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**The local tourism labor market in Small Island Developing States**

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*Due to the numerous developmental constraints faced by many Small Island Developing States, these governments have promoted tourism in policy agendas on the grounds that it will enhance the lives of local people through the creation of employment and subsequent increase in income level. Using the case of the Maldives, this research explored the extent to which local employment is integrated in the sustainable development paradigm. The research indicates that the Maldivian tourism industry to be impacted upon by a myriad of social, human resource, economic, institutional and religious factors which affect the attraction and retention of local people in tourism employment.*

*KEYWORDS: local employment, sustainable tourism, SIDS, Maldives*

## INTRODUCTION

Tourism has had a profound impact upon destinations worldwide, in particular, the job creating capacity of tourism is one of its most significant and positive features. The tourism sector employs over 220 million people worldwide; some 7.6 percent of the total global workforce (World Travel and Tourism Council [WTTC], 2009). Arguably employment creation, amongst the other positive economic features, makes tourism particularly attractive in developing countries and destinations when other economic opportunities are limited. In the case of Small Island Developing States (SIDS) for example, tourism is promoted in policy agendas on the grounds that it can enhance the lives of local people through the creation of employment and wages. Yet, with some exceptions, SIDS are characterized by their small populations which do not offer a critical mass of manpower, skilled or otherwise, to support economic activities (Wilkinson, 1997). This has led to a reliance on expatriate labor which mitigates many of the positive economic impacts of tourism for host communities.

Concomitantly, while the sustainable development concept has infiltrated tourism research, particularly in terms of the shortcomings in the environmental and social aspects of the sustainable development paradigm (for example see: Butler, 1998; Coccoisis, 2009), very few studies have considered the extent to which destinations are legitimately meeting one of the primary elements of economic sustainability: employment. A key premise that surely must underpin any claim of sustainability generally, or economic sustainability specifically, is that employment created by the tourism sector benefits the local people. In the context of SIDS “tourism, offers the best chance for development in terms of creating growth and employment, generating foreign exchange and reducing poverty” (Croes, 2006: 455). Indeed, equitable patterns of local employment are essential for sustainable poverty reduction and enhanced quality of life within local communities (Jamieson, 2003). However, tourism’s

contribution to the national economies can be severely diminished with high leakages of foreign revenue as a result of high dependency on expatriate labor (Wall & Mathieson, 2006). Therefore, a key question is whether the use of expatriate labor, coupled with the type and nature of employment created by tourism activity, is legitimately generating economic benefits for the host communities of SIDS, and in turn, contributing to the sustainable development policy objectives of the destination.

Given this context, the purpose of this study was to investigate the extent to which employment is a valid contributor to sustainable development in SIDS. The SIDS case of the Maldives is particularly relevant to study the role of employment in the sustainable development paradigm as the destination has been purported to be a SIDS example of best practice in sustainable tourism development (for example see: Domroes, 2001; Vellas & Bécherel, 1995), yet there are low rates of local labor market participation and a high expatriate labor force. Therefore, the objectives of the study were to: 1) identify the characteristics of employment in the tourism industries that affect the attraction and retention of local employees in the Maldivian tourism industry, and 2) identify the perceived reasons for, and impacts of, the expatriate labor force on the Maldivian tourism industry. The outcomes of this study give valuable insights into why employment, as a key contributor to sustainable development, is not delivering the full range of benefits to the local community and as a result compromises genuine progress towards sustainable development objectives.

## **LITERATURE REVIEW**

As tourism is most successful in acting as a catalyst for economic development (Coccosis, 2009), it is usually perceived as an attractive development option, particularly where other economic alternatives are limited. Island destinations would certainly fall within this category

due to their relative physical and social isolation, and limited natural resource endowments which make SIDS high import dependent destinations (Kim & Uysal, 2002; Singh, 2006). Arguably, the sustainable development approach is particularly crucial in these contexts. Yet, developed island states such as Hawaii and the Balearic archipelagos in Spain, for example, have been found to be exceeding carrying capacity limits, have inadequate land usage, zoning and coastal development policies, and a legacy of inappropriate and/or uncontrolled development which has resulted in negative host community sentiments towards tourism (Bardolet & Sheldon, 2008).

Due to the challenges facing SIDS, tourism is often considered a panacea for the developmental constraints facing these destinations. Nevertheless, there is a lack of local employment in the tourism industry. In fact, Jithendram and Baum (2000) identify this as the major reason for the unsustainable development of tourism in SIDS. While there are numerous examples of SIDS such as the Maldives that have benefited financially from tourism, there are many cases where the negative impacts associated with tourism activity have overshadowed the potential of the sector to address unemployment and poverty alleviation. One contributing factor is the high levels of foreign involvement in the tourism industry. For instance in Fiji, Rao (2002) reports that the country has high degrees of foreign ownership to such a significant extent that Rao even questions whether tourism is a worthwhile development strategy to be pursuing given the marginalized economic returns for the host community. Rao's (2002) same research on Fiji also shows that there has been a lack of local control and participation in tourism development. Similarly, in the Solomon Islands Sofield (2003) found that the lack of local community participation and disempowerment in tourism development indicated a complete failure with respect to sustainable tourism development.

A further issue is that the tourism industry in SIDS is often characterized by high levels of expatriate employment, especially in senior positions (Castley, 2005; McElroy & de Albuquerque, 2002; Haywood & Jayawardena, 2004). In countries such as Maldives and Fiji expatriates dominate tourism employment. For instance, the Fiji Island Bureau of Statistics indicates that 15% more expatriates were employed in tourism related jobs than locals (Fiji Islands Bureau of Statistics, 2009). The extensive use of expatriate labor is identified as one of the primary factors that mitigate the positive economic impacts of tourism (Mowforth and Munt, 2009; Wall & Mathieson, 2006). As such, it has been argued that the widespread use of expatriate labor in the tourism industry is a major challenge facing the sustainable development of tourism in SIDS (Wilkinson, 2001).

Arguably, employment is the primary avenue through which local communities in SIDS can directly benefit from tourism development. Indeed, in many SIDS gaining employment within the tourist industry is relatively easy and requires little to no specialist qualifications or training (Athukorala, 2004). Further, the high reliance on tourism in many island destinations means that there is potential for significant proportions of the local population to be employed in the tourism sector. For instance, according to Bardolet and Sheldon (2008) the tourism industry employs about 30 percent of the working population in Hawaii and almost 50 percent in the Balearics. While in the Seychelles tourism accounts for only 17 percent of employment and in Samoa ten percent of the working population is employed in tourism, despite the fact that the tourism industry accounts for 25 percent of GDP (Pearce, 2008; SIDS Network, , 2004).

While the high use of expatriate labor in tourism does detract from the positive economic benefits for the host community, concurrently tourism employment in the sector could arguably be described as suffering from an image crisis (Liu and Liu, 2008). Certainly there are polarizing viewpoints regarding the ‘esteem’ of employment in the sector. In some contexts employment in the tourism industry has a low status and low skills image, while on the other it is perceived as one of glamour (Riley et al., 2002). Further, unsociable working hours and low pay mean that tourism employment can be perceived by the local community as one which is demeaning (Dickerson, 2009; Ruhanen & Cooper, 2009). For these reasons it can be difficult to attract and retain skilled and educated employees in to the tourism industry. This has been found to be the case in many SIDS where tourism employment is often not recognized as a mainstream career option (Zopiatis & Constanti, 2007). Hence, the use of expatriate labor is often needed and/or justified for such reasons. This situation is certainly prevalent in the SIDS case of the Maldives.

### **BACKGROUND OF THE MALDIVES**

The Republic of Maldives is an independent archipelagic nation located south of the Indian sub-continent, straddling the equator on the Indian Ocean. Only about 194 of the 1,190 islands are inhabited by local people, and of the remaining islands, 94 are exclusively developed as individual self-contained resorts on a ‘one island-one resort’ basis (Department of National Planning [DNP], 2009; Ministry of Tourism, Arts and Culture [MTAC], 2009).

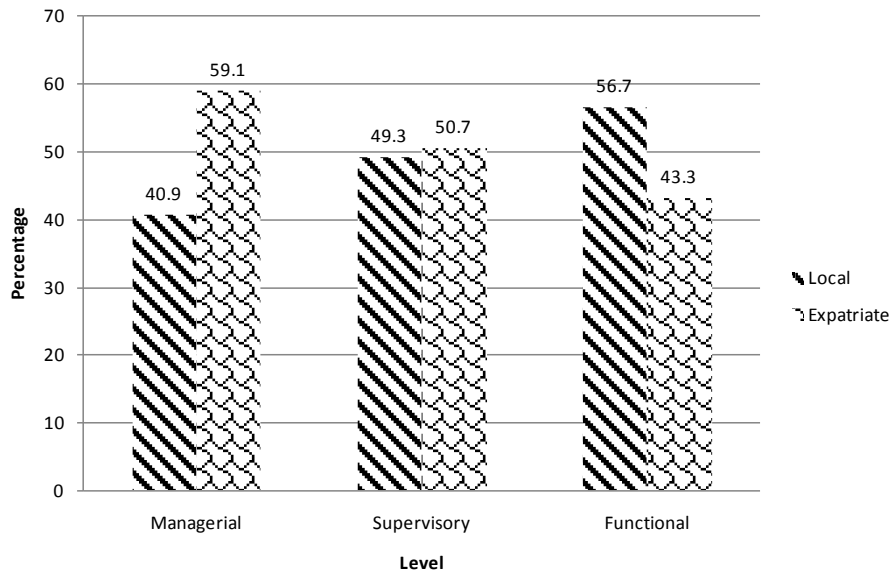
Tourism is the backbone of the Maldivian economy, contributing 27 percent to GDP, 29 percent to government revenue, and generating about 70 percent of the foreign currency earnings for the country in 2008 (Ministry of Planning and National Development, 2008a). Yet there is a dearth of statistical data about employment in the tourism industry. However,



the WTTC (2009) estimates that in 2009, the travel and tourism sectors would represent some 52 percent of the country's employment, obviously having serious implications for the local labor market. The projection that by 2010, the expanding Maldivian tourism accommodation sector alone will require an additional 29,000 employees (Ministry of Tourism and Civil Aviation [MTCA], 2007) magnifies the challenges that face the industry in terms of labor needs.

From the current Maldivian population of just over 310,000, nearly 40 percent are under the age of 18 (DNP, 2009). The economically active population (aged 15-64 years) in 2007 was just over 198,000 and during the same year the country had an unemployment rate of 14 percent (DNP, 2009). In spite of this, by the end of 2008, Maldives had an expatriate workforce of nearly 81,000 (Ministry of Human Resources Youth and Sports, 2009) with the majority directly or indirectly employed in the tourism industry. While exhaustive statistics on local employment in the tourism industry in the Maldives are not available, estimates show that approximately 53 percent of the tourism workforce was comprised of expatriates (Clique Associate Trainers and Consultants [CATC], 2007). A human resource situation analysis conducted by the MTCA in 2006 indicated that of those employed 59 percent of expatriates were employed in managerial level jobs and just over half of the supervisory level positions were also staffed by expatriate employees (MTCA, 2008). In comparison, over half (57%) of the functional or front-line positions were staffed by local employees (Figure 1). Further, it is estimated that seven percent of resort employees are females and only two percent of these are local women (MTCA, 2007). Among the total number of expatriates employed in the Maldives, Asian accounts for the highest number (98%). This is followed by 1.2% Europeans and employees from Africa, America, and Oceania accounts for 0.2%

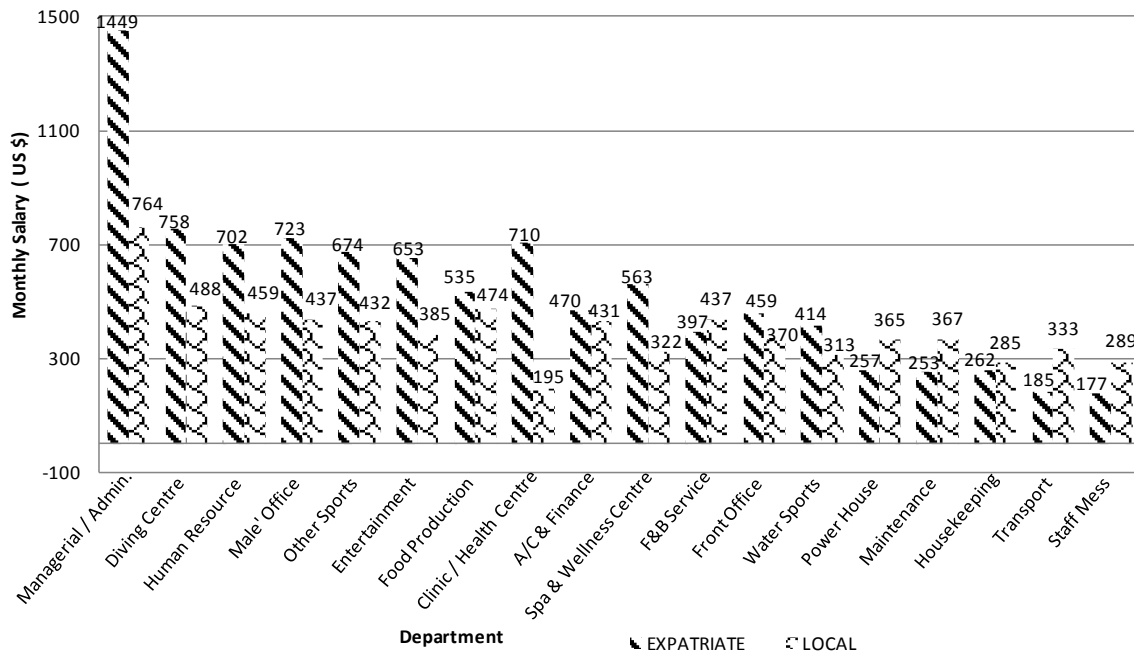
expatriates employed in the country (Ministry of Planning and National Development, 2008b).



**Figure 1: Comparison of Local and Expatriate Employees by Occupation, 2006**

(Source: MTCA, 2008)

The MTCA study (2008) also indicated that the overall average salary of local employees was significantly lower than that of expatriate employees. Managerial and administrative expatriate employees received the highest monthly salaries of US\$1,400 paid for expatriates, whereas local employees in the same positions were paid an average of US\$800. Expatriates are also paid higher salaries than local employees in other functions such as sports and entertainment, food production, health and wellness and front office. Local employees however, receive slightly higher salaries on average in functional positions such as maintenance and transport (Figure 2).



**Figure 2: Average Monthly Salary of Resort Employees by Department, 2006**

(Source: MTCA, 2008)

Further, challenges to the tourism labor market in the Maldives arise due to the lack of effective labor laws in the Maldives which makes it easy for employers to terminate employees as they desire. Additionally, locals appear disinterested in tourism employment, an acknowledged problem in tourism generally and SIDS particularly, and importantly, resort operators have little interest in employing local people (Saeed, 2008). It is within this context that the Minister of Tourism, Dr Shauqee, noted that for most tourism operators, employing locals was not necessarily a key priority, and providing local employment was only done to meet the government regulation of a minimum of 50 percent local employment where available (Rishan, 2006). Yet, the untenable nature of this situation is increasingly being realized. For instance, the MTCA (2007) has identified the increasing share of expatriate workforce in the Maldivian tourism industry as a growing concern because of the negative economic impacts associated with expatriate employment. If tourism is to be developed

sustainably, it must provide “quality employment for community residents” (Jamieson, 2003: 13). Thus, providing fulfilling employment opportunities to the local population should be recognized as a fundamental aspect of sustainable tourism development. Therefore, to address the role of local employment as a contributor to sustainable development, the SIDS case study of the Maldives was examined. The extent to which employment is a valid contributor to sustainable development in the Maldives was deemed worthy of investigation due to: high levels of expatriate labor in the industry and negative connotations associated with employment in the tourism industry making it relatively unpopular with the local population. Issues within the labor market were investigated including the inhibitors and facilitators of engaging the local employees within the tourism industry.

## **RESEARCH METHODS**

To address the research objective, a mixed methodological approach was adopted. Key stakeholders associated with employment in the Maldives tourism industry were deemed for this study to include: tourism industry managers, tourism educators and community representatives. A limitation of the data set is that employees, whether present or potential, were not able to be surveyed in the data collection due to logistical constraints associated with the research design. However, the authors acknowledge that this is an aspect to address in future research.

Quantitative and qualitative data were gathered via a combination of semi-structured, in-depth interviews with tourism educators (n=28), semi-structured focus groups with representatives of the local community (n=8), and a survey questionnaire mail-out for managers working within the tourism industry (n=74). A snow-ball sampling method for tourism educator participants was employed and yielded a response rate of 100%, while a

non-probability purposive cluster sampling technique was used to select local community representatives for the focus groups. Four atolls were selected for the focus groups with discussions held in each of the four highest population density areas. Combined, these atolls represent 54% of the population of the country. Differences in the nature of the tourism industry between atolls were not deemed significant and so the sample selection allowed for the generalizability of the study to the whole of the Maldives. Separate focus groups were held with members of the Island Development Committee and the Women's Development Committee in the administrative capital of each of the four selected atolls.

For the survey questionnaire a probability sampling technique was employed. Due to the small population, all 74 resorts operating in Maldives at the time the research was conducted were invited to participate. Surveys were sent to members of the senior management team, including the human resource manager, at each of the resorts. A total of 156 survey questionnaires were sent and at completion of the four week survey period, a total of 74 usable questionnaires accounting for 47% of the targeted sample population were received. The questionnaire contained a series of Likert-scale questions on issues acknowledged as affecting the attraction and retention of employees in the tourism industry.

Due to the mixed methods, various data analysis techniques were employed. Data from the in-depth interviews and focus groups were transcribed, translated and analyzed using content analysis. To reduce and transform the data into an accessible and understandable form, and to draw out various themes and patterns associated with the participants being studied (Berg, 2004; Neuendorf, 2002), the transcripts were analyzed and organized utilizing the principles of content analysis. Researchers subscribing to the constructivist paradigm consider that data should be analyzed through a process of induction,

where the researcher constructs and reconstructs meaning in the data in relation to the research question. Data was coded using manifest and latent analysis. With regards to the focus group data, the notion of “collective inquiry” (Kamberelis & Dimitriadis, 2005: 888) based on the objective of generalizing findings in terms of the group was sought (Stewart et al., 2007). Hence, the content of the focus group discussions were analyzed as a group rather than on an individual basis.

The quantitative data collected through the tourism industry survey questionnaires was analyzed using the computer package, Statistical Package for the Social Sciences (*SPSS*, v15.0). In order to determine the internal consistency of the survey questionnaire a Cronbach’s Alpha coefficient reliability analysis was conducted. This method shows an indication of the average correlation among all the items, in this case, of the research questionnaire’s number of items presented on the Likert scale. Cronbach’s Alpha coefficient for the tourism industry survey questionnaire was measured at 0.9. Therefore, the Cronbach’s Alpha coefficient is well above the 0.7 standard reliability that suggested by DeVellis (2003).

## **RESULTS**

The objective of this study was to investigate the extent to which employment is a valid contributor to sustainable development in SIDS. Given the previously outlined issues and challenges with local employment in the Maldives, the research specifically sought to identify those factors that affect the attraction and retention of local employees in the Maldivian tourism industry. As such, the questions posed to all three sets of study participants primarily centered on the attraction and retention of local employees in the tourism industry, but did not explicitly pose questions about the use of expatriate labor, although this did emerge as an issue during the research. For each of the qualitative data sets

multiple responses were coded. Interview excerpts were assigned identifiers based on whether the respondent was a member of a focus group (FG) or undertook an in-depth interview (INT).

Based on previous research on factors affecting attraction and retention of tourism employees (Erdem & Cho, 2007; Kusluvan, 2003; Riley & Szivas, 2003; Ruhanen & Cooper, 2009), tourism industry managers were required to rate five factors on a Likert scale that have been found to affect the attraction, retention and employability of local employees in the tourism industry (Table 1). The narrow labor market and the lack of a skilled labor force were identified by the industry survey respondents as a key issue affecting the attraction and retention of local employees in the Maldivian tourism industry. Indeed, the vast majority of industry respondents agreed/strongly agreed that the local labor force in the Maldives lacked: the necessary vocational skills (80%); a commitment to employment in the industry (77%); professional experience (69%); and, the requisite academic qualifications (57%). A lack of employee commitment to the job was an issue identified as affecting the attraction and retention of local employees in the Maldivian tourism industry. However, industry respondents were less certain that the negative image of the tourism industry was a factor (Table 1).

**Table 1: Issues Affecting the Attraction & Retention of Local Employees**

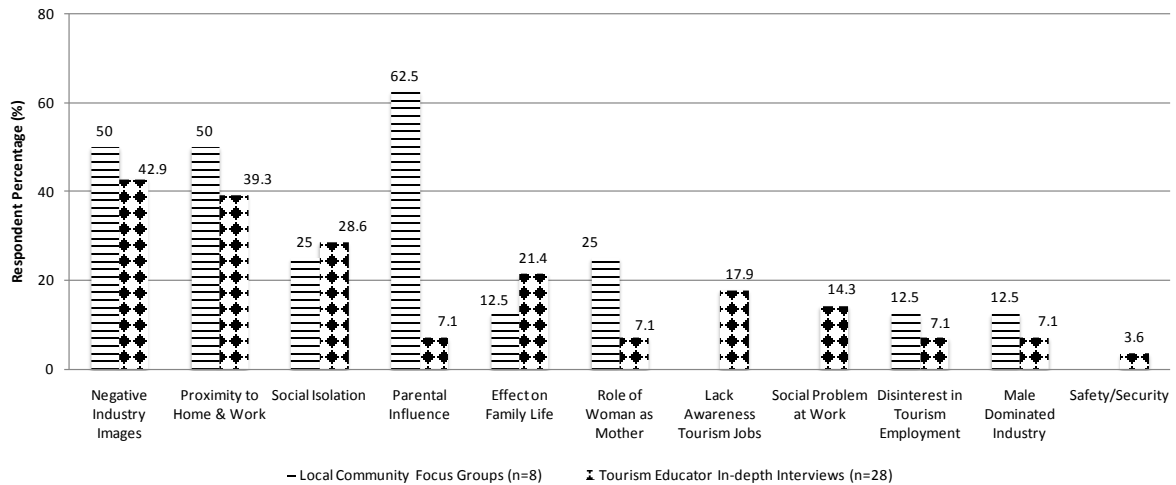
	Tourism Industry Survey (Percentage) (n=74)					
	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree	No Response
Lack Vocational Skills	31.1	48.6	12.2	1.4	0.0	6.8
Lack Employee Commitment	48.6	28.4	13.5	4.1	2.7	2.7
Inadequate Professional Experience	31.1	37.8	24.3	1.4	1.4	4.1
Lack Academic Qualification	21.6	35.1	25.7	9.5	1.4	6.8
Negative Images of Tourism Industry	14.9	8.1	29.7	28.4	10.8	8.1

Further insights on why there is difficulty in attracting and retaining local employees in the tourism industry was uncovered in the local community representative focus groups and tourism educator in-depth interviews. The qualitative phase of the research revealed a myriad of social, human resource, economic, institutional and religious factors affecting the attraction and retention of local employees in the Maldivian tourism industry. Each of these factors are examined and discussed in further detail.

### ***SOCIAL FACTORS***

Social factors were salient in both the local community focus groups (88%) and tourism educator interviews (82%). While a number of social factors were identified by respondents, the key issues included the negative image of the industry, proximity between home and work, social isolation, and parental influence (Figure 3).





**Figure 3: Attraction & Retention of Local Employees: Social Factors**

Half of the local community representatives (50%) and 43% of tourism educators considered the negative images of the tourism industry as the primary social issue affecting the attraction and retention of local employees (Figure 3).

*...the perception in the country is that, these are places where people are drinking and running around naked, illegal things going on, it's an immoral industry, this is a not a proper place for people to work, especially young women to go and work. That attitude is something which is ingrained in the national conscious and national attitude. That will take time to change (INT24).*

Proximity to home and work was also identified as a key social theme (local community representatives, 50%; tourism educators, 39%) as affecting the attraction and retention of local employees.

*I think the major problem is living away from family to do a job. The distance is a problem (FG03).*

Similarly, a tourism educator noted

*I guess in the Maldives the other challenge is the distance. Here you can't just get on the motorbike and drive to work, or catch a public bus, there is no public transport system (INT04).*

Social isolation while working at a resort was another issue that emerged (local community representatives, 25%; tourism educators, 29%). As one respondent noted

*You are going to a place where there is no social life (INT16).*

Corroborating this view, a local community representative stated

*The men can't leave their wife and children for 2-3 years while they stay at the resort job (FG01).*

Almost two thirds of local community representatives (63%) regarded parental influence as the overarching social issue affecting the attraction and retention of local employees, and also one which influences the lack of female participation in the tourism industry.

*They [parents] say that resort is away from home, and if the daughter has to work away from the parents, they fight and struggle not to send the daughter to work at a resort. Previously some parents will not send their daughters to Malé because it is away from home and say that it doesn't matter whether they have education or not, so they stay at home island...they would send the boys to study in Malé, and not the girls. And this same concept still applies to working at the resorts as well (FG08).*

## **HUMAN RESOURCE FACTORS**

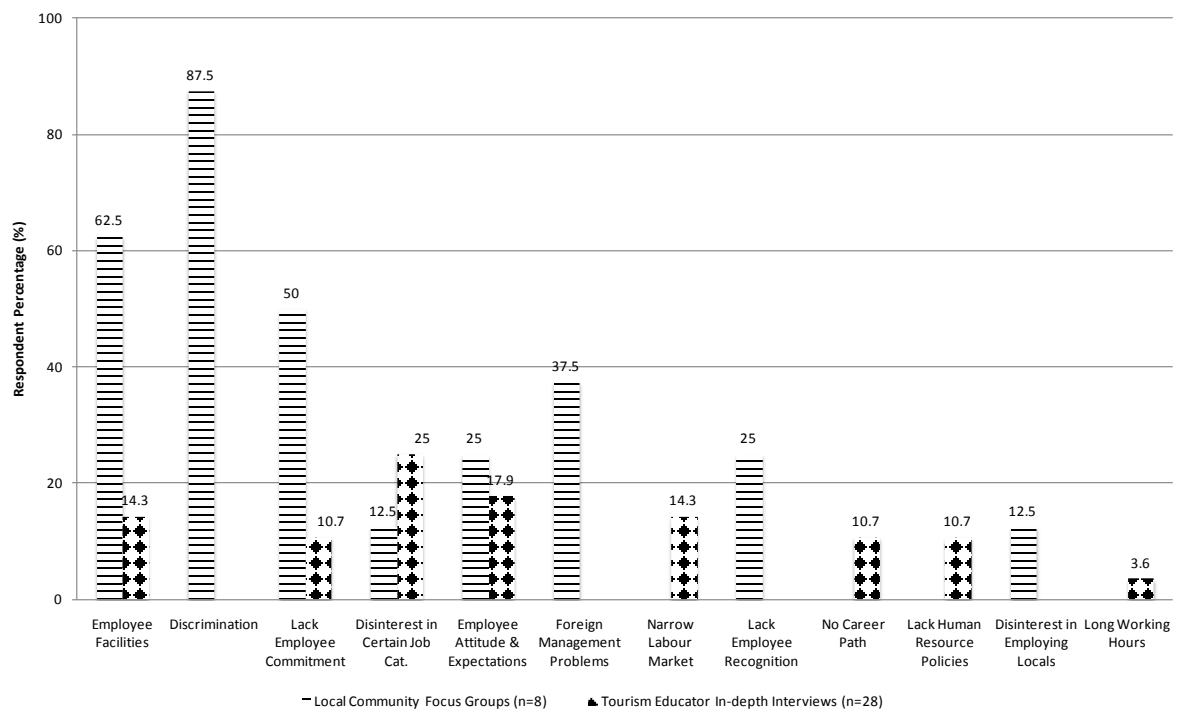
Human resource factors also emerged as an issue, particularly in the community representative focus groups. A variety of issues were cited and coded as poor employee

facilities, discrimination, lack of employee commitment to work, and disinterest in certain categories of tourism jobs among other issues (Figure 4).

Employee facilities were identified by community representatives as one of the key issues affecting the attraction and retention of local employees in the tourism industry (63%). This related to issues of accommodation and the provision of food. For example

*Resort accommodation is another major issue. The employees are stacked up in one room as if they are in an egg carton. The Maldivians have developed too far to live in such [confined] conditions (FG01);*

*When I was a student [X] sent me to a [X] resort, and that experience I will never forget. There were 4 levels of meals for different levels of staff. One level where the rice is not cleaned one where it is slightly cleaned, one where basmati rice is offered, and one group where they can eat only in the main restaurant (FG05).*



**Figure 4: Attraction & Retention of Local Employees: Human Resource Factors**

Discrimination between local and expatriate employees was also identified by the vast majority of community representatives (88%).

*There is a huge disparity between the salary and benefits the local gets and the foreign worker gets as well. I believe that there should be no discrimination between them. We hear many locals complaining of this difference between the local and the foreign worker (FG07).*

A lack of employee commitment to the job (local community representatives, 50%; tourism educators, 11%) and disinterest in certain categories of tourism jobs (local community representatives, 13%; tourism educators, 25%) were also identified within the human resource theme.

*To retain local employees I believe is like being suicidal...the day I really want them [local employee] that's the day he will not come to work, the day which is most important to me is the day he will not be available (FG06).*

*Another aspect is now... if you look at you know...I'm looking at the chefs, the culinary aspects... there is still a stigma attached to it...they [locals] don't want to become a chef...or do labor category jobs either (FG08).*

A further issue that arose in the research was the skills of the local labor market and the use of expatriate labor in the tourism industry. Tourism industry managers consider the local labor market to be lacking in vocational skills and academic qualifications, experience and commitment (Table 1). As one respondent noted

*The main challenge is the attitude of the Maldivian worker. His work ethics is generally poor. Their output compared to expatriate is like 60-75% at best. And*

*besides their approach to the job is very mechanical, like human aspect, touch is not there in most Maldivian young people, so this is a main challenge we face. They are very cut and dry, they want everything like written down and laid down, there is no flexibility (INT26).*

The use of expatriate labor in the tourism industry, estimated to be up to 53% of the total labor force in the sector (CATC, 2007), has created tension amongst the local population. For example respondents consider there to be considerable discrimination between local and expatriate employees in terms of wages, living conditions and allowances, and medical benefits.

*There is a huge disparity between the salary and benefits the local gets and the foreign worker gets as well. I believe that there should be no discrimination between them. We hear many locals complaining of this difference between the local and the foreign worker (FG07).*

### ***ECONOMIC FACTORS***

Economic factors were the third key theme identified in the research and included low salaries, lack of employee incentives, and limited community benefits from tourism. For instance, the vast majority of participants in the community representative focus groups discussed issues of low salary (75%) and lack of incentives (75%) as factors affecting the attraction and retention of local people in the tourism industry.

*Every Maldivian wants to have a job and work, but for me or anyone else we cannot survive on US\$100-150. The low salary is a major issue (FG03).*

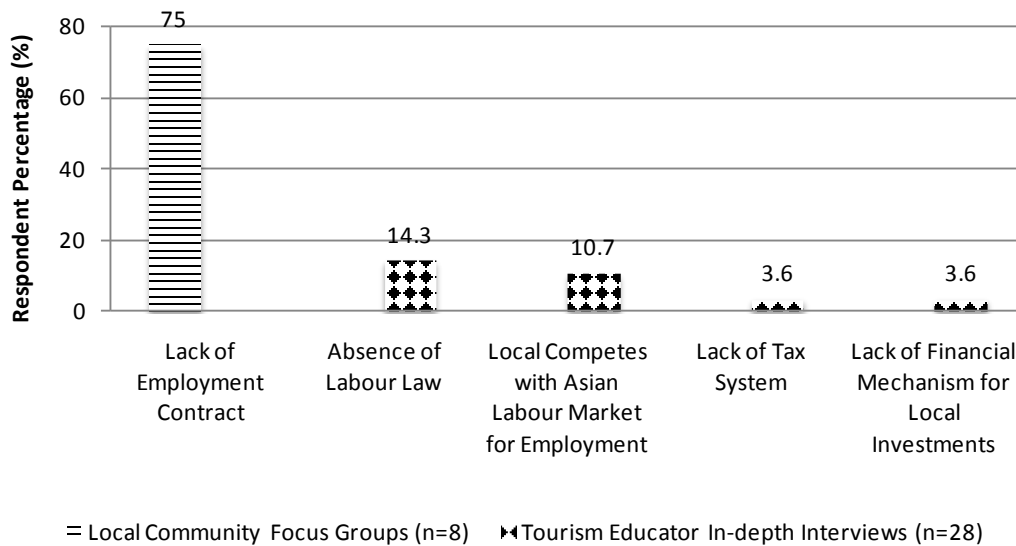
*...the incentives and motivation given...specially for women. It's probably the security of the women working. And other benefits like maternity benefits, maternity leave, longer leave, may be leaves that could be accumulated. But here we have not practiced things like this ever before (INT13).*

In regards to incentives the differences between local employees and expatriates was also highlighted as an issue.

*When they [locals] want to take a leave, they have to pay for own up and down transport cost... even if they take a leave after six months or even a year. But for a foreign worker they get return ticket, they get medical expenses if they are ill, and if they have to be in Malé the resort pays the room rent in Malé but these opportunities don't exist for the locals (FG02).*

### ***INSTITUTIONAL FACTORS***

Institutional factors were the fourth theme identified in the research and the responses varied quite considerably between the local community representatives and tourism educators. Identified issues included the lack of employment contracts, absence of labor laws, competition in the labor market, lack of a taxation system, and the lack of financial mechanisms in place for local investment (Figure 5).



**Figure 5: Attraction & Retention of Local Employees: Institutional Factors**

The lack of employment contracts in the Maldives was considered a key institutional issue affecting the attraction and retention of local employees (local community representatives, 75%).

*If there was a way in which there was some regulations formed to make sure that the locals also get the same benefits such as medical allowances, salary, living allowances, etc same as that of the expatriate then the locals will also participate in the industry. Perhaps have insurance and a work contract (FG07).*

Similarly, the absence of labor laws was regarded by 14% of tourism educators, as an issue that affects the attraction and retention of local employees.

*Maldives still does not have any proper labor framework; there are no labor laws or protection of the employee or the employer for that matter. Without that environment what is happening is employees are largely at the mercy of employers and employees do not have any guarantee of holding their jobs, they don't have any guarantee of working conditions (INT11).*

## **RELIGIOUS FACTORS**

Religion was identified by a quarter of local community focus groups (25%) and 11% of tourism educators as a factor affecting the attraction and retention of local people in tourism employment in the Maldives. There was much consistency in the issues raised in this regard between the two groups, namely the low female participation rate in the sector.

*And the situation we have here now. Religion is also something that is emerging as a factor. I think that will also influence those who want to go to work in the tourism industry. Parents from those kinds of families will not send their daughters to work because in their belief a woman cannot travel alone. And this will be a hindrance for a woman to work in any industry. I think that is already happening here (FG04); Individual women are reluctant in joining the tourism industry due to cultural/religious conflicts (INT01).*

## **DISCUSSION**

The findings of the research have significant implications for both the tourism industry operators as well as for tourism policy makers. As has been found to be the case in other SIDS (Pantin, 1999; Zopiatis & Constanti, 2007), the results show that the tourism industry as an employer in the Maldives does have a negative image. This is in part due to the inherent nature of the industry, low wages and conditions for instance, compounded by the particularities of the Maldivian context such as the policy of enclave tourism which leads to social isolation and family separation which impacts on the socio-cultural fabric of families and communities. Emotional well being and work-life balance are crucial to an employee's intention to remain in a job (Cleveland et al., 2007), and the current 'one island one resort' policy can certainly be seen as a factor affecting the local labor market's participation in tourism. Further, religious factors, namely, women working in resorts also present challenges



for the sector. A related issue is that of parental influence. In the socio-cultural context of the Maldives, parents are recognized as the head of the family and highly influence career decisions made by their adolescent children. With the enclave resort structure of the Maldives the general population has little exposure to tourism; therefore, there is a lack of understanding about the tourism industry and the types of jobs available within the industry among the local communities. In this regard, the government needs to address the current approach to tourism development. Industry operators also need to acknowledge that a crucial component of sustainable tourism development is the integration of locals in tourism employment. As such, industry can implement social marketing strategies to enhance the image of tourism industry as a sustainable employer.

The range of human resource and economic factors identified also encompass many of the negative aspects associated with tourism employment such as low wages, lack of career path, absence of workplace policies and long working hours generally associated with the tourism industry. Again the particularities of the Maldives enclave tourism means that employee accommodation is a factor in job satisfaction as employees have to live away from home in staff accommodation. Respondents noted that this also has the effect of work impinging on leisure time, thus causing further dissatisfaction. Hence, tourism industry operators need to establish an effective system whereby employees can work in the industry and at the same time have a social life within the community. The government also needs to consider the establishment of a reliable transport system within the tourism zones, to facilitate employees to commute between work and their home island. Undoubtedly, such a system also requires corporation of the industry operators.

The distinctions between expatriate and local employees were a key issue uncovered in the research, particularly in terms of salary differences. This occurred on two levels. Firstly, within management level positions where expatriates are paid more than locals working in comparable positions leading to dissatisfaction and some degree of resentment towards expatriate employees: “*We hear many locals complaining of this difference between the local and the foreign worker*” (FG07). Further, disparities occur in the front-line and/or unskilled positions where the availability of ‘cheap’ labor from neighboring countries such as Sri Lanka means that these expatriate employees are willing to work for much less than local employees. Indeed, the research uncovered widely held perceptions that the ready availability of a cheap workforce means that there is little reason to employ locals.

Certainly the Maldives, like many other SIDS, has a small population base. Further, the proportion of the labor market that has the requisite skills or experience to work in the sector does mean that the industry is often forced to recruit expatriate labor, particularly for skilled management and professional positions. The use of expatriate labor to meet skilled labor shortages is practiced across the world and is often the only viable strategy to meet labor shortages (Ruhanen & Cooper, 2009). However, the Maldives does have a labor regulation law designed to control the influx of immigrants entering the country to obtain work. This regulation places limits on the number of expatriates that can be lawfully employed by a business to 50%. Yet, the expatriate employment regulation is very flexible and resort operators are able to easily bypass the regulation with little to no interference from the government. As such this law was seen by respondents to have little value in terms of protecting the local labor market as it is not widely practiced or enforced. Undoubtedly the high dependency on expatriate labor does contribute to economic leakages and as such undermines the financial benefits of tourism for the country. Certainly, the use of expatriate

labor is an issue that should be legitimately addressed by government if tourism is to in fact be 'sustainable'. In the Maldives this issue has been recognized by the MTCA (2007) as an issue of growing concern.

While it has been claimed that for tourism to meet sustainable development objectives it must provide "quality employment for community residents" (Jamieson, 2003: 13), such sentiments do not take into account that local people may not actually want to work in tourism due to the many negative associations discussed previously. In SIDS such as the Maldives that have few other viable alternative economic opportunities tourism should offer the opportunity to address unemployment and contribute to the alleviation of poverty. Yet, the inherent characteristics of the sector including low wages, unfavorable working conditions and lack of actual and perceived career advancement opportunities, act as a deterrent to the local labor market, compounded by the particularities in the Maldives associated with enclave tourism. Arguably these particularities resonate with other SIDS due to their geographic dispersal.

### ***FUTURE STRATEGIES***

To address these issues a number of strategies are suggested. First and foremost, the government should establish minimum wages, work conditions and workplace health and safety regulations to protect, and attract, the local labor market. Best practice examples indicate that changes brought to the minimum wage legislation in Florida has benefited tourism industry employees (Croes & Tesone, 2007). Indeed, the development of a sound compensation plan is recognized as a critical component of any successful business (Kline & Hsieh, 2007). Further, industry operators also need to recognize local employee participation in the labor market as a key contributor to sustainable tourism development within the

destination. As was discussed earlier, under the principles of sustainable development, tourism should make an economic contribution to the local host communities. However, as this research indicates, economic multipliers of tourism are currently limited within the Maldives as the industry is heavy reliant on expatriate labor. Nevertheless, a fundamental requirement for the sustainability of tourism development is “providing socio-economic benefits to all stakeholders that are fairly distributed” (UNWTO, 2005: 11). Yet, to achieve this in practice, government intervention cannot be the only solution. The tourism industry itself needs to do more to attract and retain local employees. This would include at a minimum, remuneration packages so that employees can enjoy living standards comparable to the nation. Increased education for industry regarding the efficiencies of retaining employees may also be an option to overcome these issues. For instance, pay defines a worker’s status and standard of living and is connected with employee satisfaction, motivation, commitment, and labor turnover. Previous research has established a direct link between pay and the level of job satisfaction an employee experiences (Brown & McIntosh, 2000; Lucas, 2004). Furthermore, both industry and government need to have a community approach to tourism development to ensure tourism is developed in a manner which benefits all stakeholders.

At the Millennium Summit in 2000, the international community, under the leadership of the United Nations, adopted the Millennium Development Goals (MDGs), the first of which is, by 2015, to halve the proportion of people living on less than US\$1 a day (United Nations [UN], 2000). The target indicator is to “make the goals of full and productive employment and decent work for all, including women and young people, a central objective of our relevant national and international policies and our national development strategies” (UN, 2005: 11). Similarly, the International Labour Organization (2008) recognizes that

realizing full and productive employment and decent work for all, is the main route for people to escape poverty. The notion of ‘decent work’ recognizes that only by giving people a decent job – not just any job – they get a chance to avoid and/or escape poverty. This is the core challenge for SIDS such as the Maldives. For tourism to legitimately contribute to the sustainable development objectives of the country, addressing the quality of employment in the sector must be a primary objective of government and the tourism industry itself.

## CONCLUSION

This study of the Maldives has identified that what is often conceived as ‘a given’ in tourism, that is employment, is in fact far more complicated. The inherent nature of the tourism industry can make it unattractive and as such difficulty arises in attracting and retaining staff. High employee turnover, staff exiting the sector for employment in other industries, and people not even considering the sector as an employment option combines to reduce tourism’s potential positive economic impacts on host communities. While this may force employers to seek expatriate labor or whether they choose to do so because of skill levels and experience, or indeed, the availability of cheaper labor, this situation will not contribute to sustainable development goals and objectives.

Indeed, the *raison d’être* for SIDS to promote tourism development is because the tourism industry is often the only means of creating much needed employment in such destinations. The limited means of revenue generation available to most SIDS destinations make tourism an even more important fiscal contributor to national economies. Therefore, it is imperative that SIDS are able to legitimize claims of sustainability in the industry and retain the positive impacts generated from tourism activities for the benefit of local communities. For sustainable tourism development to be successful in SIDS, it is therefore

imperative that the local labor market is engaged more successfully in the tourism industry. In order to sustain local employment within the Maldivian tourism industry human resource policies must address pay differentials and offer attractive remuneration packages such as health insurance to both expatriate and local employees. Furthermore, in order to improve the industry's image as an employer, there is a need for improved employee facilities and appropriate work conditions in accordance with national and international human rights standards. Further, education is a crucial component for local capacity building and is necessary for locals to be involved both in the tourism development process as well as in tourism employment (Moscardo, 2008; Weiler & Ham, 2002). Disseminating information about the industry, providing career guidance and counseling could be important steps towards increasing support for the industry and, ultimately, stimulating local labor market participation.

The government has a primary role to play in ensuring that tourism is developed and managed based on the principles of sustainable development. As is clearly the case in the Maldives the underrepresentation of locals in tourism related employment is compromising the sustainability of the sector and as such tourism is not delivering the full range of positive impacts for the broader host community. Therefore, to legitimately address this issue, the piecemeal human resource policies of the past must be superseded by appropriate legal and regulatory framework for the labor market addressing such aspects as work contracts, minimum wages, workplace health and safety regulations and employee protection. In the absence of such provisions in the Maldives, Butler's (1998: 28) statement resonates, "while some developments may have moved significantly towards sustainability, to claim that they are sustainable is clearly at best premature, and possibly completely inaccurate".

From a theoretical perspective, this study adds to the body of knowledge concerning the sustainable development of tourism in the context of a SIDS destination. Importantly, this research has contributed to the under-represented focus on employment in the sustainable tourism development debate. Often assumptions are made that tourism is inherently beneficial in terms of its employment creating abilities. Certainly, those that have purported the Maldives to be a SIDS example of best practice in sustainable tourism development (Domroes, 2001; Vellas & Bécherel, 1995) have overlooked the fact that tourism has not necessarily enhanced the socio-economic situation of the host community. Further, this research is of particular significance to the Maldives as this is the first study formally conducted to understand the factors that affect the attraction and retention of local employees in the Maldivian tourism industry. This study is certainly relevant to other SIDS destinations that face similar challenges in terms of tourism's legitimate contribution to sustainable tourism development. On a practical level, this research provides insights for government and industry operators to better understand the underlying factors for the low levels of local participation in the industry. Using this knowledge, there is potential to enhance local employment opportunities in the industry with the objective of ensuring that tourism's economic benefits do in fact reach the local residents in destination host communities.

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