

# Chapter 26

## The Effects of COVID-19 on Tourism and Hospitality Employment

**Zeynep Karsavuran**

*Akdeniz University, Turkey*

### **ABSTRACT**

*This chapter attempts to draw attention to the effects of COVID-19 on tourism and hospitality employment. Specifically, two major impacts on the workforce are detected and discussed within this scope: job losses and deterioration of the working conditions. Job loss causes financial strain, deterioration of physical and psychological health, and social consequences for the dismissed individuals. In addition, employees who remain in the organizations also face negative impacts of the COVID-19 crisis such as health risks, increasing precariousness, and changing working methods. These labour issues are further discussed for their consequences on the tourism and hospitality industry, and solution and recommendations are provided to overcome the negative effects.*

### **INTRODUCTION**

The tourism industry stands as an important source of income for the economies of the countries, such as contributing to foreign currency inflow, the balance of payments, and also creating a multiplier effect for other sectors. In addition, tourism is one of the main industries that create employment due to its labour-intensive nature. A large number of people are employed in the industry (ILO/WTO, 2009) and thus, tourism and hospitality industry is considered more in terms of its contribution to the reduction of unemployment. However, tourism is very vulnerable to crisis events such as health issues, natural disasters, economic downturns, and political instabilities that will negatively affect the perception of security and prevent people from traveling. These incidents cause a decline in tourist arrivals, shutdowns or downsizing of businesses, and inevitably a number of job losses.

2020 started with a major pandemic crisis, and tourism and hospitality are one of the first industries affected by the outbreak of COVID-19. In an aim of preventing the worldwide spread of the disease,

DOI: 10.4018/978-1-7998-8231-2.ch026

decisions for international travel restrictions were announced by a number of countries. Inbound travels were also restricted in many countries from time to time. In addition, tourism and hospitality enterprises were closed or their capacities are restricted according to social distancing measures. Although more than one year has passed since the first outbreak started, travel restrictions and shut downs of industries continue or increase due to new situations such as new mutations or variants. This caused a huge number of employment loss in tourism and hospitality industry (Lock, 2020). Government subsidies and support packages have been provided during this period for the industry and its employees, but they differ by region and do not respond to all the negative effects of the crisis. Thus, it has crucial importance to examine how this crisis affects employees and what are the consequences of these effects for the industry. Following these discussions, it will be possible to develop a number of policy implications for supporting the employees and to provide some managerial implications for restarting the business.

This chapter aims to discuss the effects of the outbreak of COVID-19 on tourism and hospitality employees. For this aim, first, a brief introduction of the literature on tourism crises and how these crises affect the tourism and hospitality workforce is presented. The meaning of the “work” for individuals is also introduced in the following section. Two major impacts are examined to affect the workforce during COVID-19; job losses and deterioration of the working conditions. These two effects and their consequences for the industry are discussed in detail under the heading of main focus of the chapter. Following the examination of these effects, some solutions and implications are provided to overcome the problems of the workforce. The chapter ends with future research directions and some concluding remarks.

## **BACKGROUND**

In different destinations around the world, the tourism industry faces frequent crises. Hall (2010) examined the crises that affected the tourism industry between 1970 and 2010 and were able to categorize hundreds of crisis events in five groups; economic downturns, oil/energy issues, political issues, health issues, and natural disasters. Another study by Duan, Xie and Morrison (2021), reviewing the tourism crises from 1991 to 2020, showed that security crises was the most studied type of crisis which also include seven subcategories such as terrorist attacks, political instability, and refugee crises. The second category was identified as natural disasters including nine subcategories such as earthquakes, hurricanes, and tsunamis. Economic and financial crises ranked third, including two subcategories of economic and financial crises. Health safety crises had the only fourth largest number of studies in the literature until 2020 (Duan et al., 2021) but it is possible to detect a sudden increase in health crisis studies from the beginning of 2020 with the outbreak of COVID-19.

The literature shows various crisis events that affect the tourism and hospitality industry. The crisis events are important to affect international tourist arrivals (Hall, 2010) and create a long-lasting damage on tourist destinations. In terms of the tourism and hospitality workforce, job losses are frequent in tourism destinations in the times of crises. For example, a study examining the impact of the 2008 global economic crisis on tourism in 138 coastal destinations of Spain, showed that unemployment increased due to the crisis between 2007 and 2012 (Perles-Ribes, Ramón-Rodríguez, Sevilla-Jiménez and Moreno-Izquierdo, 2016). There has been serious decline in tourist arrivals from Turkey to Northern Cyprus along with the economic crisis in 2001, and hotels in Northern Cyprus had to make their employees redundant (Okumus, Altinay and Arasli, 2005). The political instabilities in 2015 and 2016

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