

Skills Development Requirement in Indian Tourism Sector for Better India

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Abstract

The two driving forces that are a must for economic growth & social development of a country are the skill and knowledge. For a nation to grow at 8-9% GDP rate, it is mandatory for secondary & tertiary sectors to grow at a rate of 10% to 11%, assuming the agriculture sector's growth at 4%. Therefore, it becomes obvious that migration of a large population would take place from agriculture sector to the other two sectors even though, the skills needed in these two sectors are distinct from that of primary sector. This shows that due to such migrations shortage of skills will definitely occur. This calls for skill development of the workforce. By the year 2022, India is presumed to have a skilled manforce of about 500 million. Tourism is one of the sectors that is supposed to propel the economic growth as well as the employment opportunities. The paper focuses on how trained and educated manpower can boost the tourism industry.

Keywords: Employment, Tourism Industry, Training, Economic Growth, Skill Development

1. Introduction

India is one of the huge and most delectable markets for tourism. It extends an assorted portfolio of various niche products related to tourism – adventure, voyage, games and sports, health and wellness, film, MICE tourism, eco-tourism, religious & rural tourism. India is a spot for spiritual tourism for both types of tourists, i.e. internal and foreign tourists. Uttar Pradesh had allotted Rs 720 crore in March 2019, in order to strengthen the tourism infrastructure.

The contribution of the tourism sector in India's GDP is said to grow from Rs 15.24 trillion in year 2017 to Rs 32.05 trillion in the year 2028. Out of 184 countries, India ranked 7 with regards to the total contribution of travel & tourism to the GDP in 2017. For India, this sector is the third major source of earning foreign exchange. In 2018, FEEs from the tourism sector grew 4.70% year-on-year to 28.59 billion dollar. In the same period, Foreign Tourist Arrivals or FTAs raised 5.20 % year-on-year to 10.56 million. Foreigners coming because of medical cause grew from 427,014 in the year 2016 to 495,056 in the year 2017. In year 2018, tourists coming through e-tourist visa raised to 39.6% per annum upto 2.37 million. And in May 2019, the same grew by 21.7% each year upto 1.23 million.

In year 2017-18, in India, 81.1 million of the population of the country were engaged in tourism sector that accounts for 12.38 percentage of the country's overall employment. The Government has targeted 20 million FTAs till the year 2020 and also twice earnings from forex. Launching of 'Incredible India' & 'Athiti Devo Bhava' by the Indian Government has led to focused & boosted growth.

Also a visa of new type of i.e. the M-visa or medical visa is released so as to encourage medical tourism in country. The 'Incredible India 2.0' campaign was set in motion in 2017. In 2018, the government also launched 'Incredible India Mobile App' for helping the travelers and showcasing the key travelling experiences. The Government has been trying to acquire 1% share in the year 2020 and 2% in the year 2025 in the world's foreign tourist entries.

In 2018, a statue of the Iron Man of India, i.e Sardar Vallabh Bhai Patel, also called the 'Statue of Unity', was inaugurated to attract tourists. This is the world's tallest standing statue with a 182 meter height. It will probably uplift tourism in India.

Efforts are being made in order to hike investment in this sector. 100% FDI is permitted by way of automatic route, in the hospitality & tourism sector. Along with this, tax holiday for 5 years is also offered to 2, 3 & 4 star hotels that are near the World heritage sites of UNESCO (other than Delhi & Mumbai). From April 2000 to March 2019, FDI in this sector was US\$ 12.35 billion.

Tourism & Hospitality sector has surfaced among the chief growth drivers of the country's economy. India has a large number of monuments and places of historical significance, pilgrimage, captivating natural beauty, hill stations, varied terrains, rich wildlife, diverse culture and an amicable fusion of religion, philosophy & art. In addition to generating substantial foreign exchange the tourism sector also offers huge employment opportunities. Additionally, the NEEM scheme by the Government also aids in the growth of this sector. The NEEM initiative is in alliance with AICTE. This scheme helps impart skills and professional training as required by different industries.

2. Skill Development Eco-system In India

India has a very heterogeneous population that possess varying and complex skills. Vocational & Educational Training comes under The Human Resource Development Ministry. It oversees the primary, secondary as well as the higher education in India. Colleges are governed by the Universities. Technical Education is imparted by Polytechnic & Engineering institutions. The UGC or University Grants Commission administers and controls the working of colleges & universities. UGC provides funds & also establishes benchmarks for learning, teaching & evaluation. All India Council for Technical Education (AICTE) governs all the technical institutes of the country.

2.1 Budget Allocation to the Ministry

| Ministry of Skill Development and Entrepreneurship | | | | | | | | | | | | |
|--|--------------------------|---------|---------|---------------------------|---------|---------|---|---------|---------|--------------------------|---------|---------|
| Details of Budget Allocated to Ministry (Rs. in Crore) | | | | | | | | | | | | |
| | Budget Estimates 2017-18 | | | Revised Estimates 2017-18 | | | Actual Expenditure 2017-18 (upto 13.01.2018) | | | Budget Estimates 2018-19 | | |
| | Revenue | Capital | Total | Revenue | Capital | Total | Revenue | Capital | Total | Revenue | Capital | Total |
| MSDE | 1802.86 | 21.88 | 1824.74 | 1886.22 | 7.50 | 1893.72 | 1286.22 | 6.14 | 1292.36 | 2304.61 | 56.00 | 2360.61 |
| DGT | 963.25 | 228.15 | 1191.40 | 422.00 | 40.50 | 462.50 | 193.08 | 3.00 | 196.08 | 563.05 | 203.00 | 766.05 |
| Total | 2766.11 | 250.03 | 3016.14 | 2308.22 | 48.00 | 2356.22 | 1479.30 | 9.14 | 1488.44 | 2867.66 | 259.00 | 3126.66 |

Source: Ministry of Skill Development and Entrepreneurship

3. Nationality Employability Enhancement Mission (NEEM)

NEEM, a revolutionary drive of the Indian Government is in association with AICTE. The NEEM aids in skill development for tourism sector:

- **Increased Productivity:** With the use of skills and expert advice, the productivity of the trainees' increases. It aids in boosting the productivity as well as the profitability levels. So it can be said that the NEEM scheme helps to raise the performance levels of the employees.
- **Manpower Development:** The need of every industry differs from time to time. The tourism industry also needs to develop its workforce in accordance with the latest trends.
- **Maintaining Quality Standards:** The quality of products can only be maintained and raised if there is adequate availability of skilled and highly professional workforce.
- **Adequate Training:** professional courses with varying time span (of 3-36 months) in various fields are provided under NEEM. These training programs help in the development of both the company as well as the trainees.
- **Job Satisfaction:** Apprenticeship programs aid the employees in getting competitive advantage and also helps boost their confidence level. This hikes company's growth rate by training the employees.

4. Human Resource Development: Current Skill Development Initiatives In Tourism Sector

- The Government is active in several activities related to skill development. Trained workforce is made available through Institutes such as Hotel Management Institutes, Indian Institutes of Tourism and Travel Management, NCHMCT, FCI, etc. In the year 1982, National Council for Hotel Management and Catering Technology was established. The Tourism Ministry attempts to emplace a proper professional training and education system with requisite infrastructural support which is able to generate sufficient manpower to match the increasing demands of this sector, in both quantitative and qualitative terms.
- There are 29 Hotel Management Institutes, including 21 at central and 8 at State level. Moreover, 5 Food Craft Institutes have been set up with the Ministry's aid.
- These self-governing and autonomous institutes were set up to educate & train people for hospitality industry.

5. Training Programs

The training programs in Hotel Management were initiated by the government under the Ministry of Agriculture, in 1962. Initially, 4 such institutes were setup at Mumbai, New Delhi, and Kolkata & Chennai. 12 Food Craft Institutes were also established in the country. In 1982, various training programs were restructured in order to match the expanding professional workforce requirements.

5.1. Main objectives for setting up the Council at the apex level were:

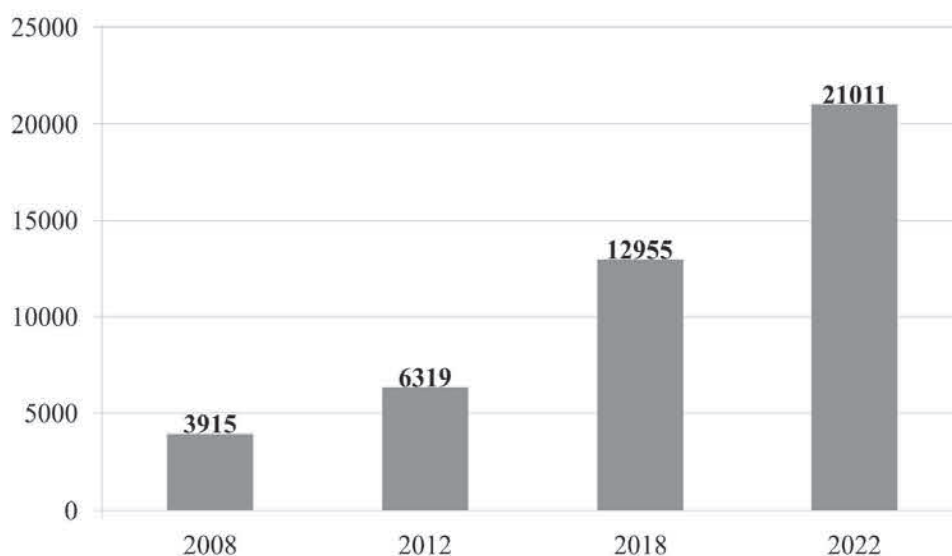
- To assist the Government in harmonized growth of hotel management education.
 - To impart international standards in the hospitality sector.
 - To advise and instruct the institutes on educational courses and exam conduction.
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- To advise and instruct the institutes on educational courses and exam conduction.
- To focus on the infrastructural needs of the sector.
- To organize faculty development programs in the related institutes.

The hotel management educational courses have witnessed high popularity after the modernization and high growth in the sector. Higher number of students are looking for admission in these courses.

6. Analysis and Interpretation

Projected Size of the Tourism Industry (Rs. in Billion)



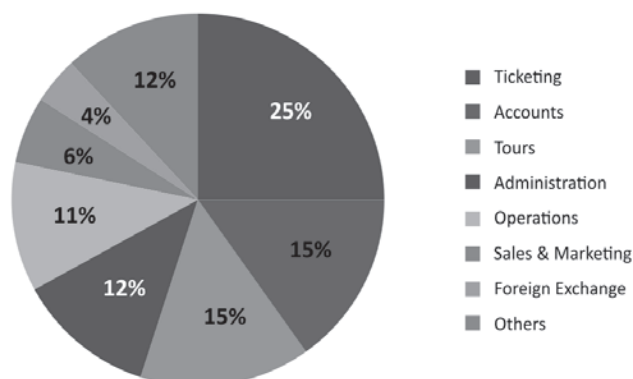
Source: World Travel & Tourism Council and IMAcS analysis

Direct and Indirect Employment in the Tourism Industry (in' 000s)-2008-22

| PARTICULARS | 2008 | 2012 | 2018 | 2022 | Incremental (2008-22) |
|----------------------------|--------|--------|--------|--------|-----------------------|
| Direct Industry Employment | 12,602 | 13,730 | 15,614 | 17,011 | 4,409 |
| T&T Economy Employment | 30,330 | 33,552 | 39,039 | 43,187 | 12,857 |

Source: Ministry of Tourism Council and IMAcS analysis

Function-Wise Distribution of Human Resource in Travel and Tour Operators Segment.



Source: World Travel & Tourism Council and IMaCS analysis

| PARTICULARS | 2008 | 2012 | 2018 | 2022 | Incremental (2008-22) |
|----------------|--------------|--------------|--------------|--------------|-----------------------|
| Hotels | 1,289 | 1,869 | 2,939 | 4,065 | 2,775 |
| Restaurants | 2,112 | 2,481 | 2,639 | 2,834 | 723 |
| Tour operators | 129 | 164 | 220 | 273 | 144 |
| Total | 3,530 | 4,514 | 5,798 | 7,172 | 3,642 |

Source: Ministry of Tourism, Government of India and IMaCS analysis

7. Conclusion

The Government has focused on expansion and improvements in training and educating skills to the youth. The New Policy of Skill Development and Entrepreneurship consists of various initiatives that, if imparted efficiently, would surely minimize the demand-supply gap. Vocational education and training program has a crucial role in the development & success of the industries. This study highlights the few best practices that may prove beneficial in the country's skill development. In order to meet the challenges related to the skills, it is necessary to take steps such as integrating skill development and formal education system, and investment in creating new training programmes for students and teachers, inducing the industry to make active participation in training by way of providing apprenticeship and taking on innovative mechanisms for skill development. On the basis of analysis made, recommendations to ameliorate the training quality and to shrink the skill gap in India are as follows:

Evaluation of the Training Institutes

To improve the employability opportunities, there is an instant need to provide quality training and education to the students,. Along with providing grants to these institutes, NSDC must introduce techniques for performance evaluation of these institutes & induce them towards better performance. One initiative can be providing incentives to these training institutes on performance basis that should be evaluated on certain set parameters. For example, total students placed with justifiable salary packages. Financial aid can be given to these institutes, this will increase the competition among the institutes to provide better quality training & to get increasing number of placements.

Skills Survey

Figuring out the principle cause is very important, in order to reduce the gap between the needed and available skills. One of the ways to ascertain what type of skills are needed by the employers is conducting surveys. Analysis of these surveys will prove helpful in designing standardized training courses.

Student Enlightening

with the help of newspapers, magazines and other means students should be made aware of the present training institutes, courses they offer and also the career opportunities. Also, time to time updating of the placement records and ranking of institutes should be done. This will make it easy for the students to decide which institute and course to select according to their interest and current market scenario.

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