

The Financial and Human Resources Situation of Tourism Small Business in the Period of Economic Crisis in Erbil-Iraq

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Abstract

Using the Chi-Square test paradigm, this study investigates the effects of the financial and human resource activities of businesses engaged in the tourism industry in the Erbil/Kurdistan-Iraq region. Using cross-sectional data and straightforward randomization approaches, data were gathered from 100 tourist destinations. The model is employed in the finance and human resources departments to examine the effects of economic crises on regional economic growth. The findings demonstrated that the tourism industry in the area is being significantly impacted by the economic slump during the crisis. The economic crisis had a detrimental effect on both the operations of the company and the economy of the region, as shown by the application of the streamlined simulation-based static analysis framework. The expansion of the tourism industry and the Kurdistan region's economy are being hampered by the deteriorating level of living and purchasing power. The findings indicate that there is no relationship between gender and the tourism industry, and this finding can be interpreted as meaning that gender has little to no influence on the industry. The outcome demonstrates that there is no association between age group, marital status, and the tourism industry. This implies that all demographic factors have negligible effects on the tourism industry. This outcome may possibly be related to the fact that the tourism business is still developing and/or that it is too early to forge these connections because this sector is new to the Kurdistan area. The findings also suggest a connection between employment and the tourism industry. However, the findings indicate that the variable has a big impact on tourism. Additionally, a statistically significant relationship exists between the tourism industry and the economic crisis, as shown by the relationship between tourism characteristics, which includes statements like, "We will cancel/postpone previously planned recruitment, salary increases will be lower than planned, our team is concerned about the viability of the business, finance is getting harder to obtain, and our forecast: profits will fall."

Keywords: financial innovation, Human resource development, economic crisis, tourism sector, Kurdistan regional government, human resources innovation.

1. Introduction

Commonly, while discussing economic, social, and political difficulties, the word "crisis" is employed (Hill, 2013). A crisis is a significant occurrence that could have a detrimental effect on businesses, organizations, or industries. It can also have an influence on the audience, offerings, reputation, or industry of the destination (Kudret et al., 2014). A crisis is characterized as an unwanted situation that is out of character for the organization or company and necessitates a swift business response due to its seriousness, i.e., one that could have an impact on future public confidence in the organization or the service or interfere with its regular operation (Popesku, 2011).

A severe recession in the economy is referred to as a "economic crisis" when production and services (GDP) decline for two consecutive quarters in more than one sector (Abberger & Nierhaus, 2008). Similar to personal decline, organizational decline is described as a two- to three-year fall in important organizational measures like return on investment (Santana et al., 2018). The reduction of economic growth, the rise in unemployment, the reduction of private sector debt, and the deficits and debts of public organizations are the general effects of the economic downturn and organizational collapse (Abberger & Nierhaus, 2008). Companies typically respond to these situations by controlling costs, managing assets through unit sales, and generating new revenue (Edvardsson & Durst, 2021).

Economic, political, sociocultural, and environmental events that have an impact on demand and supply in production and destination countries might be linked to the causes of particular tourism crises. A tourism crisis may result from an economic downturn and recession, changes in trade rates, a lack of market security, and the withdrawal of investment capital. If tourism has a detrimental effect on these locations, internal crises can also be examined economically, socioculturally, and environmentally (Henderson, 2006). The terms "recession" and "depression" are always used while discussing the word "crisis." These ideas must also be acknowledged if we are to explain the situation. Simply described, a recession is a slowdown in economic activity. It should be a shallow or deep contraction in relation to a posture that has already been attained. Recession is sometimes used interchangeably with crisis. On the other hand, if economic activity has remained weak for an extended period of time, this condition is just as significant as the Great Depression (Zinaida Ratko & Kaan Ulgen, 2009).

For the tourism industry, the following are the external and internal threats of the economic crisis: Recession, currency volatility, and taxation are external risks. Internal dangers include escalating expenses, declining revenues, and unproductive businesses (Sian et al., 2009).

In terms of scale and significance to the global economy, the tourist industry ranks among the largest sectors. A 4 percent increase from 1.186 billion in 2015 to 1.235 billion in 2016 is predicted for foreign tourist arrivals worldwide (World Tourism Organization, 2017).

One of the major economic sectors in the world, tourism is also a key contributor to and recipient of the recent sustained economic expansion. As it may foster global interactions and understanding, it also has great social and cultural advantages. Due to these socioeconomic norms, tourism is a key component of globalization. The volume and complexity of the tourism offer are increasing, which has resulted in actual growth in the industry and a unique business climate with more shares than any other service sector, underscoring the region's significance in the global context. A nation's balance of payments can be improved and national income and employment are both increased by a growing tourism sector. As a result, the industry is a crucial force behind growth and wealth, and in emerging nations, it has the potential to significantly reduce poverty. Although developing the tourist industry is important overall, there are various barriers that prevent it from developing at a national level (Alina Balan & Mihaela BÎRSAN, 2010).

Tourism in Kurdistan is a rapidly growing sector. Kurdistan is one of the safest travel destinations compared to other countries and parts of the Middle East. All cities of Kurdistan offer beautiful and historical places with maximum safety. In 2014, the Arab Tourism Council celebrated tourism in Kurdistan and declared Erbil the Arab Tourism Capital of 2014.

The tourist sector, which is quickly emerging as a crucial industry supporting the rapid economic development of the Kurdistan Region, has been given particular growth targets by the KRG (Government of the Kurdistan Region). The outcomes of these objectives have been incredibly positive thus far. The region's terrain has been transformed, and an already thriving sector has grown thanks to substantial urban regeneration and restoration programs and upgrades to the region's infrastructure. The appeal of Kurdistan's diversity of people, landscapes, and cultures is becoming more and more apparent to outsiders. The area was listed as one of the "41 Places to Visit in 2011" by The New York Times. The Kurdistan region was also named one of the "20 top trips of 2011" by National Geographic, which described it as "an oasis of calm and stability in a historically tumultuous region." Kurdistan is a popular travel destination for both domestic and international visitors because of its exceptional combination of stability and natural beauty and its approximately 3,500 historical monuments spread throughout its three governorates (Invest In Group, 2017).

377,397 tourists traveled to the Kurdistan area in 2007, the year the General Tourism Council started tracking industry statistics. They had 2.2 million in 2012. By the end of 2013, this number is predicted to expand to 2.9 million, a 30% increase from the previous year. The board aimed to increase this trend by targeting 4 million visitors by 2015 and 7 million visitors by 2025. The aim, however, was not achieved in 2015 as a result of the conflict with ISIS, the economic downturn, and the issues that the region's bordering nations caused. If these projections are accurate, the tourist sector will soon be responsible for generating \$ 1.5 billion in income and 25,000 new employments. A total of 1.47 million persons (66%) visited the Kurdistan area in 2012; of these, 313,144 (14%) were from the territory's native population and 433,711 (20%) were foreigners. The majority of these foreign visitors came from nearby Middle Eastern nations including Iran and Turkey.

The General Tourism Council is working hard to increase the diversity of these percentages. As a result, it has put in place a marketing plan that prioritizes three different areas. Iraq's largest market is the first, and it is anticipated that this will have an immediate effect. The second category consists of the Kurdistan region's neighbors, namely Turkey, Iran, and Gulf coastline states. Europe serves as the third reference market, with a

focus on nations with established diplomatic ties to the region. KRG gave the sector's infrastructure a special focus on improvement in order to raise visitor rates. The KRG Board of Investment (BOI) has given its approval to 101 tourism projects totaling about \$3 billion since 2007. The province of Erbil received the majority of this financial attention, with 54 approved tourism projects totaling about \$1.6 billion for the region. In comparison, the governorate of Duhok had authorized 34 BOI projects worth roughly \$647 million. Despite Suleymani's tourism industry's rapid growth, only 13 projects with a BOI license—totaling roughly \$758 million—have been granted in the governorate.

Around 2012, tourism brought in 650 million dollars for Kurdistan. It is anticipated that this amount will increase to \$1 billion in 2013 and \$ 1.5 billion in 2015. For individuals desiring to promote tourist activities in localities in the region, particularly in locations outside of the main population centers, the government has begun offering loans at zero interest rate in order to make this advancement possible (Invest In Group, 2017). In 2007, there were only 106 hotels in the area, 39 of which were in Erbil, according to reports from the General Tourism Council. Kurdistan now has about 400 hotels, with over 250 of them in the capital city. The area's current hotel complexes, in contrast to those established in the past (the majority were constructed in the 1970s or 1980s), are structurally modern and run according to worldwide standards. Approximately \$1 billion was reportedly invested privately to help the hospitality industry (Invest In Group, 2017).

Economic crises have happened more frequently recently due to globalization. Consequently, a formal research must be conducted to investigate the effects of the current financial crisis and recession on human resource development and financial operations, as well as novel approaches to training and hiring new personnel in the tourist sector in the Kurdistan Regional Government (KRG) The impact of numerous crises from 2014 to the present has been felt in the Iraqi Kurdistan region, including the decline in oil prices, particularly as a result of the ISIS battle, the presence of over 2 million refugees, and the reduction of the area's budget by the Iraqi government. This report's objective is to outline the effects of the severe economic crisis on the province of Erbil's tourism industry.

The following is an expression of the paper's questions and goals:

- (1) How has the economic crisis impacted the advancement of human resources and innovation?
- (2) How are financial assets and operations being impacted by the economic crisis?

The study emphasizes how the present financial crisis has affected small tourism enterprises' plans for innovation and human resource development as well as their ability to make ends meet. The tourism sector, which is more affected by the economic crisis because the goods and services it offers to society are unneeded and people who want to pay for other necessities of life, face difficulties in raising capital because it is clear that raising capital and profits in these situations decreases. Research has shown that a recession frequently results in changes in labor markets and human resource management practices. The goal of the study is to ascertain how much the current economic crisis has affected these two crucial organizational areas.

2. Literature Review

This essay will examine how financial and human resource issues in small firms effect things like HR strategy, hiring and training practices, employee development, performance evaluation, payroll, and layoffs. Analyze the condition of the organizations you interviewed after financial operations like fundraising and profit forecasts.

Reference is given to the expanding significance of human resource management today through experience, thematic reflections, methodical contributions, and the development of decision aids in numerous lectures and in a variety of activities. All of these components are convergent aspects that increase awareness and provide challenges for the organization's management of its human resources. The selection and hiring of employees is at the core of management due to competitiveness and the global

economic and financial crises. Every business aims to hire the most qualified employees, but the labor market's competition determines the flow of workers based on the company's social standing and efforts in areas like salary, professional development, working conditions, and social climate (Claudio & Dalina, 2012).

Organizations are being pushed to recognize the crucial role of their human resource initiatives as a basic mechanism for leveraging the knowledge, skills, flexibility, and efficiency of their workforce due to the ever-changing business and economic environment. Its value proposition is one of the most important difficulties HRD faces in the organizational setting. One explanation for the term's widespread use is an effort to elevate the function's status, power, and influence in relation to its impact on human resources, organizational effectiveness, and success. The term HRD was initially used to describe a subset of human

resource management that was distinct from training (Lee, 2015). In the current national and international economic and social context, the training of human resources, particularly in particular the training of entrepreneurs, is examined. Entrepreneurs or managers that recognize the value of human resources for their business will try to efficiently handle the hiring, selection, evaluation, motivational, training, and promotion procedures for their staff members. Organizations can employ human resource management to connect innovation and competitiveness (Claudiu & Dalina, 2012).

For a company to survive and continue operating, innovation and effective financial asset management are crucial. Financial innovation, according to Frame and White (2002), "is something that saves costs, reduces risk or provides enhanced products, services, or tools." Financial innovations include the introduction of new financial instruments and services, new organizational structures, and more developed and full financial markets, as well as technical developments that increase access to information, trade, and payment methods. Financial innovations must lower costs and risks or offer a better service that satisfies the particular requirements of financial system participants in order to be successful. Therefore, the fundamental definition of financial innovation is an organizational and product innovation that enables a decrease in costs or risks for the individual businesses and/or an increase in services for the financial system as a whole. Financial innovation, according to Tufano (2003), is the act of developing and reaping the benefits of new financial instruments, technology, institutions, and markets.

Research on the impact of the economic crisis on tourism in Kurdistan appears to be limited, despite the development of the industry and its significant impact on the Kurdish economy; however, numerous studies on the topic have already been conducted internationally (Gul et al., 2014). The study looked at variables like inflation, currency, and interest rates that could affect Turkish tourism during the global financial crisis, thus examining the impact of the crisis on the findings demonstrate that Turkey's foreign asset tourism drastically decreased between 2008 and 2013, independent of inflation and exchange rate effects. Domestic and international flights grew despite the 2008–2013 recession (Kudret et al., 2014).

The effects of the world economic crisis on foreign travel to Greece are examined by Gudura

(2014). To determine if the Greek tourism industry has been less impacted by the global economic crisis than other sectors, the data on tourism and other areas of the Greek economy were examined. According to the findings, the tourist industry, when compared to other economic sectors, is particularly adaptable and dynamic and looks to be quite resilient during economic downturns (Gudura, 2014). Al-Shamaileh et al., (2013) studies sought to demonstrate and analyze the effects of the global financial crisis on Jordan's tourism industry, to define the nature of the crisis at hand and to identify the channels that have contributed to it. They also made arguments for the need to rescue the sector from the crisis. The study revealed no significant evidence of the impact of the exchange rate, which was verified by the strong elasticity of demand with respect to tourism prices, but concluded that each of the median incomes and associated prices have a significant impact on tourism demand (Al-Shamaileh et al., 2013).

According to a study in Greece, which indicated that the economic crisis in Greece has a particularly strong influence and negative consequences, another study by (Kapiki, 2011) assesses the impact of the economic crisis on tourism and hospitality. The nation is also experiencing a severe political crisis, and it appears that the only way to regain stability and social harmony is to hold the approaching elections. Additionally, the main engine of Greece's economic recovery might be tourism. To do this, national policymakers would need to implement a number of reform and improvement initiatives for the industry. These steps consist of enhancing alternate kinds of tourism, protecting the environment, building excellent infrastructures, and boosting competition with a tourism offering that provides good value for money (Kapiki, 2011). Additionally, (Boukas & Ziakas, 2013) looked at how the Great Depression affected tourism in Cyprus and the corresponding policy responses. Eight semi-structured interviews with tourism officials, suppliers, and professionals were conducted after a qualitative method. The findings highlighted the primary negative effects of the crisis on Cypriot tourism, including lack of competitiveness, decreased visitors and revenues, poor quality, and higher pricing. Three different sorts of measures are also shown by the results: (a) emergency measures, (b) foreign investment in the tourism industry, and (c) diversification of tourism products and quality enhancement. The study emphasizes the necessity for Cyprus to create a

thorough framework for tourism planning (Boukas & Ziakas, 2013).

3. Material and Methods

In this study, information was gathered via a questionnaire survey from 100 randomly chosen tourist destinations, including hotels, restaurants, tourist bars and clubs, citadels, parks, museums, resorts & spas, shopping malls, and historical sites in the region's capital city of Erbil. The inquiries were made up on my own.. Information on personal background, age, gender, marital status, occupation, and education was requested in this survey, along with inquiries about financial activities and human resources.

4. Results and Discussion

Table (1) represents the socio-demographic and economics characteristics of tourism places in the study. According to the field survey of respondents 99.0% were male 1.0% female, 44.0% were less than 25 years old, 55.0% between 26-59 years old; further 1.0% more than 60 years old. According to the survey about 51.0% of the respondents are married. On other hands respondents of education were 63.0% high-school, 17% university, 16% diploma, 4.0% Illiterate. The study revealed that the largest proportion of respondents, 60.0% were the owner. These results conclude that most of the employees are young people who are still strong and full of energy to use and give services and products through tourism sector.

Table (1) reflects the frequency statistics of the independent variables' descriptive statistics (demographics).

Variables		frequency	Percentage %
Age	Less than 25	44	44.0
	26-59	55	55.0
	More than 60	1	1.0
	Total	100	100.0
Gender	Male	99	99.0
	Female	1	1.0
	Total	100	100.0
Marital-status	Married	51	51.0
	Single	49	49.0
	Total	100	100.0
Education	Illiterate	4	4.0
	High-school	63	63.0
	Diploma	16	16.0
	University	17	17.0
	Total	100	100.0
Job	Own	60	60.0
	General manager	3	3.0
	Administration manager	12	12.0
	Marketing manager	6	6.0
	Finance manager	6	6.0
	Others	13	13.0
	Total	100	100.0

Descriptive statistics were used to analyze the dependent variable (does the economic crisis have an influence on the tourism sector?) (Frequency distribution).

Table (2) is the outcome of the analysis of the economic crisis's overall effect on the tourism sector.

Depend Variable		frequency	Percentage %
Tourism sector	Yes	90	90.0
	No	10	10.0
	Total	100	100.0

According to the results, 90.0% of respondents agree and 10.0% disagree that the economic crisis has had an adverse effect on the tourism industry in Iraq's Erbil-Kurdistan region. This indicates that the majority of resorts catering to tourists understand how the current economic crisis has impacted their industry.

Table (3) summarizes the illustrative characteristics of the economic crisis affecting human resource innovation and development. It reveals that the statement "we will cancel /

recruiting that was planned earlier" was agreed upon by 89.0 percent of respondents, 5.0 percent of respondents were neutral, and 6.0 percent of respondents disagreed. 71.0 percent of respondents agreed with the statement "wage increases are smaller than predicted," 9.0 percent were neutral, and 20.0 percent disagreed. Additionally, 92.0 percent of respondents agreed, 7.0 percent were neutral, and 1.0 percent disagreed with the statement "Our staff is concerned about the company's profitability."

Table (3) Economic crisis effects on Human Resources development and staff innovation plan

Variables		frequency	Percentage %
We will cancel/postpone recruitment that was planned before and not doing innovative training for the staff	Agree	89	89.0
	Neutral	5	5.0
	Disagree	6	6.0
	Total	100	100.0
Salary increases will be lower than planned	Agree	71	71.0
	Neutral	9	9.0
	Disagree	20	20.0
	Total	100	100.0
Our team is concerned about the viability of the business	Agree	92	92.0
	Neutral	7	7.0
	Disagree	1	1.0
	Total	100	100.0

Table (4) shows the financial asset variables. In respect to the statement "Finance is increasing tougher to obtain," 88.0 percent of respondents agree, 11.0 percent are indifferent, and 1.0 percent

disagree. Another 81.0 percent of respondents concurred, 18.0 percent were neutral, and 1.0 percent disagreed with the statement "Predictions: Profits will drop."

Table (4) Economic crisis effects on Financial Activities

Financial Activities Variables		Frequency	Percentage %
Finance is getting harder to obtain	Agree	88	88.0
	Neutral	11	11.0
	Disagree	1	1.0
	Total	100	100.0

Predictions: Profits will decline	Agree	81	81.0
	Neutral	18	18.0
	Disagree	1	1.0
	Total	100	100.0

Table 5's findings show that there is no correlation between gender and the tourism industry; this finding is interpreted as meaning that gender has no appreciable influence on the industry. The outcome demonstrates that there is no association between age group, marital status, and the tourism industry. This implies that all demographic factors have negligible effects on the

tourism industry. This outcome may possibly be related to the fact that the tourism business is still developing and/or that it is too early to forge these connections because this sector is new to the Kurdistan area. The findings also suggest a connection between employment and the tourism industry. However, the findings indicate that the variable has a big impact on tourism

Table (5) the relationship between tourism sector and demography variables.

Variables		Tourism sector				Chi-square test (P – value)
		Agree	Neutral	Disagree	total	
Gender	Male	69.69	29.30	1.01	100	0.443 ^a (0.805)
	Female	100	0	0	100	
Age group	Less than 25	65.90	31.81	2.29	100	4.337 ^a (0.362)
	26-59	74.55	25.45	0	100	
	More than 60	0	100	0	100	
Marital-status	Married	74.55	25.45	0	100	1.785 ^a (0.410)
	Single	65.30	32.65	2.05	100	
Education	Less than diploma	67.16	32.34	1.50	100	1.110 ^a (0.574)
	More than diploma	75.75	24.25	0	100	
job	own	75	25	0	100	24.338 ^a (0.007)
	General manager	100	0	0	100	
	A. manager	83.33	16.67	0	100	
	M. manager	66.66	34.34	0	100	
	F. manager	33.34	50	16.16	100	
	other	46.15	53.85	0	100	

The relationship between tourism characteristics is shown in Table (6) and shows a statistically significant correlation between the tourism industry and the economic downturn, as shown by the following statements: "We will cancel or postpone previously planned recruitment, salary increases will be lower than planned, our team is concerned about the viability of the business, finance is getting harder to obtain, and predictions: Profits will decline."

The results appear that there is a not significant relationship between 'we will cancel/postpone recruitment that was planned before and tourism sector' ($\chi^2= 10.792$, $p: 0.214$). The result indicated that nearly 73.03% of the places chose agree about we will cancel/postpone

recruitment that was planned before and decreased to 1.12% disagree on the term of tourism sector. By looking at the results, a significant relationship can be seen between salary increases will be lower than planned has a positive and significant effect on tourism industry ($\chi^2= 24.061$; $p: 0.002$). The highest percentage of respondents which were 77.46% chose agree in the term of salary increases will be lower than planned and decreased to 1.42% of them disagree about tourism sector. The results of Table 6 portrayed that the relation between our team is concerned about the viability of the business and tourism sector ($\chi^2= 17.186$; $p: 0.009$) is significant. Going through the raw percentage, can observe that nearly 0.0% of the places chose disagree with term of our team is concerned about

the viability of the business and increased to 100.0% of respondents were neutral about tourism sector. Moreover, the output illustrated a significant relationship between finance is getting harder to obtain has a negative and no significant influence on tourism sector ($\chi^2= 9.034$; $p: 0.172$). According to the row percentage, nearly 45.45% of the owners selected neutral in the row of finance is getting harder to obtain and increased to 54.55%

neutral about tourism sector. Also, the founding represented that the relationship between our forecast: profits will fall has a positive and significant influence on tourism sector ($\chi^2= 21.701$; $p: 0.001$) is significant. Moreover, nearly 79.20% of the owners selected agree about our forecast: profits will fall and decreased to 1.23% disagree on the term tourism sector.

Table (6) the relationship between tourism sector and business variables.

Variables	Tourism sector				Chi-square test (P – value)	
	Agree	Neutral	Disagree	Total		
We will cancel/postpone recruitment that was planned before	Agree	73.03	25.85	1.12	100.0	10.792 ^a (0. 214)
	Neutral	20.00	80.00	0.00	100.0	
	Disagree	66.66	33.34	0.00	100.0	
Salary increases will be lower than planned	Agree	77.46	21.12	1.42	100.0	24.061 ^a (0. 002)
	Neutral	55.55	45.55	0.00	100.0	
	Disagree	50.00	50.00	0.00	100.0	
Our team is concerned about the viability of the business	Agree	72.82	27.18	0.00	100.0	17.186 ^a (0. 009)
	Neutral	42.87	42.85	14.28	100.0	
	Disagree	0.00	100.00	0.00	100.0	
Finance is getting harder to obtain	Agree	72.72	26.15	1.13	100.0	9.034 ^a (0. 172)
	Neutral	45.45	54.55	0.00	100.0	
	Disagree	100.00	0.00	0.00	100.0	
Predictions: Profits will decline	Agree	79.20	19.75	1.23	100.0	21.701 ^a (0. 001)
	Neutral	33.33	66.67	0.00	100.0	
	Disagree	0.00	100.0	0.00	100.0	

5. Conclusion

The tourism industry plays a vital role in any economy and is seen as the engine of economic growth, job creation and the strengthening of the middle class in every society. Tourism is an industry that can be easily and quickly influenced by external influences, such as political problems of government, wars, and diseases, global or internal economic crises and so on. In this way, tourism product designers and the supply side of countries should put together plans and systems to provide the best tourism products and services for tourism in times of crisis. Developers and suppliers of tourism products must understand that tourism has properties sensitive to external factors.

From the statistical results it can be concluded that:

1. According to the results, 90% of respondents agreed and 10% disagreed

with the impact of the economic crisis on the tourism sector in Iraq's Kurdistan region. Meaning that the majority of tourist destinations acknowledge how the current economic crisis has affected their industry.

2. According to the first question's results, 89.0 percent of respondents agreed, 5.0 percent were neutral, and 6.0 percent disagreed with the statement "We will cancel/postpone recruitment that was planned before" regarding how the economic crisis is affecting the development of human resources and the HR innovation plan. 71.0 percent of respondents agreed with the statement "wage increases are smaller than

predicted," 9.0 percent were neutral, and 20.0 percent disagreed. Additionally, 92.0 percent of respondents agreed, 7.0 percent were neutral, and 1.0 percent disagreed with the statement "Our staff is concerned about the company's profitability."

3. The answer to the second question, which examined how the financial industry is being impacted by the economic downturn, was "It is getting harder to get finance." 88.0 percent of respondents endorsed it, 11.0 percent expressed no opinion, and 1.00 percent objected. Another 81.0 percent of respondents concurred, 18.0 percent were neutral, and 1.0 percent disagreed with the statement "Predictions: Profits will drop."

The tourism industry in Erbil expanded quickly prior to the crisis despite declining exchange rates and rising prices. The rate of growth of active tourism drastically dropped during the crisis. The ISIS battle, financial constraints caused by declining oil prices, and refugee issues, such as those in the Kurdistan region, are all problems that the Arab half of Iraq, the major and most important source for the Kurdistan tourism business, is currently experiencing. Iran and Turkey, two other destinations for Kurdish tourists, and neighboring countries are currently experiencing an economic crisis. As a result, the population's purchasing power has drastically decreased as has the demand for business services, which has led to a reorganization of the available positions, a decrease in the number of active industries, a decrease in turnover, and a cap on investments. Kurdistan's comprehensive tourist policy, which aims to address the issue's roots and effects, does not include a crisis management plan. Additionally, it must invest on its comparative advantages over other regions of Iraq, including its geographic location, climate, and natural features. Since the region's tourism industry is currently consolidating and improving, more public policy support is needed to encourage and support entrepreneurship and leadership development.

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