

EMPLOYEE SKILLS DEMAND IN THE HOSPITALITY INDUSTRY: SEASONAL VS. NON-SEASONAL TOURIST DESTINATIONS

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Abstract

Tourism in one of the fastest growing economic sectors, with high job creation potential and one of the main drivers for national economies' recovery after the 2008 global economic crisis. According to World Travel and Tourism Council (2019), at a global level, the tourism sector accounted for 10.4% of global GDP and 10% of total employment. Social circumstances, the geopolitical strategies and the new technologies are considerably changing supply and demand of the sector, which means that the needs of the hospitality industry, which has to please more experienced and demanding travelers, must be investigated and fulfilled by the competencies and skills of the tourism workforce. These changes determine a need for skills forecasting. Moreover, it is essential to also identify the current gaps in the training and aptitudes of the workforce in the hospitality industry. The purpose of this scientific approach is to determine the requirements of four and five stars' hotel managers in terms of competencies of their employees. This paper was based on the hypothesis that both employers' satisfaction and the skills of the employees differ weather the tourism facility they work in or are in charge with is based in a destination affected by seasonality or not. A comparative approach on two Romanian tourist destinations with different seasonal patterns, Bucharest, capital city and Mamaia, a seaside resort from Constanta city, was adopted by this paper, in order to identify and discuss the specific requirements of tourism businesses from each location. While the main results of this scientific approach show a drastic negative impact on the employee's qualification, the main conclusion of the paper reveals the necessity of the tourism industry of a targeted curriculum on its needs, jointly developed by educational facilities and tourism businesses.

Keywords: *Tourism workforce; skills forecasting; seasonality; employment; tourist destination; skill gaps; hospitality industry*

JEL Classification: *Z30, Z31, Z32, L83, M53*

Introduction

Sustainable development of tourism is a challenge: as this sector is continuously expanding, it is crucial that development is achieved through skilled workforce, which will contribute to reducing the negative impact tourism has on the environment, local communities and everyday life of the locals (NTG, 2019).

New technologies lead to a digitalized world with a strong connectivity among societies and markets. Companies from different industries, including tourism, need to adapt to change and continuously embrace new trends in order to remain relevant in the market and gain competitive advantage.

According to the World Economic Forum (2016) most of the occupations today did not exist in the past, not even five to ten years ago, and this is partially due to digitalization, which raises the need for technical skills. In his speech during a ministerial debate on education and employment, held in the framework of the General Assembly of UNWTO, on the 12 of September 2019, in Saint-Petersburg, Russian Federation, Mr. Pascal Lamy, the Chair of the World Committee of Tourism Ethics, said that "the good news is that people don't need to learn intellectual intelligence, but rather emotional intelligence and this can only be accomplished through early training" (World Economic Forum,

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2016). In other words, even though the new technologies can take over many of the jobs performed by people so far, in the case of the tourism industry, personal skills that cannot be replaced by machines and gadgets will continue to be necessary. This is because tourists demand and enjoy human interaction in their trips, as a key component of their travel experience.

To cope with these changes, the workforce in the tourism and hospitality industry clearly needs specialized training that covers a combination of digital, cognitive and socio-economic skills, plus the ability to engage in self-learning, in order to be able to adapt to new situations through permanent education (Cedefop, 2018). The European Centre for Development of Vocational Training noted that higher qualification will be needed and that 48% of the job opportunities from Europe will require qualifications of tertiary – level (Cedefop, 2018).

When discussing the ongoing changes that determine a need for skills forecasting, it is crucial to firstly identify the current gaps in the training and aptitudes of the workforce in the hospitality industry, especially when the focus is on new practices in tourism, a sector that is continuously expanding (NTG, 2019). As a result, the tourism industry needs to be discussed in an inter-sectorial manner, as it influences and is influenced by other industries, it creates new job opportunities, but at the same time is affected by an enhanced mobility of workforce in the sector (NTG, 2019).

This scientific paper begins with a literature review that presents the need for skills in the tourism and hospitality industry. Based on the hypotheses that the seasonality feature of a tourist destination affects both the workforce qualification and employers' expectations and demands, the study then adopts a comparative approach, aiming to assess the differences and similarities between the employee skill requirements in 4 stars' hotels located in two different cities in Romania: Mamaia, a holiday resort from Constanta, seaside city, where tourist flow is seasonal and Bucharest, capital city, where the flow of visitors is not so much influenced by seasonality. The question is, to what extent does the seasonality of a destination influence the skills of the hotel employees? Qualitative primary research will be used as the foundation of the comparison. The analysis will be based on the results of six in-depth interviews with professionals in managerial positions from the tourism industry: three representatives of 4 stars' hotels in Mamaia and three representatives of 4 star' hotels in Bucharest.

1. Literature review

Tourism is one of the strongest drivers for economic growth, contributing to the exploitation but also preservation of the natural and cultural heritage of the tourist destinations all over the world, proving its resilience for national economies after the 2008 world financial crisis (Competitiveness Council Conclusions, 2019). The European Tourism Manifesto stated that tourism “promotes an awareness of a common European identity and citizenship distinguished by its diversity (European Tourism Manifesto, 2017).

In a communication of UNWTO regarding the theme of the World Tourism Day for 2019, “Tourism and jobs: a better future for all”, the value of tourism in job creation is often not recognized at its actual magnitude, even though it is the generator for 10% of all jobs in the world, with great potential for women and youth employment and also included in Sustainable Development Goal 8, for having decent work creation potential (UNWTO, 2019). The same communication mentions the influence technology has over tourism jobs and the necessity to corroborate the needs of the employers in the tourism industry and the skills that individuals are trained to acquire.

While at global level, as stated before, tourism contributes up to 10.4% of global GDP and 10% of total employment, or in real numbers 319 million jobs in 2018 (WTTC, 2019), in Romania, the labor force employed in tourism is about 208.500 employees, representing about 2.5% of the total jobs in 2017, according to World Travel and Tourism Council data (WTTC, 2018). Although tourism employment in Romania reaches only a quarter of the one at global level, this percentage cannot be neglected when discussing the training and stimulation of the workforce in the field of tourism and hospitality.

Even though the international arrivals are expected to grow from 1,3 billion in 2017 to 1,8 billion in 2030 (UNWTO, 2011), the tourism industry is subject to change in the future as today, we are in the

face of the beginning of the Fourth Industrial Revolution according to the World Economic Forum (World Economic Forum, 2016) and also in the face of a global sanitary crisis with direct negative impact on travel. The effects of digitalization on the sector are radically transforming the supply and demand in tourism, OECD defining four megatrends that are having an impact on the tourism development until 2040: evolving visitor demand, sustainable tourism growth, enabling technologies and travel mobility (OECD, 2018).

The arrivals of foreign tourists in Romania has registered a constant increase in the last 5 years, official sources indicating an increase of 34% between 2015 and 2019. Moreover, official sources also indicate a steady growth in the total number of tourist arrivals (both domestic and foreign) in both Bucharest and Constanta, the objects of comparison in this paper (table no. 1).

Table 1. Tourist arrivals in Romania between 2015 and 2019

	2015	2016	2017	2018	2019
Total	9.890.000	10.917.400	12.056.300	12.809.900	13.268.800
Foreign tourists	2.234.500	2.471.400	2.749.300	2.785.400	2.671.700
Domestic tourists	7.655.500	8.446.000	9.307.000	10.024.500	10.597.100
Bucharest	1.723.999	1.926.919	2.043.970	2.080.229	2.038.858
Constanta	1.021.475	1.162.958	1.235.542	1.312.418	1.380.607

Source: Romanian National Institute for Statistics, Press Release no. 26/03.02.2020,

Press Release no. 25/01.02.2019, Press Release no. 25/02.02.2018, Press Release no. 25/02.02.2017

According to the Blueprint for sectorial cooperation on skills in tourism, the sector is the main employer of migrant and part-time workers, women (58% of employees in tourism activities are female workers) and young workforce (13% of people employed in tourism field are under 25 years old), tourism being one of the entry points for young people to the labor market (European Union, 2017). This could be a strong argument for paying more attention to proper and constant education and vocational training directed towards acquiring tourism skills, starting from an early age.

Even if the sector is developing and as shown above the international arrivals register a positive trend, the businesses in the sector, especially the SMEs, face difficulties in finding and retaining skilled employees, for various reasons: negative perception of a job in tourism, seasonality, gaps in traditional skills such as the capacity to speak foreign languages, communication abilities and interpersonal skills, the emergence of new tourism occupation sectors, as this industry is expanding and changes due to the evolution of digitalization that requires new skills, but also a mismatch between the education providers and the employers' and tourists' expectations (European Union, 2017).

Tourism jobs perception

The hospitality industry worldwide faces the challenge to attract and retain quality workforce, resulting into a shortage of skilled staff in an industry in which the number of businesses keeps on growing. The reasons behind the bad perception of a job in tourism consist in fewer promotion and career opportunities, the level of the salaries and the instability of the job caused by the seasonality (Richardson, 2008).

Skills gaps

According to the specialty literature studied, hard competencies consist of a combination between cognitive and/or technical knowledge and skills and soft competencies consist of communication, interpersonal, leadership skills, ethics and behavior attributes. Hard skills are learned through training and soft skills are related to one's attitude and emotion (Sisson, 2013).

Digitalization

The information and communication technologies have made important changes over the tourism industry's supply and demand, making their mark over the development, marketing and distribution of tourism products and destinations, in an informed and connected world of travelers (Zelenka, 2009).

Education supply and industry demand mismatches

The quality of the services provided by a tourism company is critical for its success. Different approaches exist in the field of hospitality education, some opting for vocational training, others for academic training and the rest for a mix between these 2 methods of learning (Christou, 2013). The literature reviewed on this subject showed the need for curricula review, in order to adapt it to the new social challenges and stakeholders' needs (Johanson et al., 2013).

Seasonality of tourism

Seasonality is translated into swings in the level of supply and demand in the industry of tourism, because of weather conditions, holidays and school breaks (Chung, 2009). Seasonality in the cycles of demand causes problems for the management of businesses, especially the small ones. Because of the fluctuations in sales and business operations as results of seasonality, the profits of a business and the employment situation in the destination are affected (Shields & Shelleman, 2013).

A seasonal pattern destination makes it difficult for an employer in the tourism field to hire a person as a full-time employee (Pearce, 1989) so as the employment rate in off-peak season decreases compared to the one in the peak-season, so the potential workers have the tendency to leave the destination in favor of a stable job in another place, shrinking the population of potential employees in a location (Szivas et al., 2003). With this being the case, arises the question if seasonality affects also the qualification level of the tourism workers in a destination with a strong seasonal pattern. Are the expectations from the employees of a tourism business different, according to the region's seasonality?

2. Methodology

Based on the hypotheses that not only employers' expectations but also employees' skills are different based on the seasonality feature of the destination they work in, this research paper adopts a comparative approach, aiming to identify, analyze and explain differences and similarities between the employee skill requirements in 4 stars' hotels located in two Romanian cities with different seasonal patterns: Mamaia, a holiday resort from Constanta, seaside city, where tourist flow is seasonal and Bucharest, capital city, where the flow of visitors is not so much influenced by seasonality. Comparison has been chosen as the main primary research tool as it can lead to "fresh, exciting insights and deeper understandings of issues that are of central concern in different countries" or in this case, different cities from Romania (Gilbert & Stoneman, 2016, p. 182). Moreover, comparisons can support with the "identification of gaps in knowledge", as well as reveal new "possible directions that could be followed" (Gilbert & Stoneman, 2016, p. 182).

Published literature distinguishes five practical steps of comparative research, all having been considered in the present study:

1. Firstly, comparison involves the contextual descriptions of differences and similarities. This is visible on a basic level when describing essential elements of the two cities discussed in the paper (size, inhabitants, tourist arrivals), as well as on a more complex level in the interview analysis, where common themes are identified, then discussed in parallel, emphasizing similarities and differences between the two cities (Esser & Vliegthart, n.d., p. 4).
2. The second step in comparative research is recognizing functional equivalents, or, in other words, making sure that the objects and concepts of analysis are comparable. (Esser & Vliegthart, n.d., p. 4). This has been done through the choice of hotels (4 and 5 stars' hotels from both cities), the choice of interviewees (all in managerial positions), as well as the use of structured interviews, which ensured consistency of topics across all six interviews.
3. The third step is establishing classifications and typologies. This is particularly visible in the results discussion, where the interview responses are analyzed in parallel, helping classify the

common themes from the two cities based on the similarities and differences resulting from the interviews (Esser & Vliegthart, n.d., p. 4).

4. The fourth step is the explanation of what has been described and classified, also visible in the results discussion.
5. Last, but not least, the last step is the confirmation of hypotheses, present in the concluding chapter of this scientific paper (Esser & Vliegthart, n.d., p. 4).

Qualitative primary research has been used as the foundation for the comparison. The analysis is based on the results of six structured interviews with professionals in managerial positions from the tourism industry: three representatives of 4 stars' hotels in Mamaia and three representatives of 4 and 5 stars' hotels in Bucharest. Structured interviews have been chosen in order to ensure consistency of themes across the six interviews, which was vital for an efficient comparison – as earlier argued, recognizing functional equivalents is a key element of efficient comparative research (Myers, 2013). In the interview guide we envisaged the main topics of this research, employers' expectations in terms of tourism workforce qualifications, employees' skills and also the impact of destination seasonality on the previous two. Thus, the questions were meant to gain a deeper contextual understanding of the research topic, by allowing the respondents to express themselves at length regarding organisational details of the hotel they represent, main difficulties encountered among tourism workforce, skills forecasting with a 5 year horizon, seasonality impact on employees' motivation and qualification, but also how employers' expectations should be different when talking about hotels in tourist destinations with different seasonality patterns. Table no. 2 below provides an overview of the hotels referred to in this analysis.

Table 2. Overview of hotels used for comparison

HOTEL	BUCHAREST (Less seasonal)			CONSTANTA (Seasonal)		
	Intercontinental Bucharest	Grand Hotel Continental	Le Boutique Hotel Moxa	Hotel Del Mar Mamaia	Iaki Conference & Spa Hotel	Hotel Zodiac
NUMBER OF STARS	5*****	5*****	4*****	4*****	4*****	4*****
NUMBER OF ROOMS	257	59	52	90	122	19
NUMBER OF EMPLOYEES	195 full time + casual employees	72	26	50	109 full time – 150 in summer	19 full time, 25 in summer
REPRESENTATIVE POSITION	Area Director Eastern Europe	General Manager	General Manager	General Manager	General Manager	Administrator

Source: Author's own

The table above shows that the hotels analyzed are all on the same standard but different in terms of size, implicitly in number of employees. Also, it can be noticed that some of the hotels are a part of large international chains (InterContinental), others represent local businesses.

3. Results

Earlier in the literature review, it has been argued that even though tourism in Romania is developing and the international arrivals have registered a positive trend, for a number of reasons the businesses in the sector, especially the SMEs, are facing difficulties in finding and retaining skilled employees (European Union, 2017). The applicability of this argument to the current Romanian tourism situation has been clearly evidenced by the findings of the primary research: when questioned about the main challenges encountered amongst employees, all six respondents have listed three main challenges: the lack of personnel (qualified and unqualified), the lack of motivation amongst members of staff and the lack of determination to learn. Moreover, all 6 respondents agree that the lack of qualified workers is a major issue in the hospitality industry all over Romania.

Furthermore, the results also indicate that both in Bucharest and Constanta, retention of employees is a major issue, because people are no longer career oriented – they are looking for immediate income and

have no interest in pursuing career progression within the company. Drawing on her vast experience in the hospitality industry, Carmen Cristea, Area Director of Finance & Business Support Eastern Europe at Intercontinental Bucharest also referred to the migration of the workforce in the West European countries, which has caused a great crisis in the Romanian labor market for the hospitality sector.

When asked about the key skills that are essential for employees in the next five years, three out of six respondents mentioned motivation to learn and grow in the hospitality industry as one of the key skills for employees in the next 5 years, which is clearly a direct effect of the challenges caused by unqualified workers in the hospitality industry over the past few years. Other key terms mentioned by respondents from both cities were team player, seriousness, job knowledge, good communication skills, professionalism, anticipation of guest needs and knowledge of foreign languages.

Starting this scientific approach with the idea that the seasonality of a destination influences the skills of the hotel employees in the tourism industry in Romania, when talking about the impact of seasonality/ permanent flow of visitors on the level of qualification of the employees, two out of three representatives of hotels located in Bucharest agree that the permanent flow of visitors influences the performance of the employees in a positive manner, “as they are benefitting from the undetermined period of labor contract and they can be properly trained and developed; the advantage is a more stable team, providing high quality services,” said Carmen Cristea, Intercontinental Bucharest. More importantly, five out of six respondents, including all three representatives from Constanta agree that seasonality drastically affects the quality of workforce, even though, in theory, it should not affect the standards of the business in any way, regardless of the location of the hotel: in seasonal business, the main issue is finding the right people and training them to a high standard. This is not only because the training period is shorter, but also because most of the candidates are only looking for a seasonal source of income, which means that they are not determined, nor motivated.

“Seasonality affects the level of qualification of seasonal employees, who represent around 35% of the necessary personnel,” claims Dragos Tudorache, General Manager of Iaki Conference & Spa Hotel, Constanta.

Conclusions

As discussed in the specialized literature, a seasonal pattern destination makes it difficult for an employer in the tourism field to hire a person as a full-time employee (Pearce, 1989). As the employment rate in the off-peak season decreases compared to the one in the peak-season, the potential workers have the tendency to leave the destination in favor of a stable job in another place, shrinking the population of potential employees in a location (Szivas et al., 2003).

The main hypothesis for this research paper has been that the employee skills, as well as the employers' expectations are different in a city that is less affected by seasonality (Bucharest), compared to a seasonal tourist destination (Constanta). However, the primary research revealed that the employer requirements are the same and in theory, so should the level of commitment and professionalism of the employees. Nevertheless, the reality is different: the respondents clearly highlighted that seasonality drastically affects qualification of the staff working in their establishments.

This conclusion raises the urgent need for the businesses and educational facilities in a destination to work closely together in order to develop a curriculum that would respond to the specific needs of the industry.

One of the main limitations of this research paper is that it adopts a qualitative research design, conducted amongst hotel employees in managerial positions. For a more conclusive understanding of the issue, quantitative research amongst consumers is strongly recommended in the future. Another limitation of the present study is that it offers a general overview of the current situation of 4 and 5 stars' hotels in two Romanian cities with different seasonal patterns; the analysed hotels differ in size, number of employees, department division, as well as type of ownership – some are part of large international chains, others are local, privately-owned businesses. For more accurate results, future research should focus on analysing the same type of hotels. Last, but not least, for

added value, it is strongly recommended that in future research the spatial (cross-territorial) comparison presented in this paper is supplemented by a longitudinal (cross-temporal) dimension “to account for the fact that systems and cultures are not frozen in time; rather, they are constantly changing under the influence of transformation processes”, such as globalization, migration, modernization, or commercialization (Esser & Vliegenthart, n.d., p. 2).

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