

HUMAN RESOURCE MANAGEMENT IN THE TOURISM INDUSTRY MALAYSIA DURING POST COVID-19 PANDEMIC

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Submitted: 17-01-2024, Revised: 21-01-2024, Accepted: 23-01-2024

ABSTRACT

Human resource management (HRM) appears to have a favourable impact on organisational performance. However, HRM in the tourism business is defined by ad hoc and short-term initiatives, and as a result, the industry typically has a negative image of employment practises and circumstances. Thus, this paper looked at how the role of HRM in Malaysian hotels changed before, during, and after the COVID-19 outbreak. The main ideas for the investigation of HRM in both crises and the tourist and hospitality industry are introduced in a theoretical review. Theoretical review presents HRM has a variety of good outcomes, including improved corporate and financial performance, increased employee motivation, and lower voluntary staff turnover. It was discovered that the tourism business issues with a negative image of employment practises and circumstances when it comes to HRM. Despite the fact that employees represent the sector, HR practises are ad hoc. In recent years, the tourism business has undergone changes, but these changes have been happened slowly. Low salaries, unsocial hours and shift tasks, poor or non-existent career structures and restricted prospects for development, informal recruitment practises, or high levels of staff turnover, according to the literature, HRM faces a variety of challenges in the business.

Keywords: Human resource management role, tourism industry, COVID-19 pandemic

1. INTRODUCTION

According to Menhat et al. [1], Covid-19 is a spreading disease caused by coronavirus. Malaysia has its first Covid-19 case on January 24, 2020 [1]. The Covid-19 cases grew very low and happened mainly among China's foreign visitors [2]. Malaysia then had its first highest daily spike on March 15, 2020 with 190 cases [3]. This is linked with the massive religious event in Kuala Lumpur [2]. In the next day, the cases exceed 500 cases and first Covid-19 death also reported on 17 March, 2020 [3]. In response to the exponential rise of Covid-19 cases, the government of Malaysia announces Movement Order Control (MCO) to reduce the rapid spread of Covid-19 [2]. To enforce the MCO, all business premises must be shut down, restrict Malaysians to travel abroad, disallow the entry of foreign tourists and visitors into the country [4].

This leads to the tourism and hospitality industry Malaysia are greatly affected due to the tour and travel packages are cancelled. It is reported that tourism and hospitality industry Malaysia lost about RM45 billion in year 2020 [5]. As a result, 63% travel agency sector workers and 66% hospitality sector workers were either retrenched or are temporarily unemployed based on recent JobStreet survey [6]. To better prepare tourism and hospitality firms for Covid-19, Human Resource Management (HRM) is the crucial element. HRM plays crucial role in helping employees using digital technologies to access their works and support organizations for business continuity [7]. For instance, HRM managers implement hiring, salary and promotion freeze to sustain amid Covid-19 when Covid-19 had impacted the business profits.

Additionally, in following the Malaysian government policies and to reduce the risk of Covid-19 spreading, HRM managers' mandate employees to Work from Home (WFH) that is unprecedented [8]. This replaces the conventional face to face with email and video conferencing [8]. Further, HRM develop policies regarding employees must report any private travels during outbreak of Covid-19 and prohibit private travels to places with high Covid-19 cases [9]. Moreover, HRM managers should be careful in sending employees for business travel especially to the countries or states affected by Covid-19. This is due to the firm responsibility to provide safe working environment to the employees [9]. All these clearly demonstrates that HRM has been changed during Covid-19. The purpose of this study is to review the changes of HRM in the tourism and hospitality industry Malaysia. This study enriches the understanding of HRM changes and provide some insights for the managers and practitioners. Besides, this study gives chances for managers to learn, design loss prevention plan and enhance the technology skills. Hence, HRM managers can use numerous programs and activities via virtual approach to manage HRM successfully.

Define HRM

HRM is the firms' crucial asset [10]. HRM is one of the key factor of competitive advantage that differentiate successful and unsuccessful firms [11]. Nickson [12] describes HRM's positive image. HRM for instance helps business firms to understand the managing employees' theory and the relevant approaches to manage the employees. On the other hand, Collins et al. [13] explain HRM has positive and negative image. For positive image, HRM contributes to managerial decision. Whereas, for negative image, HRM influences employees negatively such as having burnout and experience work-family conflict [13]. In this study, HRM refers to what extent firms manage the employees during crisis which are characterized as transformation and change.

The Role of HRM During a Crisis

HRM is described as a chameleon fashion as HRM constantly change its role to fit the external environment such as politic, economic and social situations [14]. This is to ensure HRM gains power and legitimacy [14]. HRM presence in the early 20th century in response to the industrial revolution [15]. The HRM purpose is to improve the workers, machines partnership, productivity and turnover problem [15]. It shows that HRM supports the organization to achieve the objectives [15]. During the Severe Acute Respiratory Syndrome (SARS) outbreak, HRM involves in the cost cutting activities using different strategies such as staff deployment, no pay leave [16]. The strategies exclude massive layoffs because HRM demonstrates caring for employees' needs [16]. During 2008 recession, there is no substantial changes on HRM role. Roche and Teague [17] agree that HRM managers have cost-cutting power to save the firms. Nevertheless, Gudlaugsdóttir and Raddon [14] disagree by claiming there is role change on HRM. HRM managers gain strategic power when communicate and implement retrenchment. Gudlaugsdóttir and Raddon [14] further describe other HRM activities were postponed. This have weakened the HRM function [14].

Currently, it is argued that the role of HRM is crucial during the crisis. Vardalier [18] claims HRM do not only focus on the administration task but also strategic task when the crisis happens. HRM facilitates firms to diminish the negative impacts (e.g., freeze recruitment, high turnover, poor performance due to low morale and motivation, loss of staff and knowledge) of the crisis. The first approach to reduce the crisis negative impacts is to form the crisis management team [18]. This is to help diminishing employees' panic and stress. Freeze recruitment and loss of staff during the crisis causes less staff perform the jobs. Less staff workload increases and the worries that they may be the next to leave the firms develops their

panic and stress. Hence, HRM shifts to focus on the staff and support their mentally well-being [18]. For instance, HRM organize employee assistance program such as coaching and mentoring to ensure the staff loyalty, moral, motivation during the crisis and beyond. HRM also focus on the training programs to ease the staff transition between task and duties. Besides that, the second approach is to reduce the crisis negative impacts is to create the crisis communication channels such as staff intranet, emails and social media [18]. Limited effective communication between top management and subordinates is one of the reason of firms fail to control the crisis [19]. Thus, firms may use crisis communication channels to handle rumours and disseminate wrong information [19].

The development of the tourism industry in Malaysia before Covid-19

In 1970, the Malaysian economy was traditionally dominated by the commodities (e.g., rubber, palm oil, petroleum) and manufacturing industries [20]. Due to the economic recession, these industries are badly affected [21]. Government Malaysian then acknowledged tourism industry is one of the potential industry to be developed [21]. The development of tourism industry was implemented in the late 1980 and early 1990 [21]. For example, various incentives and assistance were offered to the private sectors to stimulate the tourism participation. As such, Visit Malaysia Year (VMY) campaigns implemented in years 1990, 1994, 2000 and 2007. Referring Table 1, total tourist arrivals increased from RM 289.50 million to RM 4500 million in year 1975 until 1990. Nevertheless, the growth of tourism declined in year 1991. Total tourist arrival dropped to RM 4300 million. There were limited marketing campaigns to boost the tourism compared to the previous year [21]. The growth of tourism recovered from year 1992 until 1995 which showed between RM 4595.40 million to RM 9174.90 million for tourist arrivals. Again, the tourist arrivals decreased from RM 10354.1 million to RM 8580.0 million in year 1996 until 1998. The main reason for the decline was global economic crisis [21]. From year 1999 to 2019, tourism recorded exponential growth except for year 2003 and 2015. Year 2003 registered a decline of tourist arrivals was due to the SARS outbreak. Meanwhile, the factors influence the decline

Table 1 Tourist arrival and receipts Malaysia from 1975-2019
 Source: Malaysia tourism key performance indicators 2021

Year	International tourist arrivals	Tourism receipts (RM million)
1975	1,461,553	289.50
1980	2,067,020	618.9
1985	3,109,106	1543.1
1989	4,846,320	2802.7
1990	7,445,908	4500.0
1991	5,847,213	4300.0
1992	6,016,209	4595.4
1993	6,503,860	5065.8
1994	7,197,229	8298.3
1995	7,468,749	9174.9
1996	7,138,452	10354.1
1997	6,210,921	9699.0
1998	5,550,748	8580.0
1999	7,931,149	13450.0
2000	10,221,582	17335.4
2001	12,775,073	24,221.5
2002	13,292,010	25,781.1
2003	10,576,915	21,291.1
2004	15,703,406	29,651.4
2005	16,431,055	31,954.1
2006	17,546,863	36,271.7

2007	20,972,822	46,070.0
2008	22,052,488	49,561.2
2009	23,646,191	53,367.7
2010	24,577,196	56,492.5
2011	24,714,324	58,315.9
2012	25,032,708	60,556.7
2013	25,715,460	65,443.3
2014	27,437,315	71,998.8
2015	25,721,251	69,119.6
2016	26,757,392	82,098.2
2017	25,948,459	82,165.0
2018	25,832,354	84,135.2
2019	26,100,784	86,143.5
2020	4,332,722	12,688.2
2021	134,728	238.7

tourist arrivals in 2015 can be attributed to the introduction of Goods and Service Tax (GST), uncertain political situation and aviation tragedies [22] [23]. It is clearly showed that the growth of tourism represents economy central pillar. Besides that, in line with the increased tourists, the employment in tourism related industries has increased annually since year 2010 [24]. The tourism employment mainly comes from food and beverage and retail business [25]. As such, managing employees in tourism related industries is crucial because tourism turns into source of employment.

Impact of Covid-19 on the tourism industry in Malaysia

Covid-19 third waves attack Malaysia with high cases being recorded since end of November 2020 until mid of January 2021 [26]. To response to the outbreak of Covid-19, Malaysian government re-imposed MCO 2.0. MCO 2.0 includes the domestic and international travel bans that totally impact the tourism industry. Malaysian Association of Hotels (MAH) is expected to lose RM 300 million revenue for each two weeks of MCO 2.0 [27]. The hotel bookings in Langkawi island (i.e., a popular tourist attraction) dropped to 60% following the re-introduction of MCO 2.0. [28]. Tourists cancelled the hotel bookings as they uncertain when MCO 2.0 will come to end [28]. Based on Syahirah [29], Malaysia unemployment rate in January 2021 increases to 4.9% compared 4.8% in December 2020. The unemployment rate mainly comes from tourism related industries such as accommodation, food service, transportation and recreational activities [29]. Teh [30] revealed that 287 hotels closed down and 5625 employees terminated. In brief, tourism industry is the major source of employment nevertheless Covid-19 has dramatically changed the tourism industry.

Crisis in tourism industry Malaysia

Crisis comes from Greek word [31] which means unexpected event that disrupt the daily operations and required the actions of managers [32]. Based on Zahed, et al. [33], tourism industry is easily prone to crisis in respect to health (SARS, H1N1, Covid-19), natural disaster (Tsunami, climate change), terrorism (Bali bombings, unrest in Thailand, Iraq war), economics (global economic recession, currency fluctuations). These crises originated from outside Malaysia leads to the tourists' fluctuation. Outside crises provoke the fear of the travellers and caused travel cancelled, numbers of travellers decline and the revenue drop. Hence, the tourism firms prepare themselves for the potential crisis by developing the crisis management plan. For instance, big scale tourism firms Malaysia have various crisis manuals for each crisis such as terrorism, disease, flood and tsunami because every crisis is unique and required a set of coordinated efforts to manage the crisis [33] [34]. For instance, if tsunami attacks, hotels have

manuals on how to cope with tsunami, first warning, second warning and hotels prepare themselves after that [33].

The manuals also include the hotels have meeting once in a month to share the information during tsunami crisis [33]. On the other hands, small and medium tourism firms claim they don't have any of the crisis planning due to the limited budget, education and awareness [34]. Therefore, in the case of crisis, small and medium tourism firms acted based on ad hoc basis with no priority for crisis planning [34]. Regarding crisis recovery, tourism firms begin to attract tourists by offering various discounts particularly in the low season and weekdays to sustain their business [34]. Tourism firms also used other approaches such as enhance service quality, hotel renovation and cheap tour packages to boost up the number of tourists [34]. Besides that, government Malaysia has launched mechanisms to reduce the effect of crisis on tourism industry. For example, tax relief up to Rm 1000 for domestic travel expenses (e.g., accommodation and entrance fees) between 1 March 2020 and 31 August 2020 (Incentive for domestic, 2020). Another example is government Malaysia collaborate airlines, resorts and hotels to distribute travel discount vouchers of RM 100 per person start from March 2020 [35].

The Role of HRM in the Tourism Industry Malaysia

Tourists concern service qualities such as accommodation, foods and entertainment because tourism activities are related to the services [36]. As such, the service quality of the tourists depend on the interaction with the tourism employees [37]. It results moment of truth matters in the competitive market to help the tourism firms differentiate themselves on service and gain the competitive advantage [38]. It seems that tourism employees are trained properly to provide the excellent service. However, it is opposite because tourism employees are least trained. Therefore, tourism firms claim to have poor quality service. Tourism firms provides limited trainings and promotion opportunities, low wages, poor career structures to the employees due to the high turnover rates in the tourism industry [39]. This easily trigger employees' intention to quite the job. Hence, the managers tend to hire least skilled staff immediately [39] to solve the employees' shortage, turnover and low productivity problems. Tourism firms have no adopted the systematic and formalized approaches to enjoy the long term benefits (e.g., career development, strategic recruitment). Furthermore, the tourism firms Malaysia has poor work-life balance [40]. It can be noted that when employees' personal life interferes with work, it is difficult for employees to fulfil the family or personal demands such as community activities, hobbies [40]. It is possible for employees to consider quitting the job.

3. CONCLUSION AND RECOMMENDATIONS

The theoretical review exhibits the benefits of HRM such as increased profits tourism firms, higher employees' productivity and reduce turnover problems. Human resource managers make employees productive by offering enjoyable working environment and ensure the harmony between employers and employees. Happy employees focus in their work and contribute to achieve firms' objectives. However, this study revealed HRM in the tourism firms is associated with negative practices such as inadequate pay, long working hours and limited training opportunities. It influences tourism firms to employ the short-term or ad-hoc basis HRM although employees are the main asset in the service delivery. For instance, managers recruit least skill workers to perform the task.

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