

UNDERSTANDING CHALLENGES OF EMPLOYMENT IN INDIAN HOSPITALITY INDUSTRY: ACADEMIC PERSPECTIVE

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Abstract: Production in Hospitality & Tourism Business to a great extent relies upon the human resources along with technology and other important factors of contribution. Optimizing efficiency at all levels with increase in sales, controlling the costs and ensuring quality products or services are considered to be the mantras of success for any trade. The case is almost the same in Hotel & Tourism Business. This sector heavily banks upon its manpower for productive services. In this paper we study the Challenges and gap analysis of employment condition in Indian Hospitality Industry as seen by a person who manages a hotel.

Index Term: Hospitality Industry, Hotel industry, Tourism, employment, business, hotelier, Government initiative, NIHM etc.

I. INTRODUCTION

“The growth of tourism in recent years confirms that the sector is today one of the most powerful drivers of economic growth and development. It is our responsibility to manage it in a sustainable manner and translate this expansion into real benefits for all countries, and particularly, to all local communities, creating opportunities for jobs and entrepreneurship and leaving no one behind. This is why UNWTO is focusing 2019 on education, skills and job creation” said UNWTO Secretary-General Zurab Pololikashvili. [1]

Hospitality & tourism-related businesses are the leading producers of new jobs worldwide. Hospitality & tourism has developed into a truly worldwide activity that knows no political, ideological, geographic, or cultural boundaries. For a long time, tourism was disparate and fragmented, but as this industry has continued to grow and mature, a sense of professional identity has emerged. It has formed lobbying groups such as the World Travel and Tourism Council (WCTT), which includes executives of airlines, hotel chains, and travel agents among its members and concentrates on making the case for Hospitality & tourism’s global importance and greater economic value. The growth and popularity of this industry have not been accidental. Growth projections indicate that this industry will support almost 350 million jobs worldwide by 2025. This will be an increase of over 70 million jobs when compared to year 2015.

Hospitality sector is growing at a very fast rate in India. The sector is growing at a rate of approximately 8%. This sector can be classified into hotel industry, travel and tourism, restaurants, pubs, clubs and bars, contract catering, and aviation. Other than that, opportunities also exist in universities, sporting venues, exhibition centers and smaller events management companies. The major challenge of this sector is deficiency of skilled employees along with the challenge of attrition rate. Trained chefs and managers are in great demand. Managers require huge range of competencies such as, people management, viable skills, business insights, analytic skills, sequence planning, and resource development in order to get success in this sector. In addition to that, employees are not enough trained on Business Etiquettes, Courtesy, and Business Communication. Hospitality is all about managing people. So an employee must have right attitude, tolerance, and listening skills in order to move up the hierarchy. There is still a long way to go to encourage good public relation, interpersonal skills. In this paper we study employment challenges in hospitality industry and try to check the possible solutions to them.

II. PROBLEM STATEMENT

The Indian hospitality industry is flourishing due to an increase in foreign tourist arrivals (FTA) and a greater rise in domestic tourism. Hotels are also an important component of this industry. The Indian hotel sector has been growing at a continual annual growth rate of 14% every year adding significant amount of foreign exchange to the economy of our country. Hospitality students in the country who graduate today face many challenges when finding job in today’s competitive job market. Graduates must meet the expectations of the potential companies.

According to Johnstone (1994), there are large discrepancies between formal training and employer demands in the hospitality industry. The Johnstone research outlines the issues within the hospitality industry and underscores the direct link to education. Academic Hospitality programs should be addressing these skills which are deemed necessary for graduates to have, yet these programs are leaving some or many of these skills to be taught by the employers. Employers feel their recruits are less adequately prepared for work after graduation. They found out that some recruits lack the requisite skills needed for the world of work in the hospitality industry.

III. CHALLENGES OF EMPLOYMENT IN HOSPITALITY INDUSTRY

- **Unequal treatment:** There is no equal treatment for all type of employees. For example, according to ILO-UNDP [2] gender inequality is manifested in the sectors. Women perform 66 percent of the world’s work, produce 50 percent of the food, but earn 10 per cent of the income and own 1 per cent of the property. Such circumstances are avail due to the fact that women have lower access to land; capital and education than men women tend to work at home or family enterprises unprotected by law, and women face discrimination and overload of work at business enterprises and family life.
- 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, 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. Businesses can be located at some distance from residential areas, particularly in poorer countries and communities, imposing both travel and time costs on women who frequently have limited access to both financial and time-flexibility resources. [3]

- **Poor pay and working condition:** A European Foundation for the Improvement of Living and Working Conditions (Euro found) report states that the average payment rate in the hotels and restaurants is low when compared to average wages in almost all EU member states. Generally speaking, the tourism and hospitality sector is recognized by Low hourly rates of pay, over time work without extra money, long working hours of 50 hours per week, little or no adequate breaks during peak season periods. [4]
- **High irregularity:** The Indian lodging industry typically encounters appeal amid October–April, pursued which the storm months involve low interest. Normally the December and March quarters get 60% of the year's turnover for India's hoteliers. Be that as it may, this pattern is seeing a change over the ongoing couple of years. Lodgings have acquainted different contributions with enhance execution (inhabitation) amid the lean months. These incorporate focusing on the conferencing portion and offering worthwhile bundles amid the lean time frame.
- **Labor concentrated:** Quality of labor is imperative in the accommodation business. The business gives work to gifted, semi-talented, and untalented work straightforwardly and in a roundabout way. In India, the normal representative to-room proportion at 1.6 is a lot higher than that for lodgings over the world. The proportion remains at 1.7 for five-star lodgings and at 1.9 and 1.6 for the four-star and three-star classes individually. Inn proprietors in India tend to "over-spec" their lodgings, prompting higher labor necessity. With the passage of marked worldwide inns in the Indian business crosswise over various classifications, Indian lodging organizations need to wind up more labor effective and reevaluate their staffing prerequisites. In the event of mid market brands like Keys we run the ship on a proportion of 0.7 to 1.
- Working for 12-16 long hours. Hoteliers have to deal with a lot of frustration on daily basis. The hospitality industry often calls for high-pressure work environments that can leave even peaceful and collected employees feeling strained out. Not everyone can adjust in this kind of environment, causing high levels of quitting jobs.
- The hospitality industry demands hard work and often long, irregular hours, in spite of your position. Regrettably, many workers don't feel like their working is noticed by administration and executives.
- An industry-wide problem, the minimum wage for hospitality employees is lower than any other industry. An insufficient pay rate, or a lack of the capability to make enough money in tips or other wages, is a major reason why employees leave jobs, especially in the hospitality industry.
- One of the biggest causes of employee leaving jobs in the hospitality industry is the lack of development (growth) opportunities. While many people start their career in hospitality when they're young, not many of them choose to continue in the industry throughout their career.
- Hospitality industry workers often resist with the fact that they can never seem to get time off for special occasions in their family. They may also feel pressured to come into work when they are unwell or simply want to have a more standard schedule.

IV GOVERNMENT INITIATIVE

The Government of India has been taking initiatives to promote and develop hospitality & tourism both in terms of physical infrastructure & in terms of services by paying attention on uplifting physical products as well as manpower.

- The international travel and tourism industry continues to be one of the largest global industries and a major engine of economic growth. At present, 1 in every 11 people worldwide are employed by the tourism sector, with the direct contribution of travel and tourism to GDP US\$ 234 billion (9.4% of total GDP) in 2017.
- The Indian hospitality industry has been instrumental in contributing to the nation's economic growth. This trend is estimated to continue especially with the introduction of e-visa for foreign tourists and with the domestic economy improving, there are clear signs of improved domestic travel. The growth rate in room demand (about 6.8%) has been consistently outpacing the supply (about 3%) growth in India for the past few years.
- As per a report by World Economic Forum (WEF), India was ranked 12th in the Asia Pacific region and 40th overall in the list of the world's attractive destinations. Further, India ranked 7th among 184 countries in terms of travel & tourism's total contribution to GDP in 2016.
- India's Tourism sector has been performing well with Foreign Tourist Arrivals (FTAs) growing by 9.7% to 8.8 million and Foreign Exchange Earnings (FEEs) at 8.8% to US\$ 22.9 billion in 2016. FTAs during 2017 were 10.2 million, with a growth of 15.6%, while FEEs from tourism were US\$ 27.7 billion, with a growth of 20.8% over 2016.
- As per the Ministry of Tourism, FTAs on e-Tourist Visa grew by 143% to 10.8 lakh in 2016, and further grew by 57.2% to 17.0 lakh during 2017. The growth here was attributable to the introduction of e-TV for 161 countries from 113 countries earlier.
- Domestic travel spending also witnessed impetus, attributing 87.2% to the direct Travel & Tourism GDP. The appreciation of the US dollar has made international travel unattractive to many who are now seeking to travel within the country for holidays.
- Amongst the Emerging Market and Developing Economies, China's economic growth in 2017 stood at 6.9% while Indian economy grew at 7.1%. India continues to be among the world's fastest growing major economies, despite temporary hiccups caused by demonetization and goods and services tax (GST) implementation.
- The Union Cabinet has approved a MOU between India and South Africa, aimed at expanding bilateral cooperation in the tourism sector through exchange of information and data, establishing exchange programmes and increasing investments in the tourism and hospitality sector.
- The Ministry of Tourism has the main objective of increasing and facilitating tourism in India. Augmenting tourism infrastructure, easing of visa regime, assurance of quality standards in services of tourism service providers, projecting the

country as a 365 days' tourist destination, promoting tourism in a sustainable manner, etc. are some of the policy areas which need to be constantly worked upon to increase and facilitate tourism in India.

- As a step in this direction, Ministry of Tourism has recently launched the 'Adopt a Heritage' project. Heritage sites are being offered for adoption by the public sector, private sector and individuals to become 'Monument Mitra's for developing amenities and facilities at these sites under this programme.
- In the Union Budget 2017-18, the government has proposed to establish five special tourism zones and increase the focus towards rural infrastructure development and introduction of bio-toilets. Under Budget 2017-18, the government allotted US\$ 142.8 million for integrated development of tourist circuits under 'स्वदेश दर्शन' scheme.
- Further, US\$ 14.8 million was allocated for promotion & publicity of various programmes & schemes of the Tourism ministry.

V ISSUES IN CURRENT HOSPITALITY EDUCATION

- **Curricula:** The curricula in Hospitality Education are not designed effectively. Most of the current Hospitality Programmes are out of date and are not able to develop competent and knowledgeable personnel.
- **Discrepancies in Staff Structures:** Surprisingly, yet interestingly there lies a disagreeing in Staff Structures, The faculty positions, Qualifications and Pay scales are significantly different in Universities, Colleges & IHM's in India.
- **International Linkages:** Indian Education System in Hospitality itself has so much to offer to a learner from its own country. Yet, the significance of international linkages cannot be overruled.
- **Internships & Industry Linkages:** Although most of the programmes in Hospitality in India offer strong Industry linkages offering internships changing from six months to a year and on go to train manpower for Industry demands, moreover almost all academic Boards in Universities and Higher Education Institutes have Industry representation on their Academic Boards, yet there is lack of standardization and offering of best practices.
- **Lack of Standardized Curriculum:** Except central bodies like AICTE, NCHMCT and IITTM many of the institutions lack in standardized curriculum.
- **Lack of Government Support:** Indian Government is promoting Hospitality Programmes and some good initiatives like 'Hunar se Rojgaar tak' have been admirable. However, there lies a lack in support for operating expenses of the Institutes in terms of salaries, research funding and inspiring youth for pursuing programmes.
- **Mismatch in Hierarchy of Education & Training:** There exists a mismatch between Hierarchy of Education & Training; this is more prevalent in case of Hospitality Programmes.
- **Nature of Education: (Vocational/ Technical/Professional):** However the higher education in Hospitality is rapid, Professional and Vocational Schools still play a dominant role in India. Till now even the Policy planners are not clear about the nature of Tourism and Hospitality Education
- **No significant Difference in International & Other Programmes:** The programmes offered under International Nomenclatures have any major differences in comparison to those of others offered except the nomenclature.
- **Non availability of faculty resources:** There are limited faculty resources available in Hospitality. There is a great vacuum at senior positions. Similarly, there are almost negligible centers' for Training and updating the existing faculty resources.
- **Research Practices:** The academic research practices in hospitality are almost negligible and in tourism are limited. There is no centre of Excellence for Research for Hospitality & Tourism in the country.
- **What the Programmes are for:** Most of the programmes are having multiple focuses and it is not clear what they are aiming at. This becomes clearer from multiple nomenclatures for same programme at different setups.
- **Involvement of many Authorities (AICTE/UGC/MOT/DEC/NCHMCT/Others):** Many authorities are found to be involved in development of Hospitality & Tourism Education Programmes. For example Ministry of Tourism (MOT), Govt. of India has been a key initiator for Hospitality & Tourism Education through National Council for Hotel Management & Catering Technology and Indian Institute of Travel & Tourism Management, however, the guidelines for Tourism Programmes by UGC seems to be different from MOT, and AICTE are different both for academic and physical infrastructure, similarly the guidelines for Colleges by Universities may vary from University to University. Thus there lies a confusion between central bodies whom to follow. [5]

VI CONCLUSION & SUGGESTIONS

Hospitality Industry have been being accepted as a multidimensional industry with various job opportunities for skilled, unskilled and semi-skilled individuals, the government has yet not able to develop the Hospitality education system in the country. To bridge the gap between hotel industry expectations and education deliverables Hotel management students should be trained keeping in mind latest trends and present demands of the industry. Our Recommendation (suggestion) for better recruitment and working scenario in hospitality industry are:

- It is the liability of hospitality institutions to teach basic skills, more hands on practice needed for the students in the hospitality industry.
- At least one Knowledge of foreign language reading & writing should be made compulsory for the students for are opting for the front office department.
- The critical failure factor for the industry is that a hardworking graduate without good managerial & leadership skills. The hospitality institutions must focus on developing these skills among the students.
- The industry should carry out orientation for the fresher on software skills.
- The culture of Research and development should be inculcated in the institutes seriously so that students should be well prepared with the rising trends.
- Synergy of Hospitality and Event Management would be an added advantage.
- Hospitality professionals should be taken on board while devising curriculum for hospitality institutes, who can give inputs to greater extend.

- The private sector and the government should make efforts to retain people in this industry. Some incentives, better perks etc, could be introduced through a policy to hold up talent in the private sector.

The hospitality educational institutes while focusing on academic fulfillment find it difficult to keep pace with the latest developments in the hospitality industry. The Indian education system does not emphasize on skills required by the Industry. On the other hand the study has shown that students in advanced countries give emphasis to that they must have management skills. We are in need to develop students with the basic skills like communication, safety, managerial, leadership skills and having the right attitude. Hospitality industries prefer to hire graduates from colleges meeting the expectations of the industry.

Hospitality education needs a well structured, communicative and a well implemented hospitality program to complete a meaningful development. The courses that are taught should be realistic, practical and skills oriented. Training students should be well focused on mainly on leadership skills, managerial communication and employee relation. This will make students creative and pioneering.

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