

# Employment prospects in Tourism sector of Thai Nguyen Province

## Executive Summary

As one of the members of the **Lab - Movie project (Labour Market Observatory in Vietnam universities)** funded by the Erasmus+ of the European Union in the period of 2020 - 2023, the University of Economics and Business Administration - Thai Nguyen University conducted a survey of businesses in the field of tourism on labor and employment issues. Following is the main content of the report on the survey results:

First, Thai Nguyen which is the political, economic and educational center of the Northern Midlands and Mountains with many beautiful landscapes is considered as a potential and attractive tourist destinations. However, the outbreak of COVID-19 in the world and its complicated spreads in Vietnam has negatively affected tourism activities of the province: decreased number of visitors and tourism revenue, closed accommodation facilities and tourist areas, reduced workforce, and temporarily suspended operations.

Second, our survey, taking place during the complicated spread of the COVID-19 pandemic, encountered many difficulties, including the failure to contact the businesses, and the unwillingness of many businesses to provide interview information. As a result, we could collect information from only 07 accommodation establishments/ hotels, and 08 tourism companies, reaching the total of only 15 observations. The sample was too small to generate statistical inferences to the population, but it still revealed some significant results.

Third, despite a dull picture of the employment in hospitality and tourism sector during the COVID-19 pandemic over the past two years, most hotel and tourism managers in Thai Nguyen have a fairly positive perspective of the future. The most stably trendy employment in hospitality sector are Receptionist; Restaurant staff; Housekeeping; Bar waiter/waitress, and Security. Meanwhile, the most trendy employment in tourism are sales, tour guide, and tour operator.

Fourth, the typical organisational structures of hospitality and tourism companies in Thai Nguyen are functional and hierarchical, in which employees are divided into different departments by work specialization, and the department in charge has a direct guidance with the employees under its management. In general, organizational structure of a tourism business is somehow less complex than that of a hospitality business.

Fifth, the qualifications and requirements of the most trendy professional figures in hospitality and tourism are different in each position. Of these job positions mentioned above,

receptionist requires high educational level and skills but the salary for this position is relatively low compared to the other jobs that require the same level of education and skills. Besides, due to the typical characteristics of tourism services, most of the positions require experience rather than education. However, the tourism managers also believe that education has positive impacts on gaining valuable experience, i.e., employees with high level of education tends to learn better from experiences and can develop more quickly than those with low education. Therefore, they still place high preferences to graduates from universities or colleges, especially those with majors in tourism, and business administration.

In conclusion, never before has the tourism industry in Vietnam in general and Thai Nguyen province in particular been severely affected by the epidemic like in the COVID-19 pandemic. These difficulties requires Thai Nguyen tourism industry to adapt, using internal resources creativity to find opportunities in challenges, thereby, helping businesses retain employees, reduce incurred costs, and quickly stabilize business operations as soon as the pandemic is under control.

### **1. Overview of tourism activities in Thai Nguyen province**

Thai Nguyen is the political, economic and educational center of the Northern Midlands and Mountains with many beautiful landscapes such as Nui Coc Lake tourist area, a part of Tam Dao National Park, along with hills and mountains. Green tea creates the famous brand nationwide. In the province, there are 550 intangible cultural heritages which are inventoried and cataloged in accordance with the law on cultural heritage. In which, 17 typical and unique heritages have been included in the National List of Intangible Cultural Heritages. In addition, Thai Nguyen currently has more than 1,000 relics protected and promoted according to the provisions of the law on cultural heritage, of which 283 relics have been ranked with 1 special national-level relic, 52 national monuments, and 218 provincial relics, etc. Thai Nguyen is considered as a potential and attractive tourist destinations throughout the country.

Before the COVID-19 pandemic had broken out, Thai Nguyen annually welcomed tens of thousands of domestic and foreign tourists. Although the revenue from tourism services is not equal to the provinces and cities with good development conditions, it is still at a good level, contributing to the development of the local economy, increasing income and creating jobs for workers. However, at the beginning of 2020, the outbreak of COVID-19 in the world and its complicated spreads in Vietnam negatively affected tourism activities of the province.

According to a report by the Department of Culture, Sports and Tourism of Thai Nguyen province (2020), the province currently has 450 tourist accommodation establishments with over 6,200 rooms, of which 50 hotels and 400 establishments meet the standards for tourists to rent. In

the last 5 years before 2020, the number of tourists to Thai Nguyen had continuously increased, in which, the growth of international tourists reached 6%/year, domestic tourists increased by 15%/year. In 2019, tourists to Thai Nguyen reached 2.9 million, of which, there were 2,824,700 domestic visitors (accounting for 97.4%) and 75,300 international visitors (accounting for 2.6%). Income from tourism services gradually improved; the growth rate in the period 2013-2019 reached 13.9%/year. However, due to the spread of the COVID-19 pandemic from 2020, tourism development targets have decreased sharply compared to 2019. Specifically, guests served by accommodation facilities reached 558,000 (equal to 56% compared to 2019); visitors at tourist sites and attractions reached 572,000 (equivalent to 33% compared to 2019); international visitors reached 23,000 arrivals (equivalent to 30% compared to 2019). In 2021, visitors at attractions reached 54.6%, international visitors reached 61% compared to 2020; Revenue from tourism businesses dropped sharply.

Under the impact of the COVID-19 pandemic, tourism activities have stalled, leading to a decrease in the number of visitors and tourism revenue (Anh, 2020; Hoa and Huy, 2021; Huynh et al. 2021). Many hotels, accommodation facilities and tourist areas in the province are closed or operating in moderation due to the impact of the pandemic. Many entities switch to other businesses or carry out repairs and upgrades. Human resources in tourism were seriously affected. Accommodation establishments, businesses and tourist entities had to reduce their workforce, and some travel businesses had to temporarily suspend operations. Employees have to take frequent or partial leave, affecting their income and leading to a decrease in tourism revenue, which has a significant impact on the overall economy of the province. In general, the COVID-19 epidemic has frozen the tourism industry (Hang and Hiep, 2020) not only in the country, but also in Thai Nguyen. For many hotels and accompanying tourism services, the decline is huge and directly affects their revenue, which highly impacts the lives of workers operating in the field of tourism.

## **2. Survey results of hotels and travel businesses in Thai Nguyen province**

### **2.1. *Status of conducting the survey***

Within the framework of the Lab - Movie project (Labour Market Observatory in Vietnam Universities, Thai Nguyen University – the University of Economics and Business Administration (TUEBA), has conducted a survey of hotel and travel businesses in Thai Nguyen province; however, due to the time of the survey taking place during the complicated spread of the COVID-19 pandemic, tourism activities were in stagnation. Many hotels, accommodation facilities and tourist resorts in the province were closed or operating in moderation, so the survey process encountered many difficulties. In Thai Nguyen province, there are only six 3-star hotels and no 4-star hotels or

higher, of which only four out of six 3-star hotels were willing to get interviewed. Therefore, the research team has expanded the selection criteria for survey subjects but only collected information from 07 accommodation establishments/hotels. Out of about 30 travel companies registered in the Thai Nguyen Association of Tourism, most of them have temporarily suspended operations during the COVID-19 pandemic, so the survey team could not contact them. As a result, only 08 tourism companies were willing to provide interview information. The sample was too small to generate statistical inferences to the population, but it still revealed some significant results.

The purpose of the survey is:

- Researching on employment situation of hotels and travel companies in Thai Nguyen
- Setting up a list of enterprises in tourism sector for the Labour market observatory
- Obtaining data on the employment in hotels and travel agents in Thai Nguyen

The survey consists of 4 parts: A- General information; B- Personnel; C- Business goals and prediction on personnel changes; D- Customers and investment. (See details in the Appendix). Interviewees were general managers or human resource managers.

Regarding the method of collecting interview information, in the context that many policies to prevent and treat the COVID-19 epidemic have been thoroughly implemented, face-to-face interviews faced many difficulties. Therefore, the research team of TUEBA flexibly used many methods including phone calls, emails, online interviews via Zoom platform, computer-aided web interviews (CAWI), combined with face-to-face interviews where possible. Out of the total of 15 enterprises participating in the interview (07 accommodation/hotels and 08 travel agencies), 06 enterprises answered by phone, 03 enterprises answered via Zoom, 02 enterprises answered via CAWI, and 04 enterprises answered face-to-face interviews.

Each interview method has its own advantages and disadvantages. For example, Face-to-face interview has the advantages of getting more detailed information; keeping the interviewee focused on the completion of the survey; creating a good relationship with the interviewee, capturing the interviewees' emoticons; so the data seems to be more reliable. But the disadvantages of face-to-face interview include time-consuming; difficulties in contacting and arranging the appointment to the managers; unrelated discussions during the interview; interview on printed paper leading to manual data entry. Besides, it is also expensive because of personel cost and administrative cost.

Regarding cawi, the advantages are immediate records to the main server, no data input costs; answers are collected and stored electronically, so respondents can do the survey any time without limited entries; inexpensive without costs for personnel, printing, and administration;

reduced time for analysis. But the downsides are: time-consuming to prepare for the online questionnaire; respondents are not willing to complete the questionnaire leading to many invalid ones; respondents promise but fail to visit the web; and less reliable data.

Telephone interview has following advantages: Accessing wide geographical area; keeping costs down; delivering similar quality data. However, disadvantages include hanging up at any time; behavior and body language cannot be observed; less information than face-to-face interviews. Online interview via Zoom has advantages such as greater flexibility; fewer delays or cancellations; ability to use multimedia; savings on costs and time; but disadvantages include connectivity issues, missing non-verbal cues.

**2.2. Survey results in the field of hospitality**

Below are the results of the survey conducted at seven hotels/accomodations in Thai Nguyen province, which were available or it was possible to get contact during the COVID-19 pandemic. This report focuses on the characteristics of the current staff and the performance of the accommodation facilities at the surveyed hotels/accomodations, changes in the workforce before and during the pandemic, as well as prospects after the pandemic.

**2.2.1. Current staff and accommodation facilities**

Of the seven hotels/accomodations that were willing to answer the questionnaire, four respondents (57,14%) are not a member of a hotel chain. All of them operate throughout the year, and provide some other accompanying services for customers besides the main service of serving guests. These extra services are diversified, including Restaurant/Diner; Bars; Convention Center; Lecture hall/ Auditorium, Wellness Center, Beauty Care Center, Karaoke, entertainment, laundry service, car rental, etc. One hotel even provides golf service.

Most of the staff in Thai Nguyen hotels/accomodations are non-seasonal employees (staff hired on a permanent basis). Only two out of seven surveyed hotels have seasonal employees (staff hired on a fixed-term basis), and the percentage is relatively low (less than 8% of the total employees). Regarding the educational level of the staff, 35 – 60% of employees with long-term contracts have bachelor degrees, while less than 50% of employees with seasonal contracts have bachelor degrees. With respect to gender structure, women represents a total of 50 – 80% of employees, regardless of seasonal or non-seasonal employees.

**Table 1. Percentage of graduates and females employed at the surveyed hotels/accomodations**

Employment	Number of employees with	Number of employees with
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	long-term contracts		seasonal contracts	
	<i>Number</i>	<i>percentage</i>	<i>Number</i>	<i>percentage</i>
Total	154	100%	6	100%
People with a bachelor's degree	82	53.25%	2	33.33%
Female employees	103	66.88%	4	66.67%

Table 1 shows that for the whole sample, employees who have bachelor degrees and long-term contracts account for half of the staff in the hotels/accomodations. On average, there is a large amount of females operating in this field, both seasonal and non-seasonal.

3/7 hotels/accomodations (42,86%) stated that they collaborate with external experts/personnel to do some typical activities for positions like Tour guide; Medical staff; Driver; Restaurant staff. 4/7 hotels/accomodations (57.14%) have hosted interns or trainees who have got training in such fields as Hotel management; Tourism; Marketing.

### 2.2.2. *Changes in and outlook for personnel*

From the data we obtained through the survey, despite a dull picture of the employment in tourism sector during the COVID-19 pandemic over the past two years, most hotel managers have a fairly positive perspective of the future.

In the past 2 years, 100% of surveyed hotels have not achieved their business goals. 5/7 hotels/accomodations (71.43%) still engaged in recruitment activities while one hotel did not recruit and remained the staff structure, and another one even reduced its staff. The employments were mostly for Receptionist; Housekeeping; Restaurant staff; Bar waiter/waitress; Marketing executive/manager, and Security. Of the five hotels/accomodations that continued recruitment during the COVID-19 pandemic, all of them hired graduates from colleges or universities, even for the part-time jobs. The three most popular majors that the hotels/accomodations recruited are tourism, hotel management, and business administration.

In the next 2 years, 5/7 hotels/accomodations (71.43%) will recruit more employees (including replacement personnel). Job position that companies intend to recruit include Receptionist; Housekeeping; Restaurant staff; Sales staff, Bar waiter/waitress, and Security.

**Table 2: Trends in employment positions in hospitality sector in Thai Nguyen**

Employment in the past 2 years	Employment in the next 2 years
Receptionist	Receptionist

Restaurant staff	Restaurant waiter/waitress
Marketing executive/ manager	Sales staff
Housekeeping	Housekeeping
Bar waiter/waitress	Bar staff
Security	Security

Table 2 shows that, the most stably trendy employment in hospitality setor are Receptionist; Restaurant staff; Housekeeping; Bar waiter/waitress, and Security. Of these job positions, receptionist requires high educational level and skills but the salary for this position is relatively low compared to the other jobs that require the same level of education and skills. Therefore, most hotels/accomodations have the most difficulty in recruiting and retaining receptionists. The respondents also believes the job positions that will have the best recruitment prospects are Receptionist; Marketing; and Sales.

Hotels/accomodations have difficulties in finding suitable personnel, mostly because the candidate does not meet the job requirements, or the number of applicants is limited. This is especially true in the context of Thai Nguyen which is a mountainous province with very few tourism attractions.

Most of the customers staying in Thai Nguyen hotels/accomodations are business crew, or visiting experts for certain work. The number of customers depend on travelling activities, which was strongly and negatively affected by the COVID-19 pandemic. Foreign visitors account for less than 10% of customers in a year, mainly from Asia like China, Korea, Japan, India, Southeast Asia, and some from America or Australia. They also come to Thai Nguyen mostly for businesses.

In the coming years, surveyed respondents believe in the development of tourism industry in general and companies operating in the hospitality industry in particular. 3/7 companies believe it will grow while another 3/7 companies believe it will remain stable. Therefore, many activities are being invested, or planned to invest in near future to meet the expected increasing demand. However, according to the surveyed hotels/accomodations in Thai Nguyen, some activities are believed unimportant, like restructuring/improving corporate structure; replacing and modernizing machinery, equipment and facilities; expanding new services; adding new job positions in the hotel. The reason might lie in the economies scale of these hotels/accomodations which are mostly small and low-ranking compared to others in big cities like Hanoi, Hochiminh City, or in tourism cities like Quang Ninh, Da Nang.

### **2.3. Survey results in the field of tourism**

The survey conducted for eight travel companies in Thai Nguyen also focuses on the characteristics of the current staff and the performance of the accommodation facilities at the surveyed entities, changes in the workforce before and during the pandemic, as well as prospects after the pandemic.

#### **2.3.1. Current staff and accommodation facilities**

Of the eight travel agencies that answered the questionnaire, six respondents (75%) are not a member of a chain of tour operators. Half of them (4/8) have a single head office. All the travel agencies provide both inbound and outbound services, but their customers are mainly domestic ones.

Due to the seasonality in tourism, it is typical for travel companies to outsource their services, especially during the peak of the tourism seasons. Regarding the educational level of the surveyed travel companies' staff, from 60 to 100% of employees with long-term contracts have bachelor degrees while 50 – 100% of employees with seasonal contracts have bachelor degrees. These percentages are higher than those in the hospitality sector as mentioned above. The reason is operating in tourism requires more specialized knowledge and skills than in hospitality, especially when the educational level of tourists have significantly increased.

The positions that travel agencies usually collaborate with external experts/personnel in doing typical activities include tour guide, medical staff, and driver. They also host interns or trainees who have got training in such fields as hotel management, travelling, marketing, and business administration. The number of external experts and interns/trainees normally increase sharply during the peak season. However, during the COVID-19 pandemic, these activities were also negatively affected due to the remarkable decrease in the number of tourists.

#### **2.3.2. Changes in and outlook for personnel**

Similar to the hotel managers, most tourism managers have fairly positive perspectives of the development in the future. 6/8 companies believe that in the coming years, tourism industry in general and companies operating in the travel industry in particular will grow while only 2/8 companies believe it will remain stable.

The COVID-19 has directly and strongly affected tourism. Therefore, 7/8 businesses have not achieved their business goals in the past 2 years. None have engaged in recruitment activities; they even decreased the number of employees and revolved job positions. However, in the next 2 years, all companies intend to recruit more employees (including replacement personnel).



**Table 3: Trends in employment positions in tourism sector in Thai Nguyen**

<b>Position that companies intend to recruit</b>	<b>Position with the best recruitment prospects</b>
Sales	Marketing
Tour guide	Tour guide
Accountant	Hotel and restaurant
Travel	Tour operator
Marketing	Sales
Tour operator	

Table 3 shows that, the most trendy employment in tourism are sales, tour guide, and tour operator. Due to the typical characteristics of tourism services, most of the positions require experience rather than education. However, the tourism managers also believe that education has positive impacts on gaining valuable experience, i.e., employees with high level of education tends to learn better from experiences and can develop more quickly than those with low education. Therefore, they still place high preferences to graduates from universities or colleges, especially those with majors in tourism, and business administration.

7/8 surveyed companies have difficulties in finding suitable personnel, mostly because the candidate does not meet the job requirements, or the number of applicants is limited. These are in common with the hospitality, and the reason is the same. Since Thai Nguyen is a mountainous province with very few tourism attractions, there are not many candidates for tourism positions, especially those require high level of education and skills. People with such high education and skills tend to work in other economic sectors with higher salaries and more stability. This is also the reason why most companies have the most difficulty in recruiting tour operators.

Customers of the surveyed travel agencies are both locals and visitors. But foreign visitors account for a very small percentagem (less than 5%) of customers in a year, mainly from China, Korea, India, and Southeast Asia. The main reason lies in the underdevelopment of tourism in Thai Nguyen province. Moreover, investment activities in tourism are limited. Most items are being invested, or planed to invest in the near future. Some respondentes even believe that such activities

as business innovation/restructuring, new software, developing/upgrading the online sales/reservation system are unimportant.

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