

Exploring the impact of the COVID-19 pandemic on the perceptions and sentiments of tourism employees: evidence from a small island tourism economy in the Caribbean

Ryan R. Peterson

*Division Economic Policy and Financial Stability, Central Bank of Aruba,
Oranjestad, Aruba, and*

Robin B. DiPietro

*School of Hotel, Restaurant and Tourism Management, University of South Carolina,
Columbia, South Carolina, USA*

Abstract

Purpose – Building on tourism crisis studies and behavioral economics, this study describes a national survey conducted among 439 Aruban tourism and nontourism employees.

Design/methodology/approach – Regression analysis was subsequently conducted to analyze the relationship between experienced well-being, crisis duration and tourism and nontourism employee sentiments.

Findings – The findings indicate that tourism employee sentiments are generally, and significantly, more negative and their concerns about the future are significantly more pessimistic than nontourism employees. The results show that the experienced well-being and expected duration of the COVID-19 crisis have a significant negative effect on tourism employees' sentiments. The paper provides several policies and industry recommendations for strengthening tourism employee well-being and economic resilience. Several avenues for future research are presented.

Originality/value – The current study contributes to this literature by showing that the increased pessimism and negativity of the tourism employees as compared to nontourism employees during the current pandemic influence their thoughts about future income and earnings as well as future purchases.

Keywords Pandemic, Small island tourism economy, Caribbean, Tourism employees, Experienced well-being, COVID-19, Aruba

Paper type Research paper

1. Introduction

It is a truism that international tourism is facing its largest crisis since the inception of modern-day travel over the past century (Hunt, 2020). Amidst the health pandemic and economic fallout due to COVID-19, tourism and hospitality industries are one of the hardest struck due to several interrelated factors, including travel restrictions, national lockdowns, business closures and the subsequent impact on lives and livelihoods. The UNWTO (2020)



estimates that the COVID-19 pandemic caused a 22% drop in international tourist arrivals during the first quarter of 2020 and that the crisis could deteriorate to a further decline of at least 60% in 2020. Several industry reports and studies confirm that accommodations, food services and entertainment businesses are especially affected and vulnerable (Cummings, 2020; Emen, 2020; ILO, 2020; McKinsey and Company, 2020; OECD, 2020; UNWTO, 2020; WTTC, 2020). In less than one month, the accelerating COVID-19 pandemic disrupted millions of jobs and households that rely on tourism and hospitality for their livelihoods and well-being (UNWTO, 2020).

Nowhere is this global crippling effect clearer and more present than in small island tourism economies (SITE) where tourism and hospitality are the mainstay of the economy and employment. According to the recent World Economic Outlook (International Monetary Fund, 2020), tourism-dependent island economies are likely to face significant economic contraction in 2020 with lingering recessionary effects throughout 2021. In the case of the Caribbean, several tourism-dependent island economies stand out in terms of tourism's contribution to the economy (as a percentage of gross domestic product (GDP)), and consequently, their economic and employment vulnerabilities are evident as well. These include, for example, Aruba (86%), Antigua and Barbuda (52%), Bahamas (47%), St. Lucia (42%) and Barbados (41%) (WTTC, 2019). Likewise, the total contribution of tourism and hospitality to employment in these SITE locations averages 56% with Aruba ranked as the most labor-intensive in tourism (87%) (WTTC, 2019).

The SITE of Aruba represents a special case in many ways. Aruba is a subnational island jurisdiction ("Status Aparte") within the Kingdom of the Netherlands and part of the Dutch Caribbean. Aruba is geographically located in the Southern Caribbean Sea on the peripheral of the Caribbean Hurricane belt. Aruba is a mature small island tourism economy with over 70 years of experience with tourism. The Aruban economy is almost exclusively dependent on international tourism as its main economic activity and income, with more than 80% of GDP generated directly and indirectly from tourism services. Annually, the mature and highly tourism-dependent economy generates an estimated US \$2bn from more than two (2) million stay-over and cruise visitors, with one of the highest tourism intensity and density ratios in the Caribbean (Peterson, 2019). Close to 80% of visitors originate from North America, particularly the USA. The tourism industry directly employs well over one-third of the total workforce and is a significant source of tax revenues. According to the World Travel and Tourism Council (WTTC) in 2019, visitor expenditures supported over 15,000 jobs directly and generated more than 84.3% of jobs both directly and indirectly on the island (WTTC, 2020).

The combination of high economic dependency on and high employment concentration in tourism makes Aruba extremely vulnerable to external shocks (Peterson, 2019), including the unfolding COVID-19 pandemic and the international travel and tourism lockdown that followed in its wake. For 2020, the Government of Aruba estimates a 70% drop in international tourism arrivals with at least 40% of total employment and jobs at risk (GoA, 2020). According to the local Aruba Hotel & Tourism Association (AHATA), occupied room nights dropped by 37% points in the month of April 2020 (Aruba Hotel and Tourism Association, 2020). A further aggravating (prepandemic) condition in Caribbean SITEs is the low levels of tourism labor productivity and flexibility, which stem from several interrelated factors, including relatively rigid labor market regulations and low-skilled and low-waged labor, especially among female and young(er) employees (Peterson, 2019).

Considering the significant economic and labor contribution of tourism in small island Caribbean economies as well as the size and scope of the COVID-19 crisis, this paper describes an exploratory study on the impact of the COVID-19 pandemic on the perceptions and sentiments of tourism employees in Aruba. The purpose of this study is to assess the impact of the COVID-19 pandemic and unfolding economic crisis on the experienced well-being of

tourism employees. Specifically, the research objectives are to describe the impact of the COVID-19 pandemic on the (domestic) tourism labor market and tourism employee sentiments and subsequently, to identify how the perceptions and sentiments of tourism employees and nontourism employees are affected in terms of their current economic conditions and future job expectations.

Based on previous tourism research (Emen, 2020; Evans and Elphick, 2005; Hajibaba *et al.*, 2015; Santana *et al.*, 2003; Vargas-Sanchez, 2018), recent COVID-related studies (Carnevale and Hatak, 2020; Martins *et al.*, 2020; Ozdimir, 2020; Sharma *et al.*, 2021; Sigala, 2020), and postmodern behavioral economic theory (Akerlof and Shiller, 2009; Kahneman, 2011; Katona, 1975; Manolis *et al.*, 2001), this study proposes that the well-being of tourism employees, that is, the self-perception and sentiments of tourism employees, is disproportionately affected by the COVID-19 crisis as compared to nontourism employees. This study hypothesizes that the experienced well-being of tourism employees, in comparison to nontourism employees, is significantly more negatively affected by the COVID-19 crisis.

Consequently, at the end of the first quarter of 2020 (March), a national survey was conducted in Aruba among 439 citizens, including tourism ($n = 193$) and nontourism ($n = 246$) employees, to explore if, and how, tourism employees have distinct sentiments and perceptions of their personal and economic conditions and future expectations as compared to nontourism employees on the island. Subsequently, regression analysis was conducted to explore the association between the experienced well-being and expected duration of the COVID-19 crisis and the effect on tourism employees' sentiments. In support of previous studies, the findings shed relevant insights on the sentiments and experienced well-being of tourism employees and underscore the importance of acknowledging and addressing the perceptions and motivations of tourism employees proactively, especially in a postpandemic tourism economy recovery.

The remainder of this paper is structured as follows. In section 2, the theoretical background of the study is described, followed by a presentation of the research methodology in section 3. The results of the survey are presented in section 4, followed by a discussion of the main findings in section 5. The paper concludes in section 6 with a discussion of theoretical and business implications and directions for future research.

2. Theoretical background

2.1 *Tourism employees in postmodern perspective*

International tourism and the hospitality industry are a significant engine of job creation as well as a driving force for economic growth and development (UNWTO, 2020). As an economic activity, tourism has a direct and indirect impact on the economy (e.g. tourism foreign exchange earnings, tourism service exports and tourism capital investments) and employment (e.g. jobs in the domestic tourism and hospitality industry and related ancillary sectors). An essential tourism employment transmission mechanism is the indirect effect on domestic consumption, that is, household consumption by tourism employment and purchases of domestic goods and services by different local tourism and hospitality businesses (WTTC, 2019). Consumer spending accounts for close to two-thirds of all spending in small island tourism economies (Peterson, 2019); thus, even minor changes in the experiences and expenditures of tourism-dependent households have a major impact on the small domestic economy. From a postmodern perspective, (Bowers *et al.*, 1990; Manolis *et al.*, 2001) contend that (tourism) service employees are also consumers and assume multiple roles simultaneously as both producer and consumer in society. Likewise, Michelotti *et al.* (2017) indicate that employees incorporate a "consumer identity", that is, employee and consumer identities interact and shape both employee and consumer behaviors. Moreover, employee

sentiments and experiences are influenced by and subsequently affect (their) consumer (self-) identity, roles and behaviors (Manolis *et al.*, 2001; Michellotti *et al.*, 2017; Muster, 2011). Thus, tourism employment and the consumption behaviors of tourism-dependent households are intertwined (Martin *et al.*, 2020) and critical to the recovery of tourism economies post-COVID-19 (Sharma *et al.*, 2021).

The tourism and hospitality service industries depend on the work and well-being of their employees in order to build a connection with their visitors and guests. It is important to ensure that these employees are healthy, motivated and positive in their jobs. Whether the crisis is natural, driven by terrorism or in the current-day situation a pandemic that engulfs the entire global tourism industry, hospitality and tourism businesses are reliant on committed employees. Their emotionally demanding jobs are often challenging as tourism is one of the most vulnerable industries during crisis times (Santana, *et al.*, 2003; Vargas-Sanchez, 2018). Even during the best of times, the tourism and hospitality industries are not guaranteed to be successful or easy for the employees that work in them (Emen, 2020).

2.2 Consumption behaviors and sentiments of employees

From a conceptual perspective, the importance of sentiments and confidence in economic behaviors, especially in situations of uncertainty and ambiguity, is long-standing in the literature (Farmer and Guo, 1994). From the earliest writings by Adam Smith on the role of moral sentiments and psychological explanations of individual behaviors (Brown and Fleischacker, 2010) and the animal spirits of Keynes (Akerlof and Shiller, 2009), to the more recent conceptualizations of consumer sentiments (Katona, 1975) and experienced well-being (Kahneman, 2011), there is a growing acknowledgement of the role and relevance of cognitive and noncognitive (affective) factors, in addition to demographics, in describing and explaining economic behaviors, particularly during episodes of economic shocks and crisis. From a postmodern perspective, employee and consumer identities are synergistic in shaping economic behaviors. Consumer sentiments are thus not solely designated to service receptors, but are integral to “employees as consumers” (Manolis *et al.*, 2001; Michelotti *et al.*, 2017; Muster, 2011; Sharma *et al.*, 2021). In terms of consumer sentiments, Katona (1975) focuses on the perceptions and expectations that drive discretionary purchases, which are shaped by the (un)certainly of current employment and income levels and the (un)certainly of future employment and income prospects. An increase in discretionary spending is indicative of optimism, whereas precautionary savings signal pessimism. According to Katona (1975), it is the affective component that propels collective waves of optimism and pessimism in a society, which influences spending habits of consumers.

The collective work of Katona (1975) forms the theoretical foundation of the consumer sentiments surveys that have been conducted by the University of Michigan over the past 60 years in the USA, which is based on comprehensive empirical support for the consumer sentiment construct. Moreover, consumer sentiments surveys in at least 45 other countries also provide strong empirical validation of the conceptualization and measurement of consumer sentiments as developed by Katona (1975) and surveyed by the University of Michigan (Curtin, 2007), although new indicators are called for in light of an increasing global and digital economy.

2.3 The role of experienced well-being

Building forth on the cognitive and affective components of economic behaviors, Kahneman (2011) discusses the notion of experienced well-being. According to Kahneman and Krueger (2006), although experienced well-being is part of the broader concept of subjective well-being, it is focused on the momentary affective states and the way people feel about specific experiences. This includes how people experience and evaluate certain episodes or events in

their lives and may span several domains simultaneously, including, personal, financial, health and work (Diener, 2009; Fleche and Smith, 2017; Kahneman and Krueger, 2006; Miret *et al.*, 2017).

Previous studies indicate that health and income are significantly related to experienced well-being (Killingsworth, 2021; Miret *et al.*, 2017; Wolf *et al.*, 2019). Recent COVID impact studies suggest that the loss of income, unemployment and increasing COVID health concerns have a profound impact on experienced well-being of tourism employees (Carnevale and Hatak, 2020; McGuire *et al.*, 2021; Ozdemir, 2020) and their consumption sentiments and habits (Martin *et al.*, 2020).

Unlike subjective well-being that includes general life satisfaction, experienced well-being is narrowed to a specific referenced period, for example, a traumatic event and posttraumatic cognitive and emotional responses. Thus, experienced well-being is measured through momentary assessments of affect to episodic assessments over a specific time frame (Diener, 2009; Fleche and Smith, 2017; Kahneman and Krueger, 2006). Research suggests that negative episodes and related affective states may have a larger impact than positive events and feelings of optimism, which ultimately could affect general life satisfaction and societal well-being (Miret *et al.*, 2017; Sharma *et al.*, 2021).

Within the context of work and employment, research indicates that experienced well-being is strongly related to the immediate work environment, including job responsibility, personal enrichment, fringe benefits, work stress, employment image, health conditions and exposure to work hazards (Diener, 2009; Kahneman and Krueger, 2006; McGuire *et al.*, 2021). These factors are akin to Herzberg's two-factor theory of motivation, which include both intrinsic and extrinsic components that change the way that work is perceived (Herzberg *et al.*, 2005; Lundberg *et al.*, 2009). Within the context of the COVID-19 pandemic and the subsequent tourism fallout, the loss of income or unemployment – financial and job uncertainty – as well as the exposure to virus contagion and illness – health threat and risks – can influence experienced well-being and sentiments of tourism employees relatively more compared to nontourism employees.

Proposition 1. The experienced well-being of tourism employees is disproportionately affected by the COVID-19 crisis in comparison to nontourism employees.

Experienced well-being underscores the importance of the subjective construction of social realities (Berger and Luckmann, 1966) and is integral to employee engagement, which is one of the key determinants of service quality and customer value in the tourism industry (Heskett *et al.*, 2008). Previous studies indicate that in addition to age and income, economic shocks and crisis have a significant negative effect on experienced well-being, although a rebound in prospects and future expectations is also present (Deaton, 2012; Kahneman and Deaton, 2010; Marin *et al.*, 2020; McGuire *et al.*, 2021; Sharma *et al.*, 2021; Sigala, 2020; Stone *et al.*, 2010; UNTWO, 2020).

Much research has been done in the area of dealing with crises in the tourism industry, but these crises have primarily been focused on terrorist attacks and financial crisis. The scope and size of these crises have been, however, relatively more regionalized with less systemic impacts for tourism (Evans and Elphick, 2005; Hajibaba *et al.*, 2015). The COVID-19 pandemic is indeed unprecedented. Nonetheless, several lessons can be learned from previous episodes of economic shocks and tourism crises despite the fact that these situations have not previously had the global and long-lasting impacts that COVID-19 is having.

According to the UNWTO (2020), past crises have shown tourism's capacity to rebound strongly and quickly after external shocks. This resilience underscores the importance of adaptive capacities in tourism's internal business operations and service delivery system. Value is created by satisfied, loyal and productive employees (Heskett *et al.*, 2008). Employee engagement stems largely from high-quality support services, learning capabilities and

transformational leadership that empower employees to provide quality experiences to guests. Including employees in decision-making, providing them with (continuous) learning and advancement opportunities, as well as workplace redesign and lateral communication are essential in nurturing a healthy work environment. With reference to the COVID-19 pandemic, it is important to acknowledge the health and safety concerns that tourism employees may have and subsequently implement suitable health policies and practices in the workplace. Employee well-being and engagement will become even more important in a postpandemic tourism economy of shifting tourism demands and visitor (health quality) needs (Martin *et al.*, 2020; Mcguire *et al.*, 2021; Sharma *et al.*, 2021; Sigala, 2020; UNWTO, 2020).

During crisis situations, it is important to ensure communication and flexibility in strategy in order to keep employees and other stakeholders abreast of situations and to keep them feeling safe and secure (Evans and Elphick, 2005). In order to assure that tourism businesses will survive in the long term, the ability to communicate to internal stakeholders (employees) and external stakeholders (customers) is critical. Even when communicated to, the tourism employees play such a big role in the success or consequential failure of a business that it is critical to explicitly consider and include their perceptions, sentiments and concerns.

Considering the systemic impact of the COVID-19 pandemic on both tourists and employees – and their local communities –, it is essential that information is provided and that employees are reassured that the crisis will be overcome. Employees require a certain level of confidence and encouragement that the situation will eventually normalize postcrisis, although the defining characteristics of this “new tourism normal” may be different.

Employees in the tourism industry face a certain level of work stress in their jobs regardless of any external crisis. This stress can cause employees a certain amount of personal stress in their home life as well as organizational distress and turnover (Deery and Jago, 2009; Ross, 2005). The tourism jobs are transitory in many places in the world and people do not tend to stay in them for lifetimes or even long term in many cases. Part of the reason for this is the long hours, less than desirable working conditions, emotional labor and exhaustion among employees. Organizations that communicate effectively with employees tend to eliminate some stress in the workplace as they help employees’ well-being (Deery and Jago, 2009; Ross, 2005). Employees tend to assess the organizational justice in their workplace, and when they perceive the workplace to be fair and just, they do not feel as much stress (Deery and Jago, 2009; Ross, 2005). The communication and reduction in stress for employees by their organization can help them feel more able to handle things appropriately when they return to work and also may help them to tolerate some of the unknowns in their jobs and in the future in general.

In the case of the COVID-19 pandemic, experienced well-being by tourism employees is, thus, not only shaped by financial and economic conditions, but also by personal and health concerns. Moreover, although shelter-in-place and social distancing measures are in effect across many tourism destinations, it is critical for tourism and hospitality and tourism businesses to (re-)engage their employees during and after the economic crisis, in order to accelerate the recovery to safeguard high-quality services and experiences to guests, who may be equally concerned about their health and well-being while on vacation.

Proposition 2. Tourism employee sentiments are negatively affected by the expected duration and experienced well-being during the COVID-19 crisis.

3. Methodology

The current study was conducted within the small island tourism context of Aruba during the months of March and April 2020. Consequently, the results of this study cannot be

generalized to other SITE and the limitations of a single-time measurement are acknowledged.

3.1 Operationalization and data collection

Based on the constructs of consumer sentiments and experienced well-being, a standardized questionnaire was designed consisting of multiple items using a standard five-point Likert scale ranging from 1 (none/not at all) to 5 (completely/totally), including 0 (do not know) To measure *tourism employee sentiments*, use was made of existing items for measuring the following dimensions (Katona, 1975; Curtin, 2007): financial situation, economic conditions, government finance, job opportunities, discretionary spending, saving propensity, purchasing channel and income sufficiency. For each dimension, both the *current situation* and the *future expectation* (within 6 months) were queried (see Table 1 for a complete list of indicators and questionnaire items).

Indicators and questionnaire items	Tourism employees (n = 193)	Nontourism employees (n = 246)	t-test value	Significance
<i>Experienced well-being of COVID-19 crisis</i>				
Trouble meeting current needs	0.37	0.35	-0.30	NS
Expect to have trouble meeting basic needs	1.02	0.94	-1.11	NS
Threat to my personal health	0.93	0.84	-1.69	*
Negatively affect my household finance	3.07	3.05	-0.22	NS
<i>Duration of COVID-19 crisis</i>				
Expected months	9-12 months	6-9 months	-1.34	*
<i>Tourism employee sentiments</i>				
Financial conditions now	2.54	2.47	-0.97	NS
Financial conditions in the future	1.87	2.13	3.53	***
Economic conditions now	2.19	2.04	-3.14	***
Economic conditions in the future	2.07	2.33	3.29	***
Government finance now	2.18	2.12	-1.04	NS
Government finance in the future	2.03	2.05	0.37	NS
Job opportunities now	2.07	2.04	-0.74	NS
Job opportunities in the future	2.07	2.15	1.03	NS
Buying a car now	1.09	1.11	0.70	NS
Going on vacation now	1.05	1.13	2.26	**
Taking out a loan now	1.19	1.35	2.82	**
Income increase in the future	0.05	0.11	2.05	**
Save more now	2.22	2.38	1.61	*
Usage of credit card	3.50	3.05	-4.02	***
Mobile banking	3.29	2.86	-2.59	**
<i>Demographics</i>				
Age (median)	42 years	45 years	0.61	NS
Education (median)	High school/college	University (bachelor/master)	3.29	***
Monthly income (median)	US\$ 1,700	US\$ 2,800	3.12	***
Female gender (percent)	73	57	3.58	***
Note(s). *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$; NS, Non-Significant				

Table 1.
Stylized descriptive
statistics, items and
significant differences

Demographic measures included age, level of education, job industry and income level.

The survey was conducted during the last week of March and the first week of April 2020. The execution of the study followed two weeks after the tourism lockdown, and curfew measures were taken by Government authorities on March 13, 2020. In total, 2,500 digital surveys were distributed digitally, of which 439 complete responses were received (18% response rate). Of the total respondents, 193 (44%) were directly employed in the tourism industry, whereas 246 (56%) were employed in other (nontourism) sectors.

Based on the respondents' data, factor analysis and reliability analysis were conducted to assess construct validity and internal consistency (Bornstedt, 1977; Costello and Osborne, 2005; Ratray and Jones, 2007). The results of the factor analysis with Varimax rotation and Kaiser normalization produced two components along this temporal dimension, that is, current impact and future expectation (factor loadings >0.70 and Cronbach $\alpha > 0.65$), with a sampling adequacy (KMO measure) of 0.82, an acceptable model fit for exploratory research ($\chi^2(28) = 319.122$, $28, p = 0.000$) and a cumulative variance explained of 57%.

3.2 Data analysis

An independent sample *t*-test was conducted to analyze the significant differences in sentiments between tourism and nontourism employees.

To measure the impact of the COVID-19 crisis on *experienced well-being*, use was made of four items covering (Diener, 2009; ILO, 2020; Kahneman and Kreuger, 2006; Kahneman and Deaton, 2010): trouble meeting current needs, expected trouble meeting basic needs, threat to personal health and effect on household income. Factor analysis with Varimax rotation and Kaiser normalization yielded a single component explaining 40% of the cumulative variance for experienced well-being (factor loadings >0.70 and internal consistency >0.60). To measure the expected duration of the impact of the COVID-19 pandemic, the survey included a single measure on the expected number of months the economic crisis would last ranging from 3 months to over 12 months (UNWTO, 2020). Regression analysis was subsequently conducted to analyze the relationship between experienced well-being, crisis duration and tourism and nontourism employee sentiments.

4. Results

In terms of participant demographics, 65% were females and 35% were males. The median age ranged between 45 and 49 years, and the majority of respondents had enjoyed either a secondary level education (39%) or a tertiary level education (57%). The median monthly income reported by respondents was US\$ 2,200 and ranged between US\$ 970 (6.5%) and US\$ 6,700 (7.9%).

The findings of the survey indicate that there are significant differences in sentiments and experienced well-being between tourism and nontourism employees (see Table 1). In general, the results show that tourism employee perceptions are significantly more negative and their concerns about the future are significantly more pessimistic, thus lending support to proposition 1. More specifically, in comparison to nontourism employees (24%), tourism employees reported experiencing a significantly greater threat to their personal health due to the COVID-19 pandemic (65%). This is likely explained due to their direct service encounters with tourists prior to the tourism lockdown. No significant differences were found for challenges in meeting needs and household finance between tourism employees and nontourism employees. Across both groups of employees, between 40% and 45% of respondents reported experiencing challenges and negative effects of the crisis. However, the results indicate that tourism employees do expect the effects of the COVID-19 crisis to last significantly longer, that is, 9–12 months. Nontourism employees reported a significantly shorter period of 6–9 months.

In terms of sentiments, the findings show that tourism employees are significantly more pessimistic, especially in terms of financial and economic conditions and outlook. In terms of financial expectations, 55% of tourism employees expect to be worse off in 6 months, whereas 24% of nontourism employees expect to be financially worse off in the near future. Likewise, 83% of tourism employees report worse economic conditions and worsening expectations. With reference to government financial situation and job opportunities, no significant differences were found between tourism and nontourism employees; both expect (respectively, 76% and 78%) that the financial situation of the government and job opportunities are bad and will worsen in the coming 6 months.

Regarding purchasing habits, in comparison to nontourism employees, tourism employees report that they are significantly less likely to go on vacation or take out a loan (respectively, 92% and 83%). There is no significant difference for intention to purchase a car, as both groups indicate that this is not likely.

In terms of expecting a future increase in income and current saving habits, relative to nontourism employees, tourism employees are significantly less optimistic about a future wage increase (respectively, 92% and 82%) and are significantly less likely to save more now (respectively, 29% and 26%). The findings indicate, however, that both groups are relatively pessimistic with reference to future income increase and saving more now.

With reference to usage of credit cards and mobile banking, tourism employees report making significantly more use of their credit card (respectively, 50% vs 43%) and mobile banking (respectively, 45% vs 39%). These findings reiterate the financial concerns of tourism employees who are at risk of losing current and future income and their jobs.

Demographically, there are significant differences between tourism employees and nontourism employees. In general, tourism employees tend to be relatively, but not significantly younger. Tourism employees are, however, characterized by significantly lower education attainment levels (high school and college level education vs university level education), significantly lower monthly income (US\$ 1,700 vs US\$ 2,800) and are significantly more represented by the female gender (73% vs 57%).

To explore the relationship between, respectively, the impact on experienced well-being and the expected duration of the COVID-19 pandemic and the sentiments of tourism employees, a regression analysis was conducted to determine the direction and significance of the proposed associations. Two regression models were run, including (1) a complete model consisting of a univariate tourism employee sentiment measure and (2) a bivariate tourism employee sentiment measure distinguishing between current conditions and future expectations. Both regression models controlled for the effect of demographic variables.

The results of the regression analysis (see Table 2) indicate that under the assumption of univariate tourism employee sentiments, both the depth (i.e. the impact on experienced well-being) and the duration (i.e. length of time) of the COVID-19 pandemic have a significant negative effect on tourism employee sentiments. The impact on the experienced well-being of

Table 2.
Results of regression
analysis

Independent variables	Dependent variables and main regression models		
	Univariate tourism employee sentiments (complete model)	Tourism employee current sentiments	Tourism employees future sentiments
Expected duration of COVID-19 crisis	$\beta = -0.13 \ t = -2.58, p < 0.001$	$\beta = -0.03 \ t = -0.62, p > 0.05$	$\beta = -0.16 \ t = -3.18, p < 0.001$
Experienced well-being of COVID-19 crisis	$\beta = -0.23 \ t = -4.84, p < 0.001$	$\beta = -0.17 \ t = -3.49, p < 0.001$	$\beta = -0.19 \ t = -3.83, p < 0.001$
F-test (significance)	15.06 ($p < 0.001$)	6.29 ($p < 0.001$)	12.44 ($p < 0.001$)
Adjusted R^2	0.27	0.18	0.24

the COVID-19 pandemic has a significant negative impact on general tourism employee sentiments ($\beta = -0.23$, t -test = -4.84 , $p < 0.001$). Likewise, the expected duration of the COVID-19 crisis is negatively associated with general tourism employee sentiments ($\beta = -0.13$, t -test = -2.58 , $p < 0.001$). In controlling for the effect of the COVID-19 duration and demographic, further regression analysis shows that the threat to personal health ($\beta = -0.13$, t -test = -2.57 , $p < 0.01$), the challenges in meeting future needs ($\beta = -0.14$, t -test = -2.83 , $p < 0.01$) and the overall impact on household finances ($\beta = -0.11$, t -test = -2.09 , $p < 0.05$) have a significant negative effect on tourism employee sentiments.

Regression analysis of the bivariate model indicates that whereas the expected duration of the crisis has no significant (negative) effect ($\beta = -0.03$, t -test = -0.62 , $p > 0.05$), the impact on the experienced well-being is significantly negatively associated with the current sentiments of tourism employees ($\beta = -0.17$, t -test = -3.49 , $p < 0.001$). In terms of the future sentiments of tourism employees, both the depth ($\beta = -0.19$, t -test = -3.83 , $p < 0.001$) and the duration ($\beta = -0.16$, t -test = -3.18 , $p < 0.001$) of the COVID-19 pandemic have significant negative effects on tourism employee sentiments. Across the regression models and analysis, experienced well-being has a relatively stronger (negative) association with tourism employee sentiments in comparison to the expected duration of the health pandemic and economic crisis, thus providing support for [proposition 2](#).

5. Discussion of results

Based on previous tourism crisis studies and behavioral economics, the findings of the national survey among tourism and nontourism employees in Aruba confirm that tourism employees differ significantly in their perceptions, experiences and sentiments. The results of the survey show that both the impact on experienced well-being of tourism employees and the (expected) duration of the COVID-19 economic crisis have significant negative effects on tourism employee sentiments (support for [proposition 2](#)).

In general, as frontline workers, tourism employees are generally more exposed to the virus contagion and consequently experience a significantly greater threat to their personal health and safety. In the wake of the tourism fallout and travel lockdown, tourism employees are also more concerned about their employment, income and their household finances, although not significantly different from nontourism employees. The findings suggest that in the case of SITE with high and widespread labor intensity in tourism, the effects of economic shocks and crisis rapidly spill over to all other nontourism service industries as these oftentimes rely indirectly on the tourism industry. In effect, tourism shocks are of a systemic nature in SITE. There are very few jobs that are not impacted in some way either directly or indirectly when a crisis occurs that is so broad reaching as the COVID-19 pandemic and its economic aftermath. In a small island economy that is so heavily dependent on tourism, even nontourism jobs and employees are likely to be impacted in some way.

The findings indicate that tourism employee sentiments are significantly more pessimistic when compared to nontourism employees (support for [proposition 1](#)). In particular, their negative outlook on financial and economic conditions as well as discretionary purchases and future income assurance were significantly more negative and pessimistic. Both tourism and nontourism employees share similar negative sentiments with reference to the financial situation of the government and job opportunities. The results also indicate that relatively younger, less-educated, lower-paid and female tourism employees are significantly more vulnerable.

6. Conclusions

The COVID-19 pandemic and the lingering economic crisis have left their mark on international tourism and will continue to have implications moving into the near future,

especially in small island communities that critically and almost exclusively depend on tourism for their income and existence. For many Caribbean SITE, the health pandemic is an existential threat, in terms of both lives and livelihoods. The objective of this study was to explore the impact of the COVID-19 pandemic on the perceptions and sentiments of tourism employees within the context of a Caribbean SITE. Thereto, this study has both theoretical and practical implications, within the delimitations of the research.

6.1 Theoretical implications

The results of this study support previous studies on behavioral economics and the relevance of experienced well-being, especially under conditions of crisis, stress and anxiety. Theoretical implications related to behavioral economic theory (Akerlof and Shiller, 2009; Brown and Fleischacker, 2010; Kahneman, 2011; Katona, 1975) show that sentiments and confidence explain behavior particularly during episodes of economic shocks and crisis. The current study contributes to this literature by showing that the increased pessimism and negativity of the tourism employees as compared to nontourism employees during the current pandemic influence their thoughts about future income and earnings as well as future purchases. Furthermore, although an exploratory study, the findings yield preliminary support for a postmodern perspective on the experienced well-being of tourism employees and the relevance of “consumer identities” of tourism employees.

The tourism and hospitality service industries depend on the work and motivation of their employees in order to build a connection with their visitors and guests. It is important to ensure that these employees are motivated and positive in their jobs. The current study shows that tourism employees perceive a significantly higher personal health risk than nontourism employees, which could impact their motivation now and in the future. In looking at early motivation theory, personal health is a basic motivational need held by everyone.

The current study also contributed to the literature on experienced well-being, that is, how people experience, socially construct and evaluate certain episodes or events in their lives and assesses various areas simultaneously, including, personal, financial, health and work (Diener, 2009; Fleche and Smith, 2017; Kahneman and Krueger, 2006; Miret *et al.*, 2017). Tourism employees perceived overall lower experienced well-being. Experienced well-being also is related to employee engagement, and the current study shows that because of the perceived experienced well-being, tourism employees are unlikely to be engaged due to relatively high levels of uncertainty and pessimism. Moreover, employee engagement stems largely from high-quality support services, learning capabilities and transformational leadership that empower employees to provide quality experiences to guests. These will need to be further explored and advanced in the postpandemic Aruban tourism economy.

6.2 Policy and business implications

The tourism industry, even when there is no global pandemic, creates an environment that is associated with a wide range of risks (Chew and Jahari, 2014; Deery and Jago, 2009; Ross, 2005; Santana *et al.*, 2003). Whereas tourism is usually associated with relaxation and positive memories, crises, however, evoke negative thoughts, anxieties and fears for both tourists and for employees. Tourism and hospitality organizations, tourism destinations and the governments that help to provide the infrastructure and policies to promote these destinations all require planning and preparation for these uncertain times and to ensure the continuation of tourism income and employability (Santana *et al.*, 2003). This requires proactive management of the crisis, mitigation of the negative impacts, providing stimulus and preparing for the future to bounce forward (UNWTO, 2020).

In line with the Sustainable Development Goals (UNSDG, 2018), future policy actions to strengthen the economic resilience of SITE should be geared at enabling and fostering a more

sustainable and socially responsible tourism industry as well as decent work in the sector. Tourism destination policy actions should focus on strengthening the sector's linkages with related sectors in its supply chain while supporting an integrated approach and local sourcing of people and products. Furthermore, income and social inequalities need to be tackled and resolved in a structural manner in order to safeguard the well-being of employees, especially those of vulnerable groups including women and youth. The level of informal, unregistered and underinsured labor in the tourism sector should also be mitigated by concerted government policies and labor market regulatory enforcement as well as programmatic actions in collaboration with the private sector. This would limit some of the structural vulnerabilities of labor markets in SITE.

Likewise, concerted policy actions are recommended for investing in skills development and reskilling of tourism employees. It is important that employees are trained in some of the advanced skills that will be needed as changes to the tourism environment will play a more critical role following crisis situations. Moreover, improving healthy working conditions and addressing educational and income gaps in order to enhance tourism's work image and internal service quality are called for. Although these are prepandemic tourism industry vulnerabilities, the recent crisis has brought these to the foreground. .

Moreover, the importance of employee engagement and transformational leadership is primal to pivot toward recovery and resilience of the tourism industry. This will depend squarely on the resilience of tourism employees and the qualities of a new-generation tourism workforce. Herein lie many opportunities for executive and human resource managers to create and reinvent the "servicescape" with due consideration for improving the experienced well-being of employees, including the ethical engagement for ensuring health, emotional stability, work safety and strengthening employee commitment and trust. Simply acknowledging their emotional state and providing non-work-related support to employees may well be a small, albeit significant differentiator.

The results of the study show that human resource practices in tourism and hospitality organizations can be improved to help improve the positivity and sentiment of tourism employees. Providing more open communication and professional development opportunities would help employees feel more a part of the team and therefore be more willing to work in these types of jobs. Providing improved benefits may increase optimism during downturns in the economy, helping employees to save for a "rainy day" fund or vacation time to mitigate the inevitable tough times in SITE uncertainty.

6.3 Future research

Considering the delimitations of this research, there are several avenues for future research. These include extending the study to other countries and SITE to validate the findings found in this investigation. In terms of measurements, a longitudinal analysis based on several time intervals would provide a richer description and explanation of tourism employee sentiments and experienced well-being. Moreover, employing structural equation modeling and confirmatory factor analysis on a larger sample size would also be an important avenue for future study. This would also provide a more robust analysis of possible reverse causality, that is, the impact of tourism employee sentiments on experienced well-being. Likewise, the inclusion of qualitative data collection by means of, for example, in-depth employee interviews would provide considerable richness to the social realities, experienced well-being and psychological frames of tourism employees. Ultimately, the recovery and resilience of the tourism economy will be shaped by the quality of experiences that tourism employees cocreate with guests and visitors, resulting in memorable moments lasting a lifetime. Their health and happiness, thus, remain fundamental to the future of tourism.

References

- Akerlof, G. and Shiller, R. (2009), *Animal Spirits: How Human Psychology Drives the Economy, and Why It Matters for Global Capitalism*, Princeton University Press, Princeton and Oxford.
- Aruba Hotel and Tourism Association (2020), *Hotel Performance April 2020*, AHATA, Aruba.
- Berger, P.L. and Luckmann, T. (1966), *The Social Construction of Reality: A Treatise in the Sociology of Knowledge*, Anchor Books, Garden City, NY.
- Bornstedt, G.W. (1977), "Reliability and validity in attitude measurement", in Summers, G.F. (Ed.), *Attitude Measurement*, Kershaw Publishing Company, London, pp. 80-99.
- Bowers, M.R., Martin, C.L. and Luker, A. (1990), "Trading places: employees as customers, customers as employees", *Journal of Services Marketing*, Vol. 4, pp. 55-69.
- Brown, V. and Fleischacker, S. (2010), *The Philosophy of Adam Smith*, Routledge, London.
- Carnevale, J.B. and Hatak, I. (2020), "Employee adjustment and well-being in the era of COVID-19: implications for human resource management", *Journal of Business Research*, Vol. 116, pp. 183-187, doi: [10.1016/j.jbusres.2020.05.037](https://doi.org/10.1016/j.jbusres.2020.05.037).
- Chew, E.Y.T. and Jahari, S.A. (2014), "Destination image as a mediator between perceived risks and revisit intention: a case of post-disaster Japan", *Tourism Management*, Vol. 40, pp. 382-393.
- Costello, A.B. and Osborne, J.W. (2005), "Best practices in exploratory factor analysis: four recommendations for getting the most from your analysis", *Practical Assessment, Research and Evaluation*, Vol. 10, pp. 1-9.
- Cummings, M. (2020), "Survey shows pandemic's severe impact on U.S. small businesses", *Yale News*, available at: <https://news.yale.edu/2020/05/01/survey-shows-pandemics-severe-impact-us-small-businesses> (accessed 16 May 2020).
- Curtin, R. (2007), "Consumer sentiment surveys: worldwide review and assessment", *Journal of Business Cycle Measurement and Analysis*, OECD, available at: <https://data.sca.isr.umich.edu/fetchdoc.php?docid=34883> (accessed 15 May 2020).
- Deaton, A. (2012), "The financial crisis and the well-being of Americans", *Oxford Economic Papers*, Vol. 64 No. 1, pp. 1-26.
- Deery, M. and Jago, L. (2009), "A framework for work-life balance practices: addressing the needs of the tourism industry", *Tourism and Hospitality Research*, Vol. 9 No. 2, pp. 97-108.
- Diener, E. (2009), "Subjective well-being", in Diener, E. (Ed.), *The Science of Well-Being*, *Social Indicators Research Series*, Vol. 37, Springer, Dordrecht, doi: [10.1007/978-90-481-2350-6_2](https://doi.org/10.1007/978-90-481-2350-6_2).
- Emen, J. (2020), "Hospitality industry facing potentially devastating coronavirus impact", *Barron's*, available at: <https://barrons.com/articles/hospitality-industry-facing-potentially-devastating-coronavirus-impact-01584118579> (accessed 16 May 2020).
- Evans, N. and Elphick, S. (2005), "Models of crisis management: an evaluation of their value for strategic planning in the international travel industry", *International Journal of Tourism Research*, Vol. 7, pp. 135-150.
- Farmer, R.E.A. and Guo, J.T. (1994), "Real business cycles and the animal spirits hypothesis", *Journal of Economic Theory*, Vol. 63, pp. 42-72.
- Flèche, S. and Smith, C. (2017), *Time Use Surveys and Experienced Well-Being in France and the United States*, OECD Publishing, Paris, doi: [10.1787/be97d4e6-en](https://doi.org/10.1787/be97d4e6-en).
- Government of Aruba (GoA) (2020), *State Ordinance for the Government Budgetary Amendment of 2020*, Government of Aruba, Aruba.
- Hajibaba, H., Gretzel, U., Leisch, F. and Dolnicar, S. (2015), "Crisis-resistant tourists", *Annals of Tourism Research*, Vol. 53, pp. 46-60.
- Herzberg, F., Mausner, B. and Bloch Snyderman, B. (2005), *The Motivation to Work*, Transaction Publishers, Rutgers, NJ.

- Heskett, J.L., Jones, T.O., Loveman, G.W., Sasser, W.E. and Schlesinger, L.A. (2008), "Putting the service-profit chain to work", *Harvard Business Review*, July–August 2008 issue, available at: <https://hbr.org/2008/07/putting-the-service-profit-chain-to-work> (accessed 19 May 2020).
- Hunt, R. (2020), "Marriott CEO: coronavirus is hurting the hotel chain worse than 9/11 or world war II", available at: <https://www.nasdaq.com/articles/marriott-ceo-percent3A-coronavirus-is-hurting-the-hotel-chain-worse-than-9-11-or-world-war-ii-2020> (accessed 16 May 2020).
- International Labour Organization (2020), "COVID-19 and the tourism sector ILO sector brief", April 9, 2020, available at: https://www.ilo.org/wcmsp5/groups/public/-ed_dialogue/-sector/documents/briefingnote/wcms_741468.pdf (accessed 12 May 2020).
- International Monetary Fund (2020), "World economic outlook, April 2020. The great lockdown", available at: <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020> (accessed 5 May 2020).
- Kahneman, D. (2011), *Thinking, Fast and Slow*, Doubleday, Canada.
- Kahneman, D. and Deaton, A. (2010), "High income improves evaluation of life but not emotional well-being", *Proceedings of the National Academy of Sciences of the United States of America*, Vol. 107 No. 38, pp. 16489-16493.
- Kahneman, D. and Krueger, A.B. (2006), "Developments in the measurement of subjective well-being", *Journal of Economic Perspectives*, Vol. 20 No. 1, pp. 3-24, doi: [10.1257/089533006776526030](https://doi.org/10.1257/089533006776526030).
- Katona, G. (1975), *Psychological Economics*, Elsevier, New York.
- Killingsworth, M.A. (2021), "Experienced well-being rises with income, even above \$75,000 per year", *Proceedings of the National Academy of Sciences*, Vol. 118 No. 4, p. e2016976118, doi: [10.1073/pnas.2016976118](https://doi.org/10.1073/pnas.2016976118).
- Lundberg, C., Gudmundson, A. and Andersson, T. (2009), "Herzberg's Two-Factor Theory of work motivation tested empirically on seasonal workers in hospitality and tourism", *Tourism Management*, Vol. 30, pp. 890-899.
- Manolis, C., Meamber, L., Winsor, R. and Brooks, C. (2001), "Partial employees and consumers", *Marketing Theory*, Vol. 1 No. 2, pp. 225-243.
- Martin, A., Markhvida, M., Hallegatte, S. and Walsh, B. (2020), "Socio-economic impacts of COVID-19 on household consumption and poverty", *Economics of Disasters and Climate Change*, Vol. 4, pp. 453-479, doi: [10.1007/s41885-020-00070-3](https://doi.org/10.1007/s41885-020-00070-3).
- Martins, A., Riordan, T. and Dolnicar, S. (2020), "A post-COVID-19 model of tourism and hospitality workforce resilience", available at: <https://osf.io/preprints/socarxiv/4quga/> (accessed 8 May 2020).
- Mcguire, D., Germain, M. and Reynolds, K. (2021), "Reshaping HRD in light of the COVID-19 pandemic: an ethics of care approach", *Advances in Developing Human Resources*, Vol. 23, pp. 26-40, doi: [10.1177/1523422320973426](https://doi.org/10.1177/1523422320973426).
- McKinsey & Company (2020), "COVID-19 and jobs: monitoring the US impact on people and places", April 29, 2020, available at: <https://www.mckinsey.com/industries/public-sector/our-insights/covid-19-and-jobs-monitoring-the-us-impact-on-people-and-places?cid=other-eml-alt-mgi-mck&hlkid=61d28cbc755e4c69afb2a3d2f357919&hctky=9944650&hdpid=cd9018a2-52af-4fc2-997d-2bfcf6ce0f1e> (accessed 12 May 2020).
- Michelotti, P., Vocino, A., Michelotti, M. and Gahan, P. (2017), "Employees or consumers? The role of competing identities in individuals' evaluations of corporate reputation", *Personnel Review*, Vol. 47 No. 6, pp. 1261-1284, doi: [10.1108/PR-04-2017-0116](https://doi.org/10.1108/PR-04-2017-0116).
- Miret, M., Caballero, F., Olaya, B., Koskinen, S., Naidoo, N., Tobiasz-Adamczyk, B., Leonardi, M., Haro, J., Chatterji, S. and Ayuso-Mateos, J. (2017), "Association of experienced and evaluative well-being with health in nine countries with different income levels: a cross-sectional study", *Globalization and Health*, Vol. 13, p. 65, doi: [10.1186/s12992-017-0290-0](https://doi.org/10.1186/s12992-017-0290-0).
- Muster, V. (2011), "Companies promoting sustainable consumption of employees", *Journal of Consumer Policy*, Vol. 34 No. 1, doi: [10.1007/s10603-010-9143-4](https://doi.org/10.1007/s10603-010-9143-4).

- OECD (2020), "Tourism policy responses", April 15, 2020, available at: https://read.oecd-ilibrary.org/view/?ref=124_124984-7uf8nm95se&title=Covid-19_Tourism_Policy_Responses (accessed 15 May 2020).
- Ozdemir, M.A. (2020), "What are the economic, psychological and social consequences of the covid-19 crisis on tourism employees?", *International Journal of Social, Political and Economic Research*, Vol. 7 No. 4, pp. 1137-1163, doi: [10.46291/IJOSPERvol7iss4pp1137-1163](https://doi.org/10.46291/IJOSPERvol7iss4pp1137-1163).
- Peterson, R.R. (Ed.) (2019), *Fostering Economic Resilience: From Roots to Routs*. Central Bank of Aruba, available at: <https://www.cbaruba.org/cba/readBlob.do?id=5788> (accessed 10 September 2019).
- Rattray, J.C. and Jones, M.C. (2007), "Essential elements of questionnaire design and development", *Journal of Clinical Nursing*, Vol. 16, pp. 234-243.
- Ross, G.F. (2005), "Tourism industry employee work stress- a present and future crisis", *Journal of Travel and Tourism Marketing*, Vol. 19 Nos 2-3, pp. 133-147.
- Santana, G., Hall, M.C., Timothy, D.J. and Duval, D.T. (2003), "Crisis management and tourism: beyond the rhetoric", *Safety and Security in Tourism: Relationships, Management, and Marketing*, Vol. 15 Nos 2-4, pp. 299-321.
- Sharma, G.D., Thomas, A. and Paul, J. (2021), "Reviving tourism industry post-COVID-19: a resilience-based framework", *Tourism Management Perspectives*, Vol. 37, p. 100786, doi: [10.1016/j.tmp.2020.100786](https://doi.org/10.1016/j.tmp.2020.100786).
- Sigala, M. (2020), "Tourism and COVID-19: impacts and implications for advancing and resetting industry and research", *Journal of Business Research*, Vol. 117, pp. 312-321, doi: [10.1016/j.jbusres.2020.06.015](https://doi.org/10.1016/j.jbusres.2020.06.015).
- Stone, A., Schwartz, J., Broderick, J. and Deaton, A. (2010), "A snapshot of the age distribution of psychological well-being in the United States", *Proceedings of the National Academy of Sciences of the United States of America*, Vol. 107 No. 22, pp. 9985-9990.
- United Nations Sustainable Development Goals (UNSDG) (2018), "The sustainable development goals report 2018", available at: <https://www.un.org/development/desa/publications/the-sustainable-development-goals-report-2018.html> (accessed 10 June 2019).
- UNTWO (2020), "International tourist numbers could fall 60-80 percent in 2020", available at: <https://www.unwto.org/news/covid-19-international-tourist-numbers-could-fall-60-80-in-2020> (accessed 16 May 2020).
- UNWTO (2020), "Supporting jobs and economies through travel and tourism a call for action to mitigate the socio-economic impact of the COVID-19 and accelerate recovery", available at: https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2020-04/COVID19_Recommendations_English_1.pdf (accessed 28 April 2020).
- Vargas-Sanchez, A. (2018), "Crisis situations in tourist destinations: how can they be managed?", *Enlightening Tourism. A Pathmaking Journal*, Vol. 8 No. 1, pp. 47-69.
- Wolf, T., Metzger, M. and Lucas, R. (2019), *Experienced Well-Being and Labor Market Status: The Role of Pleasure and Meaning*, The German Socio-Economic Panel, DIW, Berlin.
- World Travel and Tourism Council (WTTC) (2019), "Economic impact research report 2019", available at: <https://www.wttc.org/economic-impact/country-analysis/> (accessed 29 April 2019).
- World Travel and Tourism Council (WTTC) (2020), "Aruba: 2020 economic impact key highlights", available at: <http://wttc.org/en-gb/research/economic-impact> (accessed 17 May 2020).

Corresponding author

Robin B. DiPietro can be contacted at: rdipietr@mailbox.sc.edu

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgroupublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com