

# Research maGma

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### **HUMAN RESOURCE DEVELOPMENT IN TOURISM AND HOSPITALITY INDUSTRY: ISSUES AND CHALLENGES**

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#### **ABSTRACT**

At present, tourism has become an emerging and fastest and generating a large number of employments for people both skilled and unskilled. A business goes where it is invited but permanently stays, where it is respected. In India, industry has the major contribution towards the growth of GDP. Tourism as a Culture influenced by globalization has engineered a sound foundation for the development of Tourism industry in India. The increasing domination of Tourism industry in the process of economic transformation has been injecting new strength to the economy of the country. The future of tourism industry is definitely exciting but several human resource challenges are being faced such as poor supply of quality people and lack of infrastructural facilities are intimidating in providing the quality. The institutions and universities are failing in transforming soft skills of people through latest measures. Against this background the present paper makes an attempt to discuss different facets of tourism education, availability of training institutes and their status in Travel & Tourism Management and the available infrastructure of Hotels and Restaurants along with the workforce involved for serving tourists. The paper will also attempt to recommend what can be done to improve the status of tourism and hospitality education in India.

#### **KEYWORDS:**

Tourism Industry, Hospitality, Tourism Education, Training, Human Resource Development

#### **INTRODUCTION:**

Tourism as one of the world's largest industries, supporting 277 million jobs and generating 9.8 per cent of world GDP i.e. US\$7.6 trillion (10% of global GDP) and 277 million jobs (1 in 11 jobs) for the global economy in 2014. Recent years have seen Travel & Tourism growing at a faster rate than both the wider economy and other significant sectors such as automotive, financial services and health care.

Last year was no exception. International tourist arrivals also surged, reaching nearly 1.14 billion and visitor spending more than matched that growth. Visitors from emerging economies now represent a 46% share of these international arrivals (up from 38% in 2000), proving the growth and increased opportunities for travel from those in these new markets. Travel & Tourism is an important economic activity in most countries around the world. As well as its direct economic impact, the sector has significant indirect and induced impacts. The UN Statistics Division-approved Tourism Satellite Accounting methodology (TSA: RMF 2008) quantifies only the direct contribution of Travel & Tourism. WTTC recognizes that Travel & Tourism's total contribution is much greater however, and aims to capture its indirect and induced impacts through its annual research as in below Table.1.

India	2014 US\$ mn.	2014 % of Total	2015 Growth	US\$ mn.	2025 US\$ mn.	Growth
Direct Contribution to GDP	40,602.0	2.2	7.6	87,474.5	2.2	7.2
Total Contribution to GDP	125,211.0	6.7	7.5	271,758.0	7.6	7.3
Direct Contribution to Employment	23,024.1	5.5	1.9	29,019.7	5.7	2.2
Total Contribution to Employment	36,695.4	8.7	1.8	45,566.6	9.0	2.0
Visitor Exports	20,060.1	4.2	5.2	38,946.6	4.2	6.3
Domestic Spending	87,864.2	4.7	7.0	187,571.0	5.3	7.2
Leisure Spending	90,146.5	1.8	6.5	190,437.0	2.1	7.1
Business Spending	17,777.7	0.4	7.4	36,080.6	0.4	6.6
Capital Investment	34,523.2	6.2	9.3	71,067.9	6.9	6.5

\*2014 constant prices & exchange rates; 2015 real growth adjusted for inflation (%); 2015-2025 annualized real growth adjusted for inflation (%); '000 jobs

Money spent by foreign visitors to a country (or visitor exports) is a key component of the direct contribution of Travel & Tourism. In 2014, India generated INR1, 224.4 bn in visitor exports. In 2015, this is expected to grow by 5.2%, and the country is expected to attract 7,757,000 international tourist arrivals. By 2025, international tourist arrivals are forecast to total 15,291,000, generating expenditure of INR2, 377.2 bn, an increase of 6.3% pa.. This indicates, there will be huge demand of skilled and trained manpower in this industry. It has been also reported that there is a big gap between demand and supply of manpower in this sector. This gap is proposed to reduce by-

- ✦ Formulation of proper policy and strategy
- ✦ Regular assessment of skilled manpower
- ✦ State of art infrastructure for training
- ✦ Regulating academic efforts.

Against this back ground, Government and Industry people should take initiative to promote tourism industry among the youth talented generation and to attract them to join for capitalizing this industry. The quality of the courses in Tourism Management being offered by the institutes and universities requires to be improved. The courses offered are not practical in nature and hence do not fulfill the sectorial need. The courses need to be revised and updated. The Tourism Education courses offered in the private, government institutions and universities are hybrid in nature and lacking skill specialization. There is a skill shortage in this sector and requires fair blending of information and communication technology. It is high time to provide a sound understanding of Real Time Data Base

System (RTDBS) along with E-commerce, Customer Relation Management to the students for increasing practical solution to the business.

### **SHORTCOMINGS IN TOURISM EDUCATION**

This sector is requiring 3.5 million people by the year 2020. A report found that huge volume of students are being trained in this sector by government, affiliated and privately owned institutions but it is interesting that major portion of people of them are pursuing careers in other services.

The report indicates that there is an alarming shortage of trained manpower in tourism industry resulted in big gap between demand and supply of trained people. This industry requires various strategies related to Human Resource for the development of this sector. Apart from this the industry is lacking a fair manpower planning, Job description, job specification and proper career planning at different level in the organization. Low payment, long working hours, lack of professional growth and training and development facilities has been the fate of this sector. Better corporate culture, healthy professional ethics and sound operational practices must be considered in this regard. In spite of several efforts Human Resource practices still lacking of professionalism in this industry. Major shortcomings in tourism education may be enumerated as

### **THIS INDUSTRY HAS NOT ANY FULL PROOF RECRUITMENT POLICY**

- ✦ This industry lacks competent and specialist people, having no specific degree requirement
- ✦ This industry lacks professional ethics, sound operational practices & specialization
- ✦ There is no clear cut career path and the payment package offered is minimal
- ✦ The courses taught at institutes & universities are not up to date, need to be improved in the light of current developments
- ✦ The syllabus designed are faulty and not attracting right types of candidates
- ✦ Acute shortage of competent faculties.

### **QUALITY PEOPLE – NEED OF THE HOUR**

The tourism industry have been facing a series of problems and the most effective way of resolving the same is making available to them quality people. The government policy makers and the institutions bear a responsibility of promoting excellence, which may create and establish a conducive environment for prosperity of this Industry. We cannot accept managerial proficiency from those who themselves are lacking quality. The falling dimensions of development of quality people draw priority attention:

#### **RECRUITMENT:**

This dimension is concerned to the recruitment and selection of quality people. The traits considered to be essential for the quality people need not to be underestimated.

#### **TRAINING:**

Development is on-going process, change is a natural phenomenon. During yester decades, we find a large scale domination of techniculture in all most all arias. The techno-driven information systems are found very much instrumental in shaping the operational efficiency of Tourism Industries. The increasing trend of unlawful and unethical practices makes it essential that the traits like personal touch, ethics, humanism and ethos must be maintained to transform non-performer into star-

performer.

#### **MOTIVATION:**

Incentive becomes instrumental in motivating and shaping the people. Particularly in the present time, where consumerism has been found changing the lifestyles of general people, we cannot keep Tourism Industry in isolation. This requires a fair blending of financial and non-financial incentives.

#### **PERFORMANCE APPRAISAL:**

To get good result, it is essential that an evaluation is made of the performance of individual or a group.

#### **HUMAN RESOURCE DEVELOPMENT IN TOURISM AND HOSPITALITY EDUCATION**

The future of tourism industry in India is very exciting but still there are many human resource challenges faced by this industry such as lack of qualified staff at both the operational and managerial levels. There is a huge gap between the supply side and demand side requirements in this sector. The development and sustainability of tourism industry requires development strategies for human resource and personnel involved in tourism, the development of host community, and tourists themselves. Sustainability based work culture, professional ethics, and operational practices are basic to sustainability in tourism. There is immense potential in Indian tourism industry, but is hardly showing any developments due to shortcomings in HRD domain. This is one of the basic reasons for its low performance in terms of unorganized human resources and unattended HR issues and policies both at micro and macro level.

#### **HOTELS IN INDIA:**

- ✦ Approximately there are 1.2 million hotel rooms in the country. However, the star category of hotels account for only 7% of the total. (80000 rooms)
- ✦ According to a study, there was a need of approximately 2.9 million hotel rooms in India and this need rose to 6.6 million rooms in 2020.
- ✦ The four star and five star hotel in the country including the heritage hotels provides employment to on an average 162 people per 100 rooms, compared to 122 in one, two and three star hotels.
- ✦ Almost 750000 people in India are employed in hotels within India. Around 1 lakh people are employed in motels on highways.
- ✦ The Employment in hotel industry is forecasted to increase to 3.5 million by 2020.
- ✦ The major portion of employees, approximately 60%, is working in F & B sector, Kitchen and Housekeeping.
- ✦ 80% of the manpower is employed in key hotel functions such as F&B, front office and housekeeping. Most of them are young and less than 40 years of age.
- ✦ Most employees in the management/supervisory cadres in the front office, F&B services and housekeeping function of the larger four & five star hotels have a formal hotel management qualification. Almost half the managers and supervisors of the one to three star hotels have either a hotel management degree/diploma or a Food Crafts Institute Certificate. The hotels in the unorganized sector mostly employ untrained manpower.

### **RESTAURANTS IN INDIA:**

According to a study,

- ✦ It has been estimated that there are at least 140,000 restaurants in urban India.
- ✦ In Delhi and Mumbai itself, there are nearly 15% of these restaurants.
- ✦ The largest population is of Conventional restaurants which account for 30% of the total population, followed by sweet shops (16%), fast food outlets (16%) and dhabas (30%).
- ✦ The number of conventional restaurants ranges between 10-20 numbers per lakh of population and the total number of eating places account for 86 per lakh of population.
- ✦ The total number of restaurants has touched 200,000 in the year 2010 and will be around 240,000 in year 2020.
- ✦ Almost 1.85 million people are working in restaurants running in India. This Employment is forecast to increase to 2.73 million by the year 2020.
- ✦ The small restaurants such as dhabas are employing more than 1.3 million people on the state and national highways.

### **TRAINING INSTITUTES IN HOTEL MANAGEMENT AND FOOD CRAFT:**

- ✦ At present approximately 175 training institutes are engaged in Hotel management and Food Craft. Of them, 50 are owned by the government, 125 are private institutes and only 47 are registered with AICTE.
- ✦ The total number of students obtaining training in government sponsored institutes are very less, approx 20% of the total. A total of 18000 students are graduating with a degree/diploma in hotel management or food craft.
- ✦ The majority of the students are completing 3-year degree courses. Only 3800 students (21%) are completing Diploma or Certificate courses.
- ✦ These institutes claim 100% placement for graduating class. However, more than 35 to 40% of the total graduates are joining other emerging sectors such as call centers because of the reasons such as better salaries, poor perceived image of working in hotels, and their reluctance to take up jobs in the service function of hotels.

In this scenario, there is likely to be a shortage of trained manpower in this sector.

### **TRAINING INSTITUTES IN TRAVEL & TOURISM MANAGEMENT:**

- ✦ Around 172 training institutes are engaged in travel and tour management education. Out of them only 11 are government sponsored institutes, 78 are affiliated to universities while the rest of them are privately owned.
- ✦ Approximately, 17,500 students are completing IATA/UFTA certified diploma courses, graduate and post graduate degree courses.

### **STRATEGIC RECOMMENDATIONS**

- ✦ The present and as well as new hotel management institutes will have to provide training to substantially more and larger number students to cater to the increasing demand of hotels and restaurants.
- ✦ The total student throughout of diploma and certificate courses needs to be increased through immediate steps. This can only be done to by altering the students towards short term courses.
- ✦ There is also a requirement for Improvement in standards of training provided by the institutes.

- ✦ If the manpower required to impart training in institutes, if found to be scarce a training module in the form of audio and video CDs can be explored.
- ✦ However, the existing training infrastructure for the travel and tour sector appears to be adequate.
- ✦ There is a need to undertake a joint campaign to generate pride in hotel and tourist management carriers. This will help attract and retain trained manpower in this sector.
- ✦ The syllabus and the curriculum are recommended constant up gradation.
- ✦ Constant training of teachers imparting training is required.
- ✦ There should be more scope and Better market acceptability of the pass outs.
- ✦ The working hours should be reasonable. Students having aptitude and inclination for a particular stream need to be trained.
- ✦ The fringe players in the tourism sector needs corporatization and consolidation.
- ✦ To introduce a subject or at least a chapter on tourism at the “+2” stage in all schools.
- ✦ To bring Guest faculties from international reputed Tourism institutes. This would bring global perception to our institutes.
- ✦ Exchange programme with foreign institutes, both for the students as well as faculty.

### CONCLUSION:

This Industry looks for dedicated performer. Nothing good is possible, when we continue with a pool of non-performer and nothing is impossible when we peak a team of star-performer. Presently we find tourism industry in India is facing problem of image. Increasing the number of star and dynamic performers need top priority in the sector. The apex institutions in India have stopped to offer specialization in Tourism Education courses. This has resulted complete negative impact over the fate and future of tourism education and supply of quality people. Therefore immediate attention of Educational institutes, public and government is required in this regard to capitalise tourism and hospitality sector.

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