THE EFFECT OF POLITICAL INSTABILITY AND TERRORISM ON THE MIGRATION OF EGYPTIAN HOSPITALITY MANPOWER (CASE STUDY ON FIVE STAR RESORT HOTELS IN HURGHADA)

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ABSTRACT

Not so long ago, Egypt was a fashionable destination worldwide. It's incredible heritage, the white desert and the Red Sea beaches attracting millions of visitors each year. Unfortunately the numbers who are still coming are not enough to keep this huge tourism industry survive; especially after five years of instable political conditions and terrorism attacks. Political transitions were never easy for any country, and in the case of the house of the Pharaohs, it is claiming too many victims. Nearly five years after the start of the Egyptian Revolution, unemployment figures continue to rise, a clear impact of terrorism and political instability on tourist demand, motives of terrorists in targeting tourists, using tourism as a political tool, the effects of political violence on destination image, unwisely crisis management, and insufficient recovery marketing efforts caused many serious problems to hospitality sector in particular. This article examines the impact of unwise recovery after political instability and terrorism on increasing manpower's migration from the hospitality sector.

The findings illustrate which practices of government/owners/managers considered important and which practices of government/owners/managers actually used during such crisis. The paper concludes with recommendations for future research and management of crisis. The data was collected via a semi-structured questionnaire addressed to human resources managers in Hurghada region and a questionnaire addressed to jobless hoteliers. The research focused on a sample of the five star resort hotel's in Hurghada, Egypt.

Keywords–Terrorism, Political instability, Destination image, Crisis management, Employee migration, Recovery marketing

INTRODUCTION

Tourism represents 10% of the world's economic activity and has a significant impact on economic development and international trade (UNEP & WTO, 2005). It is the main source of foreign exchange for one-third of developing countries and one-half of LDCs (UNEP, 2011). Travel & Tourism generated US$ 7.6 trillion (10% of global GDP) and 277 million jobs (1 of each 11 jobs) for the global economy in 2014. By offering job opportunities, tourism contributes in raising national income, improving the balance of payments and, thus, can play a major role in poverty reduction especially in developing countries (WEF, 2011).

Recent years have witnessed Travel & Tourism industry growing at a faster rate than both the wider economy and other significant sectors such as automotive, financial services and health care. International tourist arrivals also surged, reaching nearly 1.14 billion and visitors

spending more than matched that growth (WEF, 2013; WTTC, 2015). The total contribution of Travel & Tourism to the Egyptian GDP (including wider effects from investment, the supply chain and induced income impacts) was EGP255.0bn in 2014 (12.8% of GDP) and is expected to grow by 2.9% to EGP262.3bn (12.7% of GDP) in 2015 (WTTC, 2015).

Hanna, (2013) stated that tourism and hospitality industry is internationally recognized as the main source of economy on three main levels: exports, Gross Domestic Product (GDP), and employment. The tourism and hospitality sector is seen as an employment generator and, thus, government should work on providing decent job opportunities in this sector to encourage job-seekers to enter and maintain in this field (UNWTO & ILO, 2009). According to ILO/UNWTO statement on tourism and employment in 2009, "employment in the tourism industry should

include not only job creation but decent and productive work in sustainable enterprise".

Egypt is a country with extensive facilities for tourists, as well as unparalleled archaeological treasures. The vast majority of the tourists were coming to Egypt for leisure and culture. The average annual number of tourist inflows from 1982 to 1999 was 9.7 percent and rose from 2006 to 2010 to reach USD 14.7bn. Egypt has so much to offer and the Egyptian tourism product appeals to almost all types and categories of market segmentations. Egypt's competitors might be Thailand and Singapore in the Far East and perhaps Dubai (in terms of shopping) (Hooper, 2001).

But since January 25, 2011 revolution, the country is threatened by political, economic, and social problems which could undermine the promises of tourism and hospitality industry. As one of the main economic sectors in Egypt, the great drop in travel and tourism since 2011 has had a dramatic effect on visitors' exports, GDP, and employment.

This article examines the impact of unwise recovery after political instability and terrorism on increasing manpower's migration from the hospitality sector. The findings illustrate which practices of government /owners/managers consider important and which practices of government/owners/managers actually use during such crisis.

LITERATURE REVIEW

Tourism and hospitality as an industry is normally unsustainable and constantly faces many uncontrollable challenges. In this sense, it is a very unstable source of income to those who work in this field or run tourism related business (UNEP & WTO, 2005). This is mainly because of two reasons: the vulnerable nature of travel and tourism as well as the elasticity of tourism demand (Hanna, 2013).

The hospitality industry has always been connected to the term "vulnerability" for emergencies and disasters to occur and cause unwanted damages (Pforr, 2006; Coppola, 2010; Low, *et al*., 2010). Any economic, social, political, environmental, or climate contingency of the visited country has its immediate direct impact on tourism and hospitality industry (Hanna, 2013).

In this context, Coles (2004) refers to the events that interrupt the tourism flow as:

"events unfold at a variety of spatial scales that impact on local tourism sectors and can cause temporal market disturbances of varying duration . . . Such events take a variety of forms from natural landscape disasters to episodes of famine, disease and pestilence to wars, terrorist atrocities and political instability".

Scholars discussed the impact of terrorism on tourism and hospitality industry and argued that terrorism and political instability have a considerable serious effect on this industry more than natural disaster. Ichinosawa (2006); Johnston *et al*., (2007) and Cashman *et al*., (2012) explored the impacts of natural disasters on tourism industry and argued that such event will disturb the destination with a bad impact on local community, hotel owners, and economy. Scholars studied the impact of global warming, climate change, and pollution on the tourism industry but it couldn't compare to the impact of terrorism and political accidents. Whether it is man-made or natural disasters, it is very important to be well prepared to mitigate the impact of emergencies and minimize losses (Paraskevas & Arendell, 2007; Cashman *et al*., 2012).

Figure 1 A Graphical Representation of the Tourist Arrivals in Egypt
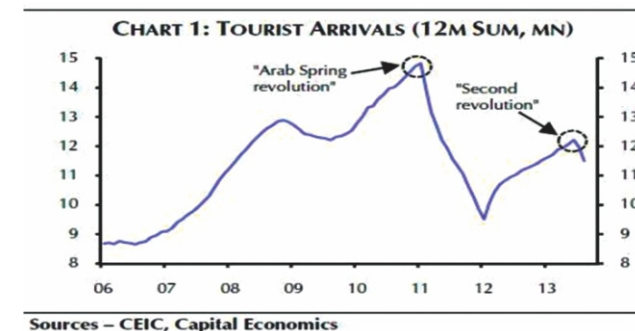
On the same context, Okumus *et al*., (2010) reveals that the political environment has a significant impact on the hotel industry and it includes many variables and issues, such as wars, revolutions, terrorist attacks, safety and security aspects, relevant legislation and political stability. Moreover, Beirman (2002) mentioned that political accidents have a stronger, longer and more serious effect on destinations than natural disasters as media focuses on political events (protests, clashes and violent incidents) which badly impact on a destination's image.

Political stability is one of the key factors that determine the competitiveness of a destination

(Wachowaik, 2006). Ritchie (2009); Greenberg (2012); Jones *et al.*, (2012) stated that political instability and terrorism accidents can severely impact tourism in any destination because eventually tourists may become victims of these events; he also added that perceptions of safety and ultimately tourism demand, plunging destinations into tourism crisis, asserted that low-cost destination couldn't motivate tourists to visit if they feel they will not be secure (Rittichainuwat, 2005; Hanna, 2013). Tourists can easily substitute the unsafe destination since it is not a necessity. In this regard, another economic perspective considers tourism demand as presenting a higher elasticity index per level of perceived risk than any other industry (Gonzalez-Herrero & Pratt, 1998; Hanna, 2013).

Political instability negatively defect the tourism and hospitality industry in many ways. Politically-unstable countries suffer a range of negative consequences; including reduced cash flow, loss of foreign investment, perceptions of hostility by potential visitors, unstable demand, negative image and reputation, low quality of infrastructure, reduction in hotel room occupancy rates, declining tourism revenues, increasing the percentage of unemployment and safety and security concerns (Knowles *et al.*, 2004; Issa and Altinay, 2006; Page and Connell, 2009; Jones *et al.*, 2012).

Egypt is very rich in catering diversified types of tourism including cultural, religious, sports, recreational, environmental, safari, conferences, and therapeutic (ITB Berlin Conference, 2012). By this, it provides different types of tourism that can suit the various tastes of tourists. Following is a map presented in ITB Berlin conference 2012, depicting the major touristic spots across the Red Sea, Egypt to show the type of tourism offered in this area.

Figure 2 A map depicting the major touristic spots across the Red Sea, Egypt

ITB Berlin Conference, 2012

Red Sea map includes Sinai with the beaches along the sea. It includes recreational tourism of sea, coral reefs, and mountains, in addition to safari, therapeutic, and sports tourism of diving and marine sports. Furthermore, it has environmental tourism in Ras Mohammed (ITB Berlin Conference, 2012).

Hotels have limited alternative strategies to implement when their occupancy rates decrease. Cutting costs is the main strategy applied in such circumstances. A high percentage of hotels' operating costs are fixed costs that do not vary according to the levels of sales. It is an ongoing challenge for hotel managers to reduce these costs, especially during periods of low occupancy. The only fixed costs that hotels can reduce are the salaries of staff. As a result, most hotels discharge or give unpaid vacation to a proportion of their employees during periods of low occupancy. Hotels can also postpone their payments to creditors and reallocate their resources to keep expenses at a minimum level (Butscher *et al.*, 2009; Guilding, 2009; Ritchie, 2009; Wang & Ritchie, 2012).

Butscher *et al.*, (2009) and Jones *et al.*, (2012) added that decreased room rates are an important factor in improving occupancy, particularly in bad economic situations. However, reduced room prices have negative effects on the perceived value of hotels and make recovery difficult when things improve. Therefore, they recommended using this tool wisely and restricting decreased room rates only to contracted rates not to public rates. Hotels can improve their occupancy rates through targeting new market segments, such as local people, companies and organizations, to compensate for any reduction in the international tourist arrivals.

Political instability is considered a serious threat for the hotel industry as hotel managers can do little to recover. Issa and Altinay, (2006) suggested adopting crisis management by destination's tourism sector and individual hotels to handle crisis and political instability and to increase the potential success for recovery. In this context, Page and Connell (2009) explained that destinations should promote themselves as being safe through providing adequate police and security support for tourists that ensures their safety and security. Hotels can provide advice and assistance through phone lines where tourists can be advised about the security situations in the places they are

visiting or are planning to visit. News updates, the currency of information shown in hotel and other travel websites and real-time video are all very important in instilling consumer confidence and countering negative perceptions generated by shocking media reports (Ritchie, 2009).

When the issue of low occupancy rates escalate to a whole country or a destination, all the hotel owners, local government, tour operators and even the local people become responsible for responding to this issue (Jones *et al.*, 2012). The government has an important role to play during tourism crisis. Governments should provide substantial resources, including financial support and other aids, required for recovery and international marketing efforts. They also can provide assistance to help offset essential operational expenditure through tax exemption for certain periods. This is in addition to the important role of the government in international public relations and its diplomatic role in improving the perceived image of the country as a tourist destination through tourist fairs, conferences and international festivals. The government, represented by local authorities and police forces, has a major part in providing safety and security for tourists and in guaranteeing their well-being while they are at the destination (Ritchie, 2009; Page and Connell, 2009; Albattat *et al.*, 2015).

Intensive advertising campaigns are another effective tool used in improving decreased occupancy rates. Reid and Bojanic (2006) explained that advertising and promotional campaigns are the most effective ways to change consumer perceptions of the product-service combination. Such tools are very powerful in positioning or repositioning of products and services as the majority of their efforts are focused on the brand image of a property or a destination. They added that a successful advertising or promotional campaign should be based on a strategy that includes the aim of the campaign, the target customers, time and the appropriate tools (Jones *et al.*, 2012; Hanna, 2013; Albattat *et al.*, 2015).

Impact of Tourism Decline on Egypt's Economy

The tourism industry in Egypt is one of the few economic dynamics that contributes to GDP and employment (IDSC & ILO, 2011). It is a significant economic industry for Egypt and has a direct impact on economic development and job creation. All economic activities practiced by travelers in the visited country contribute to the country's economy. This includes visitor exports, total contribution to GDP, as well as total contribution to employment (WTTC, 2015).

Total Contribution of tourism and hotel industry to Employment

The direct contribution of travel and tourism to employment indicator measures the number of jobs directly generated by this industry plus its indirect and induced impacts. Tourism has a great impact on employment including jobs generated by hotels, transportation services, travel agents, airlines, restaurants and other leisure industries for specific tourism use. In regard to the indirect contribution, it constitutes spending by other industries on tourism assets. As for the induced contribution, it includes spending by those who are indirectly employed by travel and tourism (WTTC, 2015).

Before the revolution, in 2010, the total contribution of travel and tourism to employment increased by 1.8% compared to 2009. After-revolution, it was declined by 13% in 2011 compared to 2010. In 2012, the total contribution of travel and tourism to employment increased by 11% compared to 2011 (WTTC, 2015). It declined once again in 2013 by 9.7% and in 2014 it increased by 9.5%. This is expected to decline by 1.9% in 2015 compared to 2014(WTTC, 2015).

The following table shows the large decline in these factors by comparing their numbers before the revolution in 2010, after the revolution in 2011, as well as the revolution consequences in 2012, 2013, 2014 and 2015. Building on indicators set by the World Travel and Tourism Council, can explain the importance of each economic factor and how it has been affected post-revolution.

Table 1: Economic contribution of travel and tourism post-revolution

Economic Contribution in Egypt	2009	2010	2011	2012	2013	2014	2015E
Visitor Exports (EGP bn)	107.3	114.9	73.7	77.9	51.3	59.6	61.7
%	-10.8	7.1	-35.8	5.7	-34.1	16.3	3.5
Total Contribution to GDP (EGP bn)	313.4	322.5	271.3	283.7	243.2	255.0	262.3
%	-1.2	2.9	-15.9	4.6	-14.3	4.8	2.9
Employment impacts ('000) Direct contribution of Travel & Tourism to employment	1,631.8	1,671.5	1,304.4	1,434.7	1,225.9	1,322.7	1.394.4
%	-3.7	2.4	-22.0	10.0	-14.6	7.9	5.4
Total Contribution to Employment (EGP bn)	3,635.8	3,685.2	2,981.1	3,177.5	2,730.2	2,9441	3,071.5
%	-3.2	1.4	-19.1	6.6	-14.1	7.8	4.3

Source: World Travel & Tourism Council, Travel and Tourism Economic Impact 2015 – Egypt

Figure 3: Direct Contribution of Travel &Tourism to Employment

Source: World Travel & Tourism Council, Travel and Tourism Economic Impact 2015 – Egypt

Egypt's Tourism Competitiveness Index Post-Arab Spring

Travel and Tourism Competitiveness Index (TTCI) has been developed by the World Economic Forum (WEF) with the aim of measuring the factors and policies for developing the travel and tourism sector. The TTCI is based on three broad categories of variables that facilitate or drive travel and tourism competitiveness (WEF, 2013). Each of the three categories is composed of a number of variables, summing up to 14 pillars.

According to the Travel and Tourism Competitiveness Index 2013, Egypt ranks the 85th overall out of 140 countries. Egypt has dropped 10 positions from being the 75th out of 139 countries since the advent of the revolution in 2011 (WEF, 2013). Comparing Egypt's position in 2011 to that in 2009, it also dropped 11 positions from being the 64th out of 133 countries (WEF, 2011). This means that Egypt has dropped 21 positions in four years.

Egypt is ranked the lowest position out of 140 countries (the140th) in terms of the safety and security environment. Tourists were deterred from traveling to Egypt due to the country's political unrest with riots and demonstrations everywhere (WEF, 2013). On the other hand, Egypt is ranked the 76th out of 140 countries in regard to the policy rules and regulations. The government's policies are less conducive to the development of the travel and tourism sector (WEF, 2013).

Tourism Crisis Management

Selbst (1978) considers "crisis" as any action or failure to act that affects a certain organization to attain its objectives or that has personal effect on its employees, clients, or constituents. It is also viewed as a serious event that disrupts the pre-existing state of affairs and is resulting from many causes including natural, political, financial, or technical. Whatever the cause is, appropriate steps should be taken to return situation to normality (Laws, 2007).

In this sense, the interruption of the normal flow of tourism can be considered as crisis which affects the sustainability of tourism. The cause of the tourism crisis is the socio-political situation in Egypt after the revolution. The drop in the tourism industry is a serious event that is caused by a political change and requires an action from hotel owners. This event has affected the pre-existing state of tourism before the revolution and consequently requires certain action to restore and further improve it. Any failed governmental action or even failure of action directly affects running of this industry including tourism business owners and workers, tourists, as well as the business itself (Hanna, 2013).

Thus, crisis is related to an event that caused a change in situation and most importantly requires a decision to be taken to improve the situation. This necessity for a decision is referred to thorough recognizing the origin of the word "crisis" which comes from the Greek word

"krisis" meaning judgment, choice, or decision (Mansfeld, 2006; Paraskevas, 2006). It is also clear in the definition of crisis as: *"a low-probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly"* (Pearson & Clair, 1998). As long as tourism is related to vulnerability, it is always related to crisis as indicated by Coles (2004): *"when not in crisis, destinations are in an extended program of practically pre-event limbo, almost waiting for the important trigger event to take place"*.

Thus, because tourism is vulnerable, it is always subject to any sudden change "crisis" and thus requires a state of steadiness for this crisis. This entails having a pre-event framework to be able to face the crisis as well as having the capability of taking "swift" judgment of the situation and correct "decisions". With all its implications on Egypt's economy, government policies should include actions of crisis management, which is defined by Fink (1986) as *"the art of removing much of the risk and uncertainty to allow you to achieve more control over your destiny"*.

One of the key challenges affecting the sustainability of tourism is health, safety and security. When it comes to a tourism crisis related to security and safety issues, serious steps should be taken to formulate a strategic plan that should be implemented by well-developed managerial responses. This has been referred to by Gurtner (2005): *"given the sensitivity of the tourism industry and its strong reliance on perceptions of safety, security and stability"*, the *"prospective remuneration on effective crisis management has made it topical amongst relevant authorities and stakeholders"*.

Crisis management does not only include the stage of coping with the crisis till it is resolved, but also entails an integrated process of crisis prevention, crisis coping, and crisis recovery as well (Peters & Pikkemaat, 2005). Throughout these stages, the interests of the stakeholders should be within the strategic action plan. In this sense, Santana (2004) defines crisis management as:

"An ongoing integrated and comprehensive effort that organizations effectively put into place in an attempt to first and foremost understand and prevent crisis, and to effectively manage those that occur, taking into account in each and every step of their planning and training activities, the interest of their stakeholders".

The safety and security of tourists cause a significant fluctuation in the tourism flow in the risky destination. Although the effect of this challenge is short-termed, yet special measures and policies should be taken rapidly for a fast recovery (UNEP & WTO, 2005). The primary suggested step for a collective tourism crisis planning should involve a partnership between the government agencies together with private agencies, as well as civil societies (Pforr & Hosie, 2008; Hughey, 2013).

METHODOLOGY

At the beginning of the field study, the researcher, tried to review the most important accidents that affect the Egyptian tourism and the governmental efforts to handle the situation. 2015 had shown a number of terrorist incidents that had strongly affected the tourism sector, most notably, the accident of the Temple of Karnak, and the assassination of the General Attorney Hisham Barakat, which was followed by a bombing of the Italian Consulate in downtown Cairo, followed by shooting 12 Mexican tourists by mistake on oasis region from the army and police, and then the fall of the Russian aircraft in Sinai, which killed 224 Russian tourists then two most important counties to the tourism sector "Russia and England" announced suspension of flights to Egypt and the withdrawal of its nationals from travelling to Egypt, that resulted in the ban to the arrival rate of occupancy in tourist areas to the lowest level, to reach 10-16% a rate for the first time in the Egyptian tourism.

Several governmental efforts and initiatives were released to promote the tourism to Egypt in the wake of the Russian plane crash, as the launch of "Sharm el-Sheikh in our hearts", which runs from the 15th of November 2015, till the 30th of April 2016, is the initiative "The Great Egypt" or "Egypt's resolve", launched by Pope Tawadros II and the trips "Egypt is supported by its people" coming from Abu Dhabi to Sharm el-Sheikh in cooperation with the Egyptian community in Abu Dhabi and Egypt Air and Tourism Authorization, with the aim of promoting tourism in Sharm El-Sheikh and the initiative to visit those 50 thousand young men and women from various ages categories and from all over Egypt, to Sharm el-Sheikh,

accommodated in the youth residents and launched by the Ministry of Youth and Sports in coordination with the Egyptian universities to send a positive message and emphasize that Egypt is secure and safe. Also, Egypt participated in many tourism annual fairs as Warsaw International Tourism Fair and WTM exhibition. Egypt won the best tourist destination of the travel industry in Germany Club Award in March for 2015.

Egypt won, chaired by the Executive council for the year 2016 to the World Tourism Organization. A campaign through social networking sites was released, by publishing pictures of Egypt taken by Egyptians on Hishtaj "This_is_Egypt". Also, the Ministry of Tourism make an agreement with the famous blogger Timor Osman to publish pictures of him and his friends in tourist areas in Egypt, which has made about 4 million views in just 15 days, and join the global musicians as Yanni and Richard Clayderman to promote Egyptian tourism destination through marketing during their visit to Egypt and its sights. Launching of the campaign "Egypt is so Close" to support tourism coming from the Gulf area by offering tourist programs at competitive prices to encourage tourism families.

Hurghada was awarded for the best tourist destination for 2015, from the Arab Center for Tourism Media Dubai after strong competition with the Algerian city of Oran. Finally, February2016 was the launch of the first direct charter flight trip from three Chinese cities (Shin Jin, Shanghai, Chandoa) to Aswan.

With the previous background, the research will attempt to address the problems and crisis facing the hospitality field in Egypt and evaluate hotel owners/operators' policies as well as other government policies that directly or indirectly impact the migration of Egyptian Hospitality Manpower.

For the purpose of this study primary as well as secondary research are considered essential (Sekaran, 2003). Secondary data was obtained from books, academic journals, online articles and tourism related websites. Primary research is mainly based on the combination of qualitative and quantitative analysis of primary data collected through (1) Questionnaires to unemployed hoteliers who left their work after a number of terrorism accidents and the rapid change of the socio-political situation in Egypt. (2) Interviews

with different parties in the hospitality field. At the end, the research offers recommendations based on the gathered data.

A total of 280 questionnaire samples were mailed, only 237 were received and valid. The questionnaire included 8 questions provided general information questions, personal data (i.e. age, gender, their level of education), and information about causes of their unemployment, their last position, their evaluation to government and their previous employer reaction towards the current crisis. The quantitative data was edited, coded and entered into the Statistical Package for the Social Sciences SPSS version 16. Transcripts of qualitative interviews were transcribed and analyzed using content analysis.

In addition, a qualitative approach and in particular face-to-face interviews are used to gather data-rich primary information (Fontana and Frey, 2005). The interviews include fifteen representatives from hotel's general managers, human resources managers, hotel's consultants and experts, as well as experts from the Egyptian Tourism Federation. The sample is selected with diverse backgrounds and long experience in the field of hospitality to guarantee different comparative views after five years of instable political conditions. Interview questions focused on the main issues as, what government policies have affected the hospitality industry directly or indirectly; how the owners and operators deal with these policies and the declined of hotel occupancy rate; how they have been affected by the tourism crisis; how severe the problem is; and how they react to the severity of this crisis.

The following table demonstrates number of tourists' arrival to Egypt and hotel occupancy in Red Sea during the period 2007-2015:

Table 2: Monthly hotel occupancy rates of Cairo 2007-2015

	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Aver. %
2007	71.2	64.0	73.7	82.0	75.0	69.8	79.9	90.0	80.0	88.4	92.7	80.0	79.4
2008	74.0	82.0	87.0	91.0	85.0	76.0	86.0	87.0	86.0	91.0	90.0	73.0	85
2009	50.3	52.2	61.1	59.6	63.6	60.1	71.9	78.3	77.5	84.5	86.1	68.2	67.8
2010	73.1	73.2	80.7	91.2	79.3	71.3	86.3	87.4	86.7	90.0	96.3	89.4	83.8
2011	45.6	52.2	39.4	38.8	35.0	35.5	65.6	60.0	60.5	42.4	30.5	35	46.2
2012	35.0	30.2	30.5	38.5	34.7	30.0	45.8	46.0	44.0	35.0	42.0	30.20	40.3
2013	36.8	32.0	32.4	38.6	36.0	38.9	55.9	74.6	74.5	83.9	84.3	75.6	55.5
2014	51.0	52.5	54	66.0	65.0	60.0	66.0	77.0	75.5	76.5	70.0	53.0	63.9
2015	54.1	50.7	56.7	61.4	66	60.2	65.9	73	69.9	66.7	57	41.8	60.3

Source: Egyptian Ministry of Tourism, 2015

Figure 4: A Graphical Representation of the Russian plane crash

Worst November and December in a Decade
Russian plane crash has dealt a blow to Egypt's tourism sector

■ Number of tourists in November and December

Source: CAPMAS   Bloomberg ◼

Analysis and Findings

Findings from the unemployed manpower in hotel business questionnaire

A questionnaire analysis offers the following findings according to participants. Statistical results illustrated in the following table.

Regarding the personal data, most of the unemployed manpower in the hospitality field was from the age category between (35-40 years) with 37.1%, followed by those who are older than 40 years old with 29.6%. Also, 22% of unemployed manpower was less than 30 years old. The majority of unemployed manpower was male representing 71%, and was having high level of education. It was noticed that the majority of the unemployed manpower was from Rooms Division representing 51.5% followed by workers from food and beverage department with 25%.

Table 3: Unemployed manpower in hotel business questionnaire

	N= 237	%
1. Age of the respondent		
a. Less than 30 years	52	22
b. 30-35 years	27	11.4
c. 36-40 years	88	37.1
d. More than 40 years old	70	29.6
2. Gender		
a. Male	168	71
b. Female	69	29
3. Respondents' level of education		
a. High School	126	53.2
b. Institute/ Faculty	111	46.8
4. The main cause for the respondent unemployment		
a. Political instability	202	85.2
b. Financial reason entire the property	30	12.7
c. Injustice in work environment	5	2.11
5. Department		
a. Rooms Division	122	51.5
b. Food & Beverage	59	25
c. Sales & Marketing	42	17.5
d. Other	14	6
6. Respondents' last position		
a. Managerial level	146	61.6
b. Entry level	91	38.4
7. For how long have you been unemployed?		
a. Less than One year	40	17
b. From One year to Two years	85	36
c. More than two years	112	47
8. Respondents who still looking forward to find another job in the hospitality sector		
a. Yes	68	28.9
b. No	169	71.1
9. Respondents' opinion on the way that the government/previous employer way of handling crisis faced the hospitality sector		
a. Did enough effort	27	11
b. Didn't do enough effort	210	89

Source: Researcher

The main cause of unemployment was the political instability with a high percentage representing more than 85%. Unfortunately, 61.6% of the unemployed manpower was from the managerial level as hotel owners thought that by eliminating department heads and assistants they will save more money for them.

Analyzing collected data revealed that 47% of respondents were unemployed more than two years which is considered a very long time regarding the economic situation in Egypt in the last five years. Also, 36% of them were unemployed from one to two years old.

Analyzing data clarified that 71.1% of respondents were no longer aiming to find another job in the Egyptian hospitality field. Almost 90% of unemployed manpower thought that the government didn't give the tourism/hospitality field an earnest concern in handling a series of continuous crisis during the last five years as there were no serious control on hotel owners who eliminate them and made a Sevier reduction on their rates in a way that force them to find another job.

When studying the correlation between the percentage of unemployed respondents who were still looking forward to find another job in the hospitality sector and their opinion on the way that the government or the previous employer's way of handling crisis faced the hospitality sector, 83% of those who didn't looking forward to return the hospitality field negatively evaluated the government and the previous operator efforts in handling the situation.

Findings from the semi-structured interviews

This section sheds the light on the consequences and the global reaction towards the political instability and terrorism since January, 2011 revolution and its impact on the hospitality industry in Egypt as it was discussed through the conducted semi-structured interviews.

Interviews revealed that the average hotel year to date occupancy in 2008 to 2010 was around 90%, then it decreased during the period 2011 till 2013 between 59%-52% and then increased after the presidential election to reach 78% in 2014 and 67% in 2015.They also declared that the volume of business decreased as of 2011 due to unstable political circumstances in Egypt and Middle East economic recession and currency values in the main tourism exported countries, hard competition with other destination and increasing the number of rooms available comparing with demand.

The average length of stay between 2008 till 2010 was around 7.95 Nights and it decreased since 2011 till 2015 to be around 6.3 Nights. They also stated that the overall profit decreased as of 2011 due to the shortness in the length of stay and the decreasing in the average hotel year to date occupancy. They also added that the total operating costs were in increasing level in 2011-2015 comparing to 2008-2010.The average room rate decreased since 2011 in relation to the increase in the daily cost.

Interviewees made some suggestions to be taken by the government in order to recover from the current situation in hotels as severe control on the hotel prices as there is a need to send a message to the world that Egypt is not a cheap destination, stop giving permission for increasing the number of rooms, apply the New Norms (N.N.) to ensure the services offered to the guests and apply the security and the safety in the airports according to the international standard.

In order to increase the occupancy ratios and average rate of per guest, the interviewees suggested some important steps to be applied by the property as reallocate the market shares, attract the Far East, European and Scandinavian markets and others, especially during winter season, increasing the local market share and giving comprehensive training to hotel staff to up to date their qualifications and improve their hospitality manners.

An expert from the Egyptian Tourism Federation revealed that Egypt's tourism has been paying the bill for the political instability, with revenue falling from $12.5bn in 2010 to $7.3bn in 2014. However, the country's tourism sector achieved a slight growth during the first half of 2015 amounting to $3.3bn, compared to $3.2bn during the same period in 2014. The official also anticipated that revenues will not amount to more than $8bn in the whole 2015. According to the Ministry of Tourism official, the income earned during the stated period is too low when compared to the huge tourism resources that Egypt has. Recent events, including bombings and terrorism have impacted negatively on this income. Egyptian tourism can employ more than 1 million workers over the coming five years, he explained that with every 1 million tourists coming to Egypt 20,000 are provided with jobs.

He also added that the decline in tourism, which Egypt has been experiencing over the past five years, is a major reason for the growing phenomenon of unemployment. The growth in tourism over the last two decades has changed Egypt's income distribution map, especially for young people in remote areas of Upper Egypt and the Delta. He mentioned that according to the Ministry of Tourism's Sub-Accounts Unit, the number of tourism sector workers peaked in 2010 with the influx of 14.7 million tourists, with 3.5 million workers directly and indirectly employed. However, he called for the need to configure a realistic vision based on reality and not just theories that could be hard to achieve. He added that Egypt cannot receive 20 million tourists, as the country does not have the room capacity or infrastructure to serve this flow as tourism is one of the hardest hit sectors in Egypt due to the large-scale reduction in its labor.

On the same context, one of the biggest hotel businessman in Red sea stated that skilled labor has abandoned the sector over the past five years, which is a major impediment to recovery. He stated that training tourism/hotel workers is essential to restore the efficiency the sector once had before the 25 January Revolution. Hotel operation managers alleged that training courses supported by the Ministry of Tourism have stopped. The official added that the ministry's Tourism Fund is funded by these programs, and has been suffering from a decline in income over the past five years, which has negatively affected its support. They also added, many workers employed in the hospitality sector emigrated, particularly to the Gulf states like the UAE, where they are working in the growing tourism sector there.

Lack of security has greatly affected the tourism industry in Egypt. Regarding security vision a front office manager mentioned that the continuous wave of violence and lack of security has greatly affected the tourism industry in most of the cities in Egypt. One of the key examples is the attack that took place on Semiramis Intercontinental Hotel in 2013. Dozens of armed assailants broke into the five star Hotel, shot at employees and guests, set the back door on fire, and ransacked the lobby. The attackers shot at employees and continued to destroy the building for approximately three hours before the security forces arrived. After the attack, more than 45 clients insisted on leaving despite the hotel's offer to relocate them to higher floors, away from the clashes. Moreover, guests at other neighboring hotels also followed suit.

Also, the attack that took place at Bella Vista resort in Hurghada hit the process of tourism recovery hard as two assailants attacked the hotel, wounding three tourists with knives before being shot by the security forces. The wounded tourists quickly made a full recovery, according to official reports and left the hospital where they were being treated to return to their hotel. In a swift reaction, Tourism Minister said that the government is putting in place greater security measures to ensure the safety of all tourists visiting the country. However, efforts to convince tourists that Egypt is a safe place, especially after the Russian plane crash in the Sinai in October 2015, were not enough to save the winter tourism season.

CONCLUSIONS

Soon after the revolution and by the beginning of February 2011, there were international evacuations and warnings to foreigners in Egypt. The governments evacuated their nationals and advised against traveling to Egypt. Even months afterwards, the international tour operators could not offer Egypt as a product. The insurance companies increased the rates of travel insurance to Egypt because the risks are higher. This was even a kind of avoiding the insurances provided to Egypt as an unstable country because the life and safety of the passengers were more liable to risks. This did not only affect to tourists, but also business travel, as no one could take a decision of inviting hundreds of guests to a risky country.

Mass media, including newspapers, internet, satellite channels, as well as social media were depicting a continuous state of upheaval in the country. Such images of instability were terrifying even the nationals living in Egypt, so for a tourist who has the option not to come, will never do. No one knew whether things would get better or worse and accordingly, no one was capable of taking any decision regarding coming or encouraging anyone to come to Egypt. This also affected investment in Egypt, so whether visitors or investors, both could not take the decision of including Egypt in the forthcoming plan.

This is the reason why hospitality experts, operation managers and human resource managers believe that the unwise media killed tourism in Egypt because whatever the media broadcasted stuck in people's

minds and lasted for so long. It will take years to get that perception from people's mind and to revive tourism. And the only way to get out of this crisis is a collective involvement of many elements including media, social media, television, governments, foreign affairs advisors, airlines, etc. to have an aligned plan for managing this crisis.

Accordingly, the demonstrations and political instability after 2011 revolution, most hotels all over Egypt were exposed to book a cancellation. Economically speaking, the tourism demand decreased while tourism supply remained unchanged, thus a surplus occurred, leading to a change in price in the same direction, so price also decreased. The difficult conditions of the country and the decline in tourist arrivals to Egypt have left tourism business owners the only option of reducing their rates to attract tourists. Even if reducing the rates would not be profitable, yet they had to keep the business running.

Another direction was dispensing some important jobs as quality manager and training managers. Reducing the rates and dispensing some important jobs resulted in another problem which is the deterioration of the level of service provided. International chain hotels, which are few in Red Sea, have reduced their rates slightly because they have to keep their standard as they deal with certain clientele level. However, to make for the loss, they have limited the variety of the offered food and beverage to maintain the quality. Also, the majority of local chain hotels have reduced the quality of the food and beverage by providing cheaper brands or increasing the variety with cheap ingredients. Other hotels provide very cheap rated rooms to attract clients, and then offer better ones with extra costs.

Normally, tourists spend money on different aspects in the visited country, not just the hotel they stay in. Rich tourists make extra visits, eat in restaurants, use cabs, buy from the markets, and get souvenirs from bazaars. The tourists who have been visiting Egypt during the last five years were not primarily from this group, who would spend on optional supplements. They mainly target the resorts providing the "all inclusive" packages which include accommodation with breakfast, lunch, dinner and snacks, without having to pay for extras.

Rate reduction affects hoteliers' salaries greatly because hotel employees get 12% profit share which represents 40% of their total income. Hotel owners strive to keep the business running, they spend a lot of

money on monthly commitments so some of them are hardly covering the monthly expenses while others failed and closed. So, salaries of the remaining staff were reduced by 50% with no bonuses or incentives. 70% of the qualified staff has to work another job at night to survive. Although the salaries they take from the other jobs are not high, yet they need it to make up their salary reduction. They became obligated to work 16 hours a day to be able to live, while others, who lost their job and can't find alternative, changed their careers or left the country. In terms of financial sectors, the salaries have been greatly affected and for those who spent several years in the field, it is uneasy to change career at this point. On the other hand, others who are only five or six years of experience cannot switch to any other job, simply because no job opportunities are available during this critical period.

To conclude, the media depiction of the continuous state of lack of security after January 2011 resulted in the negative international perception of Egypt. Governments evacuated and warned their people from visiting Egypt, tourists cancelled their current and future trips to Egypt, and foreign investors stopped invest their money in an unstable country. Accordingly, tourism business owners were left no other choice than reducing rates, decreasing salaries, and hire the majority of employees just to keep the business running. The rate reduction resulted in profit reduction and consequently led to the degradation in the level of clientele and the decline in the level of service provided. This also worsened the living conditions of the tourism owners and workers so salaries were decreased and employees were laid off.

RECOMMENDATIONS

1. Security should be on the priority of the governmental action plan. Retrieve security and political stability in Egypt is the main key in the recovery process of tourism field.

2. Create tourism advisory boards that involve all concerned people in tourism and hospitality field (Ministry of Tourism representative, experts in tourism/hospitality field, hotel owners, employment representative, etc.), to design and implement public consultation techniques and processes that can apply a good scenario to recover the tourism sector.

3. Implementing training programs to be conducted for management and staff members specially those

courses which are conducted by ETF in order to keep the manpower updated with the new techniques, hospitality etiquette and for developing their skills.

4. Rising up the local community awareness about the tourism industry and its role in generating revenue and support the national income.

5. Utilizing media to promote tourism in Egypt and promoting its' hotels. This requires creating a social media crisis policy that can certainly fast track the response time and mitigate any negative impact on hotels. This media can be utilized to highlight on Egypt's sightseeing.

6. In time of crisis, hotel management should study the situation carefully and redesign the promotional messaging that is responding to the current crisis. The worst thing a hotel can do in a time of crisis is to continue sharing self-promotional messaging that has been scheduled in advance. This will leave a worse impression than showing a flagrant disregard for a real-time crisis.

7. Financial Aid to hotel and resort owners and workers. The Egyptian government should work on helping tourism business owners and workers (postponed taxes and social insurance as well as other commitments normally requested from tourism and hospitality property owners for a certain period)until the recovery of the industry. Otherwise, on the long run, there would be a deficiency in expertise who might quit the career with the continuous destruction in their conditions. Social accountability can also play a role such as opening a fund in the bank to assist tripped tourism business owners and workers.

8. Stop the random expansion of tourism and hotel facilities, and work to develop the infrastructure and places of the touristic areas that already exist, in order to set new pricing strategy.

9. Give more attention to governmental inspection and quality control as special attention should be given to the maintenance of whatever can endanger the life and safety of people. This requires serious quality control inspection and effective penalties for violation or negligence.

10. Promotion and public relation campaigns, hospitality in Egypt should be promoted differently, shifting to public relation campaigns rather than advertising campaigns, this could be achieved by hosting conferences, public figures and specialist in various fields. Also, using hospitality and tourism destination in displaying media as serious, films or take shows can help in attracting guests from wherever those media will be displayed.

11. Dealing differently with each country based on its interest and design promotional programs that suit every market segment.

12. Organizing some special events and invite international movie stars. This will help to attack tourists either to attend the event or to meet the movie stars closely.

13. Establishing a new national company for charter flights to guarantee cheap mean of transportation that can attract more tourists and meanwhile minimize the interfere of any other parties/ countries in numbers of tourists coming to Egypt.

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