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## **Human Resource Management in Indian Tourism Industry**

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### **ABSTRACT**

*Indian tourism industry is labour intensive industry so that it can provide a lot of jobs to Indian manpower and absorb a lot of manpower directly and indirectly. According to Planning Commission of India an investment of Rs.10 lakh creates 78 jobs in the Tourism sector while the same generates just 18 jobs in the Manufacturing and 45 in the Agriculture sector. It provides approximately 31 million employments (both direct & indirect) to people throughout the country and it is called largest employment generating industry in the country; this number is expected to rise over 40 million by 2019 and over 43 million by 2022. Indian tourism industry requires skilled manpower but there is a big gap between skilled manpower requirements and skilled manpower availability. To fulfill this gap, we require a study to analyze the nature and patterns of employment availability and demand of skilled manpower in tourism industry and employment growth rate in tourism industry. Foreign exchange earnings from tourism also help to employ the manpower in tourism industry. To fulfill these objective, we analysis the secondary data through mean, growth rate etc.*

**Keywords:** Employment, growth rate, foreign exchange, foreign tourist arrivals, demand and supply etc.

### **I. INTRODUCTION**

Tourism industry provides 6-7% of global employment (direct and indirect) and 5% of global income according to United Nations world tourism organization (UNTWO 2012). This is largest employment generating industry across the world. Out of total workforce engaged, 70% are women in tourism industry. Hence it generates more inclusive growth than the other sectors. According to UNTWO, international tourist arrivals surpassed the 1 billion first time

in history of India in 2012. Tourist arrivals in India has increased from 996 million to 1.04 billion from 2012 with 4% growth rate in global world, particularly in Europe which accounted half of the international tourist which arrivals worldwide. Tourist industry in emerging economies is growing with 4.1% growth rate in comparison to advanced economies 3.6% growths rate. While Asia and pacific showing the highest growth 7%. In 2013 growth rate of global tourism is expected to decline slightly and fall in the range 3-4% with stronger prospects of Asia and pacific (5-6%) growth rate.

As per tourism satellite account (TSA) data in 2012-13, the contribution of tourism industry in Indian GDP was 6.8% (3.7% and 3.1%) and it contribute 10.2% in total employment generation (direct 4.4% and 5.8%) as per the 12th five year plan in same time period. India's travel and tourism sector is estimated to create 78 jobs per million rupees of investment. The hotel and restaurants sector with 1.5% share in India's GDP in 2012-13 that is an important sub- component of tourism sector. There are many new tourism products those have significant potential for India as like wellness tourism, golf tourism etc.

## **OBJECTIVES**

The main objectives of this paper are as follows:

- ❖ To examine the nature and patterns of employment in tourism industry.
- ❖ To analysis the contribution of tourism industry in Indian economy.
- ❖ Study the employment growth in tourism industry.
- ❖ Study of the flow of foreign exchange earnings through tourism in India.

## **II. TOURISM INDUSTRY IN INDIA**

The tourism industry is contributing approximately 6% in Indian GDP and provides 31 million jobs direct and indirect in 2012. According to planning commission, an investment of Rs.10 lakh creates 78 jobs in the tourism industry while the same amount investment generates just 18 jobs in manufacturing and 45 jobs in agriculture sector. Tourism industry is employment intensive industry which provides approximately 31 million jobs to people throughout the country It is expected that this number will increase over 40 million by 2019 and 43 million by 2022. But there is a big gap between skilled manpower requirement and supply of skilled manpower in tourism industry. The Hotel & Restaurants Industry is contributing between 1.2% and 1.5% in the GDP from last seven to eight years. According to an estimate, the Indian Hotels & Restaurant Industry's contribution increase Rs.827.76

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billion in 2009-10 from Rs. 604.32 billion in 2006-07. During this period annual compound growth rate was estimated 11%.

### **TYPES OF TOURISM IN INDIA**

There are various types of tourism which have emerged in India. Some of them are discussed below:

- ❖ **Heritage Tourism:** India is a land of deep rooted heritage and history dating back to many thousands years. There are numbers of ancient heritage tourism places in India. India is the home of Taj Mahal that is one, out of the Seven Wonders of the World.
- ❖ **Wildlife Tourism:** India is the home of some finest wildlife sanctuaries and reserves like Ranthambore, Bandhavgarh and Kanha National Parks, Bharatpur, Ranganathittu and Vambanad Bird Sanctuaries.
- ❖ **Eco Tourism:** Eco tourism yet to make its mark in India has immense potential to develop tourism as the “eco tourism” hub. Some places have developed as a eco tourism as like: Ladakh, Andaman and Nicobar Islands, Rishikesh, Siju and Edakkal caves etc.
- ❖ **Adventure Tourism:** India offers a wide range of adventure sports for tourism. Trekking and skiing in Himalayas, water rafting in the Ganges and Beas, camels and jeep safaris in the deserts of Rajasthan, paragliding in Himachal Pradesh, water sports in Goa and scuba diving in Lakshadweep, Andaman and Nicobar are some options available for adventure tourism.
- ❖ **Rural Tourism:** In developed countries, a new style of tourism of visiting in village site to get experience and live a relaxed and healthy lifestyle has already emerged. India is also following the suit to some extent. The ministry of tourism is expected to develop institutional mechanism for supporting, promoting and organizing large no. of fairs, festivals and crafts bazaars in rural areas.
- ❖ **Mice Tourism :** With the expansion in the network of airlines operations on the domestic routes, better tourist surface, transport system including the Indian railways, new centers of information technology, many new convention centers, hotels and meeting facilities. India is now an important MICE (meeting, incentives, conferences and exhibitions) destination. The Indian sub continent is emerging as one of the finest incentive destination in the world owing to the diverse culture and geography.

- ❖ **Medical Tourism:** Medical tourism is promoted through suitable packaging of identified best hospitals and price banding for various specific treatments. India offers all kind of medical and health care costs skyrocket. Patients in the developed world are looking overseas for medical treatment. India is capitalizing on its low cost and highly trained doctors to appeal to those medical tourists.
- ❖ **Buddhist Circuits:** there are various popular Buddhist tourist places in India. Such as Bodhgaya, Rajgir, Nalanda, Patna, Vaishali, Kushinagar, Sarnath etc. which attracts significant tourist all around the year.
- ❖ **Religious Tourism:** India is a host of religious places stretching from Kashmir to Kanyakumari. This spawns religious tourism. Illustratively, important destination includes Tirupati, Madurai, Rameswaram, Varanasi, Dwaraka, Amaranth, Badrinath and Kedarnath to name a few.

### **III. RESEARCH METHODOLOGY**

Present study is based on secondary data and same has been collected through Internet, Books and Journal, Magazines and websites. Mainly data has been collected from the annually reports of the ministry of tourism. This study used mean value, growth rates etc. are used to analysis the data.

### **IV. DATA ANALYSIS AND FINDINGS**

#### **Employment Pattern**

The tourism industry is contributing approximately 6% in Indian GDP and provides 31 million jobs direct and indirect in 2012. According to planning commission an investment of Rs.10 lakh creates 78 jobs in the tourism industry while the same amount investment generates just 18 jobs in manufacturing and 45 jobs in agriculture sector. Tourism industry is employment intensive industry which provides approximately 31 million jobs to people throughout the country and largest employment generating industry in the country. It is expected that this number will be increased over 40 million by 2019 and 43 million by 2022. But there is a big gap between skilled manpower requirement and supply of skilled manpower in tourism industry.

Table no. 1 show that F&B and F&B Kitchen have employed the maximum human resources (15-20%) while purchase & account section have employed the minimum HR (6%).

Table no-1: Function-wise Distribution of Human Resource in Hotels and Restaurants

Function	% of people
F&B Service	20%
F&B Kitchen	15-20%
Housekeeping	15-20%
Front Office	8%
Management	8%
Engineering	8%
Purchase & Accounts	6%
Other (HR, Security, Accounts etc)	10-20%
Total	100%

Source: Primary research and IMACS analysis

Table no 2 depicts that diploma holder employees are the maximum (25-55%) while high qualified person are the minimum (5%) on top level.

Table no-2: Education wise distribution of human resources in Hotels and Restaurants

Education level	% of people	Functional area assigned
MBA, CA, CS, ICWA	5%	General manager/manager
Post graduate/graduate	20-30%	Manager/supervisor/assistants- front office F&B services, kitchen(chef/cook), steward, housekeeping, purchase, sales etc.
Diploma	25-55%	Chef, steward, line cook, f & b services etc.
High school and below	20-40%	Kitchen staff, front offices- bell boy, waiters/servers, bartenders, security guards, room service etc.
Total	100%	

Source: Primary research and IMCAS analysis

Employment Intensity in Hotels and Restaurants: The following tables present the employment intensity and profile of people across different categories of Hotels and Restaurants:

*The table no-3 shows that Five/Four-star & Heritage hotels have the highest employment intensity (174) and also have the maximum demand for highly skilled/trained manpower. While in unorganized sector have the lowest employment intensity (22) and low demand for skilled manpower.*

Table No-3: Employment Intensity and Profile of People in Hotels

Particulars	Employment intensity	Profile of people employed
Five, four star/heritage hotels	174	Mostly highly trained/skilled with hotel management degree/diploma
Three, two & one star hotels	122	Managers & supervisors are generally highly trained/skilled junior staffs are just graduates or even SSC pass/dropouts
Other hotels in the unorganized sector	22	Very few trained manpower. Most of the employees consist of untrained manpower

Source: Ministry of Tourism, Government of India; IMACS analysis;

\*Employees per 100 rooms

*The table no. 4 depicts that fast food outlets have the highest employment intensity (32) followed by cafes (31) and the Dhabas/ Bhojnalayas have the lowest employment intensity (26) and similar followed by Conventional restaurants (26).* The above table depicts that employment intensity is more or similar across all the categories and the demand for skilled/trained manpower is also similar in all the categories except Dhabas/Bhojnalayas. As it has seen above, that Government/Ministry of Tourism has taken several initiatives to build skills in the hotels and restaurants.

Table no-4: Employment Intensity and Profile of People in Restaurants

Particulars	Employment intensity	Profile of people employed
Conventional restaurants	26	Generally half of the persons employed in kitchens of conventional restaurants
Cafes	31	Outlets are diploma holders either from private hotel management institution or food craft institutes.
Fast food outlets	32	Hotel management degree/diploma holders
Dhabas/Bhojnalayas	26	Employ unskilled manpower

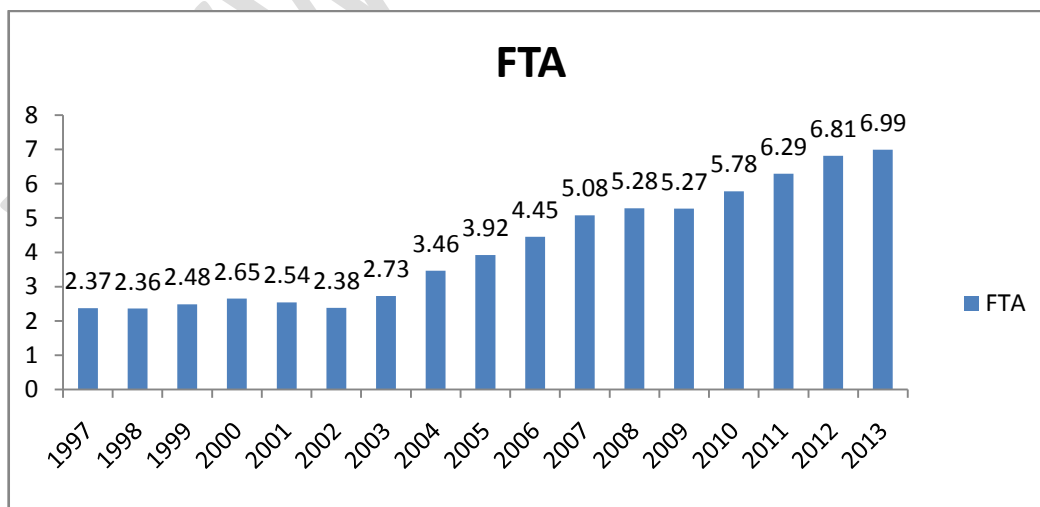
Source: Ministry of Tourism, Government of India; IMACS analysis;

\*Employees per 100 chairs

Foreign Tourist Arrivals in India: -

Figure No: 1 show the data regarding Foreign Tourist Arrivals (FTAs) in India. FTAs in India have increased from 2.37 million in 1997-98 to 6.29 million in 2011-12. The growth rate of FTAs was Maximum (26.8%) in 2004-05 and it was Minimum (-6.0) in the year 2002-03. So we can see the increasing trends in growth rate of FTAs in India but fluctuating during the study period. During the study period mean value of FTA and growth of FTA found 4.16 million & 6.24% respectively.

Figure: 1 Foreign Tourist Arrival in India (in millions)

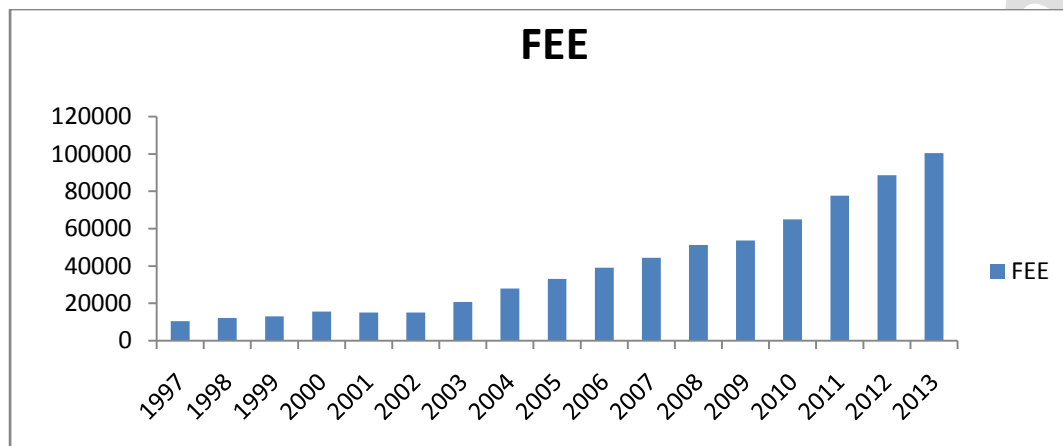


Source: World Tourism Organization & Bureau of Immigration, India 2013

Foreign Exchange Earnings:-

Figure No: 2 indicate the Foreign Exchange Earning (FEE) from tourism in India. Foreign Exchange Earning Fee in India has increased from Rs 10511crores in 1997 to Rs 100398 corers in 2013. As per yearly estimates of Ministry of Tourism, the fee was Maximum (37.6%) in 2003 and it was Minimum (-3.5%) in 2001. During the study period mean value of Fee from FTA and growth of Fee from FTA found Rs.40180 & 15.14% respectively.

Figure 2: Foreign exchange earnings amount in corers Rs from tourism in India



Source: reserve bank of India from 1997-2013

Ministry of tourism govt. of India from 2010 to 2013

Employment Generation:-

Table No: 5 indicate the data regarding direct employment provided by Indian Tourism industry. It shows increasing trends every year. So this industry can play its important role in economic and social developments. The table shows the increasing trends from the year 2000-01. It was 12.50 lacs in 2000-01 has increased 43.84 lacs in 2011-12 and it is estimated that till 2016-17 it will be increase 63.79 lacs direct employment in Indian tourism industry. The trend shows the positive impact on Indian tourism industry. During the study period, mean value of Direct Employment and growth rate found 33.89 lacs & 8.97% respectively.

Table: 5 Direct Employment by Indian Tourism Industry

Year	Direct Employment (in Lacs)	Percentage change over the years
2000-01	12.50	-
2001-02	13.50	7.4



2002-03	14.50	6.8
2003-04	15.70	7.63
2004-05	17.00	7.64
2005-06	18.30	7.10
2006-07	26.10	29.8
2007-08	30.72	15.03
2008-09	32.50	5.4
2009-10	36.28	10.41
2010-11	39.17	8.63
2011-12	43.84	10.65
2012-13	47.26	7.21
2013-14*	50.94	7.22
2014-15*	54.91	7.23
2015-16*	59.18	7.21
2016-17*	63.79	7.22
Mean	33.89	8.97

Source: 12<sup>th</sup> Five Year Tourism plan

\*it shows that data is estimated



Tourism industry generates huge employment, being a labour intensive Industry. Tourism has immense potential for generating employment, particularly for the educated unemployed. So that economy can developed, sub area of economical activities like Hotels, Restaurant, Transports, Telephones, Caterings, Food processing, local handy Craft, so this sector can generate large number of opportunities and possibilities for growth of social sector.

Provision of Accommodation:-

The growth of tourism can also be measured in terms of the availability of hotel rooms, one of the most important infrastructure facility needed for the present industry. Table No: 6 show the data of No. of Approved Hotels in India (Stars, Resorts, Heritage, and Guest & Unclassified) including no of room. It shows the trend of increasing no. of Hotels and no. of Rooms in India. It has increased from 977 Hotels & 52011 Rooms in 2000 to 5000 Hotels & 151419 Rooms in 2013. Study found that mean value of No of hotels, no of rooms and no of room per hotel are 2105, 96310 & 51, respectively.

Table: 6 Approved Hotels in India

Year	No of approved hotels in India	No of rooms	No of room per hotel
2000	977	52011	53
2001	1037	54142	52
2002	1103	59330	54
2003	1722	91720	53
2004	1892	97770	52
2005	1190	67613	57
2006	1208	75502	63
2007	1425	83781	59
2008	1593	95087	60
2009	1829	92784	51
2010	2483	117815	47
2011	3455	167023	48
2012	4566	142345	54
2013	5000	151419	60
Mean	2105	96310	50.7

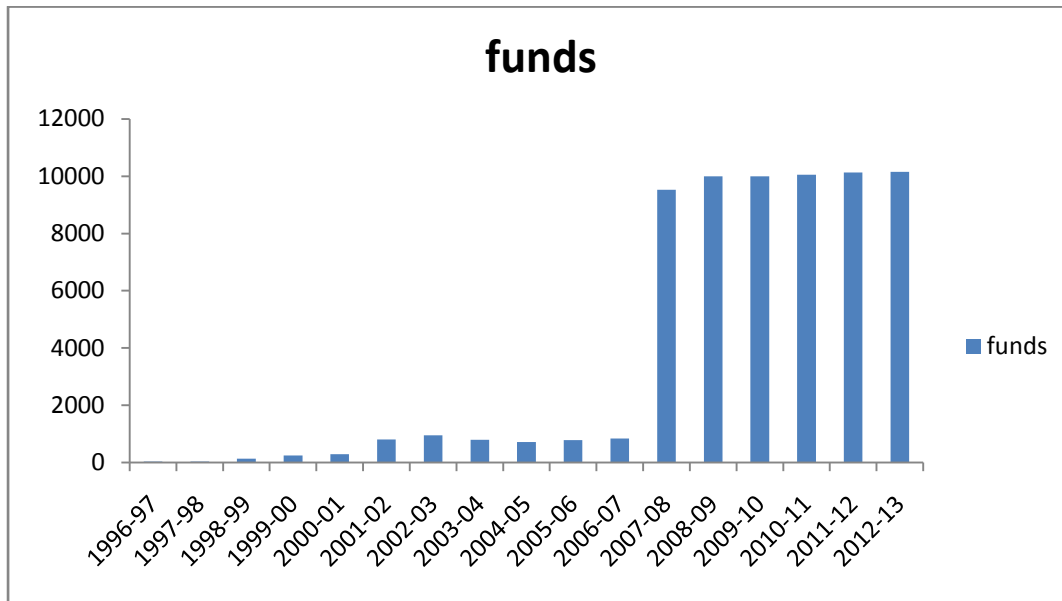
Source: Administrative records on Hotels Maintained by Department of tourism. 2012  
FHRAI Publication detail 2012

Table: 7 Allotment Fund for the development of tourism in India

Years	Allotment of Rs.(in millions)
1996-97	35
1997-98	35
1999-00	130
2000-01	245
2001-02	293
2002-03	810
2003-04	947
2004-05	793
2005-06	719
2006-07	786
2007-08	837
2008-09	953
2009-10	1000
2010-11	1000
2011-12	1005
2012-13	1013
2012-13	1015
Mean	683.29

Source: reserve bank of India and Ministry of tourism

The Table 7 Show that the allotment of Fund for the development of tourism has increased from Rs. 35 millions in 1996-97 to Rs 1015 million in 1012-13.This shows the increasing trends in the fund allotted by Indian government. During this period on an average fund has allotted Rs 683.29 million.



## V. CONCLUSION AND SUGGESTIONS

Indian tourism industry needs enhancement in terms of behaviour, honesty. Foremost influential factor like politeness, humility, willingness to help and accept people has promoted their tourism. This is possible when more and more qualified and educated people will be employed in this sector. Indian Tourism Industry is grossly underutilized or unexploited in case of Tourism development where the Government both Centre & State may come out with a progressive policy on Tourism which helps to generate Infrastructure and trained HR through the inflow of tourist to diverse regions to India. The Governments must step in the role of supervisor, facilitator in order to support private investment for the employment generation in this sector.

Following steps must be taken by Government to revamp the tourism administration for making tourism a grand success in HR utilization:

- The Indian Tourism Department must have an independent research, development and analysis wing to research tourist demand and tourism structure in India.
- Experts in the fields of hotel management and tourism must be associated with all the decision-making bodies of the structure.
- The Government of India must also develop an institute of hotel management and tourism guidance in the state to have better trained and equipped units like tourist bungalows, hotels, midways night resorts etc.

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- Government of India must open a large tourist information complex in New Delhi to motivate and guide both foreign and domestic tourists to visit India.
  - All the tourist information bureaus must be adequately staffed and equipped to satisfactorily perform their functions.
  - All state governments must encourage its employees to undertake journeys providing concessions on the Central Government pattern.
  - Tourism should be declared an industry by Indian Government without any delay to attract the private entrepreneurs to invest in construction of hotels and other resorts.
  - The standard of room services transport services etc. should be improved for customers' satisfaction.
  - The pre-service and in-service training program should be started for better results.
  - Law and order should be improved for the development of tourism industry. Government should give priority to the safety of foreign tourist in India.

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