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Issues and Constrains in Manpower Supply in Indian Hospitality Industry

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Abstract

By the very nature of tourism as a service industry, its efficient management and successful operation depend largely on the quality of manpower. In India, the shortage of skilled manpower poses a major threat to the overall development of tourism.

In particular, the rapid expansion of hotels of an international standard in India is creating a high level of demand for skilled and experienced staff. The nature of the decisions facing hotel management is continually expanding. For their business to remain competitive, managers must be skilful in many diverse areas. Tourism statistics reveal that both domestic and foreign tourism are on a robust growth path. This growth will need to be serviced by a substantial increase in infrastructure, including air-road, rail connectivity as well as hotels and restaurants

The availability of skilled and trained manpower is a crucial element in the successful long-term development and sustainability of a tourist destination. Skilled and trained human resources will ensure the delivery of efficient, high-quality service to visitors, which is a direct and visible element of a successful tourism product. High standards of service are particularly important in sustaining long-term growth, since success as a tourist destination is determined not only by price competitiveness or the range of attractions available, but also by the quality of the services provided, there by the qualified human capital. This paper elaborates the issues and constrains relating to demand and supply of manpower in hospitality industry and also suggested the recommendations to fill the gap.

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Issues and constrains of manpower supply in Indian Hospitality industry

Introduction

Tourism has been the fastest growing industry in the world for the past 50 years, and today it is the world's largest industry relating to employment, foreign exchange earning and overall economic development of several countries. It is India's third largest export industry after Readymade Garments and Gems & Jewelry (Min. of Tourism, GOI).

Tourism provides opportunity for economic growth, employment generation and poverty alleviation. Tourism holds the key for creation of rural wealth, opportunity for the hitherto neglected segments of society, artisans and service providers in the backward areas. As per WTTC this sector employs 212 million people world wide, generates \$3.4 trillion in gross output and contributes \$655 billion towards government tax revenues. Travel and Tourism is the world's largest industry. By 2008, the industry is grown to \$9 trillion. The industry accounts for 10.7% of the global work force and provides 1 in every 9 jobs. Between the years 1995 and 2000, the industry is adding a new job every 2.5 seconds. It will contribute up to 10.3% of the global GDP. According to the same estimate, the global travel and tourism activity is expected to increase by 4.7% between 2007 and 2016.

Tourism sector holds immense potential for Indian economy. It can provide impetus to other industries through backward and forward linkages and can generate huge revenue earnings for the country. In the recent 2007-08 budget, the provision for building tourist infrastructure has been increased from US\$ 95.6 million in 2006-07 to US\$ 117.5 million in 2007-08 (Min. of Tourism). Tourism is no longer looking at it as a leisure activity, but as a major source of employment. The labor capital ratio per million rupee of investment at 1985-86 prices in the tourism sector is 47.5 jobs as against 44.7 jobs in agriculture and 12.6 jobs in case of manufacturing industries.

Human Resources in Hospitality Industry

The success of any industry depends to a great extent up on the quality of human resource and tourism is not an exception. Tourism is labor intensive industry, which provides employment to skilled, semi-skilled and unskilled workers directly and indirectly. The progressive labor force with dynamic management and responsive government and responsible society are the pillars of the tourism industry.

Traditionally, the employment has been seen as an area that is reactive to changes in the wide business environment. There is a widely accepted assumption that the role of people within organizations is required to change and develop in response to developments in markets, products and technology. Most of the large tourism companies recognized this assumption and has been started organizing work and support human resource functions such as training and development. This is possible only when the external labour market permits employers to adapt these changing dimensions.

Human resource in hospitality industry – Supply side

Some of the services required in the tourism and hotel industries are highly personalized, and no amount of automation can substitute for personal service providers. Human resource development in the tourism industry normally includes manpower training in two main areas: (1) the hospitality and catering sector and (2) the travel trade and tourism sector.

The hotel and catering sector is now highly personalized. Customer satisfaction is the prerequisite for a smooth and successful operation in the hotel industry, requiring professionally trained and highly skilled personnel. According to estimates of requirements for additional hotel rooms, the number of personnel who will need formal training in the hospitality and catering sector would increase by about 400 a year, from 16,000 to 20,000 people a year by 2010. The existing training facilities currently produce only about 5,000 to 6,000 trained personnel a year. Different types of jobs available in hospitality industry in different levels and are in annexure-I

The central government and the state governments have collaborated to provide resources in order to train people in the hospitality sector as part of overall development efforts. There are now 20 institutes of hotel management throughout the country which are sponsored by the government and directly affiliated with the National Council for Hotel Management and Catering Technology (NCHMCT). These institutes of NCHMCT are located in Ahmedabad, Bangalore, Bhopal, Bhubaneswar, Calcutta, Chandigarh, Gurda~pur, Guwahati, Gwalior, Hyderabad, Jaipur, Lucknow, Madras, Mumbai, New Delhi (Pusa), Panjai (Goa), Patna, Shimla, Srinagar and Thiruvananthapuram.

These institutes offering several types of courses in hotel management, craftsmanship and food and beverage services, including three year diploma courses, 14-month post-graduate diploma course, one-year post-graduate diploma courses, one and a half year post-graduate diploma courses, six-month courses and certificate courses. There were 1,605 students trained in 1995, 2,250 students in 1996, 2,500 students in 1997, 2,900 students in 1998 and 3,600 students would graduate in 1999 and 4,000 would graduate in 2000, according to data provided by Economic and Social Commission for the Asia and the Pacific (ESCAP).

In addition to these 20 institutes, there are also 15 food crafts institutes around the country. The food crafts institutes are located at Ajmer, Aligarh, Alwaye (Kerala), Chandigarh, Darjeeling, Gangtok, Faridabad, Jodhpur, New Delhi, Patna, Pondicherry, Pune, Tiruchirapali, Udaipur and Vishakhapatnam. These institutes offer training courses from six months to one year, training students in food production, bakery, confectionery, front office operations, bookkeeping, restaurant and housekeeping. The institutes of hotel management and food crafts institutes have been set up with assistance from the Ministry of Tourism in collaboration with the state governments. The two agencies of government share financial responsibilities for these institutes. Some states have raised tuition fees so that the institutes can be self-sufficient.

All of the institutes in hotel management and food crafts are managed by autonomous societies registered under the Societies Registration Act, 1860, and have Boards of Governors consisting of representatives from the central government, state government and the hotel and trade industries. Each Board of Governors is chaired by the state's secretary of tourism.

The National Council for Hotel Management and Catering Technology (NCHMCT) is also registered under the Societies Registration Act, 1860, and is managed by a Board of Governors which includes representatives from the central government and the private sector. The NCHMCT regulates all academic activities of the institutes of hotel management. It also oversees all admissions, course design, examinations and certificates. The faculty development programme, research, cooperation and coordination and affiliation with professional organizations at the national and international level also come under NCHMCT. In addition to the central governments support for training tourism industry personnel; there are other training courses and programmes carried out by various agencies, including universities, state governments and private organizations.

The Department of Labor has set up a Central Apprenticeship Council (under the Central Apprentice Act) to conduct training courses and short courses lasting three months to one year in cooking, bakery, confectionery, housekeeping and other services. The Central Apprenticeship Council trained about 1,600 people every year at Delhi, Fairdabad and Meerut centers ever in 1998. State governments trained about 250 people at craft institutes. The major hotel chains trained about 250 people, universities trained about 500 people and private institutes trained about 750 people. The total number of trained personnel from these agencies was 3,350 people.

Comparing this total with the need for 20,000 additional personnel each year, it is clear that further analysis is required. A survey being conducted to identify the requirements for trained manpower at each level of employment would focus on general management trainees, trainees in kitchen management, housekeeping management, operational trainees, front office and accounting management, chefs, butlers, captains, bakery, confectionery and other specialized cooking.

Middle management positions would be filled by people holding three-year diplomas, while other jobs could be filled by craft trainees. Craft institutes could be targeted for expansion in order to meet the needs for lower-level skill areas.

Human resources in Hospitality Industry – demand side

In India there is a tremendous shortage of trained manpower in the hospitality sector. Tourism sector on an average requires manpower about 20,000 per year. Against such a requirement the actual trained output from govt. institution is only 5000 per year. When we consider all other private institutions, the total available trained manpower does not exceed 10,000 in a year. Thus there need to develop required human resource in various segment of the tourism industry, as a consequence of the rapid growth in tourism, changing technology and markets both national and international level.

By the very nature of tourism as a service industry, its efficient administration and successful operation depend largely on the quality of manpower. In the Asian and Pacific region, the shortage of skilled manpower poses a major threat to the overall development of tourism. International tourism is a relatively new phenomenon and therefore the lack of managerial capability exists at all levels of the industry.

In particular, the rapid expansion of hotels of an international standard in the region is creating a high level of demand for skilled and experienced staff. The nature of the decisions facing hotel management is continually expanding. For their business to remain competitive, managers must be skilful in many diverse areas. For instance, they must possess a good understanding of how current events and the economy affect the market and develop skill in marketing their products. They must also strive to keep up with the technological innovations in the operational side of the industry. As part of the service industry, tourism is labour-intensive and generally requires well-developed social and language skills in a cross-cultural working environment. These demands have placed considerable strain on small, independent operators, who cannot rely on the broad management expertise available to their multinational hotel chain competitors.

The availability of skilled and trained manpower is a crucial element in the successful long-term development and sustainability of a tourist destination. In the ultimate analysis, skilled and trained human resources will ensure the delivery of efficient, high-quality service to visitors, which is a direct and visible element of a successful tourism product. High standards of service are particularly important in sustaining long-term growth, since success as a tourist destination is determined not only by price competitiveness or the

range of attractions available, but also by the quality of the services provided. Repeat visits, a vital factor in maintaining growth, will be deterred if standards of service do not meet expectations.

Issues and Constrains facing Human Resources in Tourism Sector as:

The major problems and constraints facing human resources development in the tourism sector can be summarized as follows:

- (a) Shortage of qualified manpower, particularly at the managerial level, which poses a major obstacle to the overall development of the tourism sector,
- (b) Shortage of qualified and experienced teaching staff in hospitality training institutes
- (c) Shortage of training materials and facilities according to the present day industry need
- (d) Lack of strategies and policies for human resources development in the hospitality sector
- (e) Difficulty in keeping pace with rapidly changing technological innovations and dynamic changes in the global market place;
- (f) Complexity of the multidisciplinary nature of tourism studies;
- (g) Huge Gap between the training capacity of training educational institutes and the actual need of the industry;
- (h) Shortage of higher-level programmes for management development in this sector.

The South Asia Integrated Human Resource Development Project, funded by the European Commission, has done much work in developing human resources, such as setting standards, securing industry acceptance of standards, preparing manuals for important trades, training of the trainers, setting up a system for testing standards and certification of trainers and trainees. However, follow up is needed because further funding from the European Commission is not now available. The National Commission set up to oversee the project must be activated and the industry must implement the system so that quality can be ensured to make Indian tourism competitive internationally.

The apprentice scheme being implemented by the Ministry of Labor is another activity that should be reviewed. The scheme started operating many years ago, and in view of development in the hospitality sector since then, the syllabus requires revision and the infrastructure for training in the council institutes at New Delhi, Faridabad and Meerut requires major upgrading.

Trainers also need to upgrade their skills. Currently, they are providing training in cookery, bakery, confectionery, stewardship and housekeeping, with 1,600 trainees graduating annually. If the administration of this scheme and the institutions are handed over to the National Council for Hotel Management and Catering Technology under the Ministry of Tourism, there should be considerable synergy generated among the institutions for training in the hospitality sector.

The Universities of Madras and Bangalore have also affiliated several catering institutes and award the Bachelor's Degree in Hotel Management. However, the industry has been reluctant to accept the students, because they lack practical experience. There is need to upgrade the curriculum of these university courses to meet the expectations of industry.

Another 35 private institutes affiliated to the All India Council of Technical Training (AICTT) provide training in hospitality and catering to about 500 students. However, they have not been able to meet the expectations of the industry and there have been numerous complaints about the quality of training. As a result, students find it difficult to get good job opportunities. An exception to the teaching shops is some private institutes run by reputable hotel groups like Oberoi, ITDC, Taj and the ITC Mayura Group. Other hotels are also setting up similar training institutes. These institutes award their own degrees and diplomas and some have ties with the American Hotel and Motel Association or the Swiss Hotel School. Some universities in Australia and in the United Kingdom have started offering split campus training in India. A proper system of admissions is required, because there are often allegations that the management of these institutes charge exorbitant entry fees.

Recommendations to the Government:

The Government could constitute a steering committee to review the demand and supply of the human resources in the hospitality industry and prepare plans for developing qualitative human resources which are required for the present day global industry. The committee should constitute with the members from all concerned areas like

- State and central tourism development commissioners
- Representatives from all areas of hospitality industry
- Member's /president/ secretary of the hotel management associations
- Member's /president/ secretary of the Travel and tourism associations
- Representative from hotel employees associations
- One member representative from international hotel chain

The committee should review the present situation and suggest the steps to be taken to reduce the gap between the demand and supply of human resources in the industry.

The committee should concentrate on the following issues mainly:

- Create a policy on Industry institute interaction
- Establish an apex body to coordinate all the hospitality management institutes in the country
- For conducting Common entrance test for all Govt. University/AICTE/Private institutes in the country
- Curriculum development from time to time as per industry requirement
- Fees structure for different courses in different institutes
- Appoint a committee to identify the requirements of qualified manpower for International Hotels and also identify the ways to develop.

Recommendations to Hospitality industry

- **Tie-ups with Institutes:** It is the duty of the Industry to make necessary tie-up/arrangement for their required human resources with one or two hospitality institutes in the country.
- **Continuous Training:** There is a need of continuous training to all categories of employees in the organization. When they have a tie-up with the institutes, the institutes will offer in-house training to different category of employees from time to time to update their skills.
- **Sponsoring:** It is the duty of the industry to sponsor some amount / equipment to the institute for their betterment. If possible they sponsor a chair for continuous funding and research for that institute.
- **Research:** Every institute should spend some amount for the research which is essential for further development and understand the present situation. The industry should involve in the researchers by providing timely information and data which is ultimately useful for them only.

Recommendations to Hospitality institutes (Academic):

- **Industry institute interface/interaction:** Every institute must make necessary tie-ups with hotel/tourism industry for providing employment to their students.
- **Arranging guest lectures from industry:** The management of the institutes must arrange guest lectures/visiting faculty from the industry to give complete industry information to the students about the industry and its developments.
- **Visits to hotels (students):** The institutes should arrange field visits and training in star hotels for their final year students.

- **Nominating the industry people:** Every institute must nominate one or two people from industry in their advisory body for the betterment of students.
- **Revise the curriculum:** It is the duty of the institute to revise the curriculum as per the industry needs from time to time.
- **Pay good salaries to trained staff:** Several educational institutions are offering very low salaries to their teaching staff, this influence the quality of teaching and there by it produces inferior quality managers which indirectly created unemployment though there is a demand in the industry.

The need to develop the required human resources in various segments of the tourism industry has become imperative as a consequence of the rapid growth in tourism, technology and dynamic changes in the international tourism market. The shortage of quality human resources can be solved when the government and private go together with a standard education & training system and better working conditions.

Different levels of jobs in hospitality sector:**Annexure - I****Entry level****Front Office**

Bell-person
Telephone operator
Porter

Housekeeping

Maid Assistant
Supply person

Food Prod.

Prep person
Kitchen helper
Dishwasher Saucier

Engineering

Maintenance person
Painter-helper
Electricians-helper

Marketing

Clerk

Clerical

Typist
File clerk

Food & Beverage

Busperson
Barback
Counter server
Runner

Food Service Office

File Clerk

Accounting

File clerk

Skilled level**Front Office**

Bell captain
Telephone operator
Front desk agent
Reservations agent

Housekeeping

housekeeper
Floor supervisor

Food Prod.

Baker
Garde manger
Fry cook
Roast cook
Vegetable cook
Breakfast cook

Engineering

Plumber
Electrician
Carpenter
Painter

Marketing

Sales rep

Clerical

Secretary

Food & Beverage

Food server
Beverage server
Host/ hostess
Captain
Bartender
Waiter

Food Service Office

Accountant

Accounting

Bookkeeper

Managerial Level**Front Office**

Front office manager

Housekeeping

House keeper

Food Prod.

Executive chef

Engineering

Chief engineer

Marketing

Sales manager
Convention manager

Clerical**Food & Beverage**

F & B manager
Catering manager
Banquet manager

Food Service Office

Food production manager

Accounting

Auditor

	Controller	
Security Security guard trainee	Security Security guard	Security Head of security
Human Resources Clerk	Human Resources Secretary	Human Resources Human resources manager
		Other Resident manager Night manager Credit manager Purchasing director General Manager Regional director Vice president CEO

Various Job opportunities in Travel and Tourism Sector

- Fresher
- Trainee/ Management Trainee
- Domestic Travel
- International Travel
- Documentation & VISA
- Travel Agent/ Tour Operator
- Air Hostess/ Steward/ Cabin Crew
- Pilot
- Ground Staff
- GSA
- Maintenance Engineer
- Cashier
- Office Assistant
- Branch Head
- VP - Operations/ COO
- SBU (Strategic Business Unit) Head /Profit Centre Head
- CEO/MD/ Country Manager
- Director on Board
- GM
- External Consultant
- Other Travel/ Airlines

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