**Unit code**  T/616/2009

**Unit type**  Core

**Unit level**  4

**Credit value**  15

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**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

LO1 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

LO2 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
**LO3 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

**LO4 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
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<th>Learning Outcomes and Assessment Criteria</th>
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<tr>
<td><strong>Pass</strong></td>
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<tr>
<td><strong>LO1</strong> Examine the key principles of revenue management for the travel and tourism industry</td>
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<tr>
<td><strong>LO2</strong> Assess how to manage the Human Resources life cycle within the context of an HR strategy</td>
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<tr>
<td><strong>P3</strong> 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</td>
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<td><strong>P4</strong> 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</td>
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<td>Pass</td>
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<td><strong>LO3</strong> Illustrate the potential impact of the legal and ethical considerations on a travel and tourism business</td>
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<td><strong>P6</strong> Using specific examples, illustrate how company, employment and contract law has a potential impact on business decision-making in the travel and tourism industry</td>
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<tr>
<td><strong>LO4</strong> Explain how to manage budgets and maintain statistical and financial records</td>
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<td><strong>P8</strong> Explain the importance and value of budgets for controlling business performance and identifying variances</td>
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Recommended resources

Textbooks


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