



## Recovering Tourism through Improved Risk Management Skill Development

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Tourism is a continuous economic driver for countries throughout the world, serving as both a tool for economic development and catalyst for infrastructure improvements, as well as a source for expanding the labor force locally. In 2019, the UN World Tourism Organization and the World Travel & Tourism Council (WTTC) estimated \$2.3 billion in international tourism receipts, which amounted to 4.1 percent of GDP, up from 3.2 percent in 2010 (WTTC, 2020).

While it will be time for new national tourism strategies to adapt to the new post-COVID normal for travel and tourism, many destinations could ensure increased competitiveness and sustainability through more careful consideration of planning and risk management. Pre-COVID-19, many destinations were experiencing steadily increasing tourism receipts, export earnings, and jobs generated because of tourism. As the world begins a steep climb of recovery from COVID-19, destinations will be competing fiercely to recover market share. For every destination, this means data-driven, evidence-based strategic planning, and risk management will be more important than ever. Around the world, this crisis revealed gaps in government and industry preparedness and response capacity. While some national and sub-national tourism strategies provided direction for long-term planning, strategies need to be adapted to the new reality through prioritizing the development of a skilled workforce and encouraging entrepreneurship and job creation.

COVID-19 is creating a new reality for tourism globally, regionally, and in every destination. This new reality requires rapid adaptation of management and operational staff, especially in developing the skills needed for applying technology and crisis management methods. Working groups have been conducting research on the steps needed towards more effective marketing strategies, policy implementation to improve safety and security in the hospitality and tourism sector, and plans to educate and train tourism industry stakeholders to build on past success and create new opportunities for a country's workforce.

COVID-19 has shown that the tourism sector and destinations are highly sensitive to crises and many other risks such as political unrest and conflicts, terrorism, and demand shocks. The current crisis has also demonstrated an urgent need for the sector to be better prepared to manage these risks by having the necessary skilled workforce in place. Prior to COVID-19, many countries were striving to become more competitive destinations in those segments that were comparative advantages for them. COVID-19, however, upended global tourism and is pushing every destination to rethink tourism strategies and plans. Regardless of nature, the need for examining tourism preparedness with a proposed methodology is desperately needed yet is underdeveloped in the literature.

Governments and businesses need outcomes and measures to prepare the travel and tourism industry for future

global shocks through the following:

- Identifying the short- and long-term temporal stressors to the tourism sector;
- Examining the impact of disasters on the tourism sector and length of recovery of that sector; and,
- Recommending a sustainable model or methods for private and public stakeholders to mitigate risks to the tourism sector.

The measures needed must be customized for each country using the following five steps:

1. Analyze the preparedness of a country to sustainably grow its tourism sector in line with the country's tourism strategy. This analysis will include the identification of key existing and potential stressors impacting tourism development.
2. Review human resource and institutional capacity to develop and implement planning, development, and management systems.
3. Ensure that management systems' development includes emergency preparedness and risk mitigation systems and protocols based on international standards.
4. Test emergency preparedness scenarios.
5. Recommend a sustainable model or method for private and public stakeholders to mitigate risk to the tourism sector.

In addition to improving a country's recovery plans, these measures align with

the United Nations Sustainable Development Goals or Global Goals. These are a collection of 17 interlocked global goals designed to be a "blueprint to achieve a better and more sustainable future for all." Tourism has the potential to contribute, directly or indirectly, to all of the goals; in this case, it aligns with Target 8, Decent Work and Economic Growth: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Tourism is one of the driving forces of global economic growth and currently provides for one in 11 jobs worldwide (United Nations World Tourism Organization, 2015). By giving access to decent work opportunities in the tourism sector, society—particularly youth and women—can benefit from increased skills and professional development.

Focusing on skills development of the tourism labor force will have an immediate benefit for local communities faced with the influx of domestic tourism. Perceived risks are associated with a tourist's perception of uncertainty and potential adverse outcomes resulting from the consumption of travel and tourism offerings. Risk aversion is higher when tourists consider international tourism compared to when they consider domestic tourism. Wolff and Larsen (2019) refer to this as "home-is-safer-than-abroad bias," which suggests that tourism practitioners may need to focus on promoting domestic tourism as a short-term measure to resuscitate their country's tourism industry, and kick-starting the global tourism industry in the medium-term. In May 2020, a report by [McKinsey & Company](#) found that when a lockdown ends, the first thing people want to spend money on is eating out. The second is

travel. Travelers are still cautious. They prefer to stay close to home, choosing, for example, to drive or take trains to regional destinations over flying. In the past several months, such dynamics have played out in the U.S. domestic market as well. Demand has similarly increased for driving-distance and rural getaways, with attractions and lodging properties placing a greater emphasis on cleanliness. The recent uptick in lodging bookings and RV rentals looks like the first phase of this rebound.

To this end, in 2020, the [Organization for Economic Co-operation and Development \(OECD\)](#) reported that as part of its COVID-19 recovery strategy Switzerland had committed an estimated USD\$42.2m in federal funding for Switzerland Tourism to promote sustainable domestic tourism to kick-start the Swiss sector by subsidizing domestic travel and tourism. In the case of New Zealand, [an estimated \\$256.8m was approved by the New Zealand parliament](#) for disbursement through the Tourism Recovery Fund to, amongst other activities, fund a domestic tourism marketing campaign, fund a transition program aimed at pivoting businesses towards domestic tourism, and support the strategic asset protection of New Zealand's domestic tourism offerings and international brand. Some governments have been providing financial support, either directly or through soft loans and guarantees to the industry. [Thailand allocated \\$700 million](#) to spur domestic tourism, while [Vanuatu offered grants to small and medium-sized enterprises](#). Countries have also been assisting firms to adapt their business models and retrain staff. In Jamaica, [the government gave free online training certification classes to 10,000 tourism workers](#) to help improve

their skills. Such domestic tourism initiatives promote local tourism and assure both domestic and more importantly for financial recovery, international tourists of the safety of engaging in tourism, thus mitigating the subjective factors that influence both the psychological and social perceived risks of travel.

