

A Study on Impact of Covid-19 on Employment Opportunities in Hospitality and Tourism Industries of India

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Structured Abstract

Purpose: To study the employment opportunities of tourism and hospitality sectors and the impact of covid-19 on employment opportunities of the industries in India with consequences of covid-19 on employment opportunities.

Methodology: The paper is a descriptive one, slightly based on both secondary and primary data. Phase-wise discussion has been conducted and finally authors' reached to the concluding observations.

Findings: Tourism and Hospitality sector serves as a strong agent of both economic and social changes of both developed and developing countries of the world. And COVID-19 pandemic has caused significant disruption in the global economy, such as high rise in unemployment and drastic contraction in the India's GDP *-28,120 US \$Millions.

Conclusion: The study reveals that the possible outcomes in post COVID-19 period on the employment opportunities in Tourism and Hospitality Industry in India.

Implications: A large number of people engaged in the industry loses their job due to lockdown caused by Covid-19 pandemic. The incidence has serious effect on socio-economic view point.

Originality/Value: Study on impact of Covid-19 on employment opportunities created by hospitality and tourism industry and its consequences is an innovative one.

Keywords: Tourism, Hospitality, Covid-19, Employment, Consequences

Paper Type: Descriptive Research Article

Introduction

As current covid-19 pandemic situation has carried us till the end of 2021, and its devastating impact in different industries can be seen and discussed enormously. And being aware of the consequences of this more or less each and every industry got under the impact of COVID-19. Talking about the Tourism and Hospitality Industries in India has gained a tremendous growth in the tourism industry in past decades. Travel and tourism industry in India is one of the most profitable industries and is credited substantial amount of foreign exchange. Due to the pandemic, the tourism and hospitality industry is affected with employment losing their jobs abruptly. According to World Travel and Tourism Council it predicts that a tourism related loss was up to US\$ 2.1 trillion in 2020 and up to 75 million jobs (WTTC, 2020). As per the data published in Statista Research Department, Feb 12, 2021 says “74 per cent of surveyed tour operators in India claimed that they had to close their office(s) during the lockdown due to Covid-19 pandemic.”

Indian tourism industry has created about 8705 million jobs, with 12.75 percent of total employment, thereby contributing INR 194 billion to India's GDP (WTTC, 2018). And due to COVID-19, tourism is highly affected sector. Hence in this scenario, it is estimated that there is huge down fall in the graph of international tourist of about 78 percent since January 2020 which directly fall negative impact on export revenue and represent the largest amount of decline in job losses. In this paper researcher studied the employment opportunities in the Tourism and Hospitality Industry, and its impact of COVID-19 on these industry following with the after consequences effect.

Review of Literature

Dr. M S Narayan, Wakilkumar Yadav and Tajmul Islam (2021) in their book says “Tourism sector serves as a strong agent of both economic and social changes of both developed and developing countries of the world. It promotes employment opportunities, enhances investment opportunities, alters the socio-economic structure of an economy and contributes to foreign exchange earnings of the country. Tourism sector generates both direct and indirect jobs and with the emergence of modern connectivity of transportation, it opens new horizons of jobs particularly for developing countries of the world. In developing countries such as India, Tourism has become one of the main sectors of the economy. India is mainly a labour surplus country, which is having huge unemployment problems in the country. Therefore, the role of tourism sector is indispensable for creating huge employment opportunities in the country. Therefore, the present book chapter explores the growth of Tourism sector in India and its role in eradicating the un-employment by providing huge direct and indirect jobs in the country.”

A. Shukla (2016) in his article suggested that “The employment and tourism is directly correlated to each other as it has long-term socio- economic impacts on the host economy and community. The tourism has impacts on employment in sectors in which tourist directly spending their money, such as hotels, restaurants and airlines. As compare to other economic activity the tourism provides direct employment opportunities.”

Sintayehu Aynalem, Kassegn Birhanu and Sewent Tesefay (2016) suggested that “Tourism and Hospitality sectors are the foremost sectors of the world economy. It improves balance of payments as well as income creation and employment opportunities. Recent data showed that tourism and travel creating over 276 million jobs and generating 9.8% global GDP in 2014. Due to this, both developed and developing countries give due attention for creating quality staff for quality tourism and hospitality industries to step on the sectors contribution for the country’s development. Political stabilities, reduced working hours, technological advancement, increased income and conducive climate are the major favourable conditions for the development of the stated tourism and hospitality establishments to create millions of jobs. Unfair treatment among men and women employees; untrained workforce, poor working condition, seasonality of the sectors, sexual harassment and stress; high working hours without overtime payment, the sector is low paid salary payer and other socio-cultural

related factors are some to be noted as challenges for employment condition in tourism and hospitality business.”

Dr. John Matthai Centre and Shiji, O. (2016) suggested that Indian tourism has a vast potential for generating employment and foreign exchange earnings. Since it is a multi-dimensional and service oriented industry all divisions of the Central and State governments, private sector and voluntary organizations become active partners in the attempt to attain sustainable growth in tourism of the country. The total number of foreign tourist arrivals in the country has augmented several times. It showed an increasing trend except few years during the study period. It denotes that the Indian government is giving attention both on the development of the tourism and linked almost all the known tourist spots by road, railway and civil aviation. The foreign exchange earnings of the country through tourism has increased more than seven times from 2000 to 2014. It proves that the economic, political and social amity has positive impact on the arrival and receipts of the tourist industry in countries.

Dr. A K Chakrabarty (2016) suggested tourism plays an optimistic role in foreign exchange earnings, regional development, employment creation, promoting cultural exchanges and international co-operation of the region. And also studied cultural and environmental impacts of tourism with its carrying capacity concept and concept of sustainability.

In the present study the authors intends to study the impact of Covid-19 on employment opportunities in hospitality and tourism industries of India. So far knowledge goes such type of research work is scarce in the studied area.

Objectives of the Study

1. To study the employment opportunities of tourism and hospitality sectors.
2. To study the impact of covid-19 on employment opportunities in hospitality and tourism industries of India
3. Consequences of covid-19 on employment opportunities.

Methodology

The present study is descriptive one, slightly based on both secondary and primary data. Due to Covid-restrictions primary data has been collected through informal talk with the some affected people. And secondary data sources on the information collected from different

sources like websites, articles published in reputed national and international journals, newspapers, reports and reputed reference books related to this field. Phase-wise discussion has been conducted and finally authors' reached to the concluding observations.

Findings and Discussion

Employment opportunities of tourism and hospitality sectors

Employment opportunities in tourism and hospitality sectors can be created either directly or indirectly. Direct Employment opportunities are the total number of job opportunities supported by directly in travel and tourism. For example employment by hotels, restaurants, travel agencies, tourism information offices, museums, protected areas such as national parks, palaces, religious sites, monuments, aircrafts, cruise lines, resorts or shopping outlets, souvenirs, photography, sightseeing tours, farmhouses, bed and breakfast, rural inns, and guest houses, local transportation (state owned airlines and railways, private transport facilities), Guides, cooks and scouts. Tourism and hospitality also supports indirect employment in activities like restaurant suppliers, construction companies that build and maintain tourist facilities, as well as necessary infrastructure, aircraft manufacturers, various handicrafts producers, marketing agencies, accounting services, which are more or less dependent on the companies providing direct employment for their revenues. The economic impact of tourism is measured in terms of its effect on: income, employment, investment and development; and balance of payment. In a labour intensive industry such as tourism and hospitality the greater proportion of income is likely to be derived from wages and salaries paid to those working in jobs either directly serving the needs of tourists or benefitting indirectly from tourists' spending. Income will be high in tourist destinations which attract large numbers of visitors; where visitors length of stay is maximum, customer spending of money is very high provided that multiple opportunities and activities are existing for customers to participate. The other reasons that employment opportunities are diversified ever before, are tourism and international travel become popular all over the world and people themselves considered that travel is human rights; destinations are worried much to meet the needs and wants of tourists to offer high standard of services in the destinations; tourists have wide choice of holidays; international standards and quality assurance system are being set by national and international tourism and hospitality organizations to provide standardized and quality customer services thereby this is resulted for ensuring sustainable development in the sectors. All the aforementioned cases are the main reasons for the

growing number of tourist flow in the destinations. Therefore, high number of workforces is required to provide services for the tourists. Due to these facts, tourism and hospitality sectors with supporting industries provide a diversified employment opportunity. As per UNWTO report on the assessment of the opportunities and challenges which face women with respect to employment in tourism conducted in 2011 noted that unskilled or semi-skilled women tend to work in the most vulnerable jobs, where they are more likely to experience poor working conditions, inequality of opportunity and treatment, violence, exploitation, stress and sexual harassment. In developing countries like India, additional factors such as low level of education and training, widespread poverty, poor maternal health and lack of sex education together with socio-cultural factors have prevented women from being empowered as economic actors.

Impact of COVID-19 on Employment Opportunities in Tourism Industries of India

Tourism sector is one of the vital sectors in the Indian economy. As major source of revenue and jobs in India comes from these sectors. Due to outbreak of COVID-19 this industry is highly affected during the period 2020 as per the IMF report. As the virus spread across the globe, UN World Tourism Organisation imposed the travel restrictions and its impact has lead upon the Tourism and Hospitality Industries. Tourism is extremely labour intensive industry and a significant source of employment as it involves and gives the opportunity to skilled or unskilled, literate or illiterate manpower. As a result of high population unemployment rate is also very high in India. Tourism and Hospitality Industries create many direct and indirect employment opportunities in different areas like accommodations, transportation, view sites. Only tourism and hospitality industry can give such large scale of employment opportunity and reduce the problem. Due to the hit hard of pandemic, as in India the higher the share of employment in tourism and hospitality industry the harsher the impact to workers and its economies has prevailed.

Consequences

Consequences that the Tourism and Hospitality Industry faced early signs of the adverse labour market impact appear with the decline in employment in tourism from January 2020 onwards and with a sharp increase in the number of persons employed but absent from work in the first three months of the year. With the impact of major lock-down measures imposed

in March not yet reflected in the data. Some impacts researcher tried to point out that are mentioned below briefly.

- The immediate and most obvious consequences of such a situation is the difficulty of recruiting suitable staff and high staff turnover, these are costly to the success of the industry. Indeed, less due attentions have been giving to employees working in tourism and hospitality sectors which lead constraints of employment in tourism industry are unstable employment, low job status, long antisocial working hours and low pay.
- The relationship between human resources and tourism can be expressed in two main aspects. First, tourism can only flourish if the industry can employ an adequate supply of good quality staff or sustainable workforce. The other issue is that the way in which staffs are treated by both managers and customers and vice versa should be in line with social equality and justice. Equally important, the quality of tourists' experiences and images in a destination is highly depending on these factors, so to built this bond will take time in the present scenario.
- As workers in tourism industries, due to the COVID situation many have stopped working in case of sickness or lockdowns with no income. Governments in the region may have supported but the data is missing.
- Informal hospitality sector jobs are characterized by a lack of basic protection, including social protection coverage. Workers that continue on the job in hotels, airlines or other hospitality industries typically do not have the option to work remotely, and therefore have a heightened risk of COVID-19 infection. Moreover, for those who do fall ill, as informal workers have lack of health-care facilities.
- Based on authors' observation and interviewing people, it is been observed that Hospitality Industry has also been affected. While examining a tourist spot in West Bengal, Digha generally the place known for sea beaches and the scenic beauty where mainly the place relies heavily on tourism, hotels and resort have badly affected. Because only 4 percent of hotel industry workers has been laid off on March 2020 and most workers were taking unpaid leave and pay cut and more than that many were loosing their jobs and many resorts and hotels have closed since the outbreak took place. So, we can imagine the consequences fell upon the well popular tourist places in India during this outbreak.

Conclusion

Based on the above findings and discussion study reveals that tourism and hospitality sector will support 37.315 millions of job, which is about 8.7 percent of its total population in India as per records of “Travel and Tourism career in India”. Therefore, it contribute the maximum to the Indian economy and its GDP. And the study also reveals that due to the pandemic outbreak many employees loses their job in the tourism sector according to the article published in ‘Times of India’. Moreover on the opening day of Parliament, the tourism ministry referenced the NCAER report in response to a question raised by Lok Sabha MPs Ramesh Kausik and Raju Bista in which it said 14.5 million jobs were lost during the first quarter, followed by 5.2 million jobs during second quarter and another 1.8 million jobs during third quarter of 2020-21, after the lockdown was imposed.

And in a recent survey study conducted by online platform Local Circles, revealed that 28 percent of Indians plan to travel from the month of August to September this year,2021. The Travel and Hospitality, which include airlines, restaurants and hotel accommodation which has shrunk by probably by 50 percent, with the sudden start or reopening of the travel and tourism may it will cope with the crisis of unemployment opportunity in future. It is also expected that the capital investment in India’s Tourism and Hospital sector will gradually go up. And a major findings from the analysis is that the GDP effects are much higher than the loss of tourist expenditure, for that after the post pandemic the question raised whether the re-employment opportunities of workers will in the same ratio or not.

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