

4

Labour markets

Chapter objectives

This chapter considers the nature of labour markets in the tourism and hospitality industry. Specifically, the objectives are:

- To appreciate the different levels of analysis in understanding labour markets.
- To understand the particular sectoral characteristics that determine the tourism and hospitality labour market.
- To consider debates about the use of flexible labour strategies within tourism and hospitality organizations.



Introduction

We should start by asking a key question; what do we mean when we talk about labour markets? At any one time people will be trying to either change their job or acquire a job and employers will be looking for employees, and this means that, in principle, in the external labour market all workers are assumed to be competing for all the jobs all the time. In reality, of course, this may not be the case and we can appreciate this by disaggregating different types of labour markets. Within this process there is also a need to have some awareness of a range of macro-economic issues, political and social factors and their impact on the external and internal labour markets, which will change and affect the work of HR practitioners directly and visibly, in terms of issues like employee/industrial relations, recruitment, training and development and pay. It should also be recognized that the nature of labour supply is equally important and as the Cabinet Office (2003) has recently noted demographic changes are having a significant impact on labour supply. In that sense the Cabinet Office recognizes that most established European Union (EU) member states are experiencing to a greater or lesser extent a number of challenges with regard to labour supply. Specifically within a UK context:

- Declining birth rates mean that by 2011 under 16s will make up only 18 per cent of the population in the UK.
- Increases in longevity, plus more young people into higher education, mean that the 'greying' of the workforce – in 2006, 45–59 year olds formed the largest group in the workplace.
- The workforce is becoming increasingly 'feminized' – by 2011, 82 per cent of extra jobs will be taken by women.
- The role of people from ethnic minorities is likely to become increasingly significant – they could account for no less than 50 per cent of growth in the working population over the next decade.
- Migrant workers already make up much of the labour shortfall and are likely to continue to do so.

Levels of analysis in the labour market

To further appreciate some of the points discussed above we can develop an understanding of labour markets by recognizing several different levels of analysis,

encompassing both the external and internal labour market. We begin with understanding the external labour market; that is the labour market outside of the organization and initially consider the idea of a transnational labour market.

Transnational labour market

Throughout time economic migration has meant that people have been willing to move to find work or better paying jobs. In a more contemporary vein one of the key drivers of an increasingly transnational and international labour market is the role of multinational companies (MNCs). We have already noted in Chapter 2 how the continuing growth of world markets, increased availability of management and technological know-how in different countries, global competition and international customers, advances in telecommunications, and greater regional political and economic integration have all increasingly pushed MNCs down the road to seeking a more global orientation. Equally, we also noted how MNCs face choices in how they staff their overseas units, including the use of expatriate managers and how the use of such managers is commonplace in the tourism and hospitality industry. Expatriate managers can be seen as denoting a rather more strategic use of HR by MNCs. In addition to this more strategic movement of individual managers, individuals may also choose to move internationally in their search for work or enhanced career development.

A further aspect which has already been alluded to is the creation of regional trading blocs. It is widely recognized that the EU is the most developed trading bloc and already evidences a high degree of economic and social integration. With regard to employment a key issue has been the commitment to sustain the free movement of labour between member states. More recently the EU has seen the accession of 10 new member states (Poland, Czech Republic, Hungary, Slovakia, Lithuania, Latvia, Slovenia, Estonia, Cyprus (Greece) and Malta) from 1 May 2004 and some of the employment implications of the increase from 15 to 25 countries within the EU are considered in HRM in practice 4.1.

National labour market

At the national level the government has a major influence on the labour market and the manner in which policy is developed with regard to employment and economic

HRM in practice 4.1 EU expansion: A solution to labour and skill shortages in tourism and hospitality?

The accession of the 10 new states from Central and Eastern Europe meant another 74 million people joined the world's largest single market. Whilst there has been some concern at the notion of large numbers of people seeking to move from Eastern to Western Europe with the new immigrants proving a strain on existing member states, in reality, the movement across Europe has been relatively small. In part, this is explicable by the fact that initially only the UK, Irish and Swedish Governments allowed people from the new accession states to work, as long as they register. The other 13 EU countries agreed to impose restrictions on immigration from the east until at least 2006, and possibly till 2011. The decision of the British Government was largely driven by the recognition of significant labour and skill shortages in a number of industries, including hospitality and tourism, a situation likely to be exacerbated with the recognition that over 500 000 new jobs are expected to be created to 2010. Many of those moving from the new member states are young, well educated, highly motivated and seeking work in tourism and hospitality. Employers in tourism and hospitality are already recognizing this new source of labour and migrant workers seem to be viewed in a positive manner by employers. Jean Urquhart, owner of the Cellidh Place, an arts hotel in Scotland, is quoted as saying, 'The whole tourism industry would collapse without them'. Similarly a manager from Pizza Hut in Inverness suggests that his five Polish workers were 'never sick, never late, they just work away and we value them very, very highly', even to the extent of suggesting that they are better than Scottish workers. Corus Hotels is another company which has taken advantage of the wider talent pool and targeted more workers from Eastern Europe by recruiting over 30 new employees from Poland.

Derived from Cottell (2005), Gunn (2004), Meiklem (2004) and Warren (2004).

issues will clearly impact on the nature of the national labour market. Generally speaking when governments come to develop their labour market policy they face a choice in terms of the extent to which they will seek to regulate employment policies and practices. For example, it is often argued that there is a distinct difference between a European approach to labour markets, which is often described as the European social model; and the so-called Anglo-Saxon approach, which is represented by the US, and to an extent the UK. In simple terms it is suggested that the European social model has tended to offer much greater regulation to achieve

a balance in interests between capital and labour, whilst in the US especially the approach has relied much less on regulation and instead has operated on a free market basis. Of course, this is something of an oversimplification, though it is useful to delineate differing approaches and in more recent years the UK has sought a balance between these two approaches with the so-called 'third way', which seeks both a degree of regulation and flexibility. To appreciate why this is the case it is worthwhile briefly considering recent labour market developments in the UK, within the context of the discussion above.

In recent years there has been something of a change in policy within the UK. In the period 1979–1997 the Conservative Governments of Margaret Thatcher and John Major felt that there was too much regulation and the key thrust of much of their policy towards the labour market was to remove what they viewed as rigidities in the labour market. By espousing a free market with little regulation, the Conservative Governments argued that employers had greater freedom in developing their employment policies and practices and that this was important for wealth creation. The shift towards much less regulation in the labour market was felt to be especially important for small businesses who often complain about the deleterious impact of too much regulation on their business. As part of a whole series of legislation such as the *Wages Act 1986*, *Trade Union and Labour Relations Consolidation Act 1992* and the *Trade Union Reform and Employment Rights Act 1993* the Conservative Governments sought to limit and restrict the autonomy and influence of trade unions as well as allowing employers much greater latitude in areas such as hiring and dismissing workers and pay setting.

Since 1997 the Blair Governments have attempted to keep many elements of the flexible approach advocated by the previous government though they have, at the same time, introduced some measures to regulate employment. Firstly, they signed up to the enlarged EU Social Chapter in 1997. Although the Social Chapter is not a legislative programme it does provide mechanisms for harmonizing minimum standards of employment and social provision across the EU. The previous UK Conservative Government (1992–1997) had negotiated an opt-out, but with the Labour Government signing up to the Social Chapter a number of HRM policies were affected.

From a labour market point of view the most important impact was the introduction of Directives on parental leave, working time and part-time employees. The Parental Leave Directive allows parents to take up to 3 months unpaid leave after the birth of a child, up to their 8th birthday (and see HRM in practice 4.2).

HRM in practice 4.2 Female friendly? How do countries compare?

There is much debate about how best to respond to greater feminization in the labour market and how best to balance work and family. A key issue within this broader debate is the support from the state to women in providing maternity leave and pay and facilitating a return to work. Practices vary significantly between countries and this is a good indicator of the extent to which governments are willing to intervene in a key labour market issue. For example, in the UK women have the right to return to work after 26 weeks paid maternity leave. Employers also have to 'seriously consider' requests from parents for more flexible working. This is in contrast to the US where there is no nationwide policy on parental rights and no national provision for maternity leave, paid or otherwise. The same is also true for Australia where maternity leave is unpaid and only available to employees who have been on the payroll for 12 months prior to the birth. The most family-friendly countries are arguably Sweden and Norway. For example in Sweden both parents are entitled to 18 months off work and in Norway a year's leave is paid at 80 per cent of salary.

Derived from Groskop (2006).

The Working Time Regulations are considered more fully in Chapter 11. Lastly, the regulations on part-time employees require employers to treat them no less favourably than full-time employees. For example, part-time staff should receive the same pay and benefits, on a pro-rata basis, as full-time employees. As we have already noted in Chapter 1, hospitality and tourism is particularly reliant on part-time workers and it was felt that this and the other Directives would be potentially harmful to the viability of many businesses, particularly small business. In reality, though, the impact has been less than feared, in part because employers have been able to water down the regulations to lessen their impact (see for example Hurrell, 2005). In addition to signing up to the Social Chapter, the Blair Governments have also introduced a range of employment-related legislation. Most noteworthy are the *National Minimum Wage Act 1998*, *Employment Relations Act 1999* and *Employment Act 2002*. These acts established minimum employment standards in areas such as pay, dismissal and trade union recognition.

Whilst all of these aspects have certainly added some regulation to the labour market and impacted on tourism and hospitality employers HRM policies, in reality

the UK is felt to have a relatively unregulated labour market compared to most other EU countries. Indeed, the UK Prime Minister Tony Blair still regularly claims that the UK remains the most lightly regulated labour market of any of the leading economies. What much of the above discussion points to is the recognition of the impact of government policy on employment policy and HRM practices in organizations. Thus, it is important to understand that this is an important environmental and contextual feature in terms of how firms will plan their labour market policies.

Sectoral labour market

To consider the nature of the sectoral labour market in tourism and hospitality, we should remind ourselves again what kind of industry tourism and hospitality is. As we have already noted the tourism and hospitality industry can be taken to include a wide variety of organizations encompassing areas like hotels, guest-houses, bed and breakfast, farm houses, holiday parks, restaurants, pubs and cafes, airlines, cruise ships, travel agencies, tour companies and so on. Equally, we also recognized that it would be wrong to imagine that the industry can be thought of as homogenous (an obvious example is the spread of different types of organizations in the industry, from the local chip shop to huge multinationals with a presence all over the world). Despite this growth in larger chains most sectors of the industry are still dominated by small, usually owner-managed units consisting of family labour and a small number of helpers. Clearly, then, the sector is better conceptualized as heterogeneous. However, whilst there is great heterogeneity in the types and size of organizations there may be certain recurring features in large parts of the tourism and hospitality industry, which are outlined below:

- Large numbers of individual units of varying size and many different types are located throughout the whole of the country and internationally.
- Many units operate 24 hours a day, 7 days a week, 365 days a year.
- There are high fixed costs, a fixed rate of supply, but a fluctuating, seasonal and often unpredictable demand.
- It is both a production and service industry.
- There is a wide variety of customers seeking to satisfy a variety of needs and expectations. For example, leisure, business, conference and so on.

- Services are supplied direct to the customer on the premises and the customer usually leaves with no tangible product.
- Managers are expected to demonstrate proficiency in technical and craft skills as well as in management areas.
- Many different skills are required but there are relatively large numbers of semi- and unskilled staff.
- The majority of staff are low paid.
- Staff are often expected to work long and unsociable hours.
- There is a large proportion of female, part-time, casual, student and migrant labour.
- Generally trade union membership is low.
- There is high labour mobility within the industry, and a high turnover of staff joining and leaving the industry.
- The industry is labour intensive.

Perhaps the single biggest influence on the nature of labour markets in the tourism and hospitality industry is the recognition that there are often wide fluctuations in short-term demand for the product, which has major and obvious implications for the staffing of an organization (and see Table 4.1).

Allied to this demand unpredictability is the fact that the industry is labour intensive, which means labour is a high cost in the total costs of tourism and hospitality businesses. Therefore many employers have tried to minimize labour costs. This has meant that traditionally the industry has been staffed with what Wood (1997) calls the so-called 'marginal workers', namely: women, young people, students, migrant workers and ethnic minorities. Resultantly, it is argued by many that these workers form the basis of a casualized, part-time workforce. This workforce finds themselves in a low-skill job characterized by relatively low pay, which leads to a lack of motivation and commitment on the part of employees, who may perceive they are in a job which is often stereotyped as being about servility. Of course, as we noted in Chapter 1, this description may be over generalizing the employment experience of many working in tourism and hospitality, and this characterization is unlikely to be true for all organizations, or reflect the circumstances for all workers. For example, for many women working part-time will allow them to match domestic and employment responsibilities. Equally, there may well be skilled craft jobs which require some formal training or education, as opposed to unskilled work which is just learnt on the job (and see HRM in practice 4.3).

Table 4.1 Hotel demands variability

Examples of hotel demand variability	
Daily	Morning rush hour guest check-out and evening check-in peak demands for restaurant services during meal time: breakfast (7–10 a.m.), lunch (12–2 p.m.) and dinner (7–10 p.m.).
Weekly	High occupancy during mid-week for business hotels, but low in weekends. More restaurant reservations at the weekend.
Seasonal	Winter closure of beach resorts. High occupancy rate in ski chalets during the winter.
Ad hoc	Flight cancellation leading to unpredictable demand for hotel rooms and meal services. 'Chance' guest bookings.

Source: Lai and Baum (2005). Reprinted by permission of Emerald Group Publishing Ltd.

HRM in practice 4.3 Working in paradise

Patricia and Peter Adler (2004) offer an interesting example of how within luxury hotels in Hawaii different types of employees are likely to have very different employment experiences. Based on a near-10-year ethnographic study, *Paradise Laborers* is an attempt to understand what goes on behind the scenes in five luxury hotels in Hawaii. Specifically, Adler and Adler offer an in-depth analysis of the complex organizational and social systems of the hotels and how this impacts on the experiences of those working there; and why, for many, working in the hospitality industry in Hawaii is akin to paradise. At the heart of the book lies Adler and Adler's typology of four different types of worker: new immigrants, locals, seekers and managers. New immigrants are those who fill the most menial, psychically demanding jobs in areas such as housekeeping and stewarding, positions which are considered undesirable by indigenous Americans. This characterization of the new immigrants might suggest a life of hardship, drudgery and exploitation for this group of workers. However, Adler and Adler note how the new immigrants were 'highly valued, even crucial, workers in the hospitality and other local industries. While others have depicted globalized workers as transient, our new immigrants became heavily tied to and invested in their new country by opportunity, family, community, work, and fierce loyalty' (p. 217). Locals are equally tied to Hawaii – indeed Adler and Adler characterize new immigrants and locals as being 'trapped', by choice, by the vicissitudes of the local labour market. For many locals though, work in the resorts is regarded as being

desirable, unsurprising perhaps when travel and tourism provides over 20 per cent of employment within Hawaii. Locals tended to occupy those jobs immediately above the entry jobs taken by new immigrants in positions such as valets and bellmen and tended to approach work with a 'work to live' attitude as 'they did not want to live in paradise if the cost was they could not enjoy it' (p. 60). The latter two groups of seekers and managers are characterized as being transient and primarily are affluent, middle-class, male, mainland Americans who are usually just passing through Hawaii. Unlike new immigrants and locals, seekers and managers are able to draw on their inherent cultural capital, such as their education, which allows them greater occupational choice. However, whilst managers are aiming to make a career in hospitality management and often work long hours for relatively low rewards; seekers, or 'drifter workers' (p. 81), are attracted to Hawaii to experience a much more hedonistic lifestyle, where leisure is foregrounded over work, and work becomes a means to a recreationally focused end.

HRM in practice 4.4 Re-considering skill

Baum (2002) considers the nature of skill in the tourism and hospitality industry and argues the need for more expansive thinking about the issue. Whilst broadly accepting Riley's characterization, Baum also points to the need to consider the changing nature of skills in tourism and hospitality, with the emergence of aspects such as emotional and aesthetic labour. These 'softer' skills are harder to classify and locate within traditional debates about the meaning of skill, dominated as they often are by the understanding of skills being 'hard', technical skills, often accredited by qualifications or an apprenticeship. Resultantly, the tendency towards describing much tourism and hospitality work as unskilled may be increasingly oversimplified. Relatedly, Baum also questions the overwhelmingly western centric view of skills, something that is inappropriate in a developing country context. Here many of the softer skills coming under the rubric of emotional or aesthetic labour may be highly valued.

With regard to skill, Riley (1996) estimated that the skill composition in a typical unit in the hospitality industry would consist of 6 per cent managerial, 8 per cent supervisory, 22 per cent skilled craft workers and 64 per cent semi- or unskilled operative staff, though see also HRM in practice 4.4.

In sum, then, the tourism and hospitality labour market is characterized by:

- A relatively large proportion of unskilled occupations.
- Transferability of skills at any level between a broad range of establishments.
- Often, but not inevitably, high levels of labour turnover.
- Relatively low levels of pay, particularly for unskilled workers.

All of the above points mean that many organizations compete in what is often described as the secondary labour market.

The internal labour market and the utilization of flexible labour

Whilst the description of the broader context, as represented by the transnational, national and sectoral labour markets, is important, we should also consider some of the choices that organizations themselves will make in developing their internal labour market. Riley (1996: 12) describes the internal labour market in the following manner:

The concept of the internal labour market is based on the idea that sets of rules and conventions form within an organization which act as allocative mechanisms governing the movement of people and the pricing of jobs. Such rules are about promotion criteria, training opportunities, pay differentials and the evaluation of jobs, but most importantly, they are about which jobs are 'open' to the external labour market.

Traditionally many tourism and hospitality organizations have failed to develop strong internal labour markets, where skills are developed maximally via internal promotion and upgrading, and managers have relied instead on the external labour market, which is cheaper because labour is plentiful. Another aspect of the internal labour market is the choices that organizations may face in their use of various form of flexibility.

As we noted above the aim of much of the legislation of the Conservative Governments of the 1980s and 1990s was to increase the flexibility of the labour

market. As Kelliher and Riley (2003: 99) note, 'Flexibility was seen as a means of enhancing competitiveness and adapting to changes in the business environment'. Much of the debate generated about the nature of flexibility in organizations was developed with recourse to the highly influential work of Atkinson (1984), which proposed the 'flexible firm' model. Although subsequently heavily criticized, the model does usefully distinguish between 'core' and 'peripheral' employees. The former group are characterized as being permanent, usually full-time, staff that are viewed as a valuable resource, likely to be multi-skilled and enjoying employment security and career progression. By contrast, the latter group are likely to be part-time or casual, enjoy little employment security, have fewer skills and be easily disposable, reflecting Wood's view of marginal workers described earlier. In reality, as with other ideal types described in this book, these descriptions tend to oversimplify the nature of core and peripheral staff in hospitality and tourism (Deery and Jago, 2002). For example, Walsh (1990) has described how staff that would be thought of as 'peripheral' will often be integral to the running of a hotel and may be equally committed to the organization as core staff. Nevertheless, the notion of core and peripheral workers is useful in pointing to the types of labour flexibility utilized by tourism and hospitality organizations, two of the most prominent being functional and numerical flexibility.

Functional flexibility

Functional flexibility is seen as the employer's ability to deploy employees, and more specifically core employees drawn from the primary labour market, between activities and tasks. In increasing the range of tasks that an employee can undertake employers will expect employees to be capable of working in different functions within the same department, or even work between departments. Such an approach can lead to increased skills, job satisfaction, more meaningful work and enhanced career prospects for employees. Many descriptions of functional flexibility in the tourism and hospitality sector, though, have pointed to a rather ad hoc approach, which may be more about covering short-term problems rather than creating a genuinely multi-skilled employee. This point has led Riley (1992) to describe true functional flexibility within tourism and hospitality as being a 'Cinderella idea'. However, Kelliher and Riley (2003) report research from four case study organizations in the hospitality industry who had enjoyed benefits to

both employers and employees in introducing functional flexibility. Employers reported more efficient use of labour, lower labour costs, better operational functioning, improved customer service, reduced levels of labour turnover and an improvement of their position in the local labour market. Employees also reported increased job satisfaction, greater job security and enhanced remuneration (and see also HRM in practice 4.5).

HRM in practice 4.5 Marriott Marble Arch: Aiming to multi-task and multi-skill

Lowe (2002) recognizes that, as with every other tourism and hospitality organization, the London Marriott Marble Arch hotel has to cope constantly with staff recruitment, retention and motivation to maintain high standards of customer services. The four-star hotel introduced a cross-training scheme to improve the skills of its employees to help them cope with the requirements of their job roles.

To improve their staff recruitment and retention, the Marble Arch hotel set up its cross-training Discovery scheme. The programme was designed to increase staff skills and to ease career promotions into higher or sideways positions through developing employee skills in other areas. Last but not least, it also endeavoured to base labour scheduling on a flexible, multi-skilled workforce, allowing the hotel to use its employees in the most cost-effective manner. The scheme was targeted at every employee and was completed during normal working hours. Overall, it took more than 320 hours, spread over 40 one-day sessions, for the hotel to complete their Discovery cross-training. At the end of the formal training each participant received individual feedback and a certificate of achievement. The HR department was involved in co-ordinating the scheme, liaising with heads of departments and getting constructive feedback from participants in order to control and modify the scheme. Parallel to this, further developments were introduced, such as a 2-week critical cross-training session was added to new associates' 90-day induction plan in order to make them develop skills within their critical departments. For instance, new restaurant employees were supposed to spend time in the kitchen, bar and banqueting areas. In addition, the programme was made available all the year and HR ensured employees had completed their cross-training before letting them move within departments.

The Discovery scheme led to substantial improvements. It impacted positively on two performance measures. First, the programme improved the Balanced Score Card, a tool used for measuring and communicating hotel performance at Marriott hotels.

Second, the results of an annual employee survey significantly improved. Employees felt that training to carry out daily tasks improved, raising its score from 21 to 87 per cent. They also believed their opportunities to develop their career had increased by 4 per cent and 84 per cent felt that they had accessible job opportunities compared to only 9 per cent before the introduction of the scheme. As Lowe, HR manager at the hotel, comments, 'The initiative has proved invaluable to the London Marriott Marble Arch hotel. It is a concept that could easily be adapted to other businesses to help meet the constant challenge of staff recruitment and retention' (p. 14). Indeed, the hotel was awarded the large establishment category prize at the large annual Excellence through People Awards held by the British Hospitality Association in 2002.

Numerical flexibility

Numerical flexibility refers to the capacity of employers to adjust labour supply to fluctuations in business demand, which may equal less job security, low pay, lack of opportunities for training and career advancement for employees. Unsurprisingly given this description the peripheral workforce is most often associated with numerical flexibility. In pursuing numerical flexibility employers can look to either internal or external means (Lai and Baum, 2005). Internal means are largely concerned with the use of 'non-standard employment contracts', such as part-time and shift working and the use of temporary and casual workers. External means include aspects such as contracting out services, for example a hotel contracting out its leisure facilities, and the use of agency staff (and see HRM in practice 4.6).

In addition to functional and numerical flexibility, tourism and hospitality organizations can also use temporal flexibility, such as annual hours contracts and job sharing; and pay flexibility, for example enhanced payments in return for being functionally flexible.

It is interesting here to briefly think about the descriptions of flexibility within our earlier discussion of hard and soft HRM. As we noted in Chapter 1 hard and soft HRM allow us to appreciate that the reason for organizations adopting certain HR practices may vary. Based on our description of the two approaches we could, rather crudely, characterize numerical flexibility as being largely about hard HRM. This hard approach emphasizes the use of labour which is aimed at reducing labour costs, either by the most efficient use of labour or alternatively its most

HRM in practice 4.6 Just in time labour supply in the hotel sector

Many four- and five-star hotels will often rely on agency staff recruited from employment agencies, particularly in areas such as housekeeping. Research by Lai and Baum (2005) suggests that hotels can reduce labour costs by utilizing agency staff thus avoiding having to pay fringe benefits such as sickness cover, pension contributions, maternity leave payments and holiday entitlements, all of which are covered by the employment agency. Additionally, HR activities such as recruitment and selection, induction and training are often undertaken by the agencies. Lai and Baum suggest that one hotel in their research saved up to £500 000 a year in housekeeping payroll costs. In addition to cost savings, Lai and Baum also found that agency staff had often worked for the same hotel for a number of years with the consequence that quality and performance were improved.

effective exploitation. In this view approaches to flexibility will be concerned with minimizing labour costs and ensuring the size and mix of labour inputs is adjusted to changes in product demand. On the other hand, the soft approach is more concerned with broadening employees' skills through training to create workforces which are flexible. Such a description is more concerned with functional flexibility.

As we have seen the most frequently utilized method of flexibility in the tourism and hospitality industry is numerical flexibility, which is often characterized by low-paid, low-skill, casual and part-time operative level work. An example of such an approach would be a pool of available staff that could be called in at short notice to work in the organization, for example, in the banqueting department of a hotel. Indeed, many have argued that talk of flexibility and core and peripheral workers induces nothing more than an ominous sense of *déjà vu* within the tourism and hospitality industry. Due to the nature of the industry, patterns of employment within tourism and hospitality have largely been arranged in a way that promotes a high degree of employment flexibility, through the use of employment practices that have often left individual workers with limited opportunities for advancement and low job security. Wood (1997: 168), for example, argues that, 'Flexible working practices in the commercial hotel and catering sector are not new to the industry, the use of part-time casual and part-time workers and multi-skilled staff being a common and arguable defining feature of labour organization in some sectors, most notably small hotel business'.

Conclusions

We have outlined a fairly bleak scenario of what traditionally the organizational characteristics of the tourism and hospitality industry have meant for those working in the industry. The tendency to short termism and ad hocism is the key feature of labour markets in the industry. Management responses to these issues are also similarly short term and ad hoc, with their role often being one of responding to situations and unanticipated crises, or trying to cope with varying demand. This, of course, leaves us with an obvious paradox, namely how can the tourism and hospitality industry compromise the need for staffing flexibility with the attainment and maintenance of a quality service and product to the customer? There are no easy answers to this conundrum and even a cursory understanding of the nature of labour markets in tourism and hospitality allows us to appreciate this point.

References and further reading

- Adler, P. and Adler, P. (2004) *Paradise Laborers: Hotel Work in the Global Economy*, Cornell University Press.
- Atkinson, J. (1984) 'Manpower strategies for flexible organizations', *Personnel Management*, 16(8), 28–31.
- Baum, T. (2002) 'Skills and training for the hospitality sector: a review of issues', *Journal of Vocational Education and Training*, 54(3), 343–363.
- Cabinet Office (2003) *Ethnic Minorities and the Labour Market*, Cabinet Office.
- Cottell, C. (2005) 'An industry in need of serving suggestions', *Guardian Work*, 26 March, 21.
- Deery, M. and Jago, L. (2002) 'The core and periphery: an examination of the flexible workforce model in the hotel industry', *International Journal of Hospitality Management*, 21(4), 339–351.
- Groskop, V. (2006) 'Mamafesto', *New Statesman*, 17 July, 26–28.
- Gunn, J. (2004) 'New EU states workers could ease jobs crisis', *Caterer and Hotelkeeper*, 5 August, 7.
- Hurrell, S. (2005) 'Dilute to taste? The impact of the working time regulations in the hospitality industry', *Employee Relations*, 27(5), 523–546.
- Kelliher, C. and Riley, M. (2003) 'Beyond flexibility: some by-products of functional flexibility', *Service Industries Journal*, 23(4), 98–113.
- Lai, P. and Baum, T. (2005) 'Just-in-time labour supply in the hotel sector: the role of agencies', *Employee Relations*, 27(1), 86–102.
- Lowe, C. (2002) 'Marriott's cross-training', *Leisure and Hospitality Business*, 29 November, 14.
- Meiklem, P. (2004) 'Highland hospitality ... courtesy of Eastern Europeans', *Sunday Herald*, 14 November, 9.
- Riley, M. (1992) 'Functional flexibility in hotels – is it feasible?', *Tourism Management*, 13(4), 363–367.
- Riley, M. (1996) *Human Resource Management in the Hospitality and Tourism Industry*, Butterworth-Heinemann, 2nd edition.
- Walsh, T. (1990) 'Flexible employment in the retail and hotel trades', in A. Pollert (ed.) *Farewell to Flexibility*, Blackwell, 140–150.
- Warren, C. (2004) 'Continental drift', *People Management*, 6 May, 28–33.
- Wood, R. C. (1997) *Working in Hotels and Catering*, International Thomson Press, 2nd edition.

Websites

The International Labour Office produces an annual labour market indicator and details of this and other aspects of their work on labour markets can be found at <http://www.ilo.org/public/english/employment/strat/kilm/>

The European Foundation for the Improvement of Living and Working Conditions has some interesting material and other links at <http://www.eurofound.eu.int/areas/labourmarket/index.htm/>

The UK Government's official statistics website <http://www.statistics.gov.uk/cci/nscl.asp?id=5006> has some interesting labour market statistics.