

SPECIFIC LABOR MARKET RISKS IN THE TOURISM INDUSTRY

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Abstract

Risks are considered to be an integral part of the business environment (this being a topic that raises much interest) and analysing their presence on the Tourism Labour Market started with the theoretical approaches drafted by experts, on the nature and the types of risks. Identifying, researching and analysing the risks' particularities on the Labour Market have revealed the sensitivity of the Tourism Labour Market in face of the multitude of factors influencing it. The studies and the office research actions conducted, show the importance of defining a risk management system within the companies in this field. Risk analysis in the field of Tourism is divided and uneven, it focuses relatively and restrictively on risk as a set of negative results that need to be avoided, either by individuals, by legal entities or by those who are in charge of managing touristic destinations. Due to the general framework and to the specificity of the Tourism Industry, identifying the knowledge limits and assessing both systematic and unsystematic risks, are essential for all types of tourism.

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Tourism, through its complexity, defines a dynamic industry that is constantly changing under the effect of the variety of activities carried out and especially of changes on multiple levels. A brief analysis of profile companies highlights fierce competition between firms (in particular small ones), which gives rise to the need for efficient management to successfully cope with these pressures. Efficient management draws attention to human resources as the most important resource, a proven fact in the field of services and tourism as a link between producers and consumers.

Unlike other fields, tourism requires a constant involvement of human resources, the quality of the services offered being dependent on those who offer them on the one hand, but also on the client's involvement on the other, which shows the determining role of human resources both as a provider and as a stimulator of consumption. The growing difference in tourism services lies in the development of human resources and the quality of service.

In the context of globalization and technological progress, the adaptation of personnel to the changes that have occurred is the most obvious proof of the strong competition between companies in the field and how they differentiate

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their offer. It can be argued that the development of a tourism business must be supported by a coherent strategy for the use of human resources focusing on anticipating, assessing and managing labor market risks.

The labor market in tourism faces a series of risks generated by its characteristics¹:

- the nature of tourist demand; it has an uneven character, with seasonal and off-season peak periods;
- the nature of employment; many jobs are temporary, part-time and require a low level of professional training;
- inappropriate management practices and working conditions;
- the important role of tourism workers.

A review of these considerations proves a logical chain and it is necessary to approach them as a whole system from cause to effect. Seasonality leads to low interest of employers in training temporary staff, which results in a limited payment system, but also to adverse effects on the quality of tourism services, leading to inadequate management practices.

To correctly portray the risk situations, other characteristics of the tourism labor market must also be considered:

➤ a direct employee-client relationship with an emphasis on high consumption of “live work”², with a predominant human presence in carrying out activities. The growing trend towards a decline in direct relations due to the introduction of high-performance technologies in the tourism sector should not be overlooked. The new trends cause changes in the role of the tourism employee, who is not being eliminated but rather encouraged to adapt to the new ways of booking, purchasing, etc. and who needs to be in touch all the time with all the relevant changes;

➤ a strong influence on consumer behavior is another characteristic of the staff that through their skills and knowledge stimulate the interest of tourists and determines their satisfaction and loyalty;

➤ the need for a high level of training, with multiple knowledge and constant training of employees, in contrast to those who do not require a certain professional training. Regardless of the required level of training, the phenomenon of globalization produces important changes in the labor market and the development of workers' skills and knowledge can be a risk factor determined by³: the need to acquire new skills to deal with new technologies with emphasis on information technologies; retraining; the role of human

¹ Darren Lee-Ross, Josephine Pryce, *Human Resources and Tourism*, Channel View Publications, 2010, p.12

² Firoiu D., *Resurse umane în turism*, Editura ProUniversitaria, București, 2007, p. 61

³ Becherel L.C., *The impact of globalization on HR management in the tourism sector*, Tourism Recreation Research, 2002

resources in new strategic alliances and groups; new skills needed, correct behavior concerning the modern and experienced consumer;

➤ fluctuation of human resources, an aspect supported by seasonality and the low level of wages for certain categories of personnel, a fact that also causes migration to other fields of activity;

➤ ethnic diversity, the preponderance of young employees, etc.

Risks and their perception in the tourism labor market focus on human resources and their transformation under the impact of external and internal factors⁴: among the external ones are mentioned – legislation, consumer preferences, the economy, demographic factors (population in terms of numbers and financial status), globalization of tourist activities, etc. Internal factors refer to work procedures, organizational culture, medium and long-term strategies, managers and their experience.

All these factors illustrate the impossibility of accurately defining the characteristics of the labor market in the tourism sector, as numerous influences require managers to further study and solve the risk situations, thus created or potential.

From the perspective of the tourism company, we can therefore speak of a *strategic component* represented by risks associated with the human resources strategy, which involves determining the need for employees, the fair ratio of secondary and primary jobs (i.e. the large size of secondary markets), the integration of motivational factors in defining the personnel policy, adjusting the specific processes of human resources for tourism activity, etc. Anticipating these risks relating to personnel policy is important in any organization, though in the tourism sector it has become an essential component in which the company's competitive strategy is juxtaposed with success. Eliminating risky practices or mitigating them is a priority for the tourism worker whose transparent actions demonstrate their ability to meet the demands of the job, being overworked or having major discrepancies between the level of training and the services provided.

Under the impact of the global economic situation, tourism activity suffers a decline in terms of allocated expenditure, in direct relation to the level of income of the population. Thus, tourism changes its importance in consumption, referring to the concept of leisure; less affected is the business one, but in some situations, there are also budget reductions for employee travel. Of course, boosting the tourism industry by diversifying offers and attracting tourists through programs with differentiated budgets (low-cost air travel, last-minute offers, all-inclusive and other offers) are some of the ways to counteract *economic risks*. These reductions also have an impact on the

⁴ Hayes D.K., Ninemeier J.D., *Human Resources Management in the Hospitality Industry*, John Wiley & Sons, 2009

financial situation of tourism organizations of any kind and thus on human resources management.

As a way to face the challenges and risks of human resources, employers turn to one of the human resources development techniques through⁵: *job enlargement* (broadening the area of competencies) - the variety of tasks causes an increase in interest and work motivation; *job rotation* encourages teamwork and new knowledge; *job enrichment* (improvement of responsibilities) increases the decision-making capacity of employees and *job sharing* (division of tasks) favors the fair distribution of tasks and responsibilities.

The particularities of work in tourism have their own impact on risks and as a result, managers must constantly find methods, policies and strategies to identify the sources of risk because human resources and their contribution define tourism performance.

Risk analysis in the tourism industry is fragmented and uneven, it focuses relatively and restrictively on risk as a set of negative outcomes, which must be avoided either by individuals, legal entities or those who manage tourist destinations. Due to the general framework and the specificity of the tourism industry, the identification of knowledge limits and the assessment of both systematic and non-systematic risks are essential for all forms of tourism.

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