

HUMAN RESOURCE MANAGEMENT IN RURAL HORECA: CHALLENGES AND SOLUTIONS FOR SUSTAINABLE AGRITOURISM

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REVIEW, RESEARCH ARTICLE

Abstract

Human resource management represents a critical factor influencing the competitiveness, service quality, and long-term sustainability of rural HoReCa businesses operating within the agritourism sector. Rural tourism enterprises face significant challenges related to labor shortages, workforce aging, employee migration, limited access to professional training, seasonality, and increasing customer expectations regarding service quality. These challenges directly affect operational performance and the ability of agritourism establishments to deliver authentic and sustainable tourism experiences.

The aim of this paper is to analyze the main human resource management challenges encountered in rural HoReCa and to identify sustainable solutions that can enhance organizational performance and support agritourism development. The study is based on a comprehensive review of the scientific literature in the fields of human resource management, hospitality management, tourism, and rural development. The research integrates theoretical perspectives and recent industry reports to examine the relationship between workforce management, employee satisfaction, service quality, and sustainable tourism outcomes.

The findings indicate that effective human resource management practices, including employee training, talent retention strategies, flexible work arrangements, digital skills development, and performance-based motivation systems, contribute significantly to improving service quality and organizational resilience. Furthermore, the adoption of sustainable HR practices supports employee engagement, reduces turnover rates, and strengthens the competitiveness of rural tourism enterprises. The study also highlights the growing importance of digital competencies and lifelong learning in adapting to changing tourism market demands.

The paper concludes that investing in human capital should be considered a strategic priority for rural HoReCa businesses seeking to achieve sustainable growth and enhance the attractiveness of agritourism destinations. Effective human resource management can generate both economic and social benefits, contributing to the long-term sustainability of rural communities and tourism enterprises.

Keywords: (max. 5) human resource management, rural HoReCa, agritourism, sustainable tourism, workforce development, employee retention, hospitality management, rural development

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INTRODUCTION

Human resources represent one of the most valuable strategic assets within the hospitality and tourism industry, playing a decisive role in service quality, customer satisfaction, organizational competitiveness, and long-term business sustainability. Unlike many other economic sectors, tourism and hospitality activities are characterized by a high degree of human interaction, making employee performance a critical determinant of organizational success (Armstrong & Taylor, 2023). In rural HoReCa businesses, where tourism experiences are often based on personal interactions, authenticity, and local hospitality, the quality of human resources becomes even more important.

In recent years, rural tourism and agritourism have gained increasing attention as sustainable development tools capable of generating economic growth, preserving local

traditions, creating employment opportunities, and supporting rural communities (Lane & Kastenholz, 2015). Agritourism enterprises contribute significantly to the diversification of rural economies by integrating accommodation, food services, agricultural activities, and cultural experiences into a single tourism product. However, the sustainable development of these businesses largely depends on the availability of qualified and motivated personnel capable of delivering high-quality services and creating memorable visitor experiences.

Despite the growing demand for rural tourism experiences, the HoReCa sector faces significant workforce-related challenges. Labor shortages, employee turnover, demographic decline, migration of young workers toward urban areas or foreign labor markets, seasonality, and increasing competition for talent have become major concerns for tourism

businesses worldwide (OECD, 2024). These issues are particularly pronounced in rural regions, where limited labor availability and restricted access to professional training opportunities often hinder business development and service quality improvement.

Human resource management (HRM) has therefore emerged as a key strategic function within tourism and hospitality organizations. Modern HRM extends beyond traditional administrative activities and encompasses workforce planning, recruitment and selection, employee training and development, performance management, motivation, talent retention, and organizational culture development (Boxall, Purcell, & Wright, 2024). Effective HRM practices enable organizations to attract and retain qualified employees while fostering employee engagement, productivity, and service excellence.

The hospitality industry is particularly vulnerable to workforce instability due to the labor-intensive nature of its operations. According to Baum et al. (2016), tourism organizations frequently experience challenges related to employee retention, skills shortages, and workforce flexibility. Furthermore, the rapid digitalization of tourism services and changing customer expectations require employees to continuously develop new competencies, including digital literacy, communication skills, customer relationship management, and adaptability to technological innovations (World Economic Forum, 2024).

The concept of sustainable agritourism increasingly emphasizes the social dimension of sustainability, highlighting the importance of employee well-being, fair working conditions, lifelong learning opportunities, and inclusive workforce development (UN Tourism, 2024). Sustainable human resource management practices not only improve organizational performance but also contribute to the resilience of rural communities by creating stable employment opportunities and reducing labor migration. Consequently, investment in human capital should be regarded as a fundamental prerequisite for sustainable tourism development.

Employee satisfaction and motivation have been identified as essential drivers of service quality within hospitality businesses. Grönroos (2015) argues that service quality is strongly influenced by employees' attitudes, competencies, and commitment to customer

satisfaction. Similarly, Nickson (2021) emphasizes that organizations capable of developing supportive work environments and effective employee engagement strategies are more likely to achieve competitive advantages in increasingly dynamic tourism markets. In rural HoReCa establishments, where customer experiences often depend on direct interactions with hosts and employees, workforce quality becomes a critical success factor.

Recent studies have also highlighted the importance of talent management and continuous professional development in addressing labor shortages within tourism and hospitality industries (Solnet et al., 2022). Organizations that invest in employee training, career development, and digital competencies are better equipped to adapt to market changes and maintain high service standards. Furthermore, flexible work arrangements, performance-based incentives, and employee recognition programs have proven effective in reducing turnover rates and improving organizational commitment (Kelliher, Richardson, & Boiarintseva, 2022).

Against this background, the present study aims to examine the main human resource management challenges affecting rural HoReCa businesses and to identify sustainable solutions capable of supporting agritourism development. By analyzing current trends, workforce issues, and modern HRM practices, the paper seeks to highlight the strategic importance of human capital in ensuring service quality, customer satisfaction, organizational resilience, and the sustainable growth of rural tourism enterprises. The study contributes to the existing literature by providing an integrated perspective on the relationship between human resource management and sustainable agritourism development, while offering practical recommendations for managers, entrepreneurs, and policymakers involved in rural tourism and hospitality activities.

MATERIAL AND METHOD

This study investigates the role of human resource management in addressing workforce-related challenges and supporting the sustainable development of rural HoReCa businesses operating within the agritourism sector. Considering the exploratory nature of the research topic and the objective of identifying practical solutions for rural tourism

enterprises, a qualitative research approach based on documentary analysis and comparative literature review was adopted.

The research material consisted of scientific publications, books, peer-reviewed journal articles, industry reports, and institutional documents related to human resource management, hospitality management, agritourism, and sustainable rural development. The documentary sources were selected from internationally recognized databases and publications, including studies published in tourism and hospitality journals, reports issued by the Organisation for Economic Co-operation and Development (OECD), the United Nations Tourism Organization (UN Tourism), and the World Economic Forum (WEF), as well as specialized literature authored by leading scholars in human resource management and hospitality studies.

The methodological framework combined documentary research, content analysis, and comparative analysis. Documentary research was used to identify the main human resource challenges affecting rural HoReCa businesses, including labor shortages, employee turnover, workforce aging, seasonality, limited access to vocational training, skills gaps, and difficulties in attracting qualified personnel. Content analysis enabled the systematic examination of the selected literature in order to identify recurring themes, patterns, and strategic approaches proposed by researchers and practitioners.

A comparative analysis was subsequently conducted to evaluate different human resource management practices and their applicability within rural tourism environments. Particular attention was given to recruitment and selection strategies, employee motivation, staff retention, training and development programs, talent management practices, digital skills enhancement, and sustainable human resource policies. The comparison of findings from various studies allowed the identification of common challenges and successful solutions applicable to agritourism enterprises.

To strengthen the practical relevance of the research, the study also incorporates examples

and managerial perspectives derived from rural hospitality and agritourism businesses.

These examples illustrate how human resource management practices influence service quality, customer satisfaction, organizational performance, and destination competitiveness.

The collected information was synthesized and interpreted through the lens of sustainable tourism development. This approach made it possible to assess the contribution of human resource management to economic sustainability, social inclusion, employee well-being, and the long-term resilience of rural HoReCa enterprises.

The results are presented as a conceptual and managerial analysis highlighting the relationship between human resource management practices and sustainable agritourism development. The adopted methodology provides a comprehensive understanding of current workforce challenges and supports the formulation of practical recommendations for managers, entrepreneurs, policymakers, and researchers involved in the development of rural tourism and hospitality businesses.

RESULTS AND DISCUSSIONS

The analysis of the specialized literature reveals that human resource management represents one of the most significant challenges affecting the development and sustainability of rural HoReCa businesses. Although agritourism has experienced considerable growth during the last decade, many rural tourism enterprises continue to face difficulties in attracting, developing, and retaining qualified personnel. These challenges are amplified by demographic changes, labor migration, workforce aging, seasonality, and increasing customer expectations regarding service quality (OECD, 2024; UN Tourism, 2024).

Unlike urban hospitality businesses, rural tourism enterprises often operate in areas characterized by limited labor availability and restricted access to professional education and training programs. Consequently, managers frequently struggle to recruit employees possessing the technical, communication, and customer service skills required in modern hospitality environments (Nickson, 2021).

Table 1. Main Human Resource Challenges in Rural HoReCa

Human Resource Challenge	Impact on Business Performance
Labor shortages	Reduced operational capacity

High employee turnover	Increased recruitment and training costs
Workforce aging	Limited innovation and adaptability
Seasonal employment	Workforce instability
Skills shortages	Reduced service quality
Rural-to-urban migration	Difficulty attracting qualified staff
Limited training opportunities	Lower employee performance
Digital skills gap	Reduced competitiveness

The literature suggests that labor shortages currently represent the most critical issue affecting rural tourism organizations. According to OECD (2024), tourism businesses in many rural areas face growing difficulties in replacing retiring workers and attracting younger generations to hospitality occupations. Similar findings are reported by UN Tourism (2024), which identifies workforce availability and skills development as major priorities for the future sustainability of tourism destinations.

A recurring theme identified in the literature concerns the direct relationship

between employee management practices and service quality outcomes. Hospitality services are highly dependent on human interactions, making employees central actors in the creation of customer experiences (Grönroos, 2015).

Research indicates that customer satisfaction is strongly influenced by employee attitudes, communication skills, professionalism, and responsiveness. Consequently, organizations that invest in workforce development tend to achieve higher levels of customer satisfaction and loyalty (Kotler et al., 2022).

Table 2. HRM Practices and Their Impact on Service Quality

HRM Practice	Organizational Outcome
Recruitment and selection	Better employee-job fit
Employee training	Improved service delivery
Performance management	Increased productivity
Employee motivation	Higher engagement
Talent retention programs	Workforce stability
Digital skills development	Enhanced service innovation

The findings support the argument advanced by Armstrong and Taylor (2023), who emphasize that strategic human resource management contributes directly to organizational effectiveness through the development of employee competencies and commitment.

In agritourism, where customer experiences are often personalized and based on direct interaction with hosts and staff,

service quality is particularly dependent on employee behavior. Therefore, investments in employee development should be viewed not as costs but as strategic investments in organizational competitiveness.

Based on the reviewed literature, a SWOT analysis was developed to identify the internal and external factors influencing human resource management within rural tourism enterprises.

Table 3. SWOT Analysis of Human Resources in Rural HoReCa

Strengths	Weaknesses
Strong host-guest relationships	Labor shortages
Authentic rural hospitality	Limited access to training
Family-based management culture	High employee turnover
Personalized customer service	Seasonal employment dependency
Strong local identity	Lack of specialized HR departments
Opportunities	Threats

Digital learning platforms	Continued labor migration
Government-funded training programs	Demographic decline
Sustainable tourism growth	Increasing competition for talent
International mobility programs	Rising labor costs
Technological innovation	Changing workforce expectations

The SWOT analysis demonstrates that while rural HoReCa businesses benefit from strong interpersonal relationships and authentic service experiences, they remain vulnerable to labor market dynamics and demographic pressures. Sustainable HRM strategies are therefore required to capitalize on existing strengths while addressing workforce-related weaknesses.

The literature identifies several innovative human resource practices capable of mitigating workforce challenges and supporting sustainable agritourism development.

One of the most effective solutions involves continuous employee training and professional development. According to Solnet et al. (2022), organizations that invest in workforce development are more successful in attracting and retaining talent while maintaining service quality standards.

Another critical strategy concerns employee engagement and motivation. Kelliher et al. (2022) argue that employees increasingly value work-life balance, career development opportunities, recognition, and supportive organizational cultures. Rural tourism enterprises capable of addressing these expectations are more likely to reduce turnover rates and improve workforce stability.

Digital skills development has also emerged as a strategic priority. The World Economic Forum (2024) highlights that digital competencies will become increasingly important across all sectors, including tourism and hospitality. Employees must therefore be equipped to manage online reservations, social media communication, customer relationship management systems, and digital marketing tools.

Table 4. Sustainable HR Solutions for Rural HoReCa

HR Solution	Expected Benefits
Continuous training programs	Improved employee competencies
Talent management systems	Reduced turnover
Employee recognition programs	Increased motivation
Flexible work arrangements	Higher job satisfaction
Digital skills development	Greater competitiveness
Partnerships with educational institutions	Improved recruitment
Career development opportunities	Long-term employee retention

The findings indicate that the integration of these practices contributes not only to workforce development but also to improved customer experiences and organizational resilience.

The growing importance of human resource management in tourism and hospitality has generated increasing academic interest in understanding how workforce-related practices contribute to sustainable business performance. Based on the findings of the present study and the literature reviewed, a conceptual model was developed to explain the relationship between human resource

management practices, employee outcomes, service quality, customer satisfaction, and sustainable agritourism development.

Agritourism differs from many other economic activities because the tourism experience is largely co-created through interactions between employees, hosts, and visitors. Consequently, human resources represent not only an operational resource but also a strategic asset capable of influencing the competitiveness and sustainability of rural tourism enterprises. The conceptual framework proposed in this study illustrates how investments in human capital generate positive

effects throughout the organizational value chain.

The first stage of the model focuses on **human resource management practices**, which represent the foundation of organizational performance. These practices include workforce planning, recruitment and selection, onboarding processes, employee training, performance management, talent retention strategies, compensation systems, and employee well-being initiatives. According to Armstrong and Taylor (2023), effective HRM practices create favorable conditions for employee engagement and organizational commitment. Similarly, Boxall, Purcell, and Wright (2024) argue that strategic HRM enhances organizational performance by aligning workforce capabilities with business objectives.

The second component of the model refers to **employee training and development**. Continuous learning has become increasingly important in tourism and hospitality due to changing customer expectations, technological innovation, and evolving service standards. Training programs contribute to the development of technical skills, communication competencies, digital literacy, customer service abilities, and problem-solving capabilities. Solnet et al. (2022) emphasize that organizations investing in workforce development are better positioned to adapt to market changes and maintain high service quality standards. In rural HoReCa businesses, where access to formal training opportunities may be limited, investment in employee development becomes particularly important.

The third stage of the model highlights **employee satisfaction and motivation** as key mediating factors between HRM practices and organizational performance. Employees who perceive fair treatment, career advancement opportunities, recognition, and supportive working environments tend to demonstrate higher levels of engagement and commitment (Kelliher et al., 2022). Motivated employees are more likely to provide superior customer service, contribute innovative ideas, and remain loyal to their employers. This aspect is especially relevant in rural tourism enterprises, where employee turnover can significantly disrupt operations and increase recruitment costs.

Improved employee satisfaction leads directly to the fourth component of the model,

namely **service quality improvement**. Service quality is widely recognized as one of the primary determinants of customer satisfaction in tourism and hospitality. Grönroos (2015) argues that customer perceptions of service quality are strongly influenced by employee behavior, responsiveness, professionalism, and communication skills. In agritourism, where personal interactions often form an integral part of the tourism experience, employee performance plays a decisive role in shaping visitor perceptions and experiences.

The fifth stage involves **tourist satisfaction and loyalty**, which represent critical indicators of organizational success. Satisfied tourists are more likely to revisit destinations, recommend services to friends and relatives, and share positive experiences through online review platforms. According to Kotler et al. (2022), customer loyalty generates significant economic benefits by reducing marketing costs, increasing repeat visitation, and strengthening brand reputation. Agritourism enterprises particularly benefit from loyal customers because repeat visits and word-of-mouth recommendations represent important sources of revenue and business growth.

The next component of the framework is **business competitiveness**. Organizations capable of attracting and retaining qualified employees, delivering superior service quality, and maintaining high customer satisfaction levels achieve stronger competitive positions within tourism markets. Baum et al. (2016) note that human capital has become one of the most important sources of competitive advantage in hospitality and tourism. Rural tourism enterprises that successfully manage their workforce are better equipped to differentiate themselves through authentic experiences, personalized services, and high-quality customer interactions.

The final outcome of the model is **sustainable agritourism development**, which encompasses economic, social, and environmental dimensions. From an economic perspective, effective human resource management contributes to increased productivity, profitability, and business resilience. Socially, sustainable HRM practices support job creation, workforce development, employee well-being, and community stability. Environmentally, trained and engaged employees are more likely to support sustainable tourism practices, resource

conservation initiatives, and environmentally responsible behavior.

The model also suggests the existence of a feedback mechanism. Sustainable agritourism development generates additional financial resources and organizational capabilities that

can be reinvested in employee development, workforce well-being, and innovation. This creates a virtuous cycle in which human resource management continuously contributes to long-term organizational sustainability and rural development.

Table 5. Components of the Conceptual Model and Their Contributions to Sustainable Agritourism

Model Component	Main Contribution
Human Resource Management Practices	Workforce attraction and retention
Employee Training and Development	Skills enhancement and adaptability
Employee Satisfaction and Motivation	Higher engagement and commitment
Service Quality Improvement	Better customer experiences
Tourist Satisfaction and Loyalty	Repeat visitation and positive recommendations
Business Competitiveness	Market differentiation and growth
Sustainable Agritourism Development	Economic, social, and environmental sustainability

The proposed conceptual model demonstrates that sustainable agritourism development cannot be achieved solely through investments in infrastructure, marketing, or technology. Instead, human resources constitute the central element connecting organizational performance, customer satisfaction, and destination sustainability. Consequently, managers of rural HoReCa and agritourism enterprises should consider human capital development as a strategic investment capable of generating long-term competitive and sustainability benefits.

Discussion

The findings of this study confirm that human resource management constitutes a fundamental determinant of organizational success within rural HoReCa and agritourism enterprises. Consistent with the views of Armstrong and Taylor (2023) and Boxall et al. (2024), strategic HRM extends beyond administrative workforce management and plays a critical role in shaping organizational competitiveness.

The analysis highlights that labor shortages, workforce aging, and employee turnover remain the most pressing challenges confronting rural tourism businesses. These findings align with recent reports published by OECD (2024) and UN Tourism (2024), which identify workforce development as a central priority for the sustainable growth of tourism destinations.

The results further demonstrate that organizations investing in employee training, motivation, talent management, and digital skills development achieve superior service quality and stronger customer relationships. This finding supports previous hospitality research conducted by Baum et al. (2016),

Nickson (2021), and Solnet et al. (2022), which emphasizes the importance of human capital as a source of competitive advantage.

From a sustainability perspective, effective human resource management generates benefits that extend beyond organizational performance. By creating stable employment opportunities, promoting lifelong learning, and improving workforce well-being, rural HoReCa businesses contribute to broader economic and social development objectives within rural communities.

Overall, the evidence suggests that sustainable agritourism development is strongly dependent on the ability of managers to implement modern human resource management practices capable of attracting, developing, motivating, and retaining qualified employees. Human capital should therefore be recognized as one of the most valuable resources supporting the long-term resilience and competitiveness of rural tourism enterprises.

CONCLUSIONS

The present study highlights the strategic importance of human resource management in ensuring the competitiveness, resilience, and long-term sustainability of rural HoReCa businesses operating within the agritourism sector. The findings demonstrate that human capital represents one of the most valuable organizational resources, directly influencing service quality, customer satisfaction, business performance, and destination attractiveness.

The analysis confirms that rural hospitality enterprises face multiple workforce-related challenges, including labor shortages, workforce aging, employee migration, seasonal employment dependency, skills gaps, and

limited access to professional training opportunities. These challenges are intensified by demographic transformations and by the increasing expectations of tourists regarding service quality, personalization, and digital interaction. Consequently, the ability of rural tourism organizations to attract, develop, motivate, and retain qualified employees has become a decisive factor in achieving sustainable business growth.

The results indicate that effective human resource management practices contribute significantly to organizational success. Continuous professional development, employee engagement initiatives, talent retention strategies, performance-based reward systems, and digital skills enhancement programs improve employee competencies, strengthen organizational commitment, and support superior service delivery. Furthermore, the implementation of sustainable HRM policies promotes workforce stability, reduces employee turnover, and increases organizational adaptability in an increasingly competitive tourism environment.

An important contribution of this study is the conceptual framework developed to explain the relationship between human resource management, employee satisfaction, service quality, tourist loyalty, business competitiveness, and sustainable agritourism development. The model illustrates that investments in human capital generate positive effects throughout the organizational value chain, creating a virtuous cycle in which employee development leads to enhanced customer experiences, stronger market positioning, and improved organizational sustainability.

From a managerial perspective, the findings emphasize the need for rural HoReCa managers to move beyond traditional administrative approaches to workforce management and adopt strategic human resource practices aligned with long-term organizational objectives. Partnerships with educational institutions, the use of digital learning platforms, flexible employment models, and employee well-being programs should become integral components of workforce development strategies.

The study also underlines the broader contribution of human resource management to rural development. By creating stable employment opportunities, encouraging lifelong learning, supporting social inclusion, and

reducing labor migration, sustainable HRM practices generate benefits that extend beyond individual enterprises and contribute to the socio-economic vitality of rural communities.

In conclusion, sustainable agritourism development cannot be achieved solely through investments in infrastructure, technology, or marketing. The long-term success of rural tourism destinations depends fundamentally on the quality, motivation, adaptability, and professional development of the people delivering tourism services. Therefore, human resource management should be recognized not only as an operational function but as a strategic pillar of sustainable rural tourism development and a key driver of organizational excellence in the rural HoReCa sector.

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