

# Sectoral Brief

## Hotels, catering and tourism

### Social dialogue

#### **SOCIAL DIALOGUE IN THE TOURISM INDUSTRY**

Social dialogue is understood as all forms of information sharing, consultation and negotiation between employers, management and labour, and their democratically elected representatives in HCT and other sector worker's organizations.

Workers in hotels and restaurants have a low rate of membership in trade unions due to a number of characteristics of this sector and of its labour force: the small size of enterprises with often paternalistic labour relations; little industrial experience of the workers due to their young age or their incomplete involvement; and sub-contracting of activities to other sectors. Proper management-labour relations on a regular basis is therefore still the primary goal of the ILO's sector work on this issue.

Tourism is a labour intensive interface between workers and customers, and a quality driven service profession. The competitiveness and productivity of the tourism industry depends first and foremost on the skills level and the professionalism of the workers. Looking at the working conditions in tourism (see employment and social protection pages of this site), there is a discrepancy between the qualification needs and workplace reality. Therefore all stakeholders recognise that education, vocational training, training upgrades and human resource development are an absolute must for the future of the sector.

It is also widely recognised that the low attractiveness of the sector is responsible for the high labour fluctuation, with tremendous costs for the employers and a shortage of skilled workers in the sector. The Marriott Corporation for example, has reported that a 1% increase in employee turnover would cost the company between \$US 5 and 15 million (Pizam and Thornburg, 2000).

Taking these factors into consideration, the ILO activities in assisting the constituents in professional training is closely linked with the establishment, development and/or improvement of labour-management relations at all levels, and especially at workplace level. Sustainable vocational training has to be based on social dialogue structures at national, local and enterprise level.

The ILO is currently involved in three pilot projects (Barbados, Tanzania, Egypt, Laos and Mexico), which reflect these objectives and are part of the Decent Work Country Programmes in each country.

# Sectoral Brief

Promoting socially sustainable development through the creation of decent employment in the tourism sector is potentially the subject of a code of practice to be disseminated amongst providers and consumers of hotel, catering and tourism services as widely as possible. It could refer to minimum conditions such as those enshrined in the ILO Declaration on Fundamental Principles and Rights at Work, and the requirements of Convention No. 172 and Recommendation No. 179 on Working Conditions in Hotels and Restaurants.

The ILO has produced a Guide on social dialogue in the HCT sector (pdf) which should assist in the national and especially local/company implementation of labour-management structures.

## **CORPORATE SOCIAL RESPONSIBILITY AND INTERNATIONAL FRAMEWORK AGREEMENTS**

A growing number of transnational companies in the tourism sector have developed Corporate Social Responsibility (CSR) policies. Corporate Social Responsibility is a unilateral declaration of intent formulated and conceived by management, whereby a responsible business should consider the effect of its activities on the society and the environment.

The ILO, in consultation with its constituents, commissioned a research and case study concerning CSR and responsible labour relations in international hotel chains (pdf). Moreover, the Tour Operators Initiative is actively involved in this field within the context of the Global Reporting Initiative (GRI).

The French-based hotel and tourism group Accor has signed an international framework agreement on trade union rights with the IUF. International framework agreements are instruments used to ensure respect for fundamental international labour standards among target companies. IFAs differ from CSR initiatives because they are agreements between a company and trade union and usually include measures to be taken in order to achieve the agreed goals, as well as mechanisms to monitor their achievement.

Also Club Med and IUF signed International Agreement on Fundamental Rights at Work in 2004. On 31 January 2007, the European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT) and the European Federation of Contract Catering Organisation (FERCO) signed the "FERCO-EFFAT Agreement on Corporate Social Responsibility in the Contract Catering sector". All these initiatives and instruments may be seen as tools to improve the social dialogue policy and practice in a sector where institutionalised management-labour relations are still not a common feature.

# Sectoral Brief

## USEFUL RESOURCES

### Social dialogue

Social Dialogue, Labour Law and Labour Administration Branch, ILO

<http://www.ilo.org/public/english/dialogue/ifpdial/index.htm?C087>

Freedom of Association and Protection of the Right to Organise Convention, 1948

<http://www.ilo.org/ilolex/cgi-lex/convde.pl?C087>

Right to Organise and Collective Bargaining Convention, 1949

<http://www.ilo.org/ilolex/cgi-lex/convde.pl?C098>

### CSR & IFAs

World Tourism Organization Code of Ethics

[http://www.unwto.org/ethics/full\\_text/en/pdf/Codigo\\_Etico\\_Ing.pdf](http://www.unwto.org/ethics/full_text/en/pdf/Codigo_Etico_Ing.pdf)

International framework agreement on trade union rights

[http://www.iuf.org/cgibin/dbman/db.cgi?db=default&ww=1&uid=default&ID=163&view\\_records=1&en=1](http://www.iuf.org/cgibin/dbman/db.cgi?db=default&ww=1&uid=default&ID=163&view_records=1&en=1)

Tour Operators Initiative

<http://www.toinitiative.org/>

FERCO-EFFAT Agreement on Corporate Social Responsibility in the Contract Catering sector

[http://www.fffat.eu/files/1182518326\\_doc\\_ferco\\_en.pdf](http://www.fffat.eu/files/1182518326_doc_ferco_en.pdf)

International Agreement on Fundamental Rights at Work

[http://www.iuf.org/cgibin/dbman/db.cgi?db=default&ww=1&uid=default&ID=2516&view\\_records=1&en=1](http://www.iuf.org/cgibin/dbman/db.cgi?db=default&ww=1&uid=default&ID=2516&view_records=1&en=1)