Current challenges facing hospitality today tourism essay

Sport & Tourism

Hospitality is the relationship between the guest and the host, or the act or practice of being hospitable. Specifically, this includes the reception and entertainment of guests, visitors, or strangers.

Current Challenges Facing Hospitality Today | By Kirsten Rhode

When looking at current challenges in the hospitality industry, there are several we need to keep an eye on but three we need to focus on. Either by collaboration or by competition we must be willing to change and adapt while still maintaining a focus on excellent customer service and staff retention. This is not as easy as it sounds, as it is a delicate balance, but VITAL if you are in the hospitality industry to stay. When looking at the future and what key findings we should analyze when concerning the hospitality industry, there are two major changes we cannot ignore. First, the ecommerce revolution in the 90" s changed the way consumers think and act when making purchasing decisions. This gave the public a voice and platform to express their likes or dislikes, and with little to no moderator to inspect if and what credence these voices might have. Your potential guests can be from anywhere and anyone has access to voice their opinions, criticisms or praise. Your target audience is changing rapidly and you need to be sure that you are pitching to all audiences, globally. You need to take constant inventory of your staff and their behavior, and make certain it aligns with your brand image. Your hotels image starts before they ever walk in the door. From the booking experience to the follow up after they have checked out, this is something that needs to be embedded in your corporate culture. As they say, one bad apple can rot the bunch, and this is especially true when it comes to customer service. The social media component has become essential to maintaining a positive public image for the hospitality industry, and not just for hotels. Third party providers, vendors, gds channels, travel agents or any online revenue management company in hospitality also must maintain some sort of presence moreover, have a positive image within all forums. Secondly, the dramatic overtaking of Online Bookings by Online Travel Intermediaries (OTA). They charge a lot in commissions and can often be a bit of a bully, but are they a necessary evil? I think the power they have demonstrated they can wield is definitely very intimidating, but with the right balance between rate integrity and designation of room inventory we can all benefit by working together. Hoteliers are becoming a stronger unit, and because our industry is experiencing growth globally again we can all concentrate on maintaining the fundamentals of honesty, integrity and customer service. If we read the current trades, we will see one constant variable; the industry veterans seem to be the leading provider of choice for GDS, Channel Management, PMS, Reporting Tools, Yield Management, Booking Engines etc.… Why? Because, they are going back to the ones they TRUST! The issue here is the element of simple competition - those who embrace efficiencies and maintain high ethics and standards have the strategic advantage over those who don" t. Despite the economy, in Europe we are experiencing double digit growth in bookings. Distribution is moving more rapidly from indirect to direct, so the question is, who will profit from it? The top travel sites like Bookings. com and Expedia are primarily centered around discussion before purchase, this would reflect that their customers are value conscious and studies show much research goes into making a booking, but it is expensive for hotels to distribute inventory in this area. Direct is the cheapest, and should be as simple as possible for customers. Customers usually know who and what they are looking for when going direct to a hotels website, but often we overcomplicate the booking process, which causes us to lose customers. Your conversion rates or look to book ratio should ideally be over 75%, yet many companies still miss the mark on engine simplicity and reliability. Travel Agents use the GDS, so hoteliers can" t forget the importance of content and presence on these channels. Ideally all avenues should display your hotel exactly the same, and maintain your brands image. Research and maintenance on data integrity in every distribution medium is essential, yet so often overlooked in critical areas. Having all of these checks and balances ensures your staff is always aware of public opinion, booking trends, market data and using this knowledge to increase revenue and growth. There are so many tools we can utilize such as reputation management, intelligence reports, trending or yielding tools for example that every hotel brand should be using daily. Knowledge is power, and the more we know about our customer base and how they book, the more we can work together to ensure year after year growth for our industry. Going a step further and embedding a corporate culture that inspires by involving staff in decisions and input, talking to your customers and listening to other industry experts, it" s essential to success. If we look at companies like Apple, Google and Disney they have this formula down to a science in all aspects. From training staff to the exact way customers are to be greeted, to team building and constant research and new innovation, which in turn inspire staff and maintain customer loyalty. We must continue to grow and think outside of the box without losing our core principals. In summation, if we want to change the leaders of the hospitality game, we must change the game but maintain our integrity and honesty, while offering a quality product that works. Are companies ready to be honest again?

Defining the hotels, catering and tourism sector and the scope of the issues paper

The definition of the HCT sector when the ILO Governing Body created the ILO Industrial Committee for the HCT sector in 1980 included:(a) hotels, boarding houses, motels, tourist camps, holiday centres;(b) restaurants, bars, cafeterias, snack bars, pubs, nightclubs and other similar establishments;(c) establishments for the provision of meals and refreshments within the framework of industrial and institutional catering (for hospitals, factory and office canteens, schools, aircraft, ships, etc.);(d) travel agencies and tourist guides, tourism information offices;(e) conference and exhibition centres. In the context of this discussion, it is worth adding that wider definitions of tourism frequently also include the visitor attractions ―sector‖, which encompasses natural, cultural and heritage sites, museums, as well as zoos and theme parks. Such locations frequently include the presence of other related hospitality operations including hotels, restaurants and cafes. The ILO definition of the ―tourism‖ component of the sector includes specific segments of transport, 2 travel agencies and tour operators. Hotels, catering and restaurants are all considered by most organizations to belong to the ―tourism-characteristic industries‖ and are therefore subsumed under tourism. 3International tourism includes business and professional travel, visiting friends and relatives, religious travel, and health treatments of travellers crossing a border and spending one or more nights in the host country. The hotel and restaurant subsectors analysed in this paper include data and information about accommodation (hotels, boarding houses, motels, tourist camps, holiday centres, resorts and youth/backpacker hostels) and wider hospitality (restaurants, bars, cafeterias, snack bars, pubs, nightclubs) and other similar establishments. A conceptual framework that links a comprehensive reconciliation of tourism data and macroeconomic analysis known as the Tourism Satellite Account (TSA) 4measures the contribution of tourism to a State' s economy and its GDP. The TSA also provides a complete picture of tourism' s true impact in generating employment. The UNWTO notes that the TSA5methodology was developed in association with the UN Statistics Division, Eurostat, OECD and the ILO. It is also an instrument to support countries in developing their own system of tourism statistics (see Appendix I). The ILO has been cooperating with those organizations in response to the mandate given by the Tripartite Meeting on the Effects of New Technologies on Employment and Working Conditions in the Hotels, Catering and Tourism Sector in 1997, aiming to provide a methodology for the production and presentation of tourism-relevant labour statistics to supplement the TSAs.

Impact on HRD, qualification and skills development

The impact of ownership changes in the sector varies from country to country and islinked to diverse corporate structures and business methods. The consequences may differ from little or no impact to important effects on the workplace. Workers are concerned that changes in ownership and management structure could have a negative impact on their employment and industrial relations. They fear that ownership changes may result in some employers avoidance of their responsibilities, shorttermism and the pursuit of excessive profits in response to pressures to cut wages and expenses and regulate cash-flow management. Collective bargaining was affected by increasingly complex and less transparent employment relationships combined with management priorities (e. g. ―short-termism‖ and high cash payouts to shareholders). According to EFFAT members, the sale of certain InterContinental operations based in Amsterdam, Budapest, Frankfurt, Cannes, Madrid, Rome and Vienna to Morgan Stanley Real Estate Fund and the resulting management change led to staff outsourcing and to the loss of the EWC mandate. 14 The impact of changes in ownership and corporate structures on workers can be seen in Europe where employees of transnational companies have the right to be informed and consulted by central management in their own EWC. 15As an example, Starwood Hotels & Resorts (Sheraton, Westin, Méridien, Four Points) has hotels in 23 EU Member States. However, EFFAT reports that only seven of the 23 countries are represented in the EWC. Hiltons‘ renegotiated EWC agreement would further exclude managed and franchised hotels from the scope of the agreement, which would represent a decrease in EWC coverage from 22 to ten countries. Another workers‘ concern relates to growing employment insecurity. This can result from frequent and rapid ownership changes mainly focused on short-term performancedriven demands. Maximum flexibility may be required due to rapidly changing ownership, leading to restructuring, outsourcing or casualization to cut costs. This can make it difficult to ensure continuity of employment terms and conditions. Workers also fear that values and mission statements articulated by global chains are often not transferred into practical application in hotel workplaces. As transnational hotel chains are using more and more ―asset light‖ strategies, a substantial proportion of staff working in international brands are often excluded from information and consultation rights beyond the local level. Among these strategies for example are moving from ownership and leasing of hotels to management and franchise contracts, outsourcing or subcontracting major parts of the enterprise. In response, employers are encouraged to reiterate the importance of social dialogue within the sector, enhance training programmes and skills development, promote sustainability and decent work, improve working conditions (including working time and wages), and measures in favour of SMEs and youth employment. 16 Ownership changes in hotel properties might not automatically lead to changes in the workplace. Continuous recognition of existing collective bargaining agreements and trade union involvement in the restructuring of the workplace can optimize the changes and turn them into positive outcomes, such as maintaining jobs and securing investments in case of bankruptcy. Key ownership changes in the hotel sector are not wholly mirrored throughout the wider industry. These developments have major implications for work, in terms of the numbers employed, roles that they play and the locations of their workplace. Likewise, the very significant SME sector, while it may have declined slightly in some countries, has largely remained outside of the trend toward centralization and alternative ownership structures. Some operations have instead allied themselves together through marketing consortia such as

Leading Hotels of the World and Best Western without compromising their ownership status.

Impact on HRD, qualification and skills development

Diversification and new tourism products are greatly influenced by demographic change. At the European level, an increasing trend towards new and hybrid occupations has been observed, which reflects the nature of the new products offered by the market and the increasing role of ICTs. As a result of such change, a generation of better informed and technology-literate consumers could benefit from ICTs in order to seek more sustainable and environmentally friendly destinations. On the basis of this behaviour, demand for green tourism products will also continue growing. Demographic or generational change has also affected the access to and use of information. Consumers are making their demands more urgent and expect convenience and prompt action anytime and anywhere. Since the advent of enhanced use of ICTs, tour operators‘ functions have also changed: future research on the impact of ICTs on tour operators would assist in developing advanced job-skill training for workers to adapt to new technologies. Higher demand for wellness and medical tourism and the widespread use of ICTs creates a need for multitasking, something that has long existed in the SME sector. Instead of operating within the traditional tourism environment (e. g. encompassing housekeeping and food service), multi-skilling may require work that impinges on areas such as fitness, beauty and care to cater more specifically to a female clientele. Therefore, medical and wellness tourism requires specific skills from employees within the HCT sector. Hotels linked to hospitals or spas will respectively need people with knowledge in medical and wellness services. In terms of ICT, there are increasing expectations across all areas in the industry for all employees to be ICT functional in addition to their core responsibilities. Ultimately, they are expected to be able to adapt and adopt new technologies in every aspect of their work. Concerns have been raised about the consequences of these new knowledge expectations and skills requirements for the sector. Will outsourcing be required to update employees‘ skills to new demands? Will professional trainers specialized in medicine and wellness be necessary to train employees? Some workers readily adapt to multitasking while others have difficulties making this transition. Because consumers today expect highly qualified and motivated employees, continuous training and skills development is needed and expected in all areas of the sector. The skills required in the sector are transversal (e. g. language and communication, customer orientation, ICTs). Development of worker abilities through quality education, training, multi-skilling and the impact of lifelong learning are as important in assisting workers to find good jobs as they are for enterprises to find competent workers who can respond to consumer demands. Additionally, the demand from other branches of the economy that offer better working conditions might facilitate mobility and be one of the causes of high turnover in the industry.

Sustainability – Key for economic growth, employment creation and decent work

Sustainable development

During the World Commission on Environment and Development in 1987 (Brundtland Commission), sustainable development was defined as

—development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainable tourism

Sustainable tourism is composed of three pillars: social justice, economic development, and environmental integrity. It is committed to theenhancement of local prosperity by maximizing the contribution of tourism to the destination' s economic prosperity, including the amount of visitor spending that is retained locally. It should generate income and decent employment for workers without affecting the environment and culture of the tourists' destination and ensures the viability and competitiveness of destinations and enterprises to enable them to continue to prosper and deliver benefits in the long term. In this sense, development should be a positive experience for local populations, tourism companies, workers and tourists themselves. However, the influx of tourists does have an influence on local cultures, whether positive or negative. Exposure to other cultures and norms may in fact create awareness and tolerance, just as it can create tensions and mistrust.

Summary

In some respects, the employment landscape in the HCT sector, particularly in relation to training and development, has not changed radically as a result of recent economic turmoil. Notwithstanding the complexity, fragmentation and diversity of the sector, it has long been recognized that education, vocational training, training upgrades and HRD are key requisites for the operational effectiveness of the sector. Nevertheless, workers tend to have limited professional qualifications and, except among large operators, opportunities for on-the-job training could generally be enhanced, in particular for women employees who have long been in the lower echelons of the industry. Because the competitiveness and productivity of the industry depends on the skills level, the professionalism, the commitment, passion, loyalty and soft skills of the workers, training and skills development remain a priority within the sector. The challenging work environment presented by HCT also enhances the value of social dialogue in the workplace and, where such processes are formalized, they create real opportunities for constructive collaboration within major HCT companies. At the sametime, the central role of SMEs within the sector makes the application of universal and formalized social dialogue difficult to achieve; new and creative forms of social engagement need to be developed to match the operating reality of the small HCT company. This could take the form of regular consultation between owners/managers and workforce representatives as well as surveys of employee satisfaction and attitudes in order to highlight worker concerns. The HCT industry worldwide is one that offers tremendous opportunity for decent work and is one that is projected to grow significantly over the coming decade, notwithstanding the current financial crisis. The present time provides an excellent opportunity for effective engagement by government, employer and worker representatives in addressing both the opportunities that the sector affords and the workplace challenges that it faces. Effective social dialogue, tailored to the realities of all operations within the HCT industry, offers a great opportunity to address the challenges of employment growth; changing demographic profiles within the workplace; sustainable practice; skills development; and decent work. The question, therefore, is: how can meaningful social dialogue be implemented within HCT workplaces in ways that are relevant and accepted by all parties in both large multinational companies and within the SMEs that dominate the industry in many countries?