

The Effects of Covid19 Pandemic on Tourism Sector

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ABSTRACT

In this research, we are going to analyze the effects of Covid 19 pandemic on the human resources management in the tourism sector. MakeMyTrip is Indian online tourism company which provides online travel services, including flight tickets, domestic and international vacation packages, hotel reservations, railways and bus tickets. MakeMyTrip has branch office in New York, Singapore, Kuala Lumpur, Phuket, Bangkok, and Dubai. This sector is one of the most affected by the pandemic. This study aims to analyze how employees adapt to the new needs of the sector and how companies motivate them to meet the organizational goals. The method used in this study was descriptive method in which the data taken from secondary source such as research articles and scientific journal. The results found that as many as 350 employees of MakeMyTrip had been laid off in order to maintain the company financial remain stable. They also reduce their variable costs such as advertising, sales promotions, payment gateway costs, optimized IT infrastructure and expenses related to the operation of their offices and other facilities.

Keywords: Human Resource Management, Pandemic Covid 19, Tourism Business, Tourism Sector

INTRODUCTION

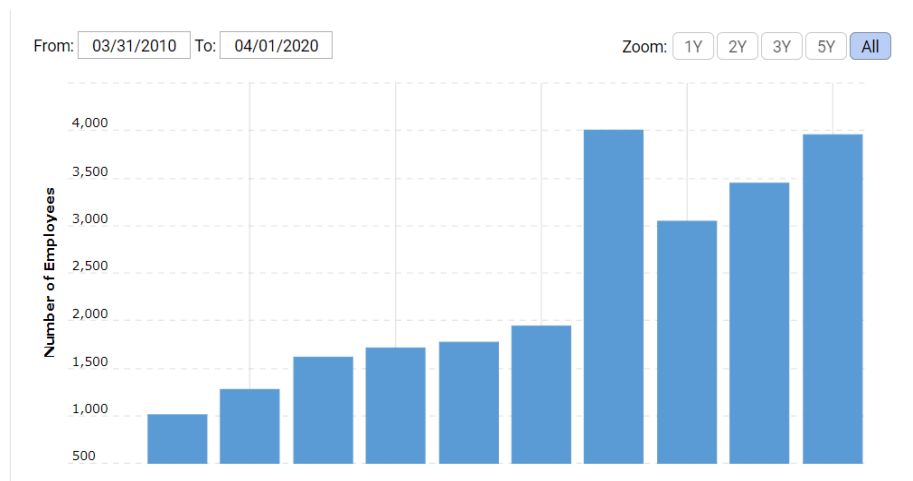
The main focus of this study is the online tourism company from India, MakeMyTrip, which has been impacted by global pandemic. MakeMyTrip founded in 2000 and headquartered in Gurugram, Haryana, India. The company provides online travel services, including flight tickets, domestic and international vacation packages, hotel reservations, railway, and bus tickets. As of 31st March 2018, they had a total of 14 accumulated company-owned trips in 14 cities, over 30 branch-owned trips in 28 different cities, and 4 offices in India's main airport. MakeMyTrip also has branch offices in New York, Singapore, Kuala Lumpur, Phuket, Bangkok, and Dubai. In 2012, the company launched a travel mobile app for windows, Mobile and Blackberry devices, as well as provides all the basic needs and requirements information of more than 1 million

routes in India. In addition, they also offer metro train tickets for Hyderabad Metro.

In March 2020, World Health Organization (WHO) declared the Covid 19 as a pandemic. Tourism is the most affected sector by the pandemic. The tourism sector is the most important source of economic income in a country. Tourism is one sector that is the mainstay of the government to generate regional income and expansion of employment opportunities, in addition to introducing national and regional identity and culture. Tourism development can be done by expanding and utilizing the potential of regional tourism (Rawung, Salindeho, & Mantiri, 2019). According to the Article of World Travel & Tourism Council, in 2019, the tourism sector generated around 330 million job vacancies around the worlds. According to the International Labor Organization, in recent decades, tourism has become one of the fastest growing dynamic sectors in the world. It indicates that tourism is a vital contributor to the global economy and is one of the most important factors for economic processes and development. The connectivity and mobility features of tourism plays a major in regional integration and economic inclusion, creating jobs and encouraging skills development and entrepreneurship.

Since the Covid 19 pandemic spread, the tourism business has become increasingly concerned, especially regarding the physical and mental health of employees. The pandemic took away the safety and well-being of many people, affecting everyone's financial and psychological condition. To maintain the continuity of their business, MakeMyTrip laid off 350 employees, because the business was experiencing a setback. This was decided due to the ignorance when the pandemic would end. The decision to reduce their staff is according to the long-term business strategy and it has nothing to do with their performance. Each of 350 employees will receive a severance package that includes health insurance for themselves and their families until the end of the year. In addition to salary payments, the package includes leave funds, commission or bonus, and the right to use some limited stock units (RSU) when it is applicable, as well as permission to keep the RSU. MakeMyTrip has established security appointments with more than 30 leading leaders from the airline, hospitality and destination-related industries to calm the anxiety of travelers and restore their loyalty.

The tourism sector has a significant impact on human resources in the midst of global pandemic. Many companies have laid off their employees in order to stabilize company's income, which in turn makes the unemployment rate increase in the midst of pandemic. MakeMyTrip suffered heavy economy losses and was forced to make a difficult strategy to keep their business, by laying off many employees and taking salary reduction. Deep Kalra, the Founder of MakeMyTrip, stated that the salary reduction will affect the senior level and company administration. This study analyzes the direct relationship between MakeMyTrip Tourism Company and human resources, whose are affected by global pandemic. As well as recognizing the strength and weaknesses of the tourism company MakeMyTrip.



As we can clearly see from the graph about that the number of employees increased by 13%. In third quarter of financial year 2021, the company generated a revenue of \$56.8 million or 169% Quarter on quarter growth, but decreased amount of 61.3% Year over year revenue of \$146.9 million in the quarter ended December 31, 2019. The company's revenue growth from air ticketing, hotels and bus ticketing, all are increasing every year, when compared to the previous years, but still much lower than the same time period in 2020. The company mentioned that as compared to third quarter in financial year 2020, the business continues to be severely affected due to the Covid-19 pandemic. In June 2020, MakeMyTrip had laid off nearly 350 employees to anticipate bankruptcy.

Literature Review

Research conducted by Kaushal and Srivastava (2020) stated that the skill of employees working in tourism sector are the most prominent issue. This shows that in the future, employees can improve their involvement in various responsibilities and this will become the standard in the hotel and tourism industry. Moreover, the Covid 19 pandemic has had such an impact on developing countries, like India. They do not see it as an option to ignore it or do not consider it important, however, hope and optimism are considered as important point. The conclusion of the research conducted by Kaushal and Srivastava (2020) showed that employees and employers need to strengthen their competences in going through these difficult times, if salary are cut or employees are being laid off, it is necessary to consider re-hiring them when the situation begin to recover. In other words, it is possible for organizations in India are restructuring their processes or redesigning their business models based on the needs of the environment and new market demands. Therefore, employees who have skills and competencies that match the needs of the clients and companies will be more likely to be considered for new roles and jobs.

Research conducted by Sigala (2020), investigated about the impacts of Covid-19 in tourism sector and the implications for the advancement and readjustment of the industry over time. The research started by mentioning the impact of the pandemic on economic systems worldwide, generating an opportunity for change and restructuring for

organizations. The nature and degree of the transformations caused by crises depend on whether the actors involved are affected, respond, recover and reflect on the crises. In other words, organizations must develop capacity and awareness to change, and be willing to act proactively in dealing with the consequences of the pandemic. For this reason, Sigala proposed a model of tourism restructuring in the three stages, which are respond stage, recovery stage, reform and reset reimagine, based on the impacts and implications of Covid-19 on the parties involved in the sector such as tourists, tourism companies, policy makers, so that later in can be included as a stage of transformation in the post of Covid-19 era. The stages are made up of impacts and research fields. For example, some of the research fields mentioned for the different stages are the impact of building resilience and recovery skills on workers in the sector, the study of new interests and the experience of tourists, training, and improvement of employee skills, as well as loyalty programs to rebuild trust with the customer (Sigala, 2020).

In conclusion, both investigations agree that the Covid-19 pandemic has significant impact on the tourism sector in different ways. In the first investigation, the impact is focused on the restructuring of the business models of organizations and the importance of developing new skills in employees. Instead, the second investigation proposes stages that can be applied by organizations and future sector investigations with a broader focus on issues such as redesigning the new post-pandemic customer experience, team leadership, and technology implementation.

On the other hand, regarding the direct relationship between human resources and the tourism sector, two investigations were found. The first investigation conducted by Singh (1997), focused on the growth of human resources in India's tourist industry. The study examined the tourist industry's expansion, provides a global overview of tourism education and training, including professional training, and highlights critical skills and traits essential for professionals. As well as making several recommendations that might be used as guidelines for building and delivering tourism training courses in India. Singh presented four suggestions related to the training processes for tourism sector employees and students. First, paying attention to personality development to ensure professionalism. Second, establishing cooperation between the public and private sectors to plan and carry out training programs for workers, considering it is necessary to adopt quality management to meet customer expectations. Third, recommends a holistic approach to design curricula and procedures that support the development of quality training programs in hospitality in the tourism sector. The last is to find viable means to be able to develop an interface between the tourism sector and the formation of the educational system. Singh added that training and education are the biggest problems in the tourism sector. The companies in the sector should adopt new skills and strategies adapted to the environment, investing in the development of their workers (Singh, 1997).

The second article discusses seasonal work and human resource difficulties in the tourism industry. Kaushal and Srivastava (2020) proposed a model to identify the relationship between seasonal strategies and human resource management practices. To propose their model, their first conducted a literature review on tourism seasonal employment and strategic human resource management.

RESEARCH METHOD

This study used qualitative descriptive method which the data is in the form of secondary data, collected through literature review, such as scientific journals, articles, and the company's official website for then latest data. The use of this method was intended to identify and understand the research subject. The rationale behind descriptive study is it would make it possible to show the unknown perception of the phenomenon or context under investigation. We used digital content to learn the latest data from the human resources and tourism sector. Through this method we tried to investigate the impact of focusing on the restructuring of business models of organizations and the importance of developing new skills in employees and proposed strategies that can be applied by the organization, as well as future investigation in tourism sector with a broader focus on issues such as the post-pandemic customer experience, redesigning and technology implementation.

RESULTS AND DISCUSSION

In year 2020, CEO of MakeMyTrip, Rajesh Magow, sent an email to his employees stating that during the first few months of the pandemic, they were charged with analyzing the impact of the pandemic on the organization, as well as thinking about the right path to recovery for the travel industry and the organization. The initial decision he made was to lay off 350 workers, giving them the opportunity to have medical coverage for themselves and their families until the end of 2020. They also decided to continue with the payment of their leave bonuses and requesting the return of company laptops that were loaned to the workers. On the other hand, due to the pandemic, MakeMyTrip reduced their variable costs such as advertising, sales promotions, payment gateway costs, optimized IT infrastructure and expenses related to the operation of its offices and other facilities.

Human Resource Management of MakeMyTrip, Yufaraj Srivastava, believed that keeping morale high will be one of the biggest challenges for HR professionals, as there is no certainty about when the pandemic will end (Venugopalan, 2020). He also believed that keeping employee morale high knowing they will live with and be exposed to the virus for an indeterminate amount of time is one of the biggest concerns of human resource management professionals. There is a sense of monotony and fatigue setting in, and this is one of the biggest obstacles to healthy growth at work and also on the personal front. As a result, the emotional impact of the pandemic has been significant for employees, generating certain levels of stress and uncertainty among them, indicating the need to establish a positive and balanced work structure to ensure that employees are adequately engaged and rested.

Yuvaraj Srivastava believed that the effects of the pandemic on MakeMyTrip are as follows:

- Human Resources management has had to come up with new organizational initiatives and projects that prioritize workers' emotions and mental well-being.
- Establishing and adapting to a digital way of working, building a strong human



connection with the goal of fostering a culture of social belonging, openness and transparency amidst growing uncertainty.

To keep employees engaged in health crisis situations, Srivastava believed that it requires a lot of collective effort and collaboration from the employees and leaders of the organization in year 2020. Also, when the health crisis caused by COVID-19 disrupted normal company operations, human resources saw it as a great opportunity to keep the workforce busy with projects that would be helpful once they got back on the road to recovery (Venugopalan, 2020). For example, they were tasked with improving and creating new travel products to accommodate the new normal, as well as contributing to the development of a life-saving app. This means that each employee had the opportunity to contribute in a meaningful and differentiated way through their individual role.

In addition, they felt it was a good time for employees to develop, learn and improve their skills through online courses and webinars on various domain-specific topics in business strategy, marketing, technology, and product design. Also, MakeMyTrip employees have the opportunity to contribute their ideas to the information sharing sessions on brand recovery strategies. At these sessions, people from different functions and domains attend, giving them the opportunity to broaden their understanding of the business by learning about strategies and perspectives for the future of all brands.

Finally, Srivastava believed that leadership is important to be able to respond and act in a timely manner in the presence of such scenarios. He also mentioned that enduring a crisis of this nature requires leaders to reflect visible decisiveness, address the human aspects of the crisis, and provide an optimistic but realistic outlook to ensure that all stakeholders in the organization's ecosystem trust and support the company's path to recovery (Venugopalan, 2020). In conclusion, in the face of changes in the new way of working and responding to market demands, MakeMyTrip leaders expect a full revival in the travel sector soon and look forward to hiring people who will be part of the growth of the business lines.

CONCLUSIONS

There is probability that organizations in India restructure their processes or redesign their business models based on the new needs of the environment and market demand. Therefore, employees who have new skills and competencies that align with the needs of the clients and the company will be more likely to be considered for new roles and jobs in companies in the tourism sector. Companies must develop capacities and attitudes willing to change, as well as being willing to act proactively in the face of the consequences of the pandemic.

The company should come up with a new strategy where employees placed at the center of the organization and have a training plan so they can improve certain skills such as adaptability, leadership, emotional intelligence, and creativity thinking. This is related to what is mentioned in the study "Resetting Normal: Redefining the new era of work", which evidences the changing trends in human resources management. In addition, in

the era of globalization, organizations want to change their system by involving digital technology, which will have an impact on human resources. Therefore, it is important to do training in this regard. Based on the Hospitality Innovation Planet 2021 meeting, which was attended by entrepreneurs from the hospitality sector, they realized the importance of knowing the needs, motivations, and aspirations of entrepreneurs because to build relationship with clients, they must first build relationships with employees which would lead to strengthening the organizational culture. If these strategies were implemented, the collaborators need to be more committed for analysis so the result would be more effective in future. In MakeMyTrip, the health programs are conducted in regard to employees. This health programs would invest company's long-term resource, time and money in future, so it would be more favorable for organization.

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