

## HUMAN RESOURCES IN TOURISM AND HOSPITALITY CASE STUDY: HUMAN RESOURCES IN ALBANIAN TOURISM

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### **ABSTRACT**

*The purpose of this article is to show the vital need for human resources in tourism, the contact of the employee with the customers and the direct influence purchasing a service. Albanian potential tourism sources, the foreign request for this destination and also the situation of human resources in the tourism industry. The improvement of the quality of human resources being key factor to succeed in this sector. In this article will consider the request for the Albanian tourism destination also the quality of human resources in this sector. It will be shown how obvious is the influence of seasonal work in human resources skills and competencies in the tourism sector, a factor which shows that tourism services management must fix this gap by relative improvement and the right training methods.*

**Keywords:** *tourism, human resources, employment, Albania, new destination, hospitality.*

**JEL Classification:** *L83, O15, E24, J23*

### **1. Introduction**

The Tourist concept is given as a person traveling outside its area of residence for a period not less than 24 hours and more than 12 months, whose purpose is other than to pursue a paid activity.

This movement activity has been done long ago, but it is noted that in the last century, especially after the Second World War tourism has grown into a multi-billionaire industry contributing to global GDP by about 9%. The main factors that stimulated and continue to stimulate this activity are the permanent desire to travel, revenue growth, free movement of people, facilitation of the transport methods, leisure etc.

Human resources are represented by all employees who produce goods and services to cover market needs in exchange for a sum of money. The need for human resources is present in any field especially in tourism, where resources are continuously in direct contact with customers, and directly influence their buying decision. According to *WTTC 2014 annual research [2]* worldwide in 2013 were created over 260 million jobs about 8.9% of total jobs worldwide, a figure that is growing.

Regarding to Albania in 2013, from the total population of 2.9 million 15% of total employees were in tourism and its represents a number of over 147 thousand people, a number that is steadily growing, since Albania is a emerging country that and has a promising tourism potential. Human resources of the Albanian tourism training levels are somewhere below average, salaries as well direct influencing motivation being between 200 \$ -300 \$ / month. But what is to Albania observe in Albania is the fact that most hotels, restaurants etc. are operated by owners and family members what in my view is a main factor which represents the Albanian warm hospitality.

### **2. Human resources in tourism and their importance**

"In any travel agency will meet a trained staff of professional point of view to meet the demand of tourists and maximize at the same time the relationship between supply and demand." [3]

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In the local, regional and worldwide economy one of the most important sector is tourism, having major implications in the economic, cultural and social development of all parties involved in this activity. Human resources are represented by all employees who produce goods and services to cover market needs in exchange for a sum of money. Human resources are needed in any field, as well as tourism. Employees are very important in a travel agency, by being in direct contact with customers; they represent the company and promote it. The human resources must be well trained, have good communication skills etc. The main role of employees in a travel agency is to develop and provide tourism services. Therefore for an agency, the key to survive in the market is the way tourism products are designed, a good development of this activity would mean an increase in sales requests.

The importance and vulnerability of human resources in their role to establish a connection between tourists as being a consumer of travel services is a vital segment in tourism management. The quality of human resources depends directly on how their perception, level of education and training as well. Where the quality of tourist Services is affected directly from the quality of human resources and the level of competition in the tourism sector.

Although there is an increasing demand in this sector there is a challenge in hiring personnel with the skills, competencies and cognitively necessary information. In this regard the improvement of human resources quality will directly influence increased competitiveness in the tourism sector. Affinity for travel and tourism as an important indicator of competitiveness depends on the openness of domestic tourism to visitors and foreign population.

Natural resources are key factors in the development of tourism. These resources represent a portion of a competitive advantage compared to other countries. From this perspective in tourism competitiveness of a country indicates the ability of these countries to provide visitors safe access to their natural resources.

Measurements of competitiveness in the tourism sector of a country must take in consideration its natural, cultural and human resources in order to improve services offered it is essential to develop highly qualified human resources. What more researches [4 p. 267] confirm is that the tourism sector operates at the moment with a labor force insufficiently both educated and qualified.

In plus to the seriousness of this issue, is confirmed that if "new" methods in human resource development are not approached and implemented the predictions will be confirmed in this sector therefore the problems will reappear. Since the tourists are more educated and have higher income also the volume demanded of high quality service is very big, but to succeed and satisfy the tourist need the human resources management must adjust to these activities in tourism based functioning motivation and skills [5 p. 267]:

- Assessment and evaluation of staff performance
- Effective communication staff
- Rewards and excellence initiatives
- Responsibility staff

Effective implementation of these activities should be according to the increase of the employment force and tourism development. Additionally the tourism development will indirectly ensure the creation of new jobs in many other industries.

The tourism industry [6 p. 393-394] continuously contributes in increasing the number of employees of each country's economy in many ways; we can mention direct employment in travel agencies, airports and transport companies in the hotel business etc. Also indirectly increasing demand, leads to an increase of employment in other sectors such as Industrial, crafts, agronomy, commerce etc. and induced contribution to increasing the standard of living of employees in tourism.

Tourism is a growing sector in the economies of many countries. Besides the fact that tourism has a significant impact on GDP growth of each country, tourism is also one of the most important industries globally.

### **3. Albania's tourism potential and the human resources operating**

Albania is located in southeastern Balkans, is one of the smallest countries of the peninsula with a total area of 28,748 km<sup>2</sup> (although modern Albanian territories is not equivalent what their ancestors **Illyrians** had before them) of which 27 398 km<sup>2</sup> are earth and 1350 km<sup>2</sup> are water. It is bordered on

the south-east side by Greece in the north by Montenegro and Kosovo northeast, and by Macedonia on the east, and on the west are positioned the Ionian and Adriatic Sea. Albania has borders of 717 km, 362 km of which are coastal borders.

The climate is continental in the north and east of the country, and in the western, south side a Mediterranean climate, offering the most beautiful beaches in the summer on the Ionian and Adriatic seas, but in winter, due to mountainous relief, Albania, is considered one of the most mountainous countries in Europe (nearly 75% of the territory is covered by mountains with the highest peak Korabi mountain 2751 m) offering its most beautiful alpine destinations. The most famous being Voskopoja, Theth, Lugina e Valbonesi, Mount Dajti, Dardhe tourist village, Vermosh, Llogara etc.

Although Albania has a remarkable alpine tourism potential this form of tourism is still in a state of slow development. The main causes being:

- *Poor infrastructure*, according to Aida [7] (Albanian Investment Development Agency) Albania has about 20.000 km of roads of which 1007 km [8] are the main highway that connects north to south. What is to be appreciated is that in the last year respectively after the parliamentary elections of June 23, 2013[9] were finalized most roads that were under construction for more than 2 or 3 years.
- *Lack of human resources* in mountainous areas, considering that Albania was a communist country until 1990 respectively with a low level of living. Leading to a massive emigration, even after the revolution more than 900,000 people immigrated illegally to Italy although until the moment nobody knows the exact number of immigrants, because many lives were lost in marine overloaded shipments. Mountainous areas suffer the most due to this fact, with few available human resources and poorly trained. Being a seasonal work employees are obligated to emigrate six months of the year in order to earn their living for the rest of the year working in another sector other than tourism (mainly working in construction).
- *The serious lack of international promotion*, promoting Albanian tourism potential in the last 24 years was low but was worse promoting the alpine zones. By 2013 Albania slogan was "Albania a new Mediterranean love" but promoting the slogan itself was not very active abroad. What is appreciated is that the government organized a campaign in 2014 called "Branding Albania" [10] where international companies such as CNN and others may propose to the government a comprehensive plan to promote Albania internationally with detailed budget, Communication strategy, plans and materials used for advertisement and promotion during the campaign. To the project "Branding Albania" was allocated the largest budget in the last 23 years since the opening of borders.

With regard to the coastal tourism, the majority of the attractions are located in the southwest area, the areawith the most beaches and small islands. Saranda, Vlora, Durres, Velipoja, Dhermiu, Jala, and the famous islands of Ksamil are most visited by the foreigners and the domestic tourists.

**Table 1**

	2010	2011	2012	2013
Total	5.577.929	6.682.592	7.134.651	7.045.230
Albanians	3.160.592	3.750.460	3.620.685	3.789.242
Foreigners	<b>2.417.337</b>	<b>2.932.132</b>	<b>3.513.666</b>	<b>3.255.988</b>
Vacations	1.643.254	1.255.887	1.582.897	517.922
Business	47.223	42.812	41.967	49.863
Transit	174.468	396.813	287.206	178.297
<i>Other</i>	552.392	1.236.620	1.601.596	2.509.906

Taken from the website of National Institute of Statistics of Albania purpose of entering the country

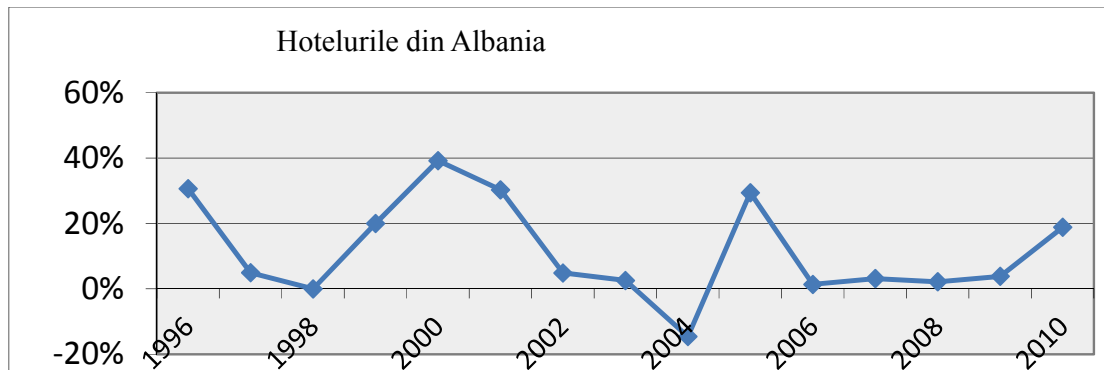
In the table nr. 1 It is noticed that the arrivals of foreigner tourists is a growing where in the last two years exceeds the total population number, of about 2.9 million[11]. Tourist arrivals for 2013 were somewhere over 6 million [11] people, of whom 3, 2 million are foreigners. What is to be observed is the purpose of entry into the country where over 2.5 million mentioned that their purpose to enter the country would be other than holidays, business or transit.

**Table 2**

	2010	2011	2012	2013
Tourists	255255	317400	249.947	223.811
Foreigners	73.921	135.768	149.464	118.128
Overnights	609.909	800.130	590.645	394.279
foreigners	185.369	355.636	352.788	215.588
Av. length of stay	2,4	2,5	2,4	1,8
<b>Foreigners</b>	<b>2,5</b>	<b>2,6</b>	<b>2,4</b>	<b>1,8</b>

Processed by the author from data taken on the website of the National Institute for Statistics of Albania regarding accommodation

Taking into account the number of overnight/foreign tourists from table no.2 from my point of view I think it is clear tax evasion action in the accommodations category considering that for 2013 came in to the country over 3 million foreign tourist of which over 500 thousand declared at customs that the purposes of inbound was holidays. So at the hotels for 2013 were accommodated only 118 thousand of the foreign tourists from the total of 3 million. I think that a part of this tax evasion is created by the human resources in hotels, scenario no. they where are ordered to release any invoice to the clients only if requested and scenario no. 2 owners and family members respectively running the hotel not executing any invoice for the client both foreign and domestic. A tax evasion issue which contributed to the gap of \$ 100 million [13] (only during November 2013 - November 2014) to the state budget.

**Chart no. 1 Rhythm of growth of hotels in Albania**

As mentioned above Albania is a very small country compared to Romania has an area of about 10 times smaller. It had in 2013 a number of 768 accommodation spaces compared to the 5,000 hotels in Romania. What's seen in the chart above is that the number of hotels in Albania has changed drastically in the period 1996 to 2013 also the need for human resources being disproportionate.

Majority of these Accommodation spaces are positioned in south western country area excepting hotels in the capital. The number of hotels in Albania after the revolution was in a slow increase having a total number of about 100 hotels. But that number has dropped dramatically in 1997 during which Albania has gone through a civil war forcing owners to abandon their properties to immigrate to foreign countries especially, Greece.

In 1998 after the civil war many emigrants returned home and began to reopen hotels, human resources and the demand for accommodation were weak obliging the owners to manage their hotels on their own and family members. Therefore being no need for extra human resources form the "outside".

Until 2000 the number of hotels had an increase but directly during the next period until 2004 occurred a few severe drops due to emigration, mostly of the hotel owners moving to the neighbor country Greece where at that time was in a economic boom due to games Olympics which were to

take place in 2004. At that time an employee's salary in Greece was over 1500 Euro net. After the 2004s is observed a spur explosive growth, in the number of hotel opened just in two years, which is justified by financial sources gained in emigration.

<b>Hotels an capacity</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Hotels</b>	736	735	768
<b>rooms</b>	14328	14634	14652
<b>places/beds</b>	25112	28672	32004

Processed by the author after the data available on the National Institute of Statistics of Albania website

Since 2006 to the present increase of hotels number in Albania is slow in 2013, reaching a total of 768 accommodation spaces as shown in Table no.3. But what is admitted form the National Institute of Statistics of Albania is that this number is not exact because of individuals operating in the hospitality industry unlicensed respectively illegal factor that influences also the number of employee in the hospitality industry by not having a licensed business surly can't have insured employers therefore damage more the state budget and the economy respectively the tourism sector.

Regarding to the population of 2.9 million in 2013 Albania's unemployment rate was 13.6% for about 143,947 people who had a working age were looking for a job couldn't find one. According to WTTC 2013 147thousands people were employed in tourism having a rate of 15.2% of the total employed population, we can say that although the population working has a experience level below average, traditions and the hospitality of the Albanian people made possible to please every tourist as their own guests.

From my point of view, the importance of human resources result from the place that services occupies in the hospitality industry. The company's success depends to a great extent by the quality of human resources and how they performed various activities of the organization. Respecting the principles of management, is an essential requirement for businesses in this area. The importance of human resources is also linked with their large share in the costs of the hospitality industry. Worldwide, businesses in this sector pay 25% of the total income to the works, in the catering sector workers and costs increase by 40%.

#### **4. Conclusions and suggestions**

The role of human resources in tourism is crucial, from my point of view tourism was, is and it will be the only industry in which the main processes cannot be automated. The service offered by human resources being the main component in the tourism sector, indifferently how much with the technologies will evolve in my opinion; tourist would choose to be served every single time from human being rather a robot referring. But keeping in mind that it is inevitable the automation of some processes such as: purchasing travel package online, check-in online, booking theater, cinema, museums etc services could not have offered to every guest whether if these services would not have been automated.

In the tourism sector human resources are the main key factor that influences development, having in mind the low experience and quality of the Albanian human resources in the tourism sector, this paper focuses mostly on the quality of these resources and their impact on employment.

Finally we can say that Albania has a high number of unexplored Attractions, in the last five years began high accesses of these attractions by the foreign tourists as shown in Tables above. Albania's tourism market continues to grow we can observe that year after year more tourists wishing to travel to Albania, being a new destination is considerate by Lonely Planet Europe's last secret, unlike experience.

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