

## A Study of Hospitality and Tourism Sector : Two sides of a coin

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### ABSTRACT

*As Hospitality and Tourism industry strive to become ever more efficient and productive, the importance of making individual aware of generating employment and revenue for the state and stimulates infrastructure building like hotels and tourist spots. For Hospitality and Tourism to achieve long term success, it needs to engage with the government sector.*

*Both sectors has an overriding responsibility to make both sector eco-friendly. The tourism and hospitality gets its inspiration from the motivation of humankind to travel. "History of Travel", that travel is an inner urge of human nature.*

*The objective behind is to make an individual aware of the increase in tourism is an increase in hospitality industry generating employment and creating an environment as it is the two side of the coin.*

*This paper is purely based on quantitative research which includes review of most relevant information regarding hospitality and Tourism and aims to highlight the different types of employment in both sectors and generating revenue through foreign exchange and a framework to understand its use and importance adopting an explorative research design mainly based on secondary data.*

*The Government reposes the responsibility of tourism and Hospitality as both needs to grow in a sustainable manner their efforts help stimulate business and job creation. The department will aim to foster and improve coordination and cooperation across government agencies.*

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### 1. Introduction

**Tourism** is the act of travel away from home for recreational or leisure purpose. It is a short term and temporary movement of people. It provides a source of income for the country. There are various types of tourism like adventure tourism, cultural tourism, medical tourism, sports tourism, water tourism, wild life tourism, space tourism, wine tourism, culinary tourism, etc.

**Hospitality** is the relationship between a guest and a host. Hospitality is the act or practice of being hospitable. Tourism and hospitality industry are related to each other. Hospitality is the act of welcoming, receiving, hosting or entertaining the guest. Hospitality occupies local services such as entertainment, accommodation and catering for tourists. It is the business of providing catering, lodging and entertainment service and welcoming, receiving, hosting, or entertaining guests. Hospitality Industry is closely linked with travel and tourism industries. Hospitality industry plays a vital role in the overall economic growth of the country.

The Indian Tourism and Hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. During January-October 2018 FEEs from tourism increased 8.30 per cent year-on-year to US\$ 23.54 billion. Moreover, India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism. Foreign Tourist

Arrivals (FTAs) increased to 8.36 million in January-October 2018, achieving a growth rate of 6.20 per cent year-on-year.

### 2. Review of literature

UNWTO defines tourism as "a social, cultural and economic phenomenon, which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes". For some tourism represents relaxation and enjoyment, a trip during the holiday weeks away from work, and some doubt the need for study and research. But for others, tourism is a source of employment; it is a business that brings revenue to millions of people around the world; it is a source of living. Therefore it is important to research it, analyze it and study it more attentively. "Tourism has emerged as a major economic sector and source of social and environmental change since the 1950s. It has also become a field of serious research and scholarship in many academic disciplines since 1970s. The patterns of tourism development in different parts of the world reflect the histories and cultures of those regions and nations, but tourism is a nearly universal phenomenon [...] it is an important source of wealth for many nations [...] (it) becomes a high priority for many people" (Robinson, Luck and Smith, 2013). The statement emphasizes on the importance of tourism, which highly increased over years, and the diverse functions of tourism in the world.

The hospitality industry is "the essence of tourism, involving the consumption of food, drink and accommodation in an environment away from the normal home base. The very nature of hospitality involves hosting and hospitality, provided by a host and involving a guest" (Page, 2009). In early stages, hospitality was not seen as a commercial industry, as people hosted and were hosted on the basis of reciprocity. Nowadays, "hospitality has become a commercialized experience, where

the guest renders for the service they consume via a bill” (Page, 2009). Hospitality as a subsection of tourism “is a fundamental part of the domestic and inbound leisure market. Consistent demand for tourism allows the hospitality industry to forecast demand and identify opportunities to increase consumer spend, creating a wave of secondary financial impacts” (Robinson, Lück and Smith, 2013).

### 3. Need of the study

Hospitality and Tourism is a very important sector in promoting tourist and state. Compliance clearly continuing to influence the governments understanding as a priority growth sector in the government’s business agenda while it also clearly communicates what is expected from an individual and government. The need of this study can be explained through the following points:-

- To provide mass employment.
- To create an infrastructure to encourage and sustain tourism.
- To generates revenue.
- To supports several industries like transport, aviation, hotel and tourism.
- To encourage such educational initiatives to provide the tourism and hospitality sector with talent on a continuous basis.
- To avoid loss of reputation and business integrity

### 4. Objective of study

As compliance is an integral part of both sectors, its awareness should be at its peak. Every Hospitality college should aim to spread awareness of its importance to hospitality graduates or whosoever are related to the Hospitality and Tourism directly or indirectly about the various employment generated through both sectors

### The main objective of the study was:-

1. To find out the influence of hospitality and tourism sector on Indian Economy.
2. “To study / find out the opportunity for employment in Tourism and hospitality sectors.

### 5. Scope of study

Compliance includes various aspects which should be known by each and every individual and they should abide by them as well. Compliance includes the following aspects:-

- Employment Relation
- Hospitality Relation
- Tourism Relations
- Government Relations

### 6. Research Methodology

This research is purely based on secondary data adopting an exploratory research approach and following are the sources of data collection:-

- websites
- The Hospitality and Tourism related books and publications

### 7. Notable trends in hospitality and tourism industry

**Following were covered through the images which are as follows:-**

1. Indian Tourism & Hospitality Industry Analysis
2. Direct Contribution of Hospitality & Tourism to GDP
3. Contribution of employment in Tourism
4. Sector Composition
5. Key Trends
6. Growth of Hospitality Industry
7. Jobs in Hospitality
8. Jobs in Tourism

## 1. Indian Tourism & Hospitality Industry Analysis

Source: <https://www.ibef.org/industry/tourism-hospitality-india.aspx>

### Indian Tourism and Hospitality Industry Analysis

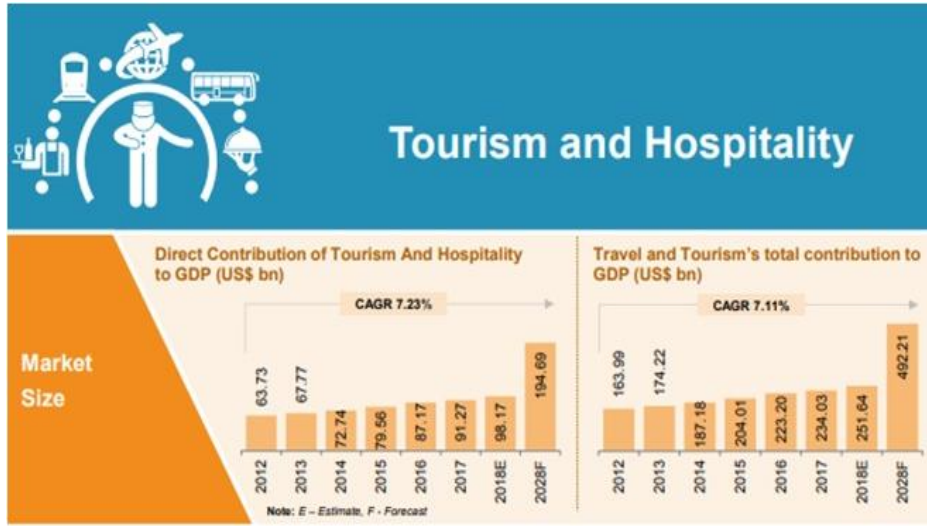
Latest update: February, 2019



Note: MICE – Meetings, Incentives, Conferences, and Exhibitions

### 2. Direct Contribution of Hospitality & Tourism to GDP

Source: <https://www.ibef.org/industry/tourism-hospitality-india.aspx>



### 3. Contribution of employment in Tourism

Source: <https://www.longdom.org/open-access/role-of-tourism-industry-in-indias-development-2167-0269.1000126.pdf>

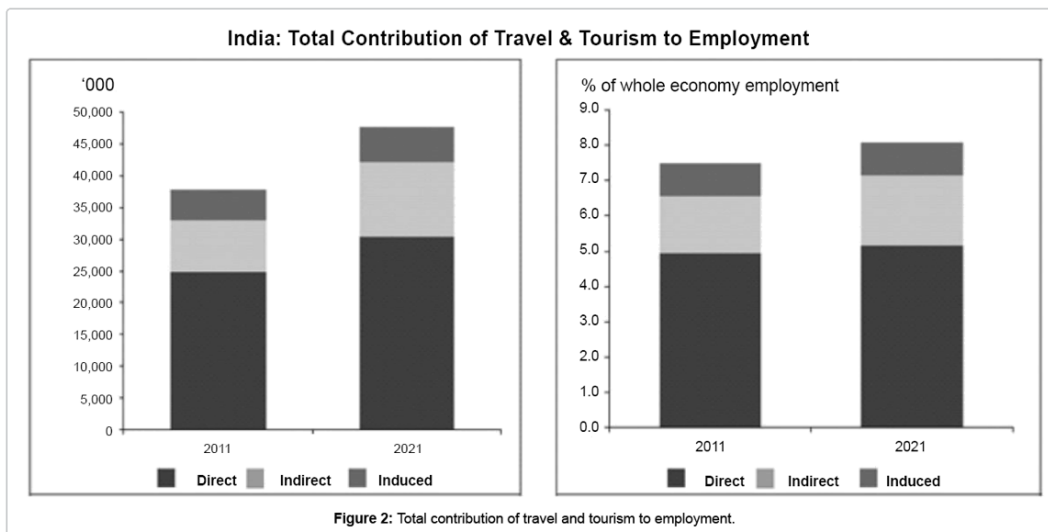
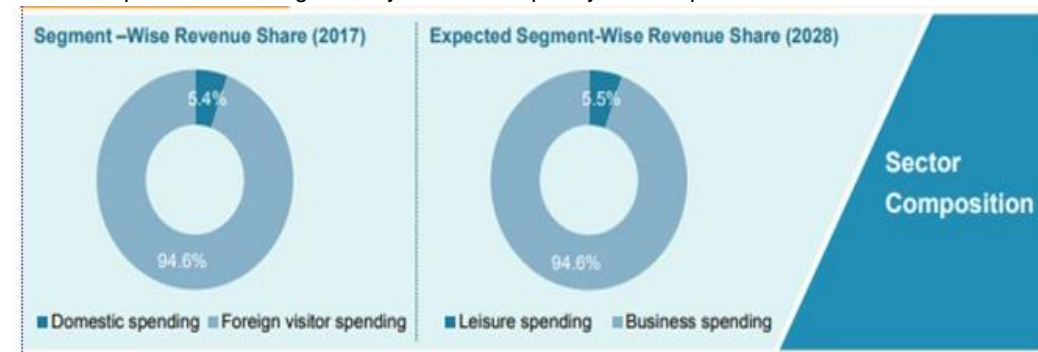


Figure 2: Total contribution of travel and tourism to employment.

### 4. Sector Composition

Source: <https://www.ibef.org/industry/tourism-hospitality-india.aspx>



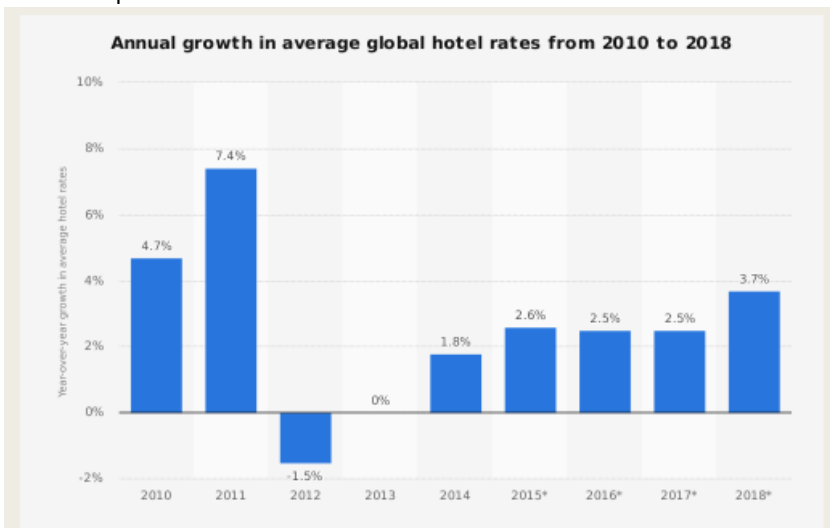
### 5. Key Trends

Source: <https://www.ibef.org/industry/tourism-hospitality-india.aspx>



### 6. Growth of Hospitality Industry

Source: <https://www.statista.com>



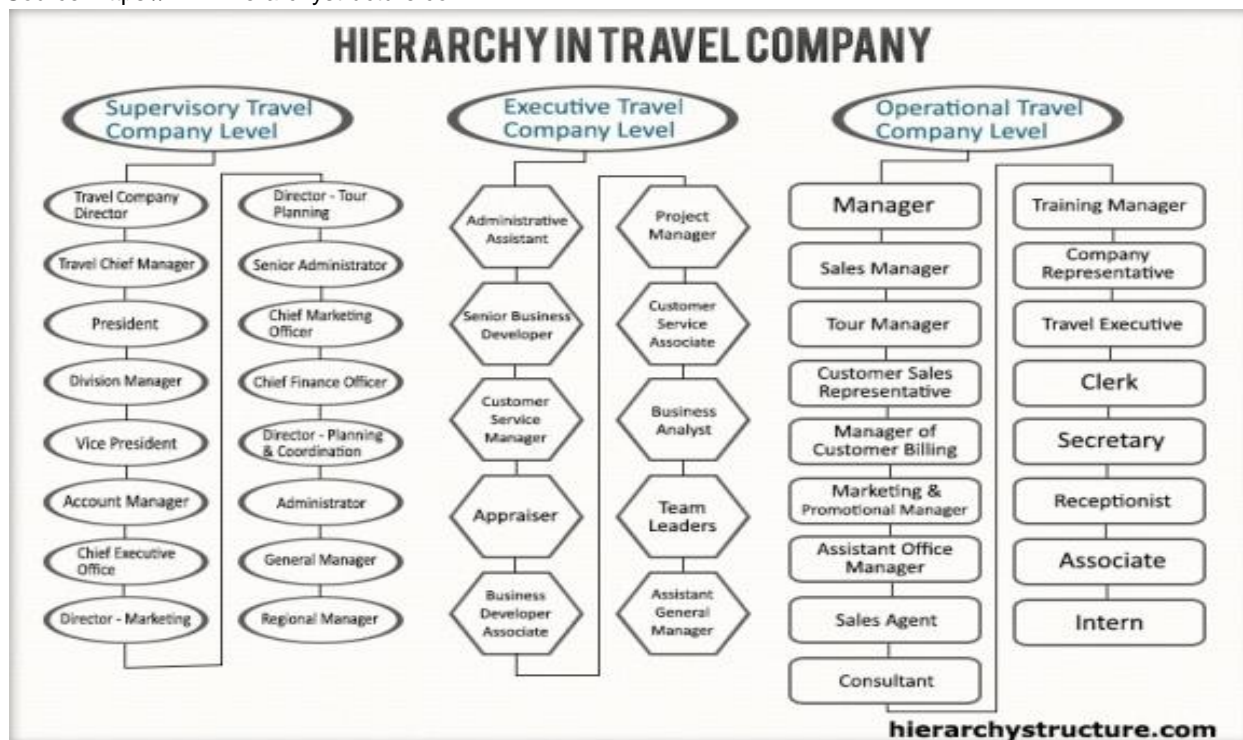
### 7. Jobs in Hospitality

Source: <https://www.allaboutcarrers.com>



## 8. Jobs in Tourism

Source: <https://www.hierarchystructure.com>



## 8. Contribution

The travel & tourism sector in India accounted for 8 per cent of the total employment India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India's travel and tourism industry has the potential to expand by 2.5 per cent on the back of higher budgetary allocation and low cost healthcare facility, according to a joint study conducted by Ascham and Yes Bank. The launch of several branding and marketing initiatives by the Government of India such as 'Incredible India!' and 'Athiti Deva Bhava' has provided a focused impetus to growth. The Indian government has also released a fresh category of visa - the medical visa or M visa, to encourage medical tourism in the country. Incredible India 2.0 campaign was launched in September 2017. In September 2018, the Indian government launched the 'Incredible India Mobile App' to assist the traveler to India and showcase major experiences for travelling. The Government of India is working to achieve one per cent share in world's international tourist arrivals by 2020 and two per cent share by 2025. In October 2018, Statue of Sarkar Valla Bhai Patel, also known as 'Statue of Unity', was inaugurated as a tourist attraction. It is the tallest statue in the World standing at a height of 182 meter. It is expected to boost the tourism sector in the country and put India on the world tourism map.

The Government has also been making serious efforts to boost investments in tourism sector. In the hotel and tourism sector, 100 per cent FDI is allowed through the automatic route. A five-year tax holiday has been offered for 2, 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai).

The hospitality industry is a labor intensive one and India has a large concentration of English speaking individuals, which prove as a catalyst in advancement and prosperity of the industry. Besides the regular jobs of a travel agent, tour guide, air hostess, chef, waiter and manager's other opportunities await those who are keen on taking up a job in the sector. The competitive markets and the awareness amongst the guests have made it necessary to put emphasis on and bridge the skill gap in the hospitality sector. The Ministry of Tourism, Government of India has put in place the following strategies to fill the critical gaps as existing IHMs has been directed to start short term courses in Services & Production and a scheme has been dedicated for the training and up grading the skills of the existing service providers e.g. Hunan se Rodger programmer for creation of employable skills. The Ministry of Tourism has also decided to bring courses in Tour and travels into the mainstream through vocational schools, polytechnic institutes, Industrial Training Institutes (ITIs), Government colleges and Universities. Guidelines have also been earmarked for utilization of financial assistance for the creation of infrastructure.

## 9. Factors Responsible For Growth of Hospitality Industry:

Going by the rapid growth of the hospitality industry in the wide throughout the globe, it is imperative that some creative ideas and paradigm shift in the approach is required to produce state of the art infrastructure. Viz. a. viz. India, the competition in the area of hospitality has become challenging due to entry of various international leaders in this area, leading to higher level of professionalism.

Other factors which are responsible for the growth are as follows:

- Spending power of the guest.

- Arrival of tourist in niche tourism e.g. medical, eco-tourism, luxury tourism etc.
- Sanction of 100 percent FDI by government of India on hospitality industry.
- Over the period of time, various initiatives have been taken to invest in various infrastructure projects.
- Because of diversity, the attraction to visit increases every year.
- "Lonely Planet" has ranked India as the fourth most preferred travel destination among the top five destinations from 167 countries. India's contribution to GDP in 2015 was ranked 11th among 184 countries in the area of Tour and Travel. It is predicted that GDP is to increase by 7.5 percent per annum to USD 275.2 billion by 2025.

As the tourism sector grows it will need more people with higher level skillsets too. If they're not available in India, senior staff will be brought in from overseas. Up skilling the local workforce and providing training for young people in particular will help drive indigenous job growth. The Ministry of Tourism is making good progress here. It has a target of training 5 million people by 2022. There are now 36 Institutes of Hotel Management across the country but demand continues to outstrip supply. For India to meet its skill development targets, it needs to increase the number of these programs and make access easier. Stronger public-private collaboration that creates

high quality on-the-job training and apprenticeship models will be important for driving up skill levels quickly too.

## 10. Challenge of Servicing the Sector

- Upgrading the hospitality and tourism sector with skilled manpower is a combined task of the educators and policy makers and industry.
- The task of creating a skillful service is essentially challenging for major two reasons because of the gap between Skill and unskilled Labor in this sector.
- Building the right infrastructure for nurturing and growing the Tourism and hospitality industry is a multidisciplinary task of all stakeholders.

## 11. Conclusion

This paper has helped in understanding and making individual aware with respect to government and how important it is for the individual to know that Hospitality and Tourism two sides of the coin. Which covered the important aspects of a particular act and this helped in making and individual aware through various pictorial representation.

This paper brings forth the contribution of hospitality and Tourism Sector on the Indian economy. It further gives an insight of the various schemes for supporting the growth and generation of employment in both the sector.

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