



Studies on the Financial Status of Hotel Employees During Covid-19

Shreyas, V and A. Arun¹

Asst. Professor, School of Hotel and Catering management, Vels Institute of Science & Technology and Advanced Studies, Pallavaram, Chennai

ABSTRACT

Recently, the Indian hotel industry has entered the global market. The hospitality industry as a whole has grown, which has led to massive investments by Indian and foreign hotel chains in the hospitality industry. India's hospitality industry has undoubtedly been one of the biggest casualties of the COVID-19 outbreak, which has resulted in the largest decline in the hospitality industry at 25% in 2019-2020. This project highlights the financial well-being of hotel business workers. Data analysis and interpretation from "Survey of Hotel Business Employees during COVID-19" is presented. A survey of 50 hotel worker's job security, total income, and health management during 'covid period' are presented statistically.

Key words: Covid-19, Hotel employees

INTRODUCTION

The history of Hotels in India dates back to the colonial era, beginning with European invasions in the 17th century. India's first hotels were founded and operated by foreign rulers, primarily serving settlers and later officials of the British Raj. Currently, India's hospitality industry is considered a "nascent industry" that will have tremendous growth opportunities in the near future. It represents 78% of the active population and has created nearly 15 million jobs over the past five years. The hospitality industry in India is developing rapidly. This is because the Indian government is promoting business through economic reform, various tax policy changes, and foreign direct investment permits. Impressive overall growth has led to massive investments in the hospitality industry along with the emergence of Indian and foreign hotel chains in India. The growth of Indian hotels is driven by the growth of the tourism industry. The Incredible India Campaign initiated by the Government of India has contributed to the development of the tourism and hospitality industry. Many of these hotel chains are internationally recognized. This positive image of Indian hotels has helped the chain to gain global recognition and many hotel chains such as Taj, Oberoi, ISTA Hotels and others have entered the international market. However, the main reason for the boom in the hotel industry is the growth of information technology and related services. It is clear that India's hospitality industry has great potential for growth. There is still a long way to go before being recognized as a global leader in the hospitality industry.

With boundless tourism and untapped business opportunities, India's hospitality industry is set to witness further growth in the coming years. The presence of qualified personnel and untapped geographical resources provide great prospects for the hotel industry. The number of tourists visiting India is increasing every year. Likewise, domestic tourism is another industry with great potential. The hospitality industry is a \$3.5 trillion service industry in the global economy.

Today, the hospitality industry is one of the fastest growing industries in India. Many international hotels are already operating and expanding in the Indian market, including Sheraton, Hyatt, Radisson, Le Méridien, Four Seasons Regent and Marriott International. Currently, tourism is also included in the hotel business. The rapid development of the tourism industry has led to the development of the hotel industry. . However, in spite of aggressive growth of the Hotel Industry in India both by Indian and foreign hotels, the competitiveness in terms of being rated among top rated Hotels on worldwide level doesn't look that impressive. There are few Hotels which have figured among world best hotels but the number of these Hotels is relatively smaller. The success stories of this small group of hotels discussed above represent small number of Hotel chains. Hotels in India are being awarded as five star and five star deluxe brands by Government ratings agencies but these hotels lack the national and global recognition. This has in fact led to questions being raised on the approval process in general in India. (Sharma 2013 and Chopra 2003). This resulted in increased competition in global markets. (Varshney & Bhattacharya 2022).

IMPACT OF COVID-19 ON THE HOSPITALITY INDUSTRY:

India is expected to see the largest drop in business travel spending in Asia by 25% in 2019-2020. Given current and projected travel demand, 71% of hotels will not be able to last another six months without additional federal assistance. Two-thirds of hotels are not eligible for additional debt relief. The hotel is still struggling to open amidst historically reduced travel demand and is unable to rehire its entire staff, let alone pay off the mortgage. India's hospitality sector is entering January 2020 after having a 'big' 2020 in 2019. The total share of the branded hotel industry in 2020 is estimated to decline by 16.7-20.5 percentage points compared to 2019. Global travel advisory, visa suspensions, implementation of section 144 (ban on mass gatherings),

India is in lockdown like most other countries and the consequences are unprecedented. Foreign in bound tourism stagnates, limited room for rapid recovery. Foreign Tourist Arrivals (FTA) to India, especially leisure tourists, started to decline in February as contagion to other countries was continuing. As a result, the Government of India has suspended tourist visas (with some exceptions) until April 15, 2020, and this period may be extended. Even if it wasn't, the paranoia related to the event would still have had a major impact on the trip.

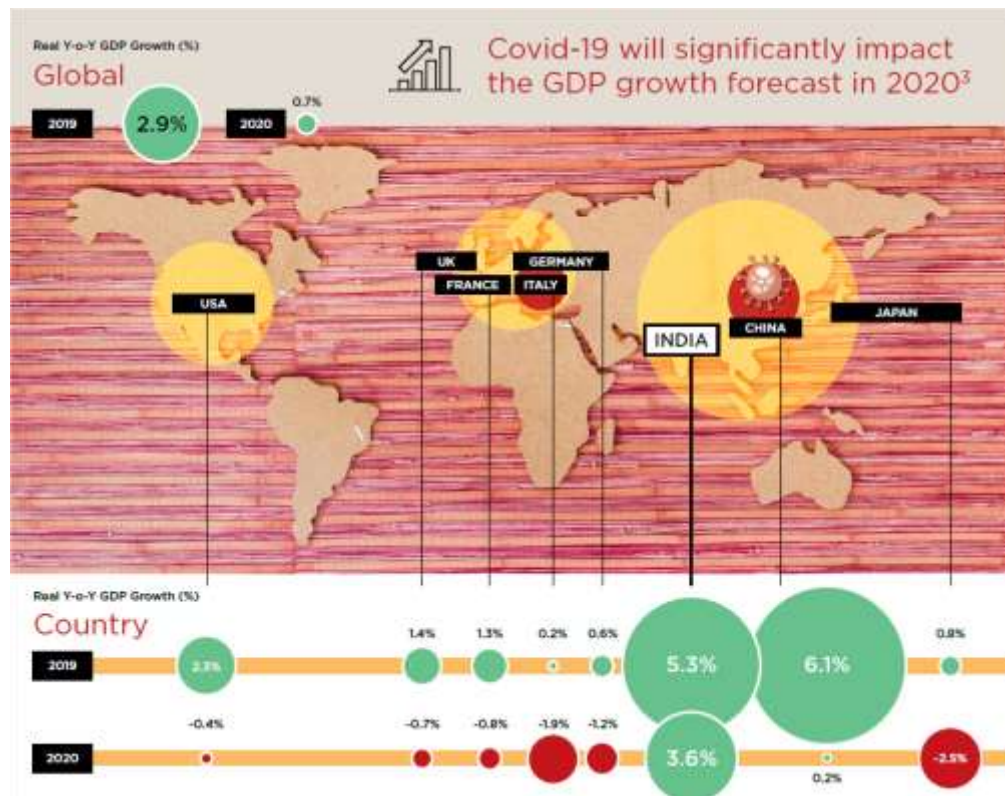
Experts and reputed agencies worldwide are calling the Covid-19 pandemic the most challenging crisis the world has faced since World War II. And, in this unprecedented time of market crisis, the hardest-hit industry is hospitality and tourism. Independent hotel brands are the first ones to experience this bad weather condition, and are presently assessing the challenges and focusing on the recovery roadmap.

While the economic downturn and low expenditure power are going to be the key short-term challenges, one of the biggest long-term challenges is to carefully watch and innovatively act on the dynamic forces of crafting new consumer behaviours, consumption patterns, perceptions, expectations and trends. Hopefully, like any other market crisis, this too shall pass. However, both global and regional travel restrictions have already posed a survival threat to the industry with herculean challenges that need utmost attention (Fig.1). Hotel owners and independent hotel chains have the responsibility to contribute in shaping up a new world of hospitality by redefining safety, sustainability and productivity (Kaushik,2020). Through innovation and resilience, we can bring back the confidence of loyal customers and attain a new customer base (Chaudary,2020).

No profit in takeaways, mounting debts and fiscal commitments including salaries have made survival of hotels and restaurants in the state a big question mark in these pandemic times, according to insiders. Hotels in Chennai and those in the tier-II and III cities which offer takeaway menus, find the response from the people to be slow and unprofitable, owing to the pandemic. As part of its efforts to curb the spread of coronavirus in Tamil Nadu, the state government has allowed hotels and restaurants only takeaway services.

There are approximately 50,000 hotels and restaurants in Tamil Nadu and they have been allowed to provide takeaway services of food items but not dine-in. Some hotels even launched takeaway menu options which can be ordered over phone, allowing people to enjoy a sumptuous meal sitting in the safety and comfort of their homes.

Figure 1: COVID-19 – Unprecedented Impact on the Global Economy



Courtesy:

<https://www.hvs.com/article/8725-covid-19-impact-on-the-indian-hotels-sector>

MATERIALS AND METHODS

Collection of Data:

Five hotels in and around T.Nagar, Chennai, Tamil Nadu, India were visited during pandemic period (September to November 2020) and collected the data from ten staff from each hotel. The questionnaire was distributed to them to obtain the details of their financial status during pandemic period. The questionnaire was prepared without their identity details as per their request. It included details such as their years of experience, designation, salary

range, their consolidated pay during pandemic period, their job status, help they received from their management in the form of cash or kind, medical expenses etc., Data collected in the form of questionnaire were entered in Excel sheet and then coded for statistical analyses using the software IBM SPSS 19. The primary data were subjected to statistical analyses using the software IBM SPSS 19. Statistical analyses of the data were calculated as percentage and represented as graph, tables and pie-diagrams.

RESULTS AND DISCUSSIONS

Survey on the financial status of hotel employees of five different Hotels in T.Nagar was carried out in the month of September-November 2020. Based on the data of the questionnaire, the study is classified into ten categories as follows:

- EXPERIENCE OF EMPLOYEES
- EMPLOYEES WORKING IN VARIOUS DEPARTMENTS
- DESIGNATION OF EMPLOYEES
- SALARY OF EMPLOYEES
- CONSOLIDATED SALARY OF EMPLOYEES DURING COVID PERIOD
- HELP IN KIND RECEIVED BY EMPLOYEES
- WORK DURING COVID PERIOD
- MIGRANT EMPLOYEES
- FEES PAID FOR EMPLOYEES CHILDREN
- PRESENT POSITION OF HOTEL INDUSTRY
- HELP RENDERED BY PRIVATE SECTOR
- FAMILY MEMBERS AFFECTED BY COVID
- MANAGEMENT HELP FOR MEDICAL EXPENSES
- EMPLOYEES BACK TO WORK AFTER LOCKDOWN
- GETTING SAME PAY AFTER LOCKDOWN

EXPERIENCE OF EMPLOYEES:

Based on the number of years of experience of the employees of the hotels, three categories of employees were observed in this study. Figure 2 shows that 24% of the employees taken for the study has worked for more than 10 years in their respective Hotels. 60% of the employees worked for more than 5 years and 12% worked for less than 5 years.

EMPLOYEES WORKING IN VARIOUS DEPARTMENTS:

In the survey conducted on fifty samples from five different hotels, majority of the employees were working in Cuisine. Figure 3 shows that 56% of the employees worked in Cuisine Department, 16% worked in Accommodation operations, 14% worked in Front office and 14% of employees worked in Beverage Section.

DESIGNATION OF EMPLOYEES:

Survey also revealed that the maximum employees in the hotels were Chefs and menial workers. 34% of the employees were Chefs, 12% were Managers, 44% worked in Cleaning and Maintenance department and remaining 10% belonged to other category (Fig.4).

SALARY OF EMPLOYEES:

Figure 5 represents that 17 employees earned less than Rs.50,000, 19 employees earned less than Rs.30,000, 5 employees earned less than Rs.20,000 and remaining 4 employees earned less than Rs.10,000.

CONSOLIDATED SALARY OF EMPLOYEES DURING COVID PERIOD:

Analyses (Fig.6) shows that 6 employees earned a consolidated salary Rs.20, 000, 11 employees earned Rs.10, 000, 5 employees earned Rs.5000 as their consolidated salary and remaining 18 employees were jobless .

HELP IN KIND RECEIVED BY EMPLOYEES:

The help received by employees from their management in the form of provision and vegetables were recorded. Figure 8 shows that 12 employees received provision for 1 month, 18 employees received provision for 15 days, 32 employees received vegetables every week and 14 employees did not receive anything.

WORK DURING COVID PERIOD:

Survey concentrated on the number of employees involved in other type of jobs for their income. 33 employees took up another job during Covid period, 12 employees did not take up another job, 4 employees took part-time jobs and 1 employee was jobless at home (Fig.9).

MIGRANT EMPLOYEES:

Those employees who lost their jobs moved back to their respective native places and they are referred here as Migrant employees. Figure 10 shows that 23 employees went back to their native place, while remaining 27 employees stayed back.

FEES PAID FOR EMPLOYEES CHILDREN:

Some management have helped their employees in paying the school fees for their children.

Figure 11 represents that for 11 employees management paid full fees for their children, 8 employees said that management paid only half fees and 31 employees said it was not applicable for them.

PRESENT POSITION OF HOTEL INDUSTRY:

When the survey was conducted towards the end of the month of November 2020, most of them did not have any hopes that hotel industry would develop in the near future. 17 employees felt that hotel industry would improve and the remaining 23 employees disagreed to it (Fig.12).

HELP RENDERED BY PRIVATE SECTOR

Some of the employees have taken financial help from private sectors like Agaram Foundations as their salary was insufficient. Figure shows that 2 employees were granted help by the private sector, 44 employees did not receive any help from private sector (Fig.13).

FAMILY MEMBERS AFFECTED BY COVID

Survey showed that the family members were affected by Corona disease though not fatal. Family members of 9 employees were affected by Covid and family members of 41 employees were not affected by Covid 19 (Fig.14).

MANAGEMENT HELP FOR MEDICAL EXPENSES:

Survey results revealed the fact that some management have either borne the entire medical expenses for covid treatment of employees or their family members. However the Figure 15 shows that only 2 employees received full coverage for medical expenses, 4 employees received half coverage and 1 employee received coverage only for medicines.

EMPLOYEES BACK TO WORK AFTER LOCKDOWN:

Survey showed that all of them did not get the same job in their respective hotels after the lockdown. 16 employees returned back to work during post lockdown, 14 employees did not return back to work and 20 employees preferred only part time jobs after lockdown (Fig.16).

GETTING SAME PAY AFTER LOCKDOWN:

As observed earlier even if the employees took up their jobs, the pay was not the same they received earlier. Of the total number of employees who returned to work after covid lockdown only 4 employees received the same pay after lockdown, 26 employees did not receive the same pay after lockdown and 20 employees received same pay on hourly basis.

DISCUSSION

Covid-19 period played a hazardous role globally. Nearly all sectors have recently accelerated their growth as the economy displays signs of improvement. Even the hardest affected industries, like aviation, which for two months virtually stopped operating, have recovered. India's hospitality industry is undoubtedly one of the biggest casualties of the COVID-19 outbreak, resulting in the largest 25% drop in hotel business in 2019-2020. This project highlights the financial situation of hospitality industry employees. Analysis and interpretation of the "Survey of hotel staff during covid-19" data is provided. A survey of 50 hotel employees whose job security, consolidated income and management's concern on their health care are shown statistically.

The study shows more than 50% of the hotel employees taken for study received upto Rs.50,000 salary before the covid period, while the consolidated salary during covid affected period was only Rs.5000 to 20,000 (only for Chefs). However only 40% of the staff was taken back on hourly basis. About 82% of the staff themselves or their family members were affected by the disease. It is to be appreciated that management has helped his employees in medical expenses and school fees payment for children in a need based manner. Hoteliers and independent hotel chains have the responsibility to contribute to shaping the new world of hospitality considering safety, sustainability and performance of its employees. As suggested by Sufi (2012) the

best role the Government can play in such a situation is play a role of facilitator of growth only by encouraging foreign investment, restructuring the tax schemes to make Hoteliers confident of investing, reduce the luxury and service taxes so that prices of services offered by the hotels are lower.

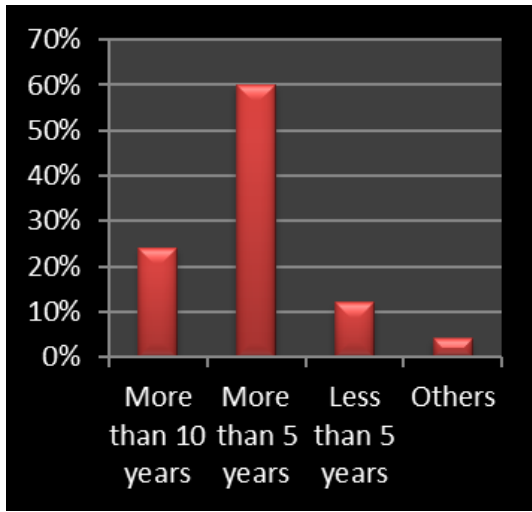


Fig.2 EXPERIENCE OF EMPLOYEES

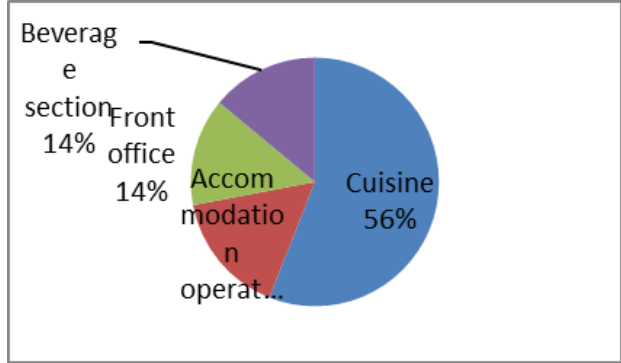


Fig.3 Employees in various Department

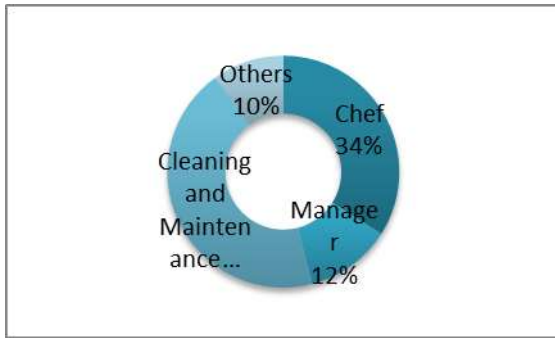


Fig.4 DESIGNATION OF EMPLOYEES

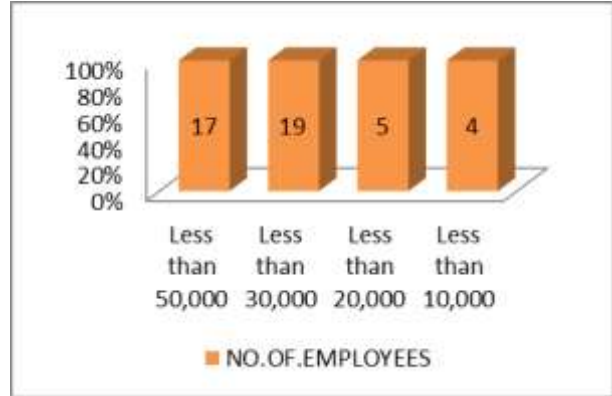


Fig.5 SALARY OF EMPLOYEES

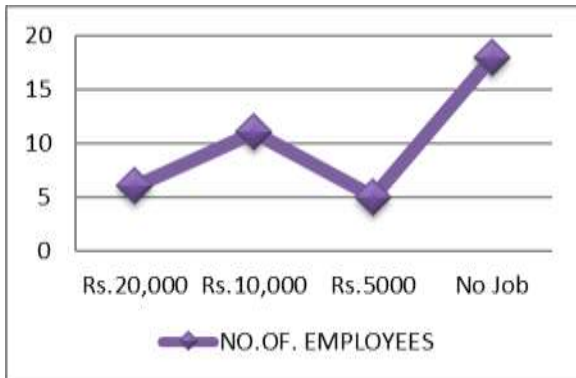


Fig.6 Consolidated salary during Covid period

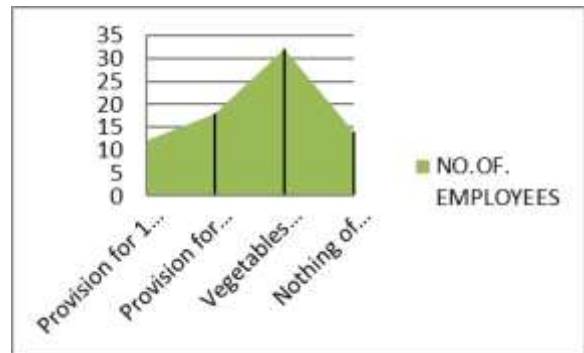


Fig.7 Help in the form of kind

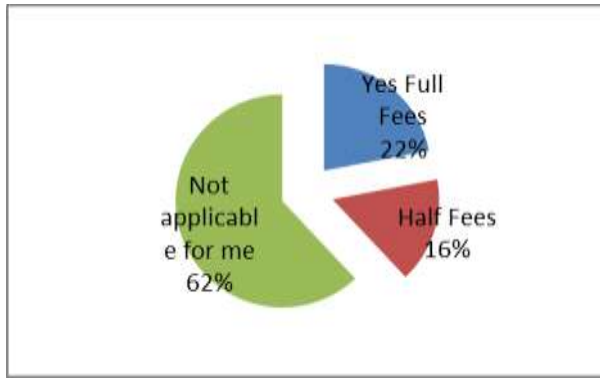


Fig.8 FEES PAID FOR EMPLOYEES CHILDREN

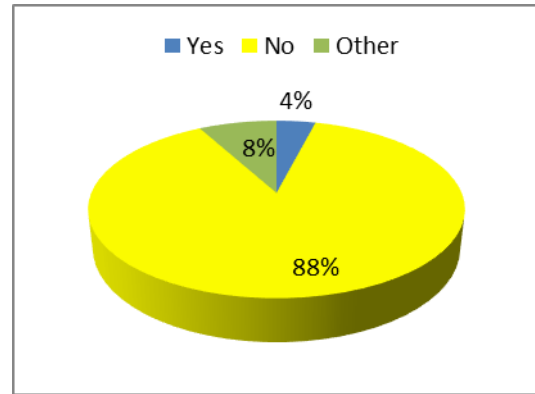


Fig.9 HELP BY PRIVATE SECTOR

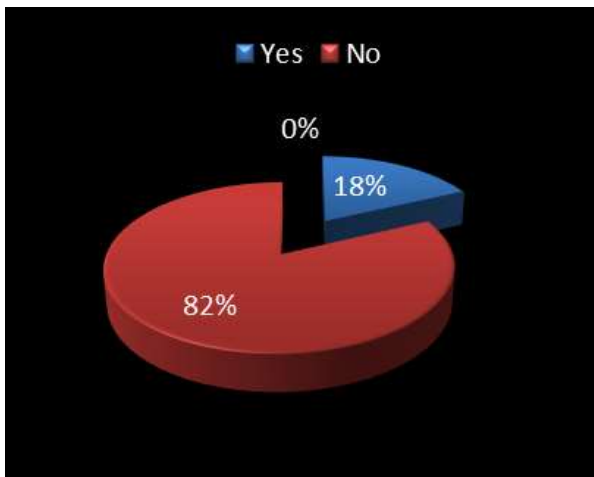


Fig.10 COVID AFFECTED FAMILIES

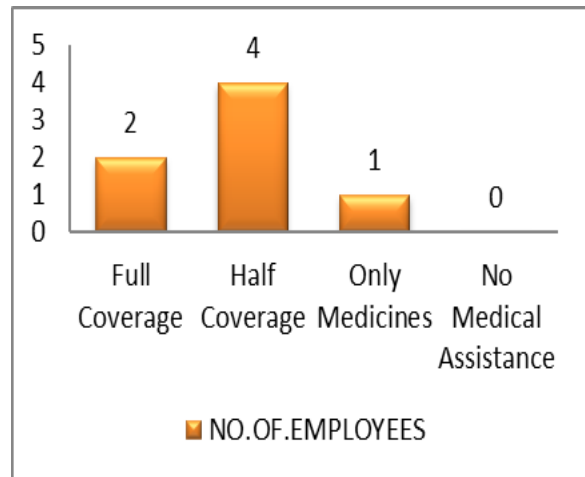


Fig.11 MEDICAL RE-EMBURSEMENT

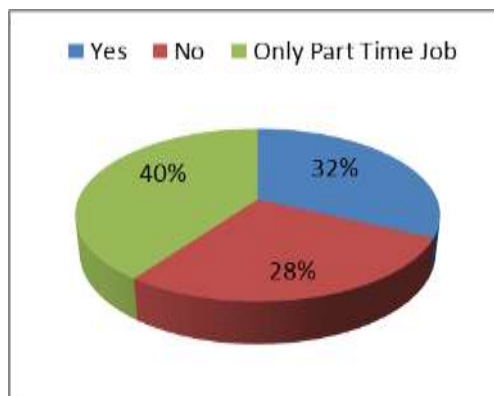


Fig.12 EMPLOYEES BACK TO WORK

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