

Chapter 7

Empirical Insights Into the Impact of COVID–19 on Employment Patterns in South Africa’s Accommodation Sector

Reshma Sucheran

Durban University of Technology, South Africa

ABSTRACT

The tourism sector in South Africa plays a crucial role in contributing significantly to economic growth and employment. However, the COVID-19 pandemic has had an unparalleled impact on the global tourism industry, exposing vulnerabilities and uncertainties. This study addresses a gap in the literature by examining the effects of the pandemic on employment within the accommodation sector in South Africa. Online surveys were conducted with managers using a quantitative research methodology. The findings reveal a significant decline in employment, salary reductions, and widespread redundancies. Notably, the study finds that more experienced establishments demonstrated resilience against job losses, and chain-owned establishments exhibited greater resilience in mitigating salary reductions. The study’s implications extend to informing strategic measures for recovery, resilience, and long-term viability within the accommodation sector.

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INTRODUCTION

The tourism sector is pivotal in South Africa's economic framework, catalysing economic growth and presenting substantial employment opportunities across diverse demographic groups (South African Tourism, 2021). Recognised for its labour-intensive nature and critical role as a significant employer, the tourism industry encompasses various domains such as hotels, restaurants, transportation, and related sectors (Khan et al., 2020). Nevertheless, historical data highlights the susceptibility of the tourism business to significant occurrences and disasters, resulting in substantial reductions in salaries and employment levels (Gössling et al., 2020; Khan et al., 2020; Prideaux et al., 2020). While the hospitality industry has faced challenges from previous diseases, the scale of the COVID-19 pandemic has been unparalleled, exerting a profound impact on the global tourism business (Nhamo et al., 2020). As Baum et al. (2020) highlighted, the fluidity of tourism businesses and their workforce highlights their vulnerability and instability during external crises. The pandemic has manifested in widespread layoffs, furloughs, and business closures, prompting concerns among hospitality workers regarding job security (Cheer, 2020; Baum et al., 2020; Ann & Blum, 2020; Mayer, 2020).

According to the World Travel & Tourism Council (WTTC), the tourism sector witnessed a staggering 97 million job losses in 2020 (WTTC, 2020). In South Africa, the ramifications of the COVID-19 pandemic on the tourism sector have been substantial, as evidenced by a 71% decline in foreign arrivals in 2020 compared to the previous year (Statistics South Africa, 2021). Many tourism enterprises in the country experienced a complete cessation of global tourism, leading to prolonged revenue depletion while fixed expenses persisted (Maylie, 2020). Given its role in generating approximately 740,000 direct employment opportunities and over 1.5 million indirect jobs, with small businesses forming a significant portion of the sector, the tourism industry in South Africa faced an uncertain future, with numerous businesses at risk of not enduring and others striving to adapt to the challenging circumstances.

Despite the extensive body of literature examining various aspects of the impact of the COVID-19 pandemic on the tourism industry in South Africa, including economic impacts, environmental implications, crisis management, response and recovery measures, and protected areas (Sucheran, 2021, 2022; van der Merwe et al., 2021; Anyanwu & Salami, 2021; Arndt et al., 2020; Lewis et al., 2021; Booyens et al., 2022; Rogerson & Rogerson, 2020; Lekgau & Tichaawa, 2021; Rogerson, 2021; Spenceley et al., 2021; Giddy & Rogerson, 2021), a discernible gap remains in the exploration of the effects on employment within the accommodation industry. This gap is significant for several reasons, warranting the need for the

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