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## Human resource management in the tourism industry with an emphasis on economic progress and marketing

**Abstract.** Organizations cannot survive and achieve their long-term goals without considering carefully designed and coordinated managerial systems. Which include human resources. Human resource management is vital part of the chain of value creation in many industries, including the tourism and hospitality industry. Human resources of high quality and in sufficient quantity in this industry are vital and lie in a core of its value chain as far as the tourism industry embraces the combination of economic, social and emotional interactions and complex processes, as well as aesthetics and information that can be less important in other industries, and these characteristics are part of human nature and soft skills of the human resources involved in the industry. In the age of marketing and intensified competition the role of human resources is not to be underestimated. Therefore, the purpose of our study is to determine how the human resource factors affect the organizational culture (socialization) and to examine the profitability in the tourism industry in the context of human resource management. The research data was collected from 30 enterprises active in the field of tourism and hospitality including hotels, restaurants, entertainment centers and services in Jakarta of Indonesia in 2022. According to the purpose of the research, the employees of those companies were considered as a statistical sample, whose number was 300 people. In the study we tested the influence of ten factors from the field of human resource management on business profitability. The significance of the factors' influence was examined using the one-sample T-test at the 95% confidence level and all of them were confirmed. In addition to the T-test, ANOVA has also been used to complete the research results; According to the results of the ANOVA test, there was no significant difference between the opinions of

officials and economic experts based on the factors of age, level of education, work experience, attendance and duration at training courses. However, based on the factor of organizational position, the admissions officers evaluated the effect of performance management on profitability as the main indicator.

**Keywords:** Human Resource Management; Tourism; Hospitality; Economy; Profitability; Performance Management

**JEL Classifications:** E24; E41; E64; I18; J28; J31

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## 1. Introduction

One of the most important of these systems is the human resources management system of that organization, which has a significant impact on the performance and productivity of the organization. Tourism is a phenomenon that can contribute to the economic success of a city or even its social dynamics, so that in recent years there is a trend of growing and upgrading the active tourism industry in many cities of the world (Cooke et al., 2020; Tightiz & Yoo, 2022a). In the 20<sup>th</sup> century, the globalization of capitalism, population mobility and advancement in communication technology have contributed to the development of tourism as one of the largest industries in the world (Surya et al., 2021; Darvishian & Yaghoobi- Derabi, 2023). are urban centers. The growth of short-term trips has turned these destinations into one of the main tourist centers, and this phenomenon has shown itself in the reduction of the average travel of tourists in most destinations in the world (Tien et al., 2021; Jamalpour & Derabi, 2023).

The urban tourism market is expanding rapidly and favorable market conditions have tempted many urban planners to develop tourism as an important part of urban policy. Tourism not only represents a large economic activity and generates income and employment, but also through its impact on employment creation, income distribution, promoting social development and helping to reduce poverty (Anwar, & Abdullah, 2021; Najafi & Nasiri, 2019) Around the world, tourism Urban is undoubtedly one of the most important forms of tourism (Ausat et al., 2023; Valizadeh Khargh et al., 2023) Cities often include a wide range of historical and cultural attractions, shopping, restaurants and urban vibrancy. Many attractions and welfare facilities are basically to serve Citizens are developed, but the use of these facilities by tourists can help them to continue. After all, cities may be the entry and exit points of tourists to the country or region and become a base for tourists who travel to the surrounding areas of that city (Tightiz & Yoo, 2022b). Tourism is considered potentially as a means to reduce inequality in regional development through the expansion of resources from more developed areas to less developed areas (Croes et al., 2021; Asadipour et al., 2005).

The tourism industry is considered an attractive economic activity for investment, both for developed countries and for developing countries, due to the low capital required and the short capital return period. Also, tourism plays a major role in diversifying economic activities and helping to reduce regional imbalances in developed countries (Manzoor et al., 2019). Tourism has a major impact on the geographical space through tourist movements, this effect is evident on all the elements that make up the space, and these effects can be economic, social, general and environmental. Tourism includes two main components of tourist movements and tourist consumption. Travel movements are the basic element of space, while consumption is the basic element. The tourism industry, which expresses the economic impact of tourism. The tourist movement is necessarily the beginning of tourism consumption. This article examines the impact of human resource management on profitability and economic growth in the tourism industry. Tourism resources are the main initiator of tourist travel and a very important motivation, which it is the driving force of the tourism movement. If tourism resources are characterized by more and better attractiveness of the environment and more curiosity value, etc., larger tourist movements and more consumption of tourists will begin.

The tourism industry is a service-oriented industry, and the presence of talented human resources is very effective in its development. Hence, talent management is vital for this industry, as it can help increase performance and increase reliability and competitiveness. As the managers and employers of this industry have acknowledged, talented people can make a business differentiate itself from competitors and ultimately achieve success. Due to the seasonal nature of this industry, talent management is an organizational tool that can access talented people at the right time and ensure the correct execution of work. The importance of having talented and competent

employees in the tourism industry has prompted some companies active in this industry to prepare special training programs for talent development. In other words, it can be said that the success of the tourism industry depends on the quality of employees; one of the main challenges of human resources management in this industry is to attract and retain employees with skills, knowledge and appropriate attitude. Several methods for recruiting, retaining and motivating employees have been provided by Manzoor et al. (2019), some of which are mentioned below:

1. Providing career development opportunities;
2. Providing training and development opportunities and ensuring that the organization sees training as an investment and not a cost;
3. Ensuring competent first-class managers;
4. Considering job roles, including: job enhancement, job enrichment, job turnover, job satisfaction and job creation;
5. Considering the amount of wages and non-financial bonuses regularly.

## 2. Methodology

Management of employees' expectations and expectations in human resource management in this industry, it is very important to ensure the selection of efficient and competent people. Also, considering the variety of services in the tourism industry, it is very important to pay attention to the accommodation sectors, hotels, catering, travel service offices and passenger terminals. The issue of selecting the required personnel, their training and development, job satisfaction and employee rights and benefits, and monitoring and control are among the issues that are important in the planning and management of human resources in the tourism.

In this study, 30 economic enterprises active in the field of tourism including hotels, restaurants, entertainment centers and services in Jakarta of Indonesia were investigated. According to the purpose of the research, which is to investigate human resource management in economic performance, the employees of these companies were considered as a statistical population, whose number is 300 people at the time of the research in 2022.

Since it is time-consuming and expensive to reach all busy employees, a simple random sampling method has been used. So that a number of employees of economic enterprises were selected as the initial sample and it was done by distributing 15 questionnaires among managers and employees (at least one questionnaire in each enterprise) and by calculating the variance of the initial sample at the confidence level of 95% and the permissible error of 6%, the sample size was calculated through equation 1, 51 people. The validity of the questionnaire was checked and confirmed by the experts and the reliability of the questionnaire was confirmed by calculating the Cronbach's alpha coefficient for the initial sample of 0.91.

$$n = \left(\frac{Z_{\alpha}}{2}\right)^2 \left(\frac{S^2}{d}\right)^2 \quad (1)$$

where:

- confidence level of 95%:  $\frac{Z_{\alpha}}{2} = 1.96$ ;  
 $d$ : the permissible error of 6%;  
 $S^2$ : the variance of the original sample (0.486);  
 $n$  (sample size) = 51.

In addition to the characteristics of the participants in the research (age, gender, work experience, education and organizational position), the questionnaire includes the questions regarding the following factors of the human resource management field that can influence business profitability, singled out for the research:

- 1) Human relations;
- 2) Human resource planning (HRP);
- 3) Education;
- 4) Reward system;
- 5) Performance management;
- 6) Performance evaluation;
- 7) Disciplinary system;
- 8) Human resource information system;

- 9) Business design;
- 10) Knowing the organizational culture (socialization).

In this research, profitability in economic enterprises of the tourism industry is considered as a dependent variable and it is tried to identify the factors affecting it. Descriptive and inferential statistics were used to analyze the data. Descriptive statistics methods (prevalence percentage, average and standard deviation) were used to describe the collected data and AONVA test was used to analyze and determine the effective factors of human resource management on the profitability of the economic enterprise.

### 3. Results

In the result of the initial data collection, the findings were as following been. 40% of the participants were in the age group of 20-30 years old, 36% - in the age group of 31-40 years old, 18.5% - in the age group of 41-50 years old, and the rest were in the age group of over 50 years old. 32% of the statistical population had a high school diploma or lower, 22% had a post-graduate degree, 37% had a bachelor's degree, and 8% had a post-graduate degree or higher. The average work experience of the respondents was 8 years, from whom 26% had 2-6 years of experience, 24% - 5-10 years, and 38% of them had more than 10 years of work experience.

Using a one-sample T-test, all 10 factors derived from human resource management and related questions were analyzed and the results show that all these factors influence the profitability of the economic enterprises in the tourism industry. The results of the calculation and testing are presented in Table 1.

According to Table 1, the observed *t* is significant in the range of *p*-value  $\leq 5\%$  and is placed at a significance level of 95%, which indicates the effectiveness of all factors in economic and marketing performance. In Table 2, the impact of each factor on economic performance has been analyzed.

According to the results of the research and single-factor variance test, between the opinions of the managers and experts of the economic enterprise, based on their age, level of education and work experience, participation in training courses and duration of attendance in different training courses regarding the examination of factors and hypotheses There is

Table 1:  
**t-test related to research hypotheses**

No.	Hypothesis (a factor)	t-test
1.	Human relationships	23.97
2.	HRP	15.01
3.	Education	13.96
4.	Reward system	14.53
5.	Performance management	10.01
6.	Performance evaluation	11.82
7.	Disciplinary system	12.43
8.	Human resources information system	13.53
9.	Business design	16.64
10.	Knowing the organizational culture (socialization)	16.04

Note: *P*-value  $\leq 0.001$ .

Source: Authors' findings

Table 2:  
**Ranking of factors based on their impact on the profitability of an economic enterprise in the tourism industry**

No.	Hypothesis (factors)	Score (Mean)
1.	Performance evaluation	4.5
2.	Performance management	4.8
3.	HRP	5.45
4.	Disciplinary system	6.01
5.	Human resources information system	6.11
6.	Education	6.21
7.	Reward system	6.65
8.	Human relationships	6.98
9.	Knowing the organizational culture (socialization)	7.34
10.	Business design	7.88

Note: *P*-value  $\leq 0.001$ .

Source: Authors' findings

no meaningful difference. The findings of the research show that the average score of the participants' opinions has a significant difference based on their job position regarding performance management.

#### 4. Conclusion

In today's changing world, success in the national and international arenas is only possible through the optimal use of human resources. This is important in the tourism and hospitality industry, which plays an important role in the economic cycle through the multiplication factor, creating employment and earning domestic and foreign exchange earnings. According to the results, human resources have a direct impact on the economic performance of companies active in the tourism industry. Therefore, motivating employees in terms of social, spiritual and financial relationships and giving importance to the opinions of employees can have a significant impact on the prosperity of an economic enterprise. Whilst the training of the staff and human resource management by providing the friendly environment in working hours can be effective way to promote the staff and business.

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