



18TH MEETING OF THE COMCEC TOURISM WORKING GROUP

(May 12th, 2022, Virtual Meeting)

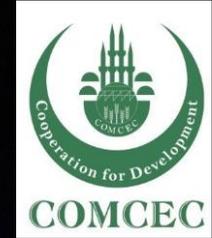


**Sustainable Human Resource Management in
Indonesia
(1st Session- Discussion and Review of the First
Draft of Report)**



INDONESIA

Preliminary Findings of the Selected Case Country Analysis
and the Lessons Learnt



Indonesia is a country located in Southeast Asia and Oceania, between the Indian and Pacific oceans.

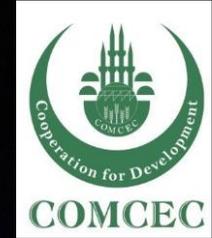
It consists of more than 17 thousand islands.



Indonesian Economy

Indonesia's economy is the largest in Southeast Asia.

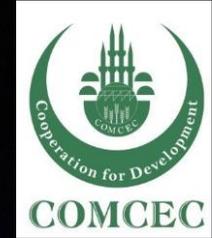
The manufacturing sector is largely devoted to the production and processing of domestically sourced products, which dominate the country's export potential.



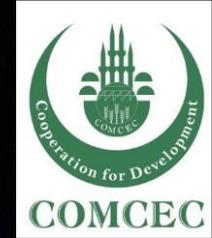
Among the investment plans, it is foreseen to establish six industrial clusters consisting of health and pharmacy, sustainable agriculture, eco-tourism, chemical materials industry and low carbon energy industry.



Indonesia has a great potential for the coming years due to factors such as stable financial policies, young and high population, rich underground and surface resources, balanced and sustainable development in foreign and domestic politics.

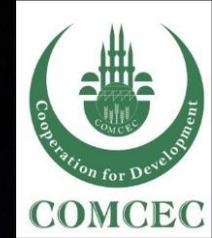


The tourism industry is an important part of Indonesia's economy, contributing almost five percent of its gross domestic product.



Indonesia as a global tourism destination

By developing and marketing more tourist destinations to international visitors, the Indonesian government had hoped to use this industry to further spur economic growth.

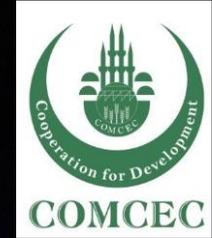


Reconsidering international tourism in light of COVID-19

**The outbreak of the COVID-19 pandemic,
however, put the brakes on the growth of
international tourism.**



On the other hand, the Indonesian government had been heavily promoting domestic tourism to boost the industry.

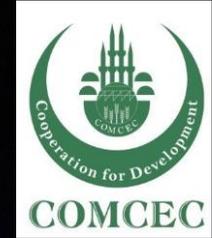


Several studies showed that the human factor is weak and insufficient in tourism development in Indonesia

Issues in core HR functions



- 1. Equal opportunity policy and practice**
- 2. Recruitment, selection, and retention**
- 3. Training**
- 4. Compensation**
- 5. Performance management**
- 6. Separation and retirement**



Problems encountered in human resources practices in tourism

Domestic policy barriers

Adjustments in the exchanges

No coordination between local government agencies and stakeholders.

High costs in tourism activities

Defenseless culture

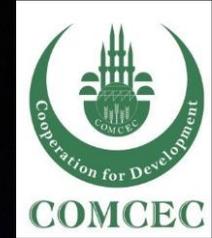
Failed and defective human resource management

Lack of quality workforce in tourism industry

Lack of tourism education

Lack of service quality

Dissatisfied and unmotivated employee in tourism sector



POLICY RECOMMENDATIONS



Table: The average expenditure of foreign tourists in ASEAN

countries in 2010, 2017 and 2018 (in USD/person)

Country	2010	2017	2018	Increase
Brunei	-	683	683	
Cambodia	606	649	702	% 16
Indonesia	994	1015	1053	% 6
Laos	229	234	195	-% 15
Malaysia	737	706	741	% 1
Myanmar	91	572	-	
Philippines	751	1055	1047	% 39
Singapore	1548	1419	1399	-% 10
Thailand	1262	1605	1647	% 31
Timor-Leste	775	986	-	
Vietnam	883	688	650	-% 26
South-East Asia	972	1084	1085	% 12
Asia and the Pacific	1222	1222	1000	-% 18
World	1025	1013	827	-% 19

Source: Calculated from UNWTO (2019)