COVID-19 and Hospitality Operations: What happened and what’s next?

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Abstract

Unlike other global natural-, industrial- and intentional disasters of the past, if any impact was felt in South Africa, it was due to uncertainty within the tourism sector and guests being hesitant to travel. COVID-19 has had an economic and catastrophic impact on hospitality businesses, and particularly in the South African hospitality industry, resulting in changes in how the industry operates. Therefore, the purpose of this study was to investigate whether reactions to lockdown and the subsequent collapse of domestic and international travel should have been approached differently, and what hospitality leaders anticipate for the near future of the industry. The significance of the study is to highlight that better planning should have occurred to have reduced the negative impact of the disaster. Returned emailed qualitative questionnaires from hospitality industry partners provided insight into the weeks before lockdown. The results indicate that there was a contingency plan in place within the larger hospitality operations but the timing was too short to allow adequate implementation. Smaller operations have been the most affected, with losses of contracts, employee incomes, and positions. The economic effects on the operations will require months to resolve, with many smaller operators not being able to survive.

Keywords: Disaster management, contingency plans, hospitality, COVID-19, employee uncertainty

Introduction

There is no doubt in anyone’s mind that COVID-19 has been disruptive to most industries but especially to the tourism and hospitality (T&H) sector (Baum & Hài, 2020; Gursoy & Chi, 2020). The industry needs to look forward to opening up but not forgetting the governmental precautions that are imposed. Industry leaders need to look for growth opportunities while revisiting their current policies to prepare for any catastrophe. With some past catastrophes, the effects were localised with minimal disruption to T&H. However, literature claims that contingency planning within the T&H sector is inadequate and the responsibility to the employees neglected. Even though there have been numerous disasters in the last two decades; for instance, 9/11 in the United States of America (USA), Hurricane Katrina, and the Australian bush fires, the industry continues to plan inadequately and neglect recovery efforts as well as part- and full-time employees. Therefore, this article aims to encourage industry leaders to find ways to improve their planning and introduce policies that may to a certain extent protect the employees’ livelihoods.

Literature review

For many hospitality operators in South Africa, COVID-19 was unexpected and most unsettling. In the past, world disasters such as 9/11, the gulf war, Hurricane Katrina, or other natural disasters, such as floods, tsunamis, monsoons, or bush fires, have not affected T&H in South Africa. If any impact has been felt, it is due to uncertainty within tourism, with guests being hesitant to travel but COVID-19 has changed the industry dramatically. With global
conferences, sporting events, and ordinary activities such as going on vacation, being cancelled because of the pandemic, many small to medium hospitality operators have been dramatically affected. These operators employ a significant number of employees, whose livelihoods are adversely affected (Baum & Hái, 2020). Gruman, Chhinzer and Smith (2011) defined these occurrences as uncommon with a resultant negative effect on the business.

The growing number of disasters, their frequency, and complexity (Ritchie, 2008), highlight the necessity of managers to prepare and engage in disaster management programmes (AlBattat & Som, 2013, 2014). These occurrences affect communities, stakeholders, and the economy. Those operators that rely on natural features, such as mountains, beaches, are particularly vulnerable when there are natural disasters but collaboration with stakeholders can speed up the recovery process (Gani & Singh, 2019; Harris, 2020; Jiang & Ritchie, 2017). Trust and effective communication assist to build strong collaborations whilst competitors and poor relationships result in barriers (Jiang & Ritchie, 2017). Guests select their next possible vacation based on pricing, followed by safety and security. The responsibility of all hospitality providers is to keep guests and employees safe and secure (AlBattat & Som, 2013, 2014; Gursoy & Chi, 2020; Stipanuk, 2002). As technology and communication have improved, the security of guests has improved too (Abunywah, Gajendran & Maund, 2017; AlBattat & Som, 2013). Although incidences cannot be eliminated, their impact can be significantly reduced.

Disaster preparedness is defined as a strategy that recognises and proactively prepares for an incident, ultimately to reduce losses for the business (Gruman et al., 2011). The areas requiring preparedness include maintaining a hygienic environment, safe working conditions to reduce accidents, a secure location for guests, staff, and their belongings, and other external risks that threaten the safety and security of the guests or employees (Stipanuk, 2002).

Although the words disaster and crises are used interchangeably; a crisis is defined because of poor management but a disaster is defined as an unpredictable occurrence (Ritchie, 2008). Many disaster management preparations that occur within the hospitality industry are for smaller-scale incidents such as, blackouts, shootings, or localised riots (Gruman et al., 2011) but few organisations are prepared for a situation of this magnitude. Risks will include the impact and implications of natural disasters, fire, smoke and water, terrorism, and other emergencies. Mair, Ritchie and Walters (2016) suggested that the industry is reluctant to make progress with establishing contingency plans, due to the lack of theoretical frameworks to help analyse the results of these disasters but better planning is required. This lack of adequate planning is surprising considering the importance of tourism for many countries, as both employment opportunities and the contribution to gross domestic product (GDP) (Ritchie, 2008). The United Nations International Strategy for Disaster Reduction (UNISDR) defines disasters as ‘A serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses and impacts, which exceeds the ability of the affected community or society to cope using its resources’ (UNISDR, 2009:13). Wetsman (2020) reported that in the last decade the World Health Organisation (WHO) has declared six global emergencies; with the COVID-19 virus spreading rapidly to numerous countries, infecting thousands of people and closing borders to local and international travel.

The formulation of disaster management strategies assists to reduce the effects of a disaster. From 2005 to 2014, various disasters globally resulted in economic losses of $1.4 trillion, and 1.7 billion human lives were affected. Ritchie (2008:322) stated that risks cannot be avoided but better management results in less vulnerabilities. Table 1 lists the categories of disasters, both natural and human-made that exist, and examples of each. Globally, destinations are exposed to a number of these depending on their location, terrain, and/or degree of urbanisation.
Table 1: Types of disasters (Adapted from AIDR, 2020; AlBattat & Som, 2014; Chinazzi, Davis, Ajelli, Gioannini, Litvinova, Merler, Pastore y Piontti, Rossi, Sun, Viboud, Xiong, Yu, Halloran, Longini Jr. & Vespignani, 2020; Gani & Singh, 2019; Gruman et al., 2011; Mair et al., 2014; Ritchie, 2008).

<table>
<thead>
<tr>
<th>Disaster</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural disasters</td>
<td>Pandemic eg. COVID-19, SARS, MERS coronavirus, foot and mouth; Wild- or bush fires; Floods (including flash-floods); Tornadoes, hurricanes, cyclones, typhoons, monsoons, or windstorms; Landslides; Earthquakes and tsunamis; Blizzards, snowstorms, and avalanches; Pollution resulting from the environment, eg. smoke from fires, ash from volcanoes; Volcanic eruption; Insect infestations eg. Locusts; Extreme temperatures (either heat waves or extreme cold); and Other incidents are termed as ‘acts of God’ (AlBattat &amp; Som, 2014:2).</td>
</tr>
<tr>
<td>Acts of terrorism</td>
<td>Armed hold-ups; Kidnapping and taking of hostages; Demonstrations and riots; Bomb threats; Terrorist attacks; and Other criminal activities.</td>
</tr>
<tr>
<td>Human-affected (man-made)</td>
<td>Illness of guests, patrons, or staff; Loss of a major supplier; Death of guests, patrons, or staff; Workplace violence; Serious misconduct by staff, guests, or patrons; Severe haze eg. air pollution Social-technical (transport failure, stadia failure, production failure), Economic; and Political crises and upheaval resulting in armed conflict and displacement of populations.</td>
</tr>
<tr>
<td>Mechanical or industrial</td>
<td>Communications and infrastructure failure; Blackouts (electrical or power failures); Burst pipes; Chemical and radioactive contamination; Shipping accidents and resultant spills; Explosions; Product defects and/or sabotage; and Biosecurity.</td>
</tr>
</tbody>
</table>

The magnitude of the above-mentioned incidents or occurrences can result in the following:

- Threatened lives and livelihoods (AlBattat & Som, 2013, 2014);
- Increased poverty and inequality (UNISDR, 2017);
- Unplanned and rapid urbanisation (UNISDR, 2017);
- Disrupted operations;
- Shutting down of businesses;
- Damaged property; and/or
- Harm to public image or reputation (AlBattat & Som, 2014).

Disaster management has to identify specific causes and effects of safety- and security-related incidences, to reduce the number of accidents. Emergency management refers to a structured procedure to managing a disaster (AlBattat & Som, 2014) while intending to recover from it more quickly (Gruman et al., 2011). Disaster management is a continual process that requires constant attention. This planning is aided with stakeholder and government assistance.
(AlBattat & Som, 2014). Government involvement within the following sectors; finance, agriculture and environment, health and education, construction and industrial actions, social and community services, and protection, will assist to lessen the resultant effects of a disaster (Ritchie, 2008).

Gruman et al. (2011) highlighted that the service industry relies on human resources to deliver good service but management focuses on the assets and materials within the business and not the psychological well-being of their employees. AlBattat and Som (2013) indicated that internal factors should be considered to initiate an emergency programme; collaboration, communication, commitment from management, and control. Gani and Singh (2019) emphasise nine key areas for disaster recovery efforts; marketing strategies, the preparedness of crisis management, media usage, tourist behaviours, communication and responsiveness, destination image and reputation recovery, strategy formation, and lastly, collaboration. Whilst Gruman et al., (2011:45) notes that although the development of a disaster plan should be from top management, all departments in operations, security and human resources are usually more actively involved.

The benefit of any emergency or disaster management programme is to reduce the negative impact of the disaster, as well as minimise losses and negative social media reports (AlBattat & Som, 2014). Therefore, there is a need to establish early warning signs, possibly forecast future disasters, and establish effective disaster management procedures (AlBattat & Som, 2014). Gruman et al. (2011) noted that there are three stages to disaster management; before, during, and after. Few hospitality operators consider pre-disaster activities and focus more on post-disaster. Operators do have a list of procedures that must be followed by the employees during the occurrence (Gruman et al., 2011), but does management have an updated list of employees’ contact details, service providers and suppliers, to re-establish core systems and hospitality activities? Ritchie (2008) includes employee and guest safety, protection and assistance, travel support, emergency housing coordination, and media handling. Employee coordination, training and well-being protocols will also assist in keeping the guests safer (Ritchie, 2008).

The first reactions to a disaster are to request government support, cost-cutting, aggressive marketing efforts, and shorter workweeks. Larger hospitality operators have disaster insurance to offset losses but smaller operators such as restaurants, may not necessarily have a contingency plan (Gruman, et al., 2011). The 2008 global financial meltdown highlighted the importance of embedded corporate social responsibility programmes in companies. With job loss and personal savings depleted; it was the companies that had a strategic approach that remained in a better position (Erasmus, Strydom & Rudansky-Kloppers, 2017). A company that is labelled as being socially irresponsible will lose loyal customers and hardworking employees. Mair et al. (2014) emphasise the necessity for proactive marketing to undo the damage to the destination or business and its reputation. Although the business environment talks about tangible and intangible resources, the company’s ability to synchronise resources, people, and processes, is a mark of effective management (Erasmus et al., 2017).

‘The hospitality industry is one of the most vulnerable industries to crises’ (AlBattat & Som, 2013:2), whilst Gani and Singh (2019:1) described it as ‘…a volatile and fragile sector’. This sensitivity results in slow recovery after a disaster regardless of whether it was natural or not; highlighting the need for disaster and crisis management to increase the recovery phase and reduce the negative impact on the destination and organisation (Gani & Singh, 2019). Baum and Hái (2020) emphasised the necessity to relook human rights policies. Ritchie (2008) pointed out that frequently the natural disasters are at unpredictable times but the possibility to prepare for them still exists.
Methodology
Sutton and Austin (2015:226) explained that qualitative research ‘… access[es] the thoughts and feelings of research participants’ so to capture an understanding of how an occurrence is experienced. Leedy and Ormrod (2013:139) emphasise the ‘real world’ in which the research occurs. Questionnaires were distributed in April 2020 which allowed the participants to report on recent experiences which is easier for the respondents (Sutton & Austin, 2015). Text or narrative data collection refers to written or transcribed documents from a sample in response to a survey, story completion task, or diaries (Ahmed, 2010; Braun & Clarke, 2013; Taylor-Powell & Renner, 2003). It should be emphasised that these collected documents must be viewed within a time/event frame to be fully understood (Ahmed, 2010; Sutton & Austin, 2015) while being a cost-effective data collection method (Gruman et al., 2011). These qualitative findings cannot be generalised but are used to gain insights and reflections of a situation (Sutton & Austin, 2015).

Although questionnaires are generally regarded as quantitative research tool, this study is considered qualitative research because of the nature of the questions. The questions were open-ended, requiring participants to express whatever they wish as prompted by the questions. The analysis process required the responses to be coded and then interpreted. The necessity of computer skills may be viewed as a limitation (Braun & Clarke, 2013) but limited computer skills were required by the participants as they only needed to complete a word document. Pre-testing a questionnaire can uncover ambiguous questions and identify potential problems (Bhattacherjee, 2012). Due to the lockdown, the questionnaire was discussed with a fellow hospitality employee. The discussion revealed questions that were too vague, with responses that did not serve the purpose of the inquiry. One question prompted a similar response to another question, so it was deleted. The number of hospitality sectors was reduced and the creating of a table for the respondents to list the effects of COVID-19 suggested. The resultant questionnaire had six questions, which the participants answered within a Word document.

Convenience, with snowball sampling, was used. The researcher’s email list was used, resulting in an assortment of hospitality people at various levels being contacted. In the cover letter, the email recipient was requested to email other possible respondents too. This method was used because of a nationwide lockdown from 26 March until 30 June 2020, during which time the data were collected. From 25 April 2020, the questionnaires were emailed to 30 hospitality employees, with reminders sent out three weeks later. Twenty-five additional emails were emailed on 24 June 2020. Five emails were undelivered because of an error in the email address or the email addresses no longer exist. Of these email recipients, two forwarded the email to fellow hospitality employees. Twenty completed questionnaires were returned, which represents 36.4% of the total emails sent out. The data collection method, therefore, used participants’ generated textual data (Braun & Clarke, 2013), with six questions asking the participants’ knowledge and opinion of the effects of COVID-19. Questions referred to occurrences before lockdown, the reaction of management to lockdown, and then their opinion of the future of the industry.

Findings and discussion
For the analysis, the responses to the questions were captured in an Excel spreadsheet, for identification of similarities in responses, patterns, and anomalies. Theming refers to a process of ‘…drawing together of codes’ (Sutton & Austin, 2015:230). Two main themes emerged when comparing the responses. Firstly, the economic implications of COVID-19 and the lockdown; and secondly, the effect on employees. The responses captured included the sector of the industry where the participants are employed, the number of years in the T&H industry as well as their current position. Their titles were captured under more generic hospitality titles
so to assist in maintaining anonymity. The aim of asking the respondent their position assisted in determining the variety of positions as well as the scope of influence. Another reason for this question was that the more senior they are in the organisation, the broader their perspective of the operation or business. Eight of the twenty (n=8, 40%) responses are in the hotels, followed by membership clubs (n=4, 20%), travel services (n=3, 15%), and then hospitality support companies (n=3, 15%) (See Table 2: Sector of the hospitality industry). Eight (35%) participants were general managers, three (15%) human resources, training, and development managers, followed by a variety of other managers. (See Table 3: Positions within the organisation). The number of years’ experience within the hospitality industry ranged from one to 47 years, of which six participants have more than 35 years’ experience. The relevance of this is that the participants would have been through other difficult times although they probably would not have experienced a pandemic of this magnitude. (See Table 4: Years of experience within the industry).

Table 2: Sector of the hospitality industry (Researcher’s own)

<table>
<thead>
<tr>
<th>Hospitality sector</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels</td>
<td>8</td>
<td>40</td>
</tr>
<tr>
<td>Membership clubs</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Travel services</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Hospitality support</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Restaurants, pubs, bars, and night clubs</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Contract foodservice providers</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
<td></td>
</tr>
</tbody>
</table>

Table 3: Position within the organisation (Researcher’s own)

<table>
<thead>
<tr>
<th>Position in the organisation</th>
<th>Total of 20</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Managers</td>
<td>7</td>
<td>35</td>
</tr>
<tr>
<td>Human resource, training, and development managers</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Client services managers</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Divisional head</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Senior travel consultant</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Restaurant owner</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Sales representative</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Marketing manager</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Chief executive officer</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 4: Years experience within the industry (Researcher’s own)

| Total years’ service in the hospitality industry | 464 |
| The average number of years                    | 23.2 |
| Least number of years experience               | 1   |
| Most number of years experience                | 47  |

The following questions were all open-ended, encouraging spontaneous responses which were then tabulated to identify trends and patterns. The questions were structured so that the participants recall what happened earlier in the year, rather than inquiring whether there was a contingency plan or not, while considering what they anticipate the future will hold for the T&H industry.

**First signs of COVID-19 impact on businesses**

The purpose of this question was to identify which group of participants noted the ripple effects of what was happening in China and then Italy. ‘The impact from China with airlines cancelling the routes. End of February / Early March’ (P09). Communicating risks or disasters leads to reduced negative effects even though the communications are perceived differently (Abunyewah et al., 2017). The South African president, Cyril Ramaphosa, addressed the
nation on 15 March 2020, confirming the severity of the pandemic. However, the participants, especially those from the tourism sector noted that cancellations, increased inquiries and rescheduling started being requested in January and early February, alerting them to the changes and suspicions experienced abroad. The cancellation of flights into and from China highlighted the severity of the pandemic:

**P02** After the President’s speech, declaring a state of disaster, on 15 March 2020, all our forward bookings were cancelled and the business came to halt, except for a few guests who were deemed essential.

**P03** February was one of the stronger months in terms of revenue generated across my portfolio, March was looking very strong however after the first announcement on the 16th of March we saw an increase in cancellations, this was the first real sign of what was to come.

**P04** We have agencies in the USA and business was impacted since January 2020.

Within hospitality, some businesses reported particularly good trading months in February and the beginning of March. Some hotels still had guests, having been stranded, resulting from flight cancellations. Interestingly, there was an increase in bookings, which exceeded the previous year’s statistics, with the operators noting that these travellers were booking holidays in Africa because they usually went to the Far East and were unsure about their safety. There was an increased number of queries about hygiene and whether it was safe to travel. It should be noted that as lockdown commenced, events in the second part of the year were cancelled too. This could be the result of financial strain after three months of no-to-limited trading, as well as fears of continuing disruptions and limits on public gatherings, no interprovincial travel, and no leisure travel/accommodation:

**P11** Year-to-date had exceeded our expectations for 2020. We contributed this to the start of Covid-19 information in China being released. We were picking up the European and Schengen travellers who generally travel to the Far East and now were cancelling and booking Africa instead.

**P17** From early March 2020, overseas visitors started to leave earlier than normal. People who would have stayed till the end of March or early April changed their plans to get back to Europe as soon as possible.

**P20** The initial limit on the maximum number of people in a gathering that was imposed on 16 March resulted in the cancellation of conferences, functions, and events, which meant a massive reduction in food and beverage revenue.

AlBattat and Som (2014) highlighted that these early warning signs could aid the industry, allowing greater pre-disaster reaction and if more notice is given then the effects of the disaster could be slightly eased.

**Assessment of business’ reaction**

The second question aimed to determine the amount of preplanning that was already in place within the organisation. Upon reviewing the responses, it suggests that the smaller operations had no contingency or disaster management plan. ‘This has no precedence – it caught us all by surprise. Subsequent lockdowns just made things worse. We reacted a little late. We were controlled by events’ (P15). ‘We reacted as fast as possible. The entire crisis unfolded very quickly but we set up protocols within 48 hours’ (P18).
This is in agreement with Gruman et al. (2011). However, larger organisations did but there was insufficient time to action the plan. Initially, the focus was to ensure the longevity of the business during a difficult time. Unfortunately, the pandemic in Italy overlapped with that in South Africa but it was clear that the lockdown would likely last for at least three months. The hoteliers noted that plans were implemented but ethical and legal constraints restricted quicker implementation. One hospitality service provider encouraged employees to start working from home before lockdown started so that they could determine what was required by the team. The travel operators felt an immediate responsibility to get their clients home and the rescheduling of flights began. There were a couple of operators that were not prepared for the total lockdown that the government proposed:

P02 I think we did the best we could have. We have done everything possible to ensure the long term survival of our business.

P03 Yes, we placed the entire team on work from home since the 15th of March, we allowed this to see what is required to be productive, we managed to make sure all setups were in place by the time lockdown was announced so productivity could continue.

P04 Yes, we tried our best to be proactive and cancel or reschedule bookings as quickly as possible to ensure we could get refunds/extensions for clients and get them back home before travel bans were implemented.

P12 The “fear of the unknown” prevailed and we did what we could under the circumstances.

Travel operators reacted quickly for the fear of guests stranded but the hospitality operators reacted when occupancy numbers reduced, and functions, conferences, and golf days were cancelled. One of the game lodges closed earlier than government requirements and encouraged guests to reschedule. This opened up communication between the hotel and guests directly, and not the travel operators.

**Expectation of post-COVID-19 activities**

Asking participants’ opinions on what the future holds is a subjective exercise but it does highlight the mindset that managers in the organisations may have, following their planning of post-COVID-19 activities. At the onset of lockdown, most organisations anticipated being closed for three months as this is what was observed from China and Italy but it was still an unknown in South Africa. Some participants plainly state that “… this is very difficult to predict. We are taking one day at a time and adjusting the plan accordingly” (P02). Several participants indicated that September 2020 would be the reopening month but foresee limited patronage, with no conferences. ‘Low occupancies and no conferences’ (P01). The longer it takes to reopen domestic and then international travel, the more likely several hotels, restaurants, and travel operators will go out of business:

P04 Countries will slowly start opening up economies and eventually travel. We hope domestic travel will resume by June/July and international travel a few months thereafter. If it does not, most airlines/hotels/tour operators will not survive.

P05 The business will be extremely slow to recover and will take 6-12 months after 2020 to normalise.

P10 Low business. Will most probably reopen the hotel in phases and focus on domestic travellers.
Most participants believe that business will be slow for the remainder of 2020 and early 2021. They also predict that domestic travel will increase towards the end of the year but guests will have questions and requirements of the hotels and restaurants. Baum and Hai (2020) indicated that the T&H industry would be one of the last industries to reopen, indicating significant losses of livelihoods and even businesses:

P14 The market will slowly open up and start gaining momentum, however, the pick-up will probably only be noticeable next year and the year thereafter.

P18 Very uncertain. Expect at least a year to get back to normal. Will take at least 5 years to recover losses.

Gursoy and Chi (2020) noted that the guests will still be hesitant to go to hotels and restaurants, which confirms the opinions of several respondents. Although a sense of normality will return, the way airlines and hotels operate, the procedures and requirements will change. ‘It is going to take a long time to win the trust of consumers again.’ (P15) but P19 adds that ‘…the sooner the confidence can be rebuilt for the public to come back into the public spaces albeit well protected and compliant with COVID-19 guidelines, the better:

P08 The world as we know it will never be the same. Normalcy will return – but everything will be different. The way we interact with each other – the necessity of practicing good hygiene. Travel will resume – but slowly – and with more caution. More rules will be in place to safeguard all travel suppliers going forward.

P12 A quarter of sales will be experienced. A limited workforce reporting for work. Retrenchment of all front of house workers as there is no need for their service.

P17 We will operate in a “survival mode” and ensure we remain a safe area for people to visit and exercise.

P19 The remainder of the year is going to see a very slow return to restaurants and hotels and kitchens.

P20 It will be impossible to make up for the revenue that has been lost. It is unlikely that this revenue stream will reach anywhere near its previous heights for months to come.

Although some employees will favour the option to work from home, the contract catering companies will be negatively affected by this move. P15 stated that ‘…the move to work from home is going to result in a lower number of consumers in the buildings we service’. Not only are fewer employees going to work each day but companies may opt to downsize their offices to reduce expenses and discontinue this foodservice benefit as the employee may not have to be on-site for an entire day.

**Effects of COVID-19 on businesses**

Participants were asked to list five effects of COVID-19. There was limited space so the responses were short and concise. The purpose of asking this question was to determine what was at the forefront of the participants’ minds. In response to this question, three themes strongly emerged; financial constraints, human resource challenges, and uncertainty for the future. They were not necessarily in this order. ‘Sad time for the industry that will see many job losses and hotel closures. Will take months to get back to a profitable industry’ (P01). Table 5 shows that revenue and financial constraints are the most pressing concerns followed by the impact on the employees. The uncertainty within the industry and the lack of bookings add to the strain expressed by the operators, with operators thinking of targets not being met, the
difficulty with budget preparations for 2021, and the lack of bookings for 2022. The last couple of ideas listed were only mentioned once, indicating that these could be operation-specific, for instance, a remark about increased poaching during lockdown was a response from a game lodge employee. These other responses also highlight the complexity of the industry, emphasising the difficulty in preparing contingency plans. As indicated in the previous narratives, some of the participants were not prepared for this disaster, the complete shutting down of their business and the market has been debilitating. The industry is service-centric with employees providing the intangible aspects that make the industry unique. It is, therefore, positive to note that employee well-being is listed relatively high. It has been suggested in other forums that some employees will reconsider their loyalty to the employer, who retrenched or suspended their services with little consideration of the employees’ livelihood resulting in their financial disaster. Another positive is that teamwork improved, communication methods were revised and improved, with other employees became more productive.

Table 5: Effects of COVID-19 in the various hospitality operations

<table>
<thead>
<tr>
<th>Participants’ comments</th>
<th>Number of times mentioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost 100% decline in revenue</td>
<td>16</td>
</tr>
<tr>
<td>Employees not earning full salaries</td>
<td>13</td>
</tr>
<tr>
<td>No new business/bookings</td>
<td>12</td>
</tr>
<tr>
<td>Unknown future of the industry which will have a ripple effect on us all</td>
<td>11</td>
</tr>
<tr>
<td>The severe strain on cash flow - financial distress, Capex program suspended</td>
<td>11</td>
</tr>
<tr>
<td>Lower team morale as a result of the unknown</td>
<td>7</td>
</tr>
<tr>
<td>Hotels closed or mothballing until reopening</td>
<td>5</td>
</tr>
<tr>
<td>Not reaching goals or achieving budgets</td>
<td>4</td>
</tr>
<tr>
<td>Everything coming to a standstill</td>
<td>4</td>
</tr>
<tr>
<td>Employees staying at home</td>
<td>4</td>
</tr>
<tr>
<td>It’s difficult to work from home</td>
<td>4</td>
</tr>
<tr>
<td>The revised business model for improved efficiency</td>
<td>4</td>
</tr>
<tr>
<td>Team building and comradeship</td>
<td>3</td>
</tr>
<tr>
<td>Staff retrenchments</td>
<td>3</td>
</tr>
<tr>
<td>Seeking new ways for the future ie. Post-COVID-19</td>
<td>2</td>
</tr>
<tr>
<td>No face to face with clients</td>
<td>2</td>
</tr>
<tr>
<td>Improving communication</td>
<td>2</td>
</tr>
<tr>
<td>Employees missing out on benefits such as free meals and tips</td>
<td>2</td>
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<tr>
<td>Challenges in preparing for the 2021 budget</td>
<td>2</td>
</tr>
<tr>
<td>Reduced marketing spend from third party affiliates due to online marketing</td>
<td>1</td>
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<tr>
<td>Poaching in the reserve could be a reality</td>
<td>1</td>
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<tr>
<td>No future bookings for 2022 because of uncertainty</td>
<td>1</td>
</tr>
<tr>
<td>Increased concerns about staff and client safety</td>
<td>1</td>
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<tr>
<td>Clients taking longer to settle debts</td>
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One of the travel operators noted that they had gained new clients during this time. As internet travel bookers, the clients had difficulty trying to cancel or reschedule flights with an airline because of the amount of internet traffic; the clients were not getting a response. They then turned to the travel operators to assist:

People who didn’t use travel agents and used the Internet will see the value of a travel agent as we got many inquiries to assist clients who could not get answers from the internet and they were very grateful to us for assisting them and making alternative arrangements for them (P06).

Some employees were more productive and have initiated projects, now that they are working from home. This participant was part of the second distribution of questionnaires, which meant that the participants had already been in lockdown for several weeks, so they had experienced
this phenomenon. They noted that their management style had to adapt quite quickly to this change in working arrangement. Some employees work quite independently but need contact with their manager and colleagues to keep motivated. ‘All staff working from home; daily contact and activities achieved, communication is more intense but productivity has gone up’ (P19). One participant states ‘This financial year looks bleak on the back of poor economic growth’ (P03). Although these responses were recorded with the most frequently mentioned first, there are specific themes that can be identified. Also, note that some are already envisioning the future, referring to contacts with clients and discussions regarding next year’s budget, demonstrating resilience within the industry.

The benefit of hindsight

The purpose of this question was to establish whether the participants thought that the situation should have been handled differently because ‘It took a matter of 12 days to go from normal to zero’ (P03). There was also sufficient time from lockdown to when questionnaires were emailed, to reconsider the activities around lockdown, and perhaps indicate processes that should have been done differently. In the pre-lockdown period, there was a lot of activity especially considering that some businesses operate 24/7 and offer full service to their guests, which then needed to shut down. Most participants emphasised that:

‘… there was nothing we could have done differently’ (P07).

P03 One could not have planned for something like this, nothing could have been done differently to plan for this.

P08 In terms of our business – absolutely nothing.

Some participants explained that lessons have been learned from this experience. For instance, contracts with suppliers need to be re-examined, contractual obligations need to be restructured and insurance policies relooked. Different policies need to be investigated to protect employees better and find other sources of income:

P10 Protection of employees. Alternative sources of income.

P15 We should be imagining new business models.

Membership club participants noticed that there was a move from members to get more involved in strategic matters. ‘More member engagement at a strategic level’ (P16). As it was observed from previous narratives, the well-being of employees was a concern for several of the participants and this is highlighted again. ‘More communication with staff. Management can get so involved in details of saving business and with so much uncertainty and daily changes we never communicated enough’ (P18). One participant indicated that the timeframe was too short to do anything differently but the lesson going forward is the necessity to develop a contingency plan so to guide processes when disaster hits. ‘With every crisis, we grow and learn.’ (P18). Another lesson learned is that more hygiene and no-touch technology needs to be introduced. Another participant from the second distribution of questionnaires noted that as a restaurant owner, they would have closed the business at the end of March (lockdown occurred from the 26 March 2020) and not continued. As lockdown goes into its fourth month (July 2020), the debt that has been incurred with the rental of the premises and the core employee salaries will make it very difficult to recover for months to come. ‘Closed indefinitely and terminated our restaurant’s existence’ (P12).

The above mentioned corresponds with Grumen et al. (2011) who emphasises that insufficient pre-disaster activities be included in the planning. The inadequate planning for
employees during this time reinforces Ritchies’ (2008) claim for the necessity to recruit a task member to handle employee matters. The continual adaptation of policies after each disaster is in agreement with Ritchie (2008). AlBattat and Som (2014) and Gani and Singh (2019) state that strategic planning needs to take place. This includes improving communication with employees, government, stakeholders, and the media (Abunyewah et al., 2017) to reduce the effect of the disaster and aid a speedy recovery.

Comments have been made about the hotelier and guests being in direct communication and not through a middleman has created valuable customer loyalty. This has highlighted to operators that they need to relook developing customer relationships again. The direct contact has also shown the guests, that they are valued by hospitality operators:

P06  We also helped a lot of overseas people who booked on the Internet and they could not get an answer from the airlines as the phones were too busy.

P11  Our reservations team is handling each booking on an individual basis and we will do everything possible to accommodate amended bookings.

P06 states ‘All the airlines and operators are not giving refunds and giving vouchers for future travel for 1 or 2 years and I feel this is good to encourage people still to travel and there will be a spin-off for travel agents that we get to do visas and other arrangements for clients.’

The concern with this process is that no new sales are occurring because the postponed tickets or vouchers will be taking up a seat. This will then limit income generation for an additional two years, which is what the vouchers are valid for.

In summary, the participants see a slow opening up of domestic and later international tourism. Local tourists will start travelling towards the end of the year, with this continuing into 2021. Another common opinion is that any improvement will occur between six to twelve months and take up to five years to recover completely. According to AlBattat and Som (2013; 2014), Mair et al. (2014), and Ritchie (2008), a disaster strategy will include pre-, during- and post-disaster strategies. These strategies will include management, employees, stakeholders, and the communities, to communicate changes to the guests and repair the reputation of the destination as quickly as possible. ‘We will all need to work together to navigate through this difficult time.’ (P02). Several authors (AlBattat & Som, 2013; 2014; Mair et al., 2014; Ritchie, 2008) have suggested the necessity of a post-disaster marketing plan to help the destination or sector recover. P11 suggests that:

Our future guests will be at the heart of recovery – how do we get them to travel to South Africa post-COVID-19? Africa is always going to be a “bucket-list” adventure. It is not easy to give up on. Many of our guests are getting increasingly desperate to escape lockdown – physically and emotionally. Many overseas tour operators are holding guests’ credits. What part can we play in convincing them to spend those credits in Africa? Many will be reconsidering their chosen destination. ‘Social distancing’ is a new consideration and many would have booked a mass-market destination.

Although the effects of COVID-19 were observed in China and then in greater detail from Italy, the T&H industry became aware that the ripple effects would be disastrous financially but the industry was ill-prepared for the preventative steps that the government imposed. The travel ban (Chinazzi et al., 2020) saw bookings and revenue decline rapidly, bringing the industry to a standstill. Within the tourism and hospitality sector, the economic impact of COVID-19 has been severely felt. Although many believe that the pandemic will cripple the T&H industry in the short term, others believe that the industry will only recover after 18
months. As many people, local and foreign, have been impacted by the virus, either losing their full income or even their job, this will affect their future spending and therefore, their spending on travel. Lund (2020) emphasised that for the smaller businesses this pandemic may be fatal but for those that are organised and in a strong financial position, opportunities will become available. Unfortunately and in particular, the part-time employee, will bear the greatest loss. The industry perhaps needs to examine the way they operate and relook management policies surrounding employees.

An initial assumption was that the hotels would be more concerned about finances instead of their employees but this was not the case. It was noted, however, that the lack of communication from management, left the employees uncertain about their future and the future of their jobs. This then leads employees to question their loyalty to their employers. Harris (2020) highlights that the guest will be looking for less congestion and more wide-open spaces. He emphasises that tourism needs to work with COVID-19, but the industry will recover and if we ‘do it right’ then the industry will gain from the experience. ‘I think this has impacted an industry that most thought would be safe. Organizations going forward should have a safety/recovery fund to ensure that they are protected if something like this occurs again.’ (P10).

The limitation of this project is that if time permitted, more participants could have been contacted. It would have also been interesting to do a follow-up questionnaire to compare the data after three months. A further limitation was that the participants were mainly managers. It would have been interesting to note the responses of non-management employees as they are reliant on management for information about the company’s policies and responses. There was a three-week lapse between sending out the two sets of email questionnaires and this is reflected in some of the participants’ responses. Although ethical consideration is critical in instances of data collection from participants, ethical clearance was not obtained because of the nature of data collection; the voluntary, anonymous nature of the request, and the time frame of this study. The cover letter outlined the purpose of the research and what would be required of the respondent. Ethical behaviour includes adequate information to the respondents which allows for ‘…voluntary participation and harmlessness’ (Bhattacherjee, 2012:137). The anonymity of the respondents was assured and that the questionnaires would be for research purposes only. The first question required on the questionnaire was to grant the researcher permission to use the responses. If the respondent returned a completed questionnaire, this indicated acknowledgement to use the research and their voluntary participation. To maintain the anonymity of participants’ details, as soon as the email was returned, the questionnaire was saved as a number and not a name so that tracking would be more difficult to undertake. No minors (those under 18 years old) were used and no names or contact details were recorded on the questionnaire either. In terms of future studies, Mair et al. (2014) noted that there are journal articles available on disaster management but the industry concentrates on post-disaster but pre- and mid-disaster planning needs to be considered. Therefore further investigations should focus on what concepts or frameworks are being used to assist in contingency planning. Another study should investigate what the employee needs during these disruptive, insecure times. If the solution is driven by the employees, protocols could be established to assist management. Thirdly, a plan should be formalised so that there is some sort of warning signs to assist in early detection. Gursoy and Chi (2020) highlighted that the research agenda will change, with different foci emerging.

Conclusion
As this paper has highlighted, the number of natural- and human-influenced disasters and crises is on the increase. As a South African hospitality industry, which has experienced the ripple
effects of global disasters, COVID-19 has been the most debilitating. Although disasters are not likely to be the same each time, a contingency plan guides the processes before, during, and then afterwards. It has also highlighted the need for better preparation and more efficient contingency planning to include both the observations of the warning signs but also the implementation of effective post-disaster strategies to help overcome the negative effects that occurred. The disruptions with travel plans forewarned the travel industry that there was a ‘problem’. Somehow this needs to alert the rest of the industry of a pending disaster.

The T&H industry is vital to many established but also emerging economies, as it employs a considerable number of employees. It is, however, considered to be a luxury spend, resulting in it being an expense that is ‘cut’ first. It also appears to be an industry that is not able to recover quickly due to the disastrous effects lingering for longer. The hospitality industry tends to be reactive instead of proactive (Pflum, 2020; Ritchie, 2008). The word ‘uncertainty’ was recorded several times by participants, indicating a constrained trading period ahead but hospitality operators need to learn to live with COVID-19 as it is not possible to wait for post-COVID-19. Baum and Hǎi (2020:9) noted that the T&H industry ‘…faces a precarious future’. Pflum (2020) emphasises that hoteliers are expecting several changes to the way that the employees will relate, receive, and handle their guests. The industry needs to make the necessary changes to continue doing business. Each disaster will be different, have different effects on the community, employees, and stakeholders but a pre-, during- and post-disaster plan; needs to be considered (Mair et al., 2014) for the rapid recovery of businesses, regions, and industry.

References


