Rapid Assessment of the Tourism Sector

Identifying skills demand and training needs to meet the human resource requirements of the Hotel and Tourism industry and impacts made by COVID-19

Strategy Consulting
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pwc

Coverage

1. Size of the industry
2. Impact of COVID-19
3. Additional workforce demand
4. Skills requirements
5. Additional insights
6. Recommendations
7. Appendix

Special Note:

This study (primary research) was conducted during the months of July – August 2020, prior to the second lockdown in early October 2020. Hence finding based on primary research will not reflect the developments thereinafter

01 Size of the industry

Tourism plays a key role in the local economy, contributing over 4% to the domestic GDP

1.91m
2019
Tourist Arrivals

USD 3.65B
2019
Tourism Revenue

19.9m
2019
Foreign guest nights

USD181
2019
Foreign exchange receipts per tourist per day

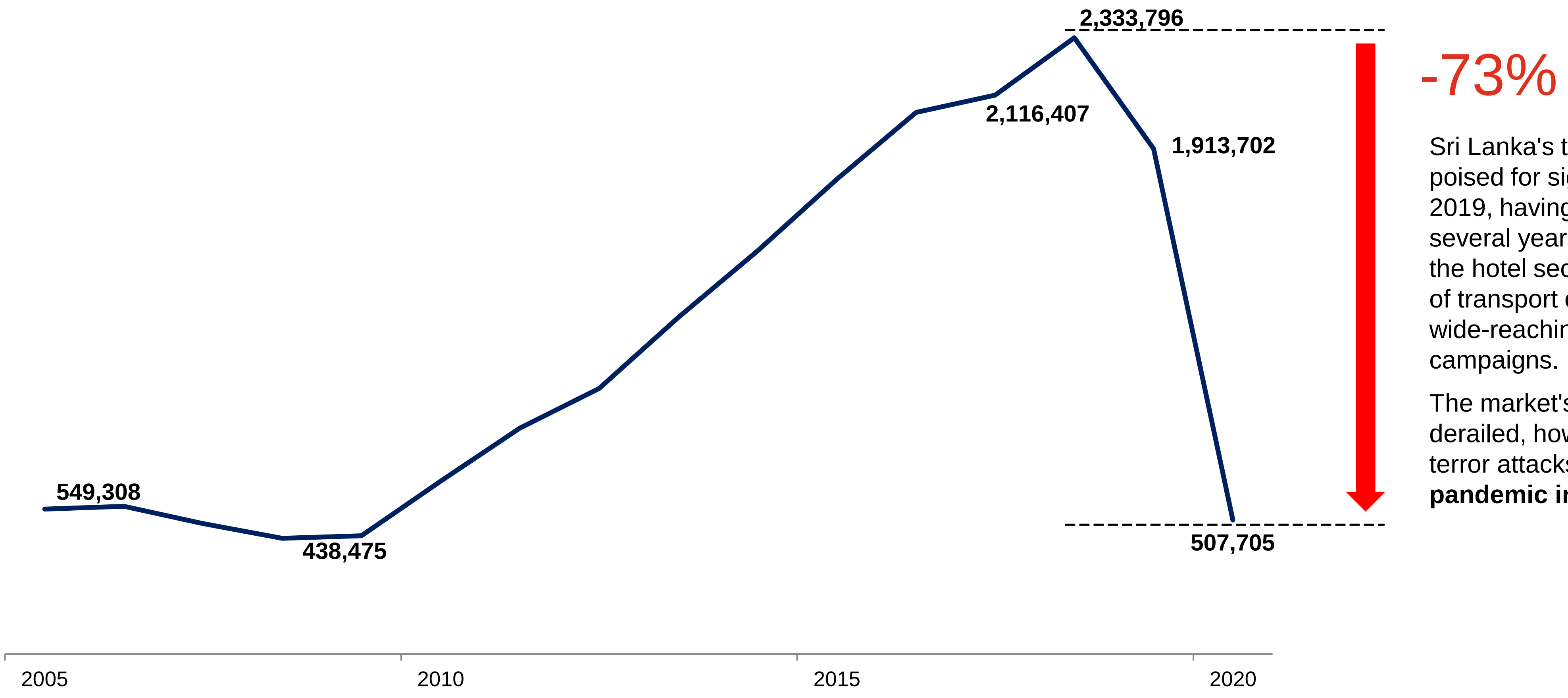
402k
2019
Total employment generation

174k
2019
Direct employment generation

Source: SLTDA

Sri Lanka's tourism industry has experienced two very challenging years following the terror attacks and the Covid-19 pandemic

Tourist Arrivals (2005 – 2020)



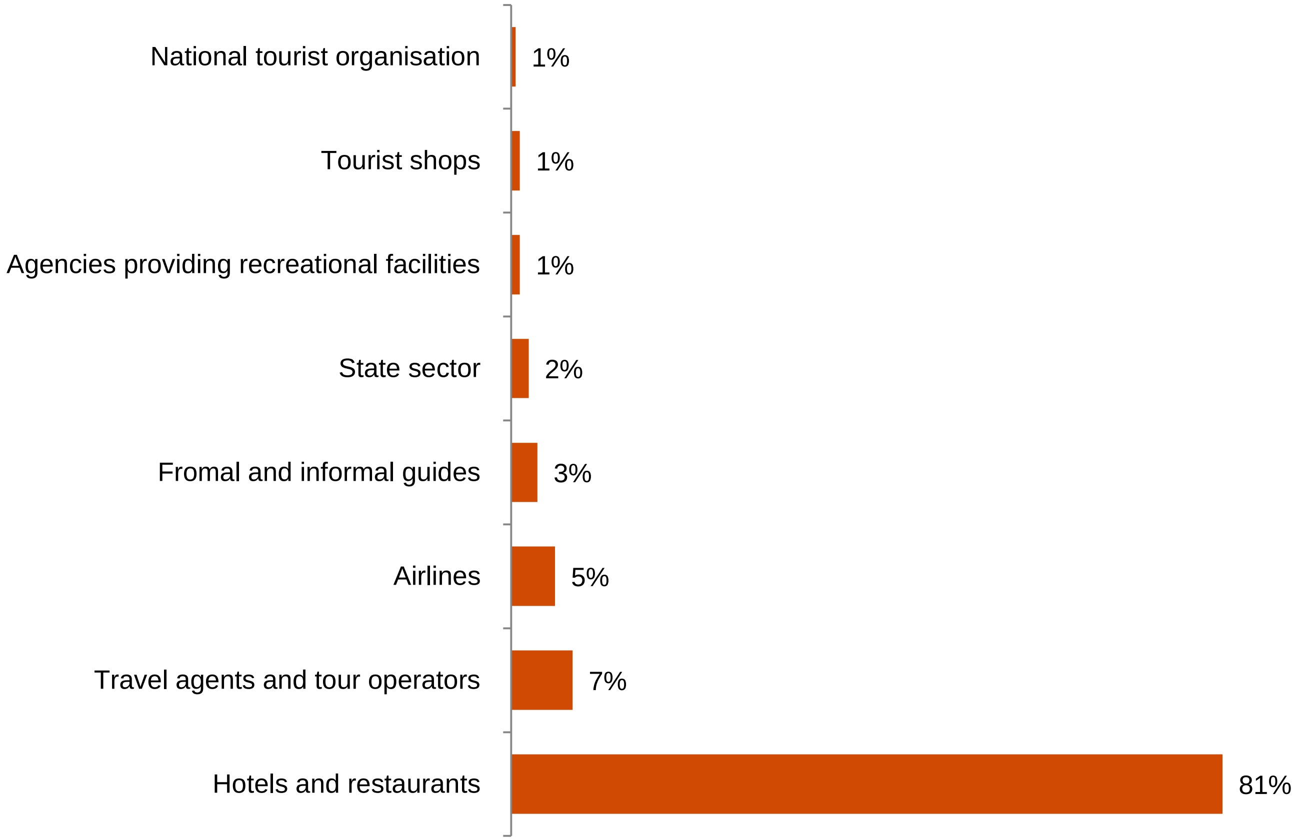
Sri Lanka's tourism industry was poised for significant growth in 2019, having benefited from several years of investment n the hotel sector, the expansion of transport connections and wide-reaching marketing campaigns.

The market's upwards trend was derailed, however, by the 2019 terror attacks and the **Covid-19 pandemic in 2020**

Source: SLTDA

Employment in hotels and restaurants as a proportion of direct employment has risen significantly over the last decade, and continues to hold the majority of employment in the sector

Distribution of direct employment in the tourism sector (2019)



Job growth (CAGR)

2009 -19

+11.0%

+4.70%

+16.0%

+4.50%

+6.00%

+6.70%

+5.70%

+17.8%

Sector employment composition

Given the growth of the sector over the past decades, the total number of individuals employed both directly and indirectly has risen significantly. Direct employment in the sector which was a mere 52,071 in 2009 has risen to 173,592 by 2019, showing a CAGR of **14.3%.** Employment in the hotels and restaurants shows the strongest CAGR, followed by agencies providing recreational services.

The sector also employs a significant number of individuals indirectly, having risen from 79,984 in 2009 to 229,015 in 2019, showing a CAGR of **12.4%**

Source: SLTDA

Despite the relatively underdeveloped hospitality industry in comparison with most other regional states, Sri Lanka offer enormous potential as a tourism market

Strengths

- **Diversity in offerings** - Sri Lanka has the ability to provide a diverse set of experiences for those visiting. Offering a rich and distinct variety of geographic, cultural and historic experiences
- **Strong existing brand image** - The country has already created a reputation for itself as a prime tourist destination through numerous marketing campaigns and the multiple international accolades achieved by the industry and its stakeholders
- **Identified as a priority sector by successive governments**
- **English proficiency -** A sizable portion of the population of Sri Lanka have some level of fluency in English as it is widely used for official and commercial purposes

Weaknesses

- **Inadequate infrastructure in place to support potential growth** - With a national vision to attract 7 million tourists annually by 2025 , Sri Lanka needs to make significant improvements to its existing infrastructure such as increasing airport capacity, increasing room inventory and further development of domestic rail, road and air transportation. The industry must also improve the availability and quality of rest stops and eateries
- **Skill inadequacy in employees and low female participation rate**
- **Presence of large informal segment**

Opportunities

- **Adjacent to and has strong cultural ties with India** - one of fastest-growing economies in the world and the country with the world's second largest population
- **The country's reputation as a tourism destination continues to improve** - awareness of its attractions is rising as marketing campaigns expand
- **Increased interest in Sri Lankan tourism generated by the Couch Safari initiative**
- **Ecotourism, tea tourism and visits to the country's heritage sites are areas primed for particularly strong growth**

Threats

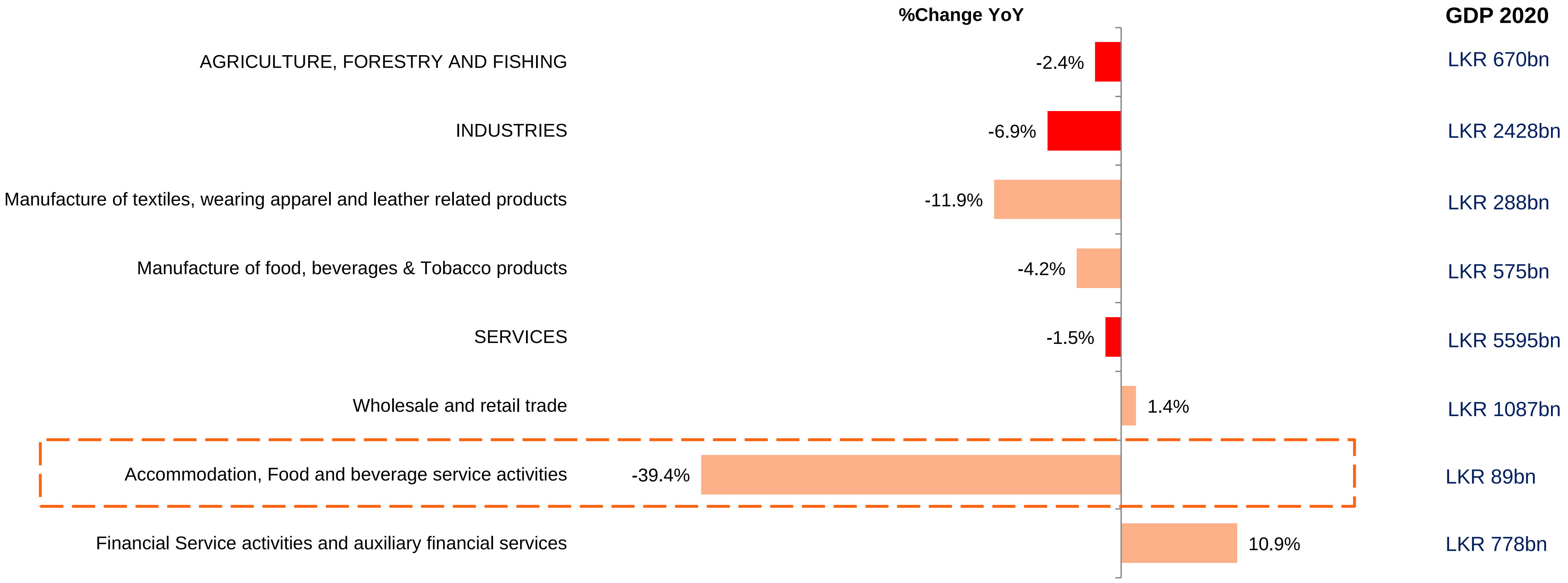
- **Vulnerability to external shocks -** While there has been growth in Sri Lanka's domestic tourism, it is still largely dependent on international travelers and hence, is vulnerable to economic shocks felt by its key source markets
- **Presence of strong regional competition** - Located in Asia, Sri Lanka must compete against more established and developed tourist destinations such as Thailand, Vietnam and Malaysia along with growing destinations like Kerala, Goa, Cambodia, Myanmar etc.
- **Economic impact of the Covid-19 pandemic on key source markets reduces short-term demand for travel and tourism**

Source: PwC Analysis, Fitch Solutions

02 Impact of COVID-19

Accommodation, food and beverage services activities faced unprecedented headwinds due to the COVID-19 pandemic in 2020

YoY Change in GDP (at constant prices) by economic activity: 2019-2020



Source: CBSL

COVID-19 impact on the tourism industry has resulted in extensive job losses across the value chain, with the MICE, Tour operators and accommodation showing severe impact

Job Losses due to COVID-19

Accommodation (Formal)

-27%

-17% Tourist Hotels

-34% Supplementary

-33% Informal

Tour Operators

-32%

-32% SLAITO DMC's

-32% Non-SLAITO DMC's

MICE

-35%

Restaurants

-7%

SLTDA registered Grade "A" and Grade "B"

Tourist Hotels include: *Classified /Unclassified /Boutique Hotels*
Supplementary Units: *Boutique Villas /Guest Houses /Home Stays /Bungalows / Heritage Homes & Bungalows /Rented Apartments & Rented Homes*
SLAITO DMC's: *Members of Sri Lanka Association of Inbound Tour Operators*
SLTDA Registered restaurants: *Restaurants registered with Sri Lanka Tourism Development Association*

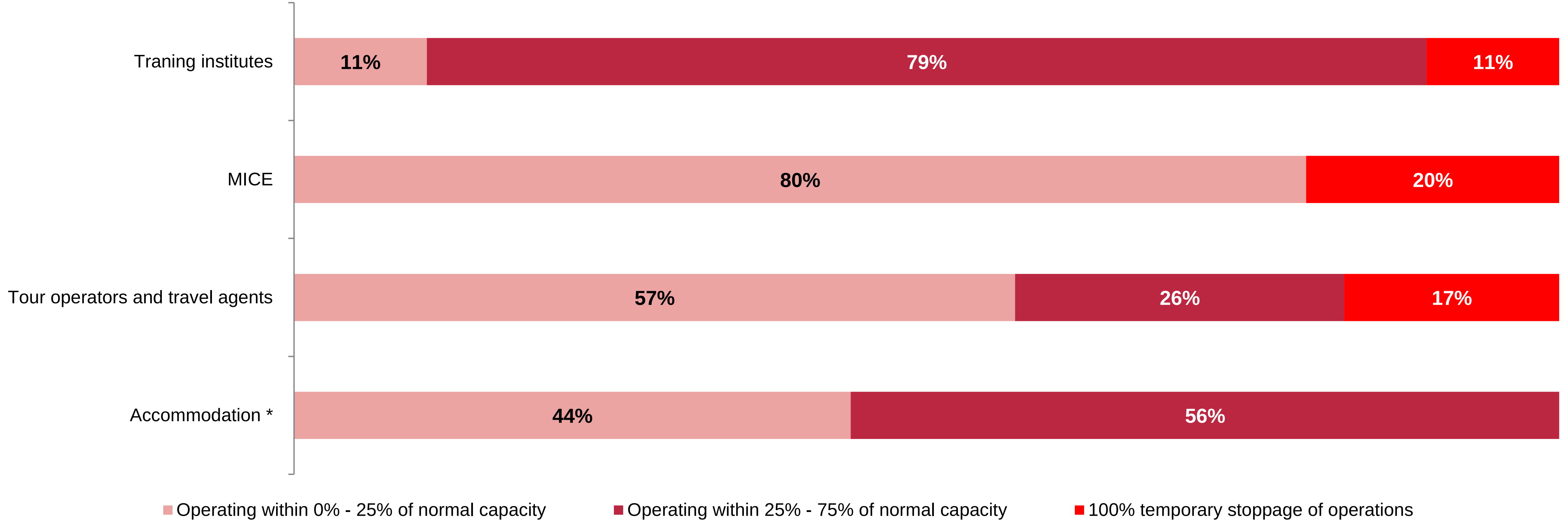
Sector	Jobs Lost due to* COVID (2020 - 2019)
Accommodation - Tourist hotels	(7,981)
Accommodation - Supplementary	(6,891)
Accommodation - Informal	(21,769)
Accommodation - Total	**(36,642)**
Tour Operators - SLAITO	(2,014)
Tour Operators - Other	(863)
Tour Operators - Total	**(2,877)**
MICE	**(132)**
Restaurants - SLTDA	**(542)**
Total	**(40,193)**

Please note that survivorship bias may lend to the impact of COVID-19 on the industry being understated as the study was conducted remotely in the months of July – August
***Population figures derived from the survey sample – see appendix**

Source: PwC Analysis

COVID-19 impact on the tourism industry has been widespread, with varying extents of operational retrenchment across the value chain

Percentage reduction in operations experienced by participants* following onset of COVID-19

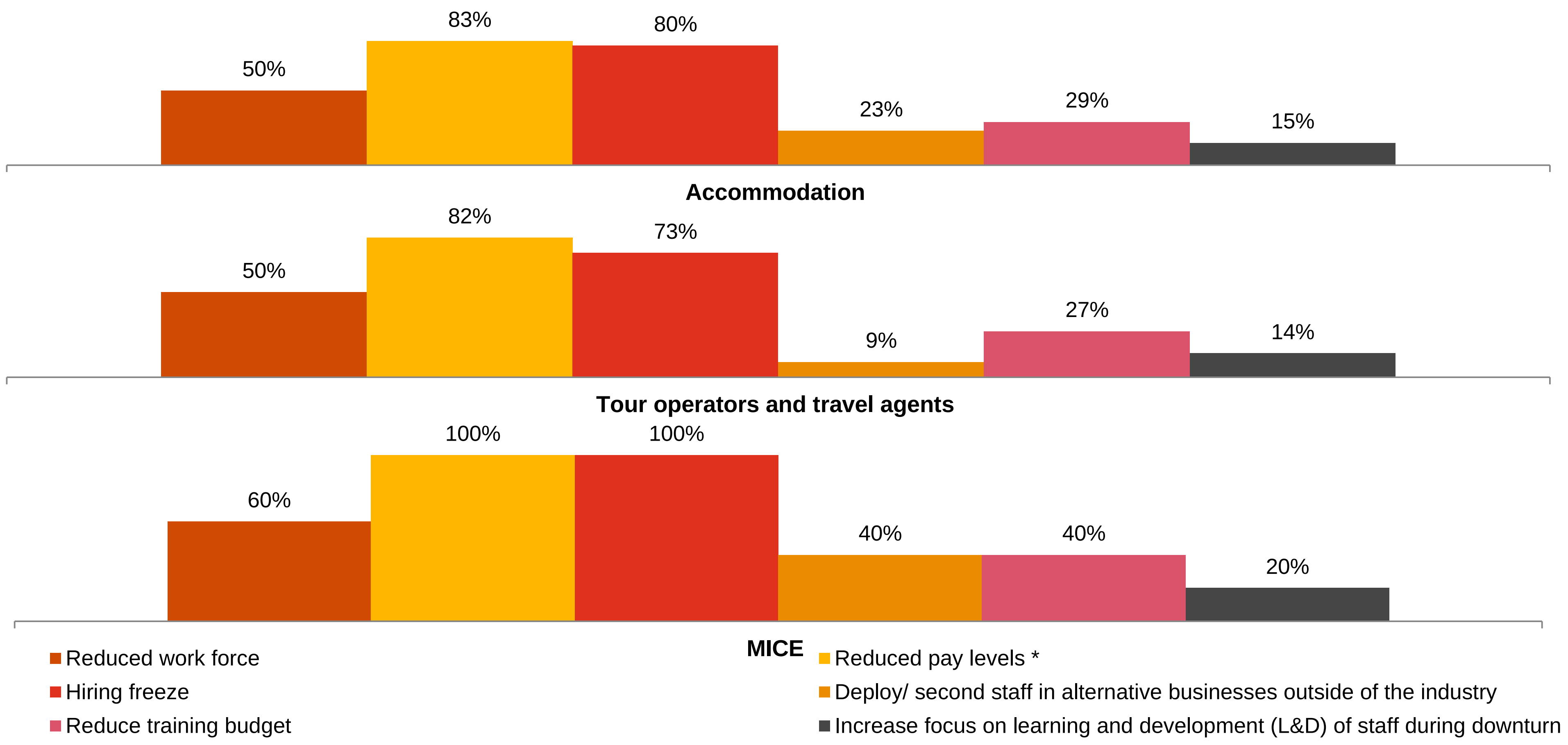


**The study was unable to obtain information from establishments that have temporarily shut down but is aware of several that have completely stopped operations*

Source: PwC Analysis

Reduction in workforce and hiring freezes were the main mitigation actions taken by industry to deal with COVID-19 impact

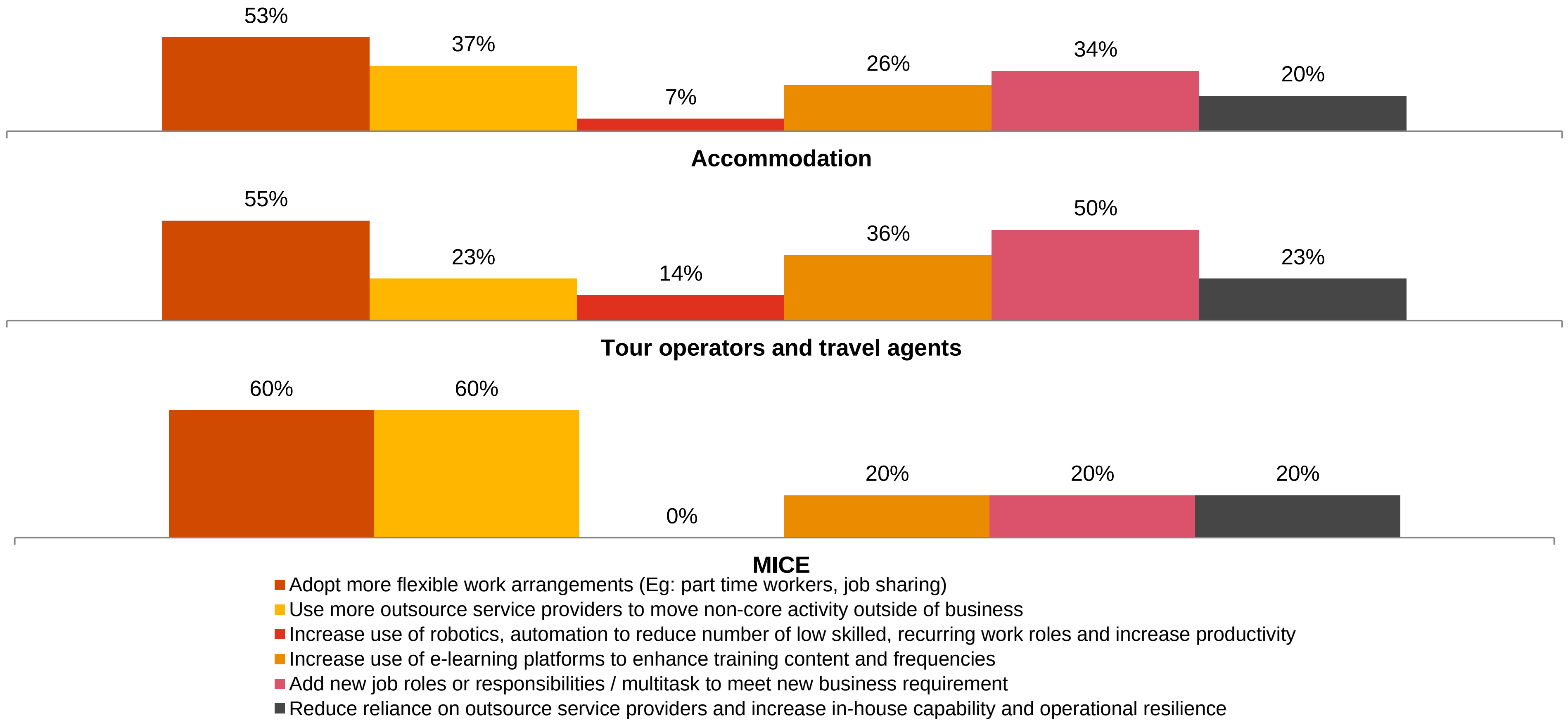
Mitigation Actions undertaken by industry participants in response to COVID-19 (% of respondents)



Source: PwC Analysis

Flexible work arrangements were the most common strategy implemented by industry participants to operate in the post COVID economy

Strategies implemented by industry participants in response to COVID-19 (% of respondents)

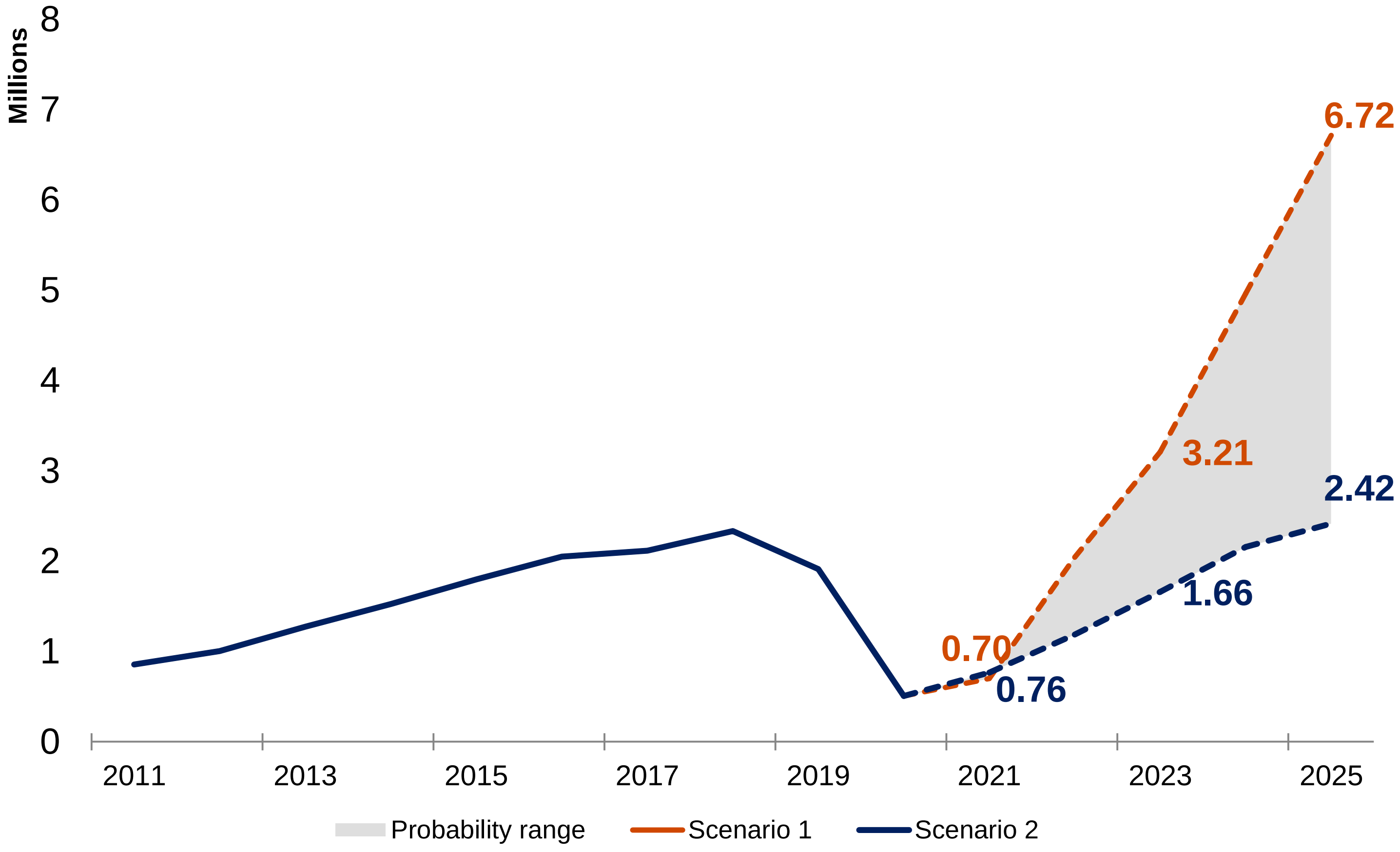


Source: PwC Analysis

03 Demand for new skilled employees

We consider two growth paths for tourist arrivals in this report. Scenario 1 - following on a rapid growth expectation and Scenario 2 - presenting a more modest pace of recovery in travel

Estimated tourist arrivals, Scenarios (2021 – 2025)



Scenario 1

- This scenario is based on, United Nations World Tourism Organization's (UNWTO) expectation for international tourism to start to rebound by the third quarter of 2021 and return to pre-pandemic levels in 2023 and,
- The 7 million annual tourists arrivals by 2025 set by the Sri Lankan government as seen in the Vistas of Prosperity manifesto.

Scenario 2

- This scenario is based on forecasts provided in Sri Lanka Tourism Report – 2021, Fitch Solutions.

Source: GoSL, Fitch Solutions, SLTDA

We use multiple drivers to estimate the future demand for employment in the tourism industry

Segment	Demand Driver	Growth Scenario	Driver estimates				
			2021	2022	2023	2024	2025
Accommodation (formal)	Room inventory	Scenario 1	48,507	54,154	61,354	77,854	104,354
		Scenario 2	48,507	54,154	56,154	58,154	60,154
Tour operators and travel agents, MICE	Tourist Arrivals	Scenario 1	699,653	2,044,503	3,212,373	4,965,637	6,717,443
		Scenario 2	764,870	1,187,070	1,660,520	2,157,290	2,416,165
Restaurants*	Number of Restaurants	Scenario 1 and 2	550	605	666	732	805

* SLTDA registered restaurants

Source: GoSL, Fitch Solutions, PwC Analysis

Accommodation sector is the largest market for skilled employment in the tourism industry

Segment	Total demand in 2020/Functions	Growth Scenario	Demand for additional employees per year				
			2021	2022	2023	2024	2025
Accommodation (formal)	**56,403**	**Scenario 1**	**-**	**24,698**	**10,783**	**24,710**	**39,687**
	Administration	*Scenario 1*		*174*	*90*	*207*	*332*
	Kitchen	*Scenario 1*		*6,681*	*2,793*	*6,400*	*10,279*
	F&B Services	*Scenario 1*		*4,836*	*1,992*	*4,564*	*7,330*
	Housekeeping	*Scenario 1*		*2,509*	*1,626*	*3,726*	*5,985*
	Front Office	*Scenario 1*		*1,470*	*825*	*1,891*	*3,037*
		Scenario 2	**-**	**24,698**	**2,995**	**2,995**	**2,995**
	Administration	*Scenario 2*		*174*	*25*	*25*	*25*
	Kitchen	*Scenario 2*		*6,681*	*776*	*776*	*776*
	F&B Services	*Scenario 2*		*4,836*	*553*	*553*	*553*
	Housekeeping	*Scenario 2*		*2,509*	*452*	*452*	*452*
	Front Office	*Scenario 2*		*1,470*	*229*	*229*	*229*

Source: GoSL, Fitch Solutions, PwC Analysis

Accommodation sector is the largest market for skilled employment in the tourism industry

Segment	Total demand in 2020	Growth Scenario	Demand for additional employees per year				
			2021	2022	2023	2024	2025
Tour operators and travel agents	4,264	Scenario 1	-	2,611	1,767	4,716	4,712
		Scenario 2	-	1,066	-	473	696
MICE	246	Scenario 1	-	101	198	297	297
		Scenario 2	-	-	36	84	44
Restaurants	7,556	Scenario 1 and 2	1,211	877	964	1,061	1,167

- *Currently there are an estimated 1576 National guides, 850 Chauffeur guides and 5000 Tourist drivers.*
- *Estimated additional Chauffeur guide requirement is 3000 by 2024 and an additional 1,075 National Guides is required by 2024. This is based on the assumed DMC arrivals growth*

Source: GoSL, Fitch Solutions, PwC Analysis

Kitchen stewards, customer relations and Tourist guides/drivers were key positions that participants found difficult to recruit

Accommodation

Position	% of respondents selecting position
Kitchen Stewards	**64%**
Guest Relations	**43%**
Cooks	**29%**
Waiters/Servers	**29%**
Barmen	**29%**
Room Attendant	**29%**
Chefs	**21%**
Bakers	**21%**
Managers- F&B	**14%**
Supervisors	**14%**
Managers- Front Office	**14%**
Bellboys	**7%**
Sales	**7%**

Tour operators and travel agents

Position	**% of participants selecting position**
Chauffer Guides	**80%**
Tourist Drivers	**74%**
National guides	**54%**
Tour Consultants	**21%**

MICE	• A general difficulty in hiring staff as there are no direct courses for this field. Hence, employees tend to lack experience and a clear understanding of what the job entails and the work that is required to organise events, when first starting out.
Restaurants	• Kitchen (chefs) • Barmen • Positions specific to the food and beverage industry: purchasing staff, F&B storekeepers and cost controllers. • Cashiers

Source: PwC Analysis

Estimated skills gap for accommodation sector (2022 – 2025)

			(Shortfall)/Excess Demand			
	Scenario	Supply (2019)	2022	2023	2024	2025
Total formal sector skills gap - Accommodation	Scenario 1	15,208	(288)	7,972	(1,373)	(11,423)
	Scenario 2	15,208	(288)	13,198	13,198	13,198

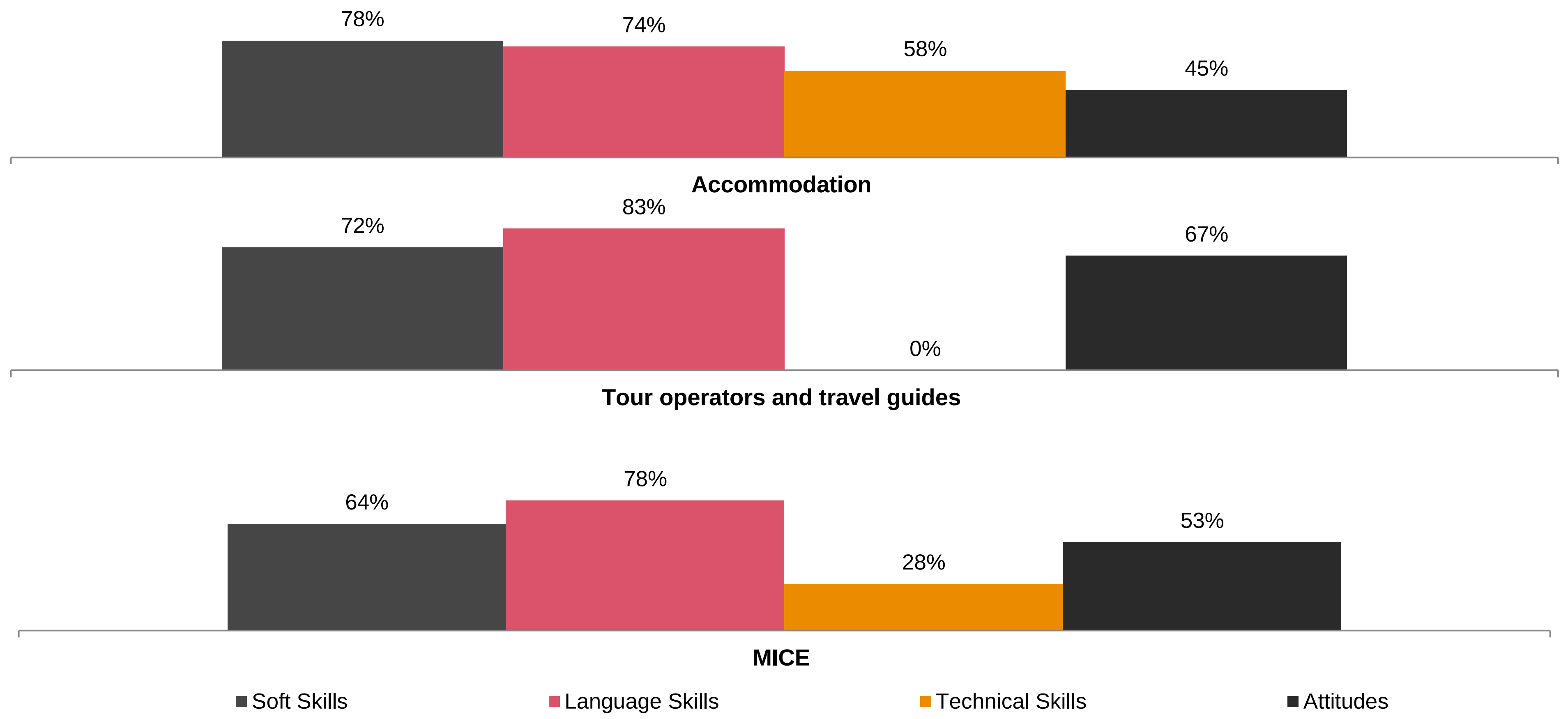
- Skills gap is calculated based on the following assumptions;
  - Employees who lost their due to COVID-19 related retrenchment will return to employment
  - Additional demand for employment is only driven by new developments (i.e. impact of attrition is neutral to overall industry labour availability)
- Total supply of skilled labour (Administration, Kitchen, F&B, Front office, Housekeeping, Hospitality) from TVEC registered public and private training institutions with accommodation related courses was **15,208** in 2019. This was used as the base supply to estimate the skills gap from 2022 onwards.
- Based on our Scenario 1, The supply (seen in 2019) is adequate for the growth in skills requirement seen in the formal sector until 2023. However, shortage of 1373, it is important to note that there will be demand for new skilled employees in the informal sector as well. Furthermore there might be a need for training untrained currently skilled employees who have no formal training/education.
- This gap will be further widened when considering other demand sources such as migration, restaurants, other sectors such as hospital support services.

Source: PwC Analysis

04 Skills requirements

Employees proficient in Language and soft skills seem to be far and few between in the tourism industry

High level skill categories in need of improvement (% of respondents)



Skills/ knowledge which will be important going forward but are currently not taught/ inadequately taught

Accommodation	Tour operators and travel agents	MICE	Restaurants	**Others** *(Airlines, Tourist shops, Adventure, Transport, Guides)*
• **Soft skills** *(Eg: Communication, Professionalism, Teamwork, Attitude, Adaptability)* • **Technical knowledge** *(Eg: Use of modern equipment and techniques for barmen, cooks and waiters as well as better product knowledge in areas such as food and wine pairings for F&B service occupations)* • **Personalized and customer centric approach** • **Digital skills** • **Large scale operation handling** • **Multi skilling in complementing / transferable areas** • Understanding of eco-friendly practices and sustainable operations • Creativity in kitchen and bakery • Financial knowledge (for middle management)	• **Soft skills** *(Eg: Confidence, Attitude, Professionalism, Communication)* • **Proficiency in languages other than English** *(Eg: Mandarin, Russian, French, Japanese, Hindi and Spanish)* • **Digital skills** • **Personalization/ customer experience focus** • Product knowledge • Financial knowledge (for middle and upper management)	• **Soft skills** *(Eg: Confidence, Attitude, Professionalism, Communication, Stress management)* • **Digital skills** • **Large scale operation handling** • **Multi skilling in complementing / transferable areas** • Product knowledge • Financial knowledge (for middle management)	• **Soft skills** *(Eg: Confidence, Attitude, Professionalism, Communication)* • **English language proficiency with a focus on verbal communication** • **Creativity in kitchen and bakery** • **Modern skills, techniques for barmen, waiters and kitchen staff** • Product knowledge in areas of spices, wines, complementary pairings • Digital skills for front office and customer service jobs • Fire and rescue, safety and first aid trainings	• **Soft skills** • **English language proficiency as well as foreign languages** • **Digital skills** • **Knowledge of local geography and culture** • Job related technical skills • Understanding of eco-friendly and recycling practices *(specific to adventure tourism)* • Multi skilling in complementing / transferable areas

05 Additional insights

Additional insights provided:

Expected future direction of growth of the Sri Lankan tourism industry

1. National targets set for the tourism sector:

- Annual tourist arrivals of 7 million and foreign exchange earnings from tourism of US$ 10 billion by 2025.
- Current development of highway networks as well as plans to improve international airports and expansion of domestic air services will facilitate growth in travel within the country
- Other indicated plans by the government such as, increasing the number of trained and untrained employees in the tourism industry up to one million, establishing training schools in all main tourism cities

2. Expected growth of wellness tourism

- Estimated that the wellness tourism expenditure in Asia grew by 11% annually from 2015 to 2017, reaching US$ 137 billion
- In 2017, Sri Lanka showed wellness tourism related expenditure of US$ 720 million with approximately 416,800 inbound trips and 220,500 domestic trips taking place over the year
- Sri Lanka's wellness tourism has been identified as a thrust sector under the National Export Strategy (NES) 2018-22
- Specialized skills development/training programs for job roles in wellness tourism (massage therapists, yogis etc.)

3. Continued demand for adventure tourism

- As at 2019, it was estimated that the global Adventure Tourism market size was US$ 988.8 million and was expected to grow to US$ 3150.3 million by the end of 2026
- In 2020, Sri Lanka was awarded as Asia's Leading Adventure Tourism Destination at the World Travel Awards. Sri Lanka has won this title for the past four years in a row.

4. Expected growth in MICE tourism

- It is anticipated that with the introduction of larger facilities, the country is in better standing to attract international conventions of 1,000 to 2,000 delegates and is thus anticipated to show exponential growth in the coming years.
- Global MICE tourism segment was expected to reach US$1,439 billion by 2025, with a CAGR of 7.6% from 2018 to 2025, with the Asia Pacific region showing the strongest growth

6. Expected new job roles to be in demand with new Colombo City developments

- Need for qualified game hosts/ attendants, animators, cuisine chefs, events hosts and managers, events/convention/ festivals coordinators and many other similar job roles for which Sri Lanka doesn't currently provide training

06 Recommendations

Suggested methods to improve course content provided by training institutions as identified by accommodation segment

High priority

- Regularly update curricula for relevance to current market practices and trends
- Improve skill and capability of trainers / lecturers
- Engage with industry practitioners to share current knowledge / skills

Medium priority

- Increase apprenticeships / training experience with accredited industry participants
- Upgrade infrastructure facilities and training equipment used
- Upgrade training methods and practices to provide more effective learning experience

Recommendations for addressing the identified skills gap (1/4)

1) Addressing identified shortages in supply

<table>
<tr><th>Issues identified</th><th>Recommendations for resolution</th></tr>
<tr><td>The regional breakdown in forecasted demand and supply for job functions in the accommodation segment identified the probable shortages in the quantity of employees available.</td><td><u>Targeting skills shortages as per function and regional requirement</u>
Job categories with highest demand to prioritize:
Kitchen – Cooks (commis), Kitchen Stewards
F&B Services – Restaurant Stewards, Barmen
Housekeeping – Room Attendant
Front Office – Receptionist, Bellboys
Other – Gardener, Technician and Maintenance, Accounting staff, Cashier

Functional areas to prioritize when increasing supply: F&B service-related jobs, Housekeeping, Front office employees, Kitchen

Regions to prioritize when increasing supply: South Coast, Colombo City</td></tr>
<tr><td>• Current course capacity for National guides and Chauffeur guides is limited to two batches of 60-70 seats annually.
• Tourist drivers were seen to have inadequate soft skills and also lacked professionalism and positive attitudes.
• The shortage of guides with foreign language skills and niche areas such as adventure, marine, wildlife and ornithology.</td><td><u>Increasing training capacity for guides and providing incentives</u>
• Capacity of program offered be increased, by offering these through other recognized training institutions as an SLTDA accredited course.
• Tourist drivers are to be provided with formal training, through either the introduction of a short course covering soft skills such as etiquette, communication as well technical knowledge in terms of routes etc.
• Introduce an incentive (pay) grading system for guides based on their skill set and specialty to encourage engagement.</td></tr>
<tr><td>In the accommodation and restaurant segments, jobs in certain functional areas had negative connotations:

• Housekeeping (Room attendants)

• F&B service (Waiters)</td><td><u>Addressing negative perspectives causing low engagement with certain functional areas</u>
• Widescale awareness programs to realign negative perceptions.
• Changing use of titles such as ‘room boy’ to the more neutral ‘room attendant / associate’.
• Providing career guidance early on for junior level staff in F&B service to provide clarity on career progression possibilities and reduce attrition seen.</td></tr>
<tr><td rowspan="6">Other recommendations</td><td>• Career guidance and awareness of career paths to reduce attrition seen in junior levels</td></tr>
<tr><td>• Introduction of courses for inbound tour operators and MICE segments</td></tr>
<tr><td>• Financial aid supported by government to reduce dropouts</td></tr>
<tr><td>• Incorporation of technology into sector to reduce reliance on skills supply</td></tr>
<tr><td>• Improve quality of training given to lecturers</td></tr>
<tr><td>• Introduction of training modules/ courses for job categories on the rise</td></tr>
</table>

Recommendations for addressing the identified skills gap (2/4)

2) Addressing identified revisions/ additions needed in course content

Issues identified	Recommendations for resolution
Soft skills were found lacking to a large extent in all segments in areas such as: • **Communication** • **Confidence** • **Attitude** • **Professionalism** • **Teamwork**	**Higher focus on soft skills, specifically communication, attitude and confidence and conscious effort to improve meta-skills** • Better engagement between lecturers and students as well as between the students themselves through integrating learning through group scenarios and active engagement. • Soft skills training must be introduced at the very beginning of training and be continued as an element in all relevant modules throughout the course period. • Additional elements such as career development sessions, confidence building workshops, workplace etiquette discussions, should also be incorporated into academic calendars. • It is also recommended that when developing course content, focus is provided to improving meta skills, with exposure to scenarios and simulations, discussions etc. to nurture more dynamic individuals. *(Eg: confidence, attitude, resilience, empathy and self-awareness)*
Significant dissatisfaction amongst participants with their employees' English proficiency. Language barriers were stated as a reason for dropouts by training providers as well as high attrition in functional areas such as front office and sales & marketing roles.	**Inclusion of English language modules throughout training period** Regardless of course, it is recommended that language modules be made compulsory throughout the training period.
Accommodation/ Restaurants - Product knowledge provided through courses was deemed insufficient by several participants, with requests for better food and drink knowledge as well as familiarity with techniques. **Other - R**equests from other segments for better technical ability in areas of drafting letters, itineraries etc	**Modernizing course content relating to technical skills** Benchmark content provided in courses against curriculum provided by regional contenders such as Malaysia and Thailand and improve dialogue with local industry participants.
Other recommendations	• *Better incorporation of digital skills* • *Increasing time given to practical experience and industrial placements* • *Offering an introductory unit in all courses which delves into other functional areas of hospitality* • *Guides requiring exam for license renewal as well as offering regular refreshers* • *Better collaboration with industry participants*

Recommendations for addressing the identified skills gap (3/4)

3) Methods of investment to ensure continued training

Issues identified	Recommendations for resolution
Cost of providing regular training to employees and low engagement with existing support programs	**Increase engagement with governmental support programs for the tourism sector** *1.Skills Sector Development Program - Employer Linked Training Program (ELTP)* *2.Skills Sector Development Program - Flexible Learning Model (FLM)* Awareness of these and other such programs is increased to encourage more participation from both the training institutions as well as industry players Recommended that with encouragement to use such programs, funding provided for these be increased and access streamlined to ease process of gaining this support.
A common request from participants in the accommodation and restaurant segments was for employees to be trained in modern techniques and equipment.	**Provide tax incentives/ financial aid to upgrade equipment used** Recommended that incentives in capital goods/ financial aid for training purposes is requested from the government.
Salary requirements were identified as a barrier to hiring and retaining adequately skilled and experienced lecturers/ trainers in public training institutes	**Improve financial compensation for trainers/ lecturers** Recommended to develop an agreement with the government (Ministry of Skills Development, Vocational Education, Research & Innovations) to gain funding to supplement the pay levels provided with incentives and to increase investment in training lecturers and instructors.

Recommendations for addressing the identified skills gap (4/4)

4) Methods to boost female and youth participation levels

Issues identified	Recommendations for resolution
Negative perception of females employed in the tourism sector remains a key barrier to female participation Social stigma and pressure from parents and other influential figures in their community discourage many females from considering tourism as a possible career choice	**Improving industry perception at community level through marketing and awareness programs** • Developing marketing and awareness programs to be conducted at community level for schools and parents as well as for general society throughout the country would be key in tackling this issue. • These programs should focus on the advantages of employment in the tourism industry, possible career paths available for females in the tourism industry, notable female figure heads in the industry, better transparency of job roles and expectations in the industry as well as the prominence of female participation in the global tourism industry and the resultant advantages afforded to them through this line of employment. • Such campaigns much also be carried out regularly to popularize more positive perspectives and create attraction towards the industry
Differing issues leading to low participation	**Carrying out regular focus group discussions with parties to identify and address reasons for low participation** • Recommended that several focus groups are carried out across the island to capture different perspectives and enable material to be developed to address these specifically, as relevant to each community. • *For example, issues in transport and travel might be more of a concern for females living outside the western province and hence be a bigger factor in their reluctance to join in the industry.* • It also provides insight into what areas of discussion (eg: career paths, financial aid, industry perception) need to be given more attention for each community.
Currently, according to the UNWTO, on average Sri Lankan women in accommodation and food services job roles only get paid 55.63% of what their male counterparts earn. Insufficient facilities and benefits provided by the industry	**Reducing pay gap and improving benefits and facilities to be made available to employees** • Recommended that standard pay rates be examined and unbiased payment tiers be put in place across the industry. • Clear definition of facilities to be made available to the female employees across the country would provide more reassurance and security to those looking to join the tourism *(Accommodation, food and transport are provided as well as other supportive elements such as day-care facilities and creches)* • Key factors to encourage youth participation would include better pay, benefits and working conditions when they're comparing industries to work in.
Other recommendations	• *Creating mandatory career guidance sessions throughout training periods* • *Greater availability of training courses with mentorships/ internships/ industry placements* • *Redefinition of job roles and expansion of skill sets* • *Setting participation targets for training programs and workplaces, in positions of decision making and managerial roles*

06 Appendix

Methodology

Secondary research

Desk research was done prior to questionnaire development and the during report development process in order to gain an understanding of the existing literature that provides insights and statistics on the topics explored.

Primary research

Considering the objectives of the study as highlighted earlier in this report, a mixed methods approach was determined to be the most suitable approach, consisting of both quantitative and qualitative research. As the initial step, local tourism value chain was identified with its multiple nodes including accommodation, travel agency, food services, MICE etc. and the corresponding establishments in each category which in turn provided the basis of our primary research. Meanwhile, the supply of trained labor for the sector was determined through respondents in the vocational and skills training institutes providing training in the tourism and tourism related sectors.

Qualitative and quantitative methods were used to determine the impact of COVID-19 pandemic on the workforce of participating establishments. Qualitative research consisted of key informant interviews with selected establishments across the tourism value chain while quantitative research entailed a detailed questionnaire shared in an electronic format with the respondents. Due to the logistical issues faced caused by the countrywide lockdowns which prevailed at the time of this study, an online/electronic questionnaire was deemed to be the most suitable approach with assistance provided and follow ups made over telephone calls to the respondents by our research team.

Sampling methodology used for the quantitative research was a simple random sampling methodology (without replacement). with accommodation being the only exception, for which we utilized a stratified random sampling approach due to the significant variation in workforce and COVID19 impact across the numerous strata (Star class hotels, guest houses, unclassified establishments etc.). The sampling was based on the total employed in each segment instead of number of establishments to allocate appropriate weight to larger establishments which employ the significant portion of the sector. the sampling groups and strata used in this

Primary Survey + KII - Sample Breakdown

Value node	Selection criteria (source)	Universe	Total employment	Employment percentage	Employment based sample	Actual Sample	Key Informant Interview
Demand Side							
Airline Operators	National and domestic Carriers, (Public Info)	4	8,267	5%	4	2	2
Travel Agents and Tour Operators	Members of TAASL, SLAITO, (SLAITO, TAASL)	386	11,256	7%	21	20	6
	Travel Agents	154			-		
	Tour Operators	232			-		
Transport providers	Various	8	TBD	TBD	4	2	2
Accommodation	Classified Hotels, Unclassified hotels (SLTDA)	1,919	98,705	62%	185	20*	20
Strata 1	5 Star	23			-		
Strata 2	4 Star	23			-		
Strata 2	3 Star	24			-		
Strata 3	2 Star	39			-		
Strata 3	1 Star	38			-		
Strata 3	Boutique hotels	32			-		
Strata 3	Boutique Villas	40			-		
Strata 3	Unclassified tourist hotels	242			-		
Strata 4	Rented Apartments	70			-		
Strata 4	Guest houses and other	1,388			-		
Restaurants	SLTDA Approved Restaurants (SLTDA)	500	34,196	21%	64	63	7
MICE	Members of SLAPECO (SLAPECO)	30	TBD	TBD	6	5	3
Tourist Shops	ASMET and others (SLTDA)	500	2,231	1%	5	2	2
Tour Guides and Chauffeurs	Independent and Non-independent, Formal and Informal (SLTDA)	TBD	5,424	3%	10		2
Others	SLTDA Recognised destinations	100	TBD	TBD	10		1
Sub Total		**2,059**	**160,079**	**100%**	**310**	**134**	**45**

Value node	Selection criteria (source)	Universe	Total employment	Employment percentage	Employment based sample	Actual Sample	Key Informant Interview
Supply Side							
Training Institutes	Public, private and NGO (TVEC)	80	N/A	N/A	30	14	8
	Public	55			20		
	Private/NGO	25			10		
Sub Total		**80**			**30**	**14**	**8**
Total		**3,527**			**340**	**148**	**53**

Primary Survey response breakdown by sector and category

Key Informant Interviews

Segment	Number of KIIs conducted
Accommodation	20
Restaurants	7
Tour operators and travel agents	6
MICE	3
Transport providers	2
Tour guides	2
Tourist shops	2
Airlines	2
Agencies Providing Recreational Facilities (Adventure)	1
Training institutions	8

Questionnaire responses

Segment	Questionnaire responses
Accommodation	20
Restaurants	63
Tour operators and travel agents	20
MICE	5
Transport providers	2
Tour guides	2
Tourist shops	2
Training institutions	14

Thank you

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