

Unit 4: The Travel and Tourism Business Toolkit

Unit code	T/616/2009
Unit type	Core
Unit level	4
Credit value	15

Introduction

Everyone needs to understand the business they work in – not just their own part of it, but how all the different aspects link together. The actions of a travel and tourism manager can have an impact on other areas, and their actions can affect interrelationships with those departments, so students will need to understand this to be able to make effective, informed decisions.

Every business requires future leaders to have a level of understanding of key factors to drive both profitability and brand success, using tools such as human capital planning to recruit and retain the best staff, and interpreting and applying financial indicators to drive profitability or gain market share.

This unit is designed to provide students with the skills they need to become competent managers in a travel and tourism environment. This will prepare them to understand important principles with regard to performance indicators, both financial and non-financial, human resources management, and other key factors affecting the modern business environment.

The unit aims to give students the opportunity to develop their business acumen, covering a number of different business activities applied within the travel and tourism industry context. These include understanding the business climate and key principles of revenue management, recruitment and retention of staff, effective communication, and dealing with legislation and regulation.

Learning Outcomes

By the end of this unit students will be able to:

1. Examine the key principles of revenue management for the travel and tourism industry
2. Assess how to manage the Human Resources (HR) life cycle within the context of an HR strategy
3. Illustrate the potential impact of the legal and ethical considerations on a travel and tourism business
4. Explain how to manage budgets and maintain statistical and financial records.

Essential Content

L01 Examine the key principles of revenue management for the travel and tourism industry

Travel and tourism characteristics:

Key characteristics of the travel and tourism industry e.g. seasonality, perishability, vulnerability and competition that influence pricing strategies

The economics of travel and tourism based on marginal cost principle and low profit margins

Revenue management:

Definition of yield and revenue management

Application of tools of revenue management in the travel and tourism sector: capacity utilisation, discount allocation, duration control and late booking strategies

Measuring yield: potential room rates and air fares, occupancy percentage, multiple occupancy percentage, load factors and yield calculation

The importance of revenue management, application, strategies and implementation

L02 Assess how to manage the Human Resources life cycle within the context of an HR strategy

The HR life cycle:

The concept of the HR/employee life cycle and HR solutions for ensuring effective management of key stages of the HR life cycle: recruitment and selection, onboarding and orientation, exit and transition

Different recruitment/interview methods to best fit for the role required

Performance management, training and development, succession planning and maintaining employee motivation to retain staff

Managing a multicultural and international team, and promoting equality and diversity

Key HR legislation considerations in relation to the HR life cycle

L03 Illustrate the potential impact of the legal and ethical considerations on a travel and tourism business

Legislation and legal responsibilities:

The relationship between regulations, legislation and standards

The implications and impacts of various legislation e.g. environmental legislation, consumer and passenger rights, freedoms of the air and bilateral agreements

Legislation on data protection and confidentiality

Rules and regulations relating to cybersecurity

Employee legislation: equal opportunities, anti-discrimination, safeguarding

Ethical considerations:

Business ethics

Corporate social responsibility

Employment law and its impacts on business decisions and contracts:

How employment law is defined

Application of law in cases of maladministration or breaches

L04 Explain how to manage budgets and maintain statistical and financial records

The use of financial statements and reports to communicate financial positions with stakeholders

Monitoring sales targets and figures

Sales reporting mechanisms

Preparing budgets, budget control techniques and using budgetary targets to identify variances

How to interpret business performance from profit and loss statements

Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
<p>LO1 Examine the key principles of revenue management for the travel and tourism industry</p>		<p>D1 Critically analyse the principles of revenue management and its application in a specific sector of the travel and tourism industry</p>
<p>P1 Discuss the rationale and principles of revenue management for the travel and tourism industry</p> <p>P2 Investigate how a specific sector of the travel and tourism industry applies revenue management tools to generate and maximise profit</p>	<p>M1 Analyse the impact of differentiated pricing strategies on revenue management in a specific sector of the travel and tourism industry</p>	
<p>LO2 Assess how to manage the Human Resources life cycle within the context of an HR strategy</p>		<p>D2 Make valid judgements and recommendations on how HR processes and documents can be improved for effective talent planning throughout the HR life cycle</p>
<p>P3 Review the different stages of the HR life cycle applied to a specific travel and tourism job role, and their importance for retaining and developing talent</p> <p>P4 Develop a performance management plan for a specific travel and tourism job role, applying techniques to resolve negative behaviour and to overcome issues of staff retention</p>	<p>M2 Evaluate the importance of the HR life cycle in relation to strategic talent management and overcoming issues of staff retention</p>	

Pass	Merit	Distinction
<p>L03 Illustrate the potential impact of the legal and ethical considerations on a travel and tourism business</p>	<p>M3 Using specific examples, examine the potential implications of regulations, legislation and standards on decision-making in the travel and tourism industry</p>	<p>D3 Critically reflect on the potential impacts of regulations, legislation and ethical principles on decision-making in the travel and tourism industry</p>
<p>P5 Explore specific legislation that organisations in the travel and tourism industry have to adhere to</p> <p>P6 Using specific examples, illustrate how company, employment and contract law has a potential impact on business decision-making in the travel and tourism industry</p>		
<p>L04 Explain how to manage budgets and maintain statistical and financial records</p>	<p>M4 Interpret financial statements and reports for organisations within the travel and tourism industry</p>	<p>D4 Evaluate business performance based on financial statements reports for organisations within the travel and tourism industry</p>
<p>P7 Explore the different types of financial statements and reporting mechanisms for organisations within the travel and tourism industry</p> <p>P8 Explain the importance and value of budgets for controlling business performance and identifying variances</p>		

Recommended resources

Textbooks

ARMSTRONG, M. and TAYLOR, S. (2014) *Armstrong's Handbook of Human Resource Management Practice*. 13th ed. London: Kogan Page.

ALTINAY, L. and BROOKES, M. (2015). *Entrepreneurship in Hospitality and Tourism*. Oxford: Goodfellow Publishers.

HOLLOWAY, C. and HUMPHREYS, C. (2016) *The Business of Tourism*. 10th ed. Harlow: Pearson.

HORNGREN, C., SUNDEN, G., STRATTON, W., BURGSTALLER, D. and SCHATZBERG, J. (2013) *Introduction to Management Accounting*. Global ed. Harlow: Pearson.

MCLANEY, E. and ATRILL, P. (2014) *Accounting and Finance for Non-Specialists*. 9th ed. Harlow: Pearson.

Websites

www.cipd.co.uk

Chartered Institute of Personnel and Development

(General Reference)

www.hospa.org

HOSPA Hospitality, Finance, Revenue and IT professionals

(General Reference)

www.mindtools.com

Mind Tools Essential Skills for an Excellent Career

Forming, Storming, Norming, and Performing (Articles)

Links

This unit links to the following related units:

Unit 15: Management Accounting

Unit 17: Human

Resource

Management Unit

44: Organisational

Behaviour

Unit 47: Strategic Human Resource Management