

# Understanding the Sustainable Development of Tourism

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## Sustainable Human Resource Management

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## Sustainable Human Resource Management

*Rajka Presbury*

### Rationale

The cornerstone of sustainable human resources is the recognition that it is the 'people' input that is of the greatest importance (Baum, 1995, 2006). This is because tourism is about people's experience as guests, and the delivery of the tourism product and service is evaluated by people's demands and expectations. The delivery of the product and service is also by people, and tourism and hospitality employees are part of the product which visitors pay for. Therefore investment in people should be a long-term commitment by which all actions are guided. Consequently tourism development must include sustainable practices in human resource management.

Unlike many business sectors, tourism is a blend of various industries and sectors offering products and services which range from airline and cruise ship travel and accommodation, to restaurant meals, entertainment, souvenirs and gifts, park services, recreational vehicles, resort development, safaris, leisure and recreational opportunities. Consequently it should be understood that small and medium-sized enterprises (SMEs) are a major part of the travel and tourism sector. Although the human resource management needs of small business are not of the same size or complexity as those of a large organisation, they face equally important human resource management issues. As Wager (1998) suggests, small firms are best advised to emulate successful large firms in managing their human resources.

The aim of this chapter is to introduce, discuss and analyse the main elements of human resource management that reflect sustainable tourism practices. The chapter emphasises the critical role of human resource management in promoting sustainable tourism, whether it be in a large organisation that has the full resources of an experienced and qualified human resource team or a small operation where the owner operator or manager has the responsibility for the management of human resources. Although this chapter focuses on large tourism operators, many of the policies regarding human resource issues can be documented and implemented by even the most modest of business enterprises. Furthermore this chapter emphasises the importance of evaluating performance in achieving sustainable practice in human resources and addresses future challenges/issues associated with the way human resource management can contribute to the sustainable development of tourism.

vehicle for disclosing information about the organisation's programmes as well as soliciting feedback on the company's performance.

As a part of the annual reporting process, organisations measure and evaluate their performance, and communicate their progress and challenges. Together, these activities help organisations continually improve their contributions toward addressing global sustainability challenges and advancing sustainability at the local level.

The commitment to sustainable development requires that management understands the immediate and longer-term interactions with, and impacts on people and the environment. It requires business decisions that enhance stakeholder trust, and build social and environmental capacity. This commitment can only be successful if organisations engage in the following practices:

- ◆ **Walking the talk.** An organisation cannot promote change in others if it is not striving to exemplify that change in its own organisational values and activities.
- ◆ **Keeping up to date.** As professionals, employees have a responsibility to keep learning and constantly informing themselves about the emerging science and practice of sustainability – both what is happening to the world, and what can be done about it.
- ◆ **Telling the truth about the trends, as you see it.** In a world of great media noise and confusion, where sustainability issues and global concerns must compete for attention, organisations have a responsibility to their clients to keep them informed. Be clear to clients about what the most important trends affecting the world and their future may be, and why.
- ◆ **Sharing information, and credit, with other professionals.** While client confidentiality must always be respected, it slows down progress in the field of change for sustainability if information is hoarded regarding new ideas, the development of new methods and relevant activity in the market. It also damages overall progress when the work of other people is used without appropriate permission or citation.
- ◆ **Prioritising cooperation over competition, and impact over income.** In the community of sustainability practice, seek first for opportunities to work with others and build on complementary strengths, rather than to compete for primacy; and weigh the chance to make change as more important than making money.
- ◆ **Make referrals to other professionals whenever appropriate.** If someone else, or a different methodology, would be significantly more effective in meeting a specific client's needs, make the client aware of that option.
- ◆ **Tithe to the volunteers.** Donate some fraction of your revenues to voluntary or non-profit initiatives that are advancing the practice of sustainability.
- ◆ **Explain your ethical choices.** Be transparent about the criteria used for structuring human resource practices and for choosing professional engagements.
- ◆ **Consider the systemic impacts of your advice and actions.** Human resource managers have a special obligation to think systemically, and to take into account

the potential impacts of what they recommend or do, including impacts beyond the boundaries of the system they are operating in.

- ◆ **Seek to do no harm.** In working with clients and promoting change, seek to avoid actions and interventions that may cause lasting damage to people, nature, community and organisational health.

(Atkinson, 2008)

## Sustainable policy

The sustainability challenge is about incorporating social, economic and environmental risks and benefits into business decision making. Whether exploring for new development, operating sites, interacting with communities or closing and rehabilitating depleted reserves, having a clear human resources policy communicates commitment to sustainability in every aspect of management. It is another step toward an integrated, real-time sustainability governance and decision-making process.

Such a policy can guide the organisation to an integrated approach, which balances the potential social, community, environmental and financial consequences of human resource strategies. As well, it sets high standards of environmental and safety performance which are accountable for achievements against these standards.

## Government regulation

A commitment to human resources sustainability principles should be tied to state and federal laws which require records to be kept and maintained in relation to:

- ◆ Terms and conditions of engagement
- ◆ Leave entitlements (sick, annual, long service)
- ◆ Payroll and taxation
- ◆ Superannuation
- ◆ Workers' compensation
- ◆ Occupational safety and health
- ◆ Training.

### Industry insight: Accor Hotels

Accor's sustainable policy is incorporated in every level of its businesses. Actions taken under this policy include: development of ecolabels; an environmental hotel charter; use of 'clean construction', energy saving measures and solar power at its hotels; dissemination of information to its clients; and awareness raising towards sustainability. The Group has an environment department, supported by a network of correspondents on all five continents. Accor developed its sustainable policy in partnership with major institutions such as ADEME (the French Environment and Energy Management Agency) and ICAEN (the Catalan Institute for the Environment).

<http://www.accor.com/en/sustainable-development.html>

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## Codes of conduct

A code of conduct defines the core principles that govern employee behaviour and the way the company conducts its business. The code of conduct reflects changes in industry practices and provides a user-friendly format, with supporting questions and answers, decision guides and lists of additional resources available to employees.

The code of conduct should set forth the ethical standards that apply to all those who work in and with the firm, with respect to:

- ◆ Health and safety
- ◆ People management
- ◆ Environmental management
- ◆ Socio-cultural management
- ◆ Business practice
- ◆ Conflict of interest.

With an offer of employment, potential employees should be provided with information on a company's code of conduct, and should be asked to confirm, at that time, that they agree to act in accordance with the code. Employees reaffirm their commitment to the code annually.

An advisory committee, chaired by a senior member of staff who has the authority to make decisions on behalf of the company, should be set up to support the code of conduct. Its primary role would be to support employees in resolving matters that arise in their day-to-day employment. The committee's membership should reflect the diverse range of employees.

## Sustainable work systems

According to Forslin (2000b) a sustainable work system is a work system in which the quality of work (employees' health, wellbeing and personal development); the quality of the organisation (productivity, efficiency, the ability to meet the challenges of tomorrow's business); and the quality of connections with the environment (both natural and society) are constantly kept at the same high levels. Forslin (2000b) explains that a sustainable work system should reproduce resources in a reproduction cycle that allows for growth.

Sustainable work systems attend to four interrelated parts:

- ◆ Reproduction and development of human resources through skill, knowledge, cooperation and trust, motivation, employability and constructive industrial relations, as well training systems
- ◆ Paying attention to quality of working life and competitive performance by considering improvement to working conditions and organisational performance
- ◆ Sustainable change processes for renewal and learning, by building up internal capabilities to deal with the competitive pressures and ever-changing environments

- ◆ Improving local employment and employment levels by taking on unemployed people.  
(Forslin, 2000a)

### Industry insight: Starbucks

Starbucks' code of conduct framework articulates limiting child labour and supporting workers' access to safe housing and healthy workplaces. Starbucks' code states that 'we believe in the importance of progressive environmental practices and conservation efforts; ...wage and benefit levels should address the basic needs of workers and their families', and '...people have the right to freely associate with whichever organizations...they choose'.  
<http://www.starbucks.com>

## Future challenges/issues

The human resource environment consists of many players: the government and local authorities; the communities within which a company operates; the customers, investors and shareholders; and the employees. Therefore human resource managers need to deal with the commercial, political and social realities and the challenges of being understood and accepted by those who work in the company.

Ultimately this means that the human resource strategies and tactics must reflect the aspirations of the company team through the alignment of organisation strategy, values and culture, in order to deliver sustainable returns to investors; help address customer needs; and respond to emerging societal trends and government regulations pertaining to sustainable development and management.

What is certain for human resource managers is that sustainability now belongs in the mainstream of business activity and therefore human resource managers will in the future be required to act as agents of change to bring sustainable development activities into their organisation's agenda. This now becomes the new challenge.

## Review questions

- 1 Is sustainable human resource management incompatible with good business practice? Why? Discuss your answer.
- 2 How are the potential implications of climate change to be incorporated in a human resource policy?
- 3 Discuss how the differences between east and west thinking may impact on tourism and hospitality organisations across the globe.
- 4 Suggest at least three ways that a centralised formal appraisal process could apply the principles of sustainability.
- 5 Identify a large metropolitan resort hotel in a developed country and one in a remote area of a developing country. Would the implementation of participative decision making (as discussed throughout this chapter) be the same within both these organisations? Why or why not?

- 6 Developing compensation strategies that are sustainable and equitable for a diverse employee market (for example expatriates versus local employees) is complex. Compensation strategies must be considered with a degree of sensitivity to the host community. Consider two or three ways in which you would remunerate the different employees and how these remuneration packages may impact the motivation of the different types of employees.

## Useful websites

Australian Human Resource Institute <http://www.ahri.com.au>  
 Chartered Institute of Personnel and Development <http://www.cipd.co.uk/>  
 Globescan [www.sustainability.com](http://www.sustainability.com)  
 Human Resource Magazine [www.humanresourcesmagazine.com.au/](http://www.humanresourcesmagazine.com.au/)  
 International Confederation of Free Trade Unions <http://www.icftu.org>  
 International Labour Organization <http://www.ilo.org>  
 International Monetary Fund [www.imf.org](http://www.imf.org)  
 Ipsos MORI <http://www.ipsos-mori.com/>  
 Transparency International <http://www.transparency.org>  
 United Nations [www.un.org](http://www.un.org)  
 World Bank [www.worldbank.org](http://www.worldbank.org)  
 World Business Council for Sustainable Development <http://www.wbcsd.org/>

## Journals

Asia Pacific Journal of Human Resources  
 Journal of Industrial Relations  
 International Journal of Human Resource Management  
 International Journal of Employment Studies  
 International Employment Relations Review

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