The Relationship of the Change Context with the Resilience of Hotels: Proposal for a Research Framework on Hotels During the Covid-19 Crisis

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Abstract: COVID-19 pandemic has brought many changes to the way that the tourist sector operates. Almost all of the tourist businesses are affected by the impact of the measures which were taken in order to deal with the effects of COVID-19. As a result there is high uncertainty on the internal and external environment that the management of tourist businesses would have to take into consideration. Indeed, the change context (internal and external environment) is unstable and this creates uncertainty. For this reason, this publication aims to develop a research framework which links the change context with the level of resilience of hotels during the COVID-19 crisis as well as the impact that this has on the performance. For this reason the paper recommends the use of Melián-Alzola et al (2020)’s research framework which is going to be enriched with the measure taken for COVID-19, which is its key contribution on the academia and the practitioners.

Keywords: uncertainty, environment, tourist industry, resilience, change management

1. Introduction

The tourism sector is exposed to numerous threats and opportunities which lead to changes. Just to name a few these are: the climate change, the financial crises and political changes (Calgaro et al, 2014). It has also been affected from the COVID-19 crisis (Senbeto & Hon, 2020) which resulted on tremendous changes on the tourism environment, affecting hotel occupancy rates and the internal operations (Courtney, 2020). Indeed, tourism is a sector which is very vulnerable on any type of crisis, while Glaesser (2006) claims that tourism is one of the first sectors which will be affected from major crisis. This brings the need to examine the resilience of tourism organizations on such threats (Filimonau & De Coteau, 2019) and their ability to change in order to meet the new challenges and uncertainties as a result of the changes on their environment (Attila, 2016).

Overall, the tourism industry has shown that it is able to adjust (including its organization culture) on any change which comes from the internal and the external environment (Belias et al., 2017; Belias, Velissariou & Rossidis, 2018). An example is the use of high-end technologies in order to cope with the COVID-19 crisis; such as the use of robots instead of employees, which minimizes the exposure of the personnel to COVID-19 (Belias & Vasilliadis, 2021). Nonetheless, besides of the high level of readiness and the ability to resilience from any past crisis, the case of the COVID-19 pandemic has created major fears and uncertainties on the tourism industry (Jian et al., 2020), which brings the need to further investigate on how the tourism industry can cope with the uncertainty created from the changes on the internal and external environment due of the COVID-19 crisis.

At this point, it is essential to point out that organisational resilience contributes not only to organisational survival during harsh times but also it contributes to the competitiveness of a business during a crisis. Nonetheless, despite the fact that resilience has been widely accepted as an important factor for sustainaining an organization during a crisis (Bhamra, et al., 2021), there is a gap on hotel resilience overall (Chowdhury, 2019). Several authors such as Jiang and Wen (2020) and Melián-Alzola et al (2020) have argued that the COVID-19 crisis has generated a number of unprecedented changes on hotels that should be the subject of analysis in terms of how hotels can be resilient during the COVID-19 crisis (Melián-Alzola et al., 2020).

Hence, the scope of this paper is to examine the readiness of the tourism industry to have an effective change management in order to reduce the uncertainties on its internal and external environment. This is a literature
review which aims to recommend a framework for future research. The publications used for the purpose of this research were identified from various publications which were collected from databases such as Science Direct, and Google Scholar. The authors have used keywords such as “hotel resilience & COVID-19” and other similar keywords. The authors have selected the related papers based on criteria such as whether the publication has relied on an empirical evidence, how much its content related with the topic and its contribution, for example by introducing a research framework.

2. Change Management

Organizational change, as a concept, has been of great concern on both the academia and the business community worldwide. The concept of organizational change has been studied since the 1950s. It has followed different models adapted to the requirements and data of each market (Bejinariu, et al, 2017). Undoubtedly, a basic condition for the survival of an organization is its immediate adaptation to the changes imposed on it by the environment in which it operates. Change is the transition from one organisational condition/status to another or from a given set of conditions to a different one (Rossidis, Belias & Aspridis, 2020). This transition is nothing more than a process of adapting and repositioning the individual or the organized groups or the whole organization in a new environment where it will improve its effectiveness and create value (Kuroda & Gokhale, 2014).

Most planned organizational changes are attempted in order for the business to meet the requirements or opportunities that have already arisen in the external environment (Rossidis, Belias & Aspridis, 2020; Rossidis, Belias & Vasiliadis, 2021). On the other hand, there are cases where the company has anticipated the change of a situation and tries to adapt in order to be able to deal with it successfully. In general, all the changes attempted in a tourist company serve various purposes which could be grouped into four categories that relate to all areas of operation of an organization (Doppelt & McDonough, 2017). These purposes are:

- Commercial purposes: They include all the necessary actions needed to increase competitive advantage (increase market share, open to new markets, find new contracts with tour operators etc.), while many tourist organisations are trying to stay close with the latest trends, such as the concept of sustainability and Green hotels (Siyambalapitiya et al, 2018).
- Technological purposes: They include the actions for the introduction of new technology in the company and they aim at the modernization of the company and the increase of productivity (adoption and familiarization with new technology, etc.) (Hristova et al., 2019).
- Innovative goals: These goals offer the opportunity for something new to arise in the organization or the market. They include the actions which a business should perform in order to be renewed and modernized. Often these goals are not imposed by external pressures, but express the philosophy and ambition of the company to be a pioneer (compliance with social and legal requirements, achieving social acceptance, etc.); such as the case of using robots on hotels as mentioned by Belias & Vasiliadis (2021).
- Organizational goals: They include the appropriate actions for the smooth and efficient operation of the business. They aim to increase efficiency and identify talented people (Koutiva et al., 2019; Belias et al., 2017b) who will be organized and active in order to be able to implement the company's vision (increase staff productivity, prevent the departure of useful executives-associates, increase motivation, recovering from a disaster etc.) (Filimonau, 2020).

The concept of organizational change refers to any element of the organization whether it concerns the formulation of the organization's own strategy or individual elements of management. At this point, it should be noted that the changes can be large or small. Large-scale changes are: the review of the structure, the merger into markets, the restructuring of the business process, the change of policy, the introduction of new technology, the organizational culture for an organization (Bejinariu, et al, 2017). However, there are also small-scale changes that affect some parts of the organization such as: the new division of labour, the change of organization chart, the upgrade of a hotel (for example from 3 to 4 stars), a new service to a hotel (Ulus & Hatipoglu, 2016).
its sustainability by enabling the resilience of the organisation towards the changes made from COVID-19 (Köseoglu et al, 2020).

The case of organisational resilience during the COVID-19 crisis is determined to a large extent from its ability to understand the dynamics of the change context in order to enable the appropriate strategies which will allow the organisation to survive from this difficult situation (Jiang and Wen, 2020). Especially as far as the hospitality industry is concerned, it is essential to understand the continuous changing environment where the hotels operate and to determine which factors will determine the sustainability of a hotel so as to regulate the resilience strategy (Melián-Alzola et al., 2020). For this reason it is essential to understand the various models which contribute on the understanding of the external and internal environment.

External Environment: It is the place where the company seeks opportunities and potential threats.

- Changes in the technological dimension: In a tourism organization, the most common changes that take place are related to technological trends or technological achievements that take place outside the market, which may have a significant impact on the tourist organization and its strategy. These trends can be an opportunity for companies to take advantage of them and introduce them effectively in the sector in which they operate (Belias et al, 2021).
- Changes in the political/ legal dimension: The political and legal environment is often highly fluid, as it is influenced by factors that often have nothing to do with the organization’s activity. The changes can come either by passing new laws or by adding or deleting legislative or regulatory restrictions and so on. An example is the following: the changes on the regulations and protocols for the operation of hotels due to the COVID-19 pandemic, but also due to the lockdowns (Courtney, 2020)
- Changes in the economic dimension: Undoubtedly, the economic environment of a country depends on the global economy since we are not talking about closed-type economies. One of the main reasons that affect the organization and lead it to significant changes is the financial size of the market; as the general economic developments that take place are likely to affect the smooth operation of a tourism organization (Glaesser, 2006)
- Changes in the socio-cultural dimension: It refers to the wider social and cultural environment of the organization. The most important socio-cultural factors that influence a market are the distribution of income, the level of education, the way of life of modern man, leisure. Undoubtedly, social and cultural values influence the way the consumer acts and this is more obvious during the COVID-19 crisis (Peluso & Pichierri, 2021).
- Changes in the demographic dimension: It includes the size of the population, its geographical distribution, its age structure as well as the distribution of income. Significant demographic trends, observed in recent years, create new conditions in the wider environment of modern organizations such as slowing down the birth rate, moving from mass markets to more specific small markets, green tourism etc. (Peluso & Pichierri, 2021).

Besides that, it is essential to understand the value of using Porter’s five forces as a valid model that can help to explain tourist organisations behaviour and resilience. Appiah et al (2021) have argued that the microenvironment analysis – well known as Porter’s five forces – is still a valid tool that it can help the academia and practitioners to better understand the resilience that a sector has in a major crisis, such as the COVID-19 crisis. Through understanding issues such as the negotiation power between the industry and its suppliers/customers, it is easier to understand the dynamics which will be developed as a result of a crisis. In the tourism industry, the five forces model can explain not only how the sector will behave during the COVID-19 crisis but also determine the level of resilience of the sector on this crisis (Madsen & Grønseth, 2022).

Besides the external environment, there is also the case of internal environment that has to be taken into consideration. The Internal Environment is all the elements that the organization has at its disposal, ie the resources to use them in order to achieve its goals (Daft & Marcic, 2019).

The variables of the internal business environment are located within the organization and are at its disposal to be used with the ultimate purpose of achieving the goals set by the organization itself. These are:

1. Human resources: It is the most basic power that an organization has on its disposal, since without it there is no organization.
2. The installations: It concerns the facilities, the mechanical equipment, the stocks of raw materials for a tourist business.
3. The technological forces: It has to do with the level of technology that the company has.
4. The financing forces: The financing of the organization can come from the share capital, from the profits or from the loan funds (Uğurlu, 2020).


Every 10 years, new viruses are observed that can cause a pandemic. The Coronavirus Pandemic 2019 (COVID-19) is an ongoing pandemic caused by the SARS-CoV-2 coronavirus and was first identified in Wuhan, China in December 2019. The most important factor that affected the economic developments in the world in 2020 in general, is the coronavirus pandemic (Ntalakos et al., 2022). The tourism industry could not, of course, remain unaffected as it is an important source of revenue for the global economy (Belias & Trihas, 2022). According to the United Nations World Tourism Organization (UNWTO), the global tourism industry is losing $320 billion. The losses from this year’s pandemic were three times greater than the losses incurred in the global tourism crisis of 2009. The number of tourists decreased by 300 million, which means a decrease of 56% compared to the same period last year since due to the general lockdown tourists were scared and numb. The outbreak of the coronavirus has led to the suspension of most domestic and international travel, causing a significant reduction in revenue and liquidity problems to all tourism operators. Travelers, as well as businesses, are faced with uncertain prospects. This situation seems to have a significant impact on tourism as it is estimated that around 6 million workers will lose their jobs worldwide. Also significant will be the loss of revenue for hotels and restaurants (85%), for travel agencies (85%), for long-distance rail services (85%) but also for cruises and airlines (90%). (Unric, 2022).

Currently, while the tourist industry has managed to recover, it seems that a new wave is coming which is the Omikron variant. The world status currently with the top-10 countries in terms of cases as it is on 23 December 2021, is described in Figure 1.

<table>
<thead>
<tr>
<th>#</th>
<th>COUNTRY</th>
<th>Total Cases</th>
<th>Total Deaths</th>
<th>Total Recovered</th>
<th>Active Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>USA</td>
<td>52,510,978</td>
<td>833,029</td>
<td>40,908,146</td>
<td>10,769,803</td>
</tr>
<tr>
<td>2</td>
<td>India</td>
<td>34,765,974</td>
<td>478,759</td>
<td>34,208,926</td>
<td>78,291</td>
</tr>
<tr>
<td>3</td>
<td>Brazil</td>
<td>22,222,928</td>
<td>518,128</td>
<td>21,414,318</td>
<td>190,482</td>
</tr>
<tr>
<td>4</td>
<td>UK</td>
<td>11,547,473</td>
<td>147,573</td>
<td>9,922,450</td>
<td>1,577,420</td>
</tr>
<tr>
<td>5</td>
<td>Russia</td>
<td>10,292,983</td>
<td>300,269</td>
<td>9,097,521</td>
<td>895,193</td>
</tr>
<tr>
<td>6</td>
<td>Turkey</td>
<td>9,228,825</td>
<td>50,957</td>
<td>5,858,445</td>
<td>289,422</td>
</tr>
<tr>
<td>7</td>
<td>France</td>
<td>8,796,028</td>
<td>122,116</td>
<td>7,651,414</td>
<td>1,024,498</td>
</tr>
<tr>
<td>8</td>
<td>Germany</td>
<td>6,515,353</td>
<td>110,234</td>
<td>5,992,800</td>
<td>812,319</td>
</tr>
<tr>
<td>9</td>
<td>Iran</td>
<td>6,177,885</td>
<td>121,211</td>
<td>6,016,224</td>
<td>20,350</td>
</tr>
<tr>
<td>10</td>
<td>Spain</td>
<td>5,645,095</td>
<td>55,937</td>
<td>4,997,068</td>
<td>559,090</td>
</tr>
</tbody>
</table>

Figure 1: Top – 10 Countries in terms of Coronavirus Cases (Worldmeters, 2022)

From the above table it is not only understood how severe is the COVID-19 pandemic but also how much it affects countries which have a leading role on tourism, such as Spain, France, Turkey, UK and USA. Thus, Covid-19 pandemic has a severe impact on tourism as a whole.

It is well accepted that the COVID-19 crisis has brought many changes that the tourist industry has to face. Those changes are the results of the high uncertainty on the internal and external environment of the tourist industry due of the COVID-19 crisis (Melián-Alzola et al., 2020). This concept has attracted the interest of the academia that has produced a number of publications on this issue.

It is important to mention that this is a new concept and hence the existing literature is limited. Jian et al (2020) have made a research on a sample of 613 tourists from Korea and China where hotel brand trust is a major
element which will convince tourists to book to a hotel during the COVID-19 crisis, even if they have to pay more than before the crisis of the COVID-19. The sample is quite concerned over the safety during their stay and the compliance with the continuous changing COVID-19 protocols. However, the fact that hotels and their management have a difficulty on compliance, is not due to the inability to change but mostly due to the continuous changing environment; for example Ertac & Cankan (2021)’s research argues that in terms of health and safety guidelines the hotel owners are often confused rather than helped. Another finding of this research was that that the government interventions and support play a significant role on dealing with the uncertainties and increasing the resilience and readiness of the tourist organisations. More precisely, on the one hand the governments are taking decisions for lockdowns and travel bans but on the other hand they are offering the necessary financial support in order to ensure the sustainability of the tourist sector. Therefore, the changes made on the tourist industry in order to cope with this crises depend to a large extent on the government decisions, intervention and support.

An interesting point which was made by Peluso & Pichierri (2020) is that special attention must be given on changes so as to accommodate tourists who feel vulnerable on the COVID-19 virus. This will enable them to trust the hotel and to increase its resilience towards the COVID-19 crisis. This could help tourists who have medical problems or aged tourists as well as anyone who feels that he/she is under threat from the virus. For this reason it is essential to make the necessary changes in order to reduce the uncertainty for the guests and the employees.

A crucial issue concerning resilience is the way that an organization has to cope with the changes needed to be made in order to deal with the uncertainties of the environment. Overall, a resilience-oriented management approach means that a hotel must be well-prepared not only to react when a change will have to take place, but also to anticipate the changes so as to optimize the opportunities which may derive (Brown et al, 2018). Organizational resilience is a concept which is related with the ability that a hotel has to cope with a crisis and to optimize the changes that need to be made. In few words, it must be well prepared in order to take advantage of a crisis and to turn it into an opportunity. This can be made by being able to adaptive and agile on any types of changes. However, it is important to mention the Prayag et al (2019) report that argues that the concept of resilience-oriented management approach on the tourism industry has not been widely examined and it should be under consideration when it comes for change management on tourism businesses. Another argument is that resilience on important tourist businesses, such as hotels, has a positive impact on the overall resilience of the destination and its ability to gain a competitive advantage during a crisis. Indeed, Jiang and Wen (2020) argue that the COVID-19 pandemic has brought to the surface some unprecedented effects on the tourism industry; hence the academia and practitioners should focus on how the tourist companies can become more resilient in order to cope with the changes brought from the COVID-19 crisis. Similarly, Melián-Alzola et al., (2020) have supported the above arguments by claiming that by understanding the changing context and how it affects the tourists and the hotels, a hotel will be able to predict how these changes will affect its resilience; thus the hotel could enable the necessary changes which will ensure its resilience.

5. Proposal on how to measure the ability of the tourism industry to make the necessary changes so to deal with the threats and opportunities deriving from the external and internal environment

An important insight has been made by Melián-Alzola et al (2020) who have developed a model for predicting the resilience of the hotels on changes needed to be made due to the COVID-19 and the changes that it has brought on the internal and external environment of the organizations. More precisely, Melián-Alzola et al., (2020) have mentioned the fact that the resilience of a hotel on the crisis depends on many factors, (including the hotel size etc.).Nevertheless, it depends mostly on the experience that the hotel has on previous changes and how it handled them. For this reason Melián-Alzola et al., (2020) suggest that the hotels must have a solid change strategy in order to understand the dimensions of each change. This could affect the hotel resilience and its impact on organizational performance. Hence, this paper is providing an answer on how the change context has an impact on change resilience and also on how this will affect its performance during a change. For this reason they have produced the following research model:
As it is described by this model, Melián-Alzola et al. (2020) have taken the changes which have occurred in the internal and external environment (this is the tourism context), in order to examine how the organization shall react in terms of change management and strategy; then they measure whether the hotel is ready to cope with those changes (hotel resilience) and what can be the possible outcome on its performance. At this point, it is essential to argue that this model is important because it links the external environment with two key dimensions of resilience. The first dimension is the prediction of the resilience (the context of changes is a predictor of resilience for a hotel) and the second dimension describes whether a hotel has managed to achieve the status of change.

The research model has relied on a number of variables which are the following:

- Changes occurring on the internal and external environment: This includes changes coming from competition, customers’ behaviour, intermediaries (such as a tour operator bankruptcy), effect of other partners (such as new tourism clusters), suppliers (such as a new airliner), the economic context (such as changes on the currency rates and an financial crises), changes on the political and legal context (such as new regulations), changes on the technological context and on the natural environment.

- The types of strategies followed by the tourist business. These involve: changes in the business environment (such as new needs of tourists), maintenance of a continuous strategic vision, designs and updates its business strategy to adopt to the changing environment, reflection of past experiences and the development of relationships based on trust with partners and/or external agents.

- The types of changes which include that the organization needs to stimulate knowledge development and continuous learning, to provide high quality products and services, to be committed to quality management and stakeholder satisfaction, continuous improvements on the services and products, new product development, resources reduction and new procedures.

- Resilience can occur when adopting to changes in the environment, recovering and strengthening at strategic and operational level, adopting to new environmental conditions etc.

- Performance can be measured in terms of average sales growth, average market share growth, hotel image and reputation and customer loyalty.

There have been other researches on how the tourist sector can recover from the COVID-19 crisis, and also how it is able to understand the nature of the changes which have occurred due to the COVID-19 crisis and its impact on the environment. Nonetheless, Melián-Alzola et al. (2020)’s model can be a starting point for a future research which will assess the readiness of hotels and other tourism business to change as a result of the impact of COVID-19 on the internal and external environment of those organisations. Melián-Alzola et al. (2020) have used the questionnaire which produced from this model in the case of hotel managers in the Canary Islands. Despite of the high levels of reliability (Cronbach’s alpha for each construct ranges between 0.806 and 0.899.) the results of this research are important but they cannot be generalized due to the nature of the sample. The research was taken in the Canary Island just before the outbreak of the COVID-19 pandemic, while the research focused only...
on luxurious hotels. Hence, this measurement model can be upgrade for a future research which will include the following:

- To include the COVID-19 impact on the environment and on the changes. More precisely, as far as the changes are concerned, the research can include a group of variables which are related with the COVID-19 crisis, such as the impact on tourist demand, the changes on the legal and political environment (such as new regulations). The research can also refer on Jian et al (2020) factors of fear and uncertainty among the customers and the employees of the potential that they may catch up with COVID-19 virus. In addition, the change management, as a predictor of resilience, must include the changes made in order to accommodate the COVID-19 regulations, such as social distance etc. Also the model should take into consideration the expansion of the changes; since authors such as Belias et al (2021) have noticed a wide range of innovations used from some tourist businesses in order to deal with the COVID-19 outbreak. Finally, as far as the performance of the model is concerned, the variables may include the cases of COVID-19 reported among the staff or the guests/clients during their stay (infected during their stay); thus the model should examine the effectiveness of the changes made in relation with COVID-19.

- A research besides the enrichment of the questionnaire can take place among various tourist businesses. Melián-Alzola et al (2020) have focused on luxurious hotels in the Canary Islands. A future research can expand in sample of other tourist businesses, including villa rental, car rental, outdoor activities etc. To sum up, the above can be the basis of a future research in order to examine the effect of COVID-19 on the environment of the tourist industry as well as what changes the tourist businesses have to make so as to cope with uncertainty.

6. Conclusions

COVID-19 has brought high levels of uncertainty among the tourist professionals (Belias et al., 2020, Belias, Rossidis & Valeri, 2021). Indeed, it is fair to say that it has changed the way that the tourist industry operates. However, it is important for the tourist businesses to be able to deal with those uncertainties (Belias & Trichas, 2022). This can happen with a proper change management plan which will strengthen the resilience of the tourist business (Rossidis, Belias & Vasiliadis, 2021b).

The existing literature is limited but it is indicating the adaptation on the new situations. The compliance with the regulations and government’s guidelines is the only way to recover from the crisis. The hotel businesses must be ready to adopt into this new environment and to minimize the uncertainty created from COVID-19. For this reason this paper suggests a research framework which relies on the work of Melián-Alzola et al (2020). The suggestion includes the enrichment of the model with changes made due to COVID-19 pandemic as well as its usage for the tourism businesses. In that way the academia and practitioners would be able not only to measure the resilience of the tourist businesses but also the effectiveness of coping with the uncertainties caused from the COVID-19 crisis.

References


