost all management activities within it. There are many studies and theories on HRM and it has its share of evolution too. However, in essence, HRM is the strategic and articulate practice of managing the most prized assets of an organization: its people, the workforce who contribute to the business goals, both as individuals and in teams (*Vani, 2011*). Therefore, broadly speaking, the role of HRM in an organization is to manage the people (*Benschop, 2001*). And people management is at the core of some of the HRM activities like recruitment, selection, redeployment of employees and training and development (*Price, 2011*). For every company in every industry, HRM is approached and adopted differently as suits the needs of that company. The focus of HRM, for the purposes of this report, will be on the ABC company, which belongs to the travel and tourism industry domain.

HRM in Travel & Tourism Industry

HRM was more of hard HRM or power dynamics based in the early twentieth century. In that, it fitted perfectly into Frederick Taylor's observation that employees were just another element in the production process, same as raw materials and machinery (*Taylor, 1947*). The 'human' side to human resource management evolved much later as notions changed and companies began to realize the cognitive value in relationship based employee operations. This new perspective significantly emerged with the publication of *New Perspectives on Human Resource Management (1989)*. HRM started to focus more on commitment, than on control, to be able to build highly skilled and loyal employees that drive more competitive advantage in an organization.

Some companies consider HRM as unique 'best' practices that aspire to recruit, develop, manage and reward employees in sustainable ways that foster high-performing work environments, while others just consider HRM as a remodeling of good people management practices (*Bratton & Gold, 2012*). The travel and tourism industry is one such industry that still has a lot of diversity in its

adoption of HRM models/approaches. *Baum (1995: 151)* notes that in some geographical areas, this industry demonstrates a respectable, high-status and high-pay job environment, while at the same time there are places and sectors where tourism offers low-pay, high employee turnover and poor work environments. Therefore, it is often a challenge for companies and managers in the travel and tourism sector to keep employees motivated and committed to deliver high-quality services to its demanding customers. A lot of emphasis is now given to the Harvard model of HRM (which is the softer and developmental humanism based version of HRM) while recruiting, selecting and training the right candidates for the job.

According to the World Travel and Tourism Council (WTTC), travel and tourism comprises 8.7% of jobs globally (*WTTC, 2006*). No wonder then that important HRM activities like recruitment, selection, training and development should be more growth-oriented and quality-focused. In other words, it should shift from 'only outputs matter' to 'people matter'.

ABC Travel & Tourism: The Company

ABC Travel and Tourism company is a subsidiary of the Happy Holidays Travel Group, based in Europe. It currently operates in 9 countries worldwide and connects global and local travelers to exotic and adventurous destinations. Travels or customers of ABC can request for or choose, customize and book the best tour packages tailored to their individual tastes and preferences. Special interest tours are one of its most-loved product offerings.

ABC Travel & Tourism has over 300 local travel agents spread over 9 countries who assist travelers in personalizing their trips. Its customers can choose from an extensive range of domestic and international destinations.

Although it calls itself Europe's most favorite tourism company, a recent employee survey revealed the company as 'arrogant' in its operations and HRM.

ABC Travel & Tourism: Recruitment & Selection

The Chartered Institute of Personnel Development (CIPD) holds recruitment as the process of *"having the right person, in the right place, at the right time. It is crucial to organizational performance"*. The question is, who are the "right" people for ABC Travel & Tourism? Since this company has a lot of customized packages on offer, with a proven customer satisfaction in special interest tours like places of historical interests or adventure destinations, a lot of the company's success rest on the front-line staff who interact with travelers and generate that 'make or break' customer buying decision. Therefore, while the physical product (tour package) is vital, for many travelers the quality of their experience depends largely on the interactions they have with the various front-line staff in this travel, tourism and hospitality industry (*Nickson, 2012*).

The general structure of resources in the tourism industry is:

- front-line staff
- team leaders
- middle manager
- senior management
- CEO or Managing Director

Maximum care should be taken while choosing the front-line staff and team leads as they represent the company values and are responsible for enticing customers to special interest packages. Not only should they know the product well, they must have the soft skills like marketing and PR that drive profitability.

Presently, the company has the traditional recruitment and selection process -- through job portals and company websites and candidates are selected mainly through recommendations from existing employees or anyone closely known to the company. However, with the demands of special interest tourism, the type of resources required by companies have also undergone a sea change. ABC travel and tourism is no different. What it needs is increased productivity and less employee turnover with the right personnel recruitment. However, achieving increased productivity in a service industry is not as easy as it is in many other industries, unless a company radically transforms its service nature (*Boella & Goss-Turner, 2013*). So, HRM activities mainly pertaining to recruitment, selection, training and development, need a complete makeover at ABC if it intends to substantially improve its quality of service.

Employees should be selected based on the right balance of technical and human skills. They should not only know the product well (here, special interest tour packages), they also need to be adept in exciting customers with relevant customizations.

The problem with the existing recruitment and selection methods at ABC are that recommendations do not allow for the managers to test the emotional ability of candidates for delivering successful traveler experiences. Employers in hospitality and tourism across the globe progressively want personnel with the 'right' attitude and appearance (*Chan and Coleman, 2004; Nickson et al., 2005*). The right attitude refers to social and interpersonal skills that primarily ensures employees are responsive, courteous, patient and empathizing with customers, or simply put, they should exhibit emotional labor (*Nickson, 2012*). Also, according to a *CIPD report (2013)*, young employees prefer social media more as a platform of recruitment than conventional channels like corporate websites and online job portals. ABC must extend to systematic, organized, job-analysis based recruitment methods through more diverse platforms and make their recruitment and selection processes more youth-friendly.

The skills primarily needed in frontline staff and team leaders of special interest tourism are:

- Marketing skills (to be able to sell ideas, products, services)
- Operational skills (to be able to function within organizational goals and parameters)
- Cognitive skills (to be able to provide solutions to problems)

- Communication skills (to be able to convey vital information effectively to customers/clients)

ABC Travel & Tourism: Training & Development

As per the International Labor Organization (ILO, 2001), young people, especially students, comprise a major portion of the tourism and hospitality industry's workforce. This is also true for the ABC company, which must, therefore, brace up to build greater and more sustainable skills among its employees through appropriate training and development. A company like ABC Travel & Tourism, which exists in the service sector, must have highly skilled and motivated employees who can bring about operational effectiveness. Young people, who are mostly students need to undertake industry-specific trainings in order to develop themselves more and more. As global competition becomes stiff, the need for ongoing and individualistic training and development seems to be of paramount importance in organizations.

The staffing needs with regard to training in case of special interest tourism are slightly different as location-based knowledge is just not enough. It needs to be complemented with critical thinking, planning, problem solving, etc. Technical craft skills would mean in-depth awareness of the places of interest, adventure tours, etc. Apart from this, employees must be trained in impromptu improvisations while speaking with customers, effective communication and marketing skills.

Presently, ABC functions in a way where much is left to the company regarding how much or how little training they would provide. However, this 'arrogance' or 'ignorance' does not signal a sustainable future and a productive workforce. The company must deploy an "individualistic" approach to reach the quality benchmark and competitive advantage (Legge, 2005).

The idea is to move from human 'resources' to human 'capital'. Through training and development, the people should become the prized assets for the company -- the essential capital to bank upon, not just 'cogs in the wheel'. They must be motivated enough to expend emotional labor and ensure happy customers, by exploring their special interests and designing customized tour packages that are cut out just to meet travelers' individual needs. *Brindusoioia (2013)* rightly points out that the interactions between the customers and tourism staff play a huge role in satisfying and exciting the former to make a purchase decision in taking tours. So, ABC's young workforce responsible for special interest tour packages needs to be trained to 'put customers first' through professional programs and to develop the 'right attitude'.

Self-Reflection as an HR Consultant

As an HR consultant in contemporary corporate environment, I feel that both HRM (human resource management) and HRD (human resource development) must function closely together for creating significant value in organizations, especially in the tourism and hospitality sector, which are service-oriented. Human beings need to be treated more as assets or capitals than as obvious routine elements in the delivery process. Companies need to be more 'people centric' than 'product centric'. Through the research and study conducted during this report, it is understood that underscoring on

the people factor in HRM can be fatal to organizational success. Therefore, the two most important HRM activities like recruitment & selection and training & development must be handled with care. And in that context, extra focus should be given on understanding the young psyche -- what it prefers, how it works, what motivates them to be high-performing and what they expect from their employers. The young are crucial as they comprise a big percentage of today's workforce, more so in the service industries.

I have also realized that the scientific management approach to HRM is gradually becoming passé, giving way to the Harvard model of developmental humanism or the Guest model, both of which consider high employee commitment as a significant HR outcome, embedded in the organization's goals of binding employees to its core values. Unless employees identify their individual values with that of the organization's, they are not adequately excited to engage in strategic business interactions with potential customers and win them over.

Today, tourism is the world's fastest growing industry sector, as well as one of the leading foreign currency earners (*Boella & Goss-Turner, 2013*). However, as I comprehend the situation, tourism faces the most critical challenges compared to other industries too. It has labor issues like high employee turnover rates, poor work standards, and institutionalized pilfering, etc. in many companies. To mitigate these challenges, the industry is gradually changing its overall HRM approach. Companies are adopting more humane HR strategies geared towards greater business benefits with stronger focus on 'people' initiatives.

No matter how big the company, organizational performance will deteriorate if low-skilled, ill-trained or inappropriate personnel produce and sell products and offer services. Therefore, HRM must recruit and select employees through organized methods: defining the job role, attracting applications through diverse channels, selecting candidates through face-to-face interviews and assessing their EQ (emotional quotient), and finally making an appointment. HRM must not stop only at this. It should extend to HRD and adopt extensive training and developmental programs that can enhance both hard and soft skills of the service personnel. It is only through cohesive functioning of the soft HRM practices that special interest tourism specialist organizations can derive maximum benefits.

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