Ekonomika preduzeća

Serbian Association of Economists
Journal of Business Economics and Management

Snežana Milićević

University of Kragujevac
Faculty of Hotel Management and
Tourism in Vrnjačka Banja
Vrnjačka Banja

Živana Krejić

Union University
Faculty of Business Studies and Law
Belgrade

Nataša Đorđević

University of Kragujevac
Faculty of Hotel Management and
Tourism in Vrnjačka Banja
Vrnjačka Banja

CRISIS MANAGEMENT IN HIGH-CATEGORY HOTELS IN SERBIA DURING THE COVID-19 PANDEMIC

Krizni menadžment u visokokategorizovanim hotelima Srbije tokom COVID-19 pandemije

Abstract

The aim of this research is to determine the level of importance and performance (usage level) of hotel crisis management measures during the different phases of a crisis: Before-Crisis phase, During-Crisis phase, and After-Crisis phase, and to determine the significant gap between these two levels by surveying the managers of the high-category hotels in Serbia. The questionnaires were filled out by the managers of 162 high-category hotels in Serbia (four- and five-star hotels) during the Covid-19 pandemic in 2020. The Covid-19 pandemic caused the sharpest decline in the tourism sector around the world, thus the crisis management applied in tourism enterprises will have a crucial role for the tourism industry in surviving this pandemic. The hotel managers' responses were analyzed by using the Statistical Package for the Social Sciences (SPSS). The applied methods include the descriptive statistical analysis, paired-samples t-test, and Importance-Performance Analysis (IPA). Empirical results showed that hotels were adopting various crisis management measures during the different stages of the crisis, also, the implementation of certain measures significantly affected the business operations of hotels. In addition, hotel crisis management considers that measures implemented during the Before-Crisis phase, During-Crisis phase, and After-Crisis phase are of great importance.

Keywords: *Hotel crisis management, Before-Crisis phase, During-Crisis phase, After-Crisis phase, Covid-19, High-category hotels, Serbia.*

Sažetak

Cilj ovog istraživanja je da se utvrdi nivo značajnosti i učinka (nivoa upotrebe) mera kriznog menadžmenta u hotelima u različitim fazama krize: faza pre krize, faza tokom krize i faza nakon krize, kao i da se utvrdi značajan jaz između ova dva nivoa anketiranjem menadžera hotela visoke kategorije u Srbiji. Anketne upitnike su popunili 162 menadžera visokokategorizovanih hotela u Srbiji (hotela sa četiri i pet zvezdica) tokom pandemije COVID-19, u toku 2020. godine. Pandemija COVID-19 izazvala je najoštriji pad u turizmu, pa će krizni menadžment koji se primenjuje u turističkim preduzećima imati ključnu ulogu za turističku privredu u prevazilaženju posledica pandemije. Odgovori menadžera hotela analizirani su korišćenjem Statističkog paketa za društvene nauke (SPSS). Primenjene metode obuhvataju deskriptivnu statističku analizu, t-test i analizu značaja-performansi (IPA). Rezultati su pokazali da su hoteli u različitim fazama krize usvajali različite mere kriznog menadžmenta, a primena pojedinih mera je značajno uticala na njihovo poslovanje. Pored toga, krizni menadžment u hotelima smatra da su mere koje se primenjuju u fazi pre krize, tokom faze krize i faze posle krize od velikog značaja.

Ključne reči: *Krizni menadžment u hotelijerstvu, faza pre krize, faza tokom krize, faza posle krize, COVID-19, visokokategorizovani hoteli, Srbija.*

Introduction

Tourism is "an important economic activity, with a positive impact on economic growth, mobilizing and capitalizing on a wide range of resources" [3]. As a key component of development in many countries, notwithstanding its notable economic power and apparent resilience, tourism is highly vulnerable and susceptible to internal and external crises, including economic recession, natural disasters, epidemic diseases and pandemic outbreaks, terrorist attacks, political instability, wars, and etc. All of these crises have a negative impact on the tourism and hospitality sectors [1], [14], [48]. However, despite occasional shocks, international tourism has seen continued expansion demonstrating the sector's strength and resilience and benefiting all regions in the world. International tourism has experienced declines in 2003 following the SARS (Severe Acute Respiratory Syndrome) epidemic that spread in many parts of the world and the Iraq War and in 2009 amid the economic and financial crisis, with strong and rapid recovery in the following years [45]. The COVID-19 pandemic led to the greatest loss of international tourist arrivals around the world (Asia and the Pacific region - 83%, Middle East and Africa - 75%, America - 69%, Europe 70%) [46].

The increasing number of crises stimulates the hotel and tourism sector to consider crisis management best practices more than ever before. If an organization is incapable of coping with risks, then it is likely that it will end up in a corporate crisis [35]. Therefore, crisis management has become an important part of contemporary business; moreover, the knowledge and the readiness of a company's management to respond to a potential crisis play a crucial role in the prevention and successful crisis management during the crisis and in its aftermath. The hotel companies have to take care of the service quality [47]. In addition, the level of the hotel managers' knowledge about crisis management, their awareness of the possible sources of the crisis, development of crisis plans and crisis manuals to be used by hotel crisis teams have all become exceptionally important [5].

This paper focuses on the performance and importance of crisis management measures in high-category hotels in Serbia (four- and five-star hotels) during the different phases of the crisis: Before-Crisis, During-Crisis, and After-Crisis. The aim is to determine the level of importance and performance of each phase of crisis management and whether there is a gap between the importance and performance of the crisis management measures. Therefore, starting from the assumption that a proactive management approach is important, the following hypotheses are formulated as follows:

H_1: The measures of the Before-Crisis phase of crisis management are extensively performed in high-category hotels in Serbia.

H_2: The crisis management measures implemented during the Before-Crisis phase have the highest importance for the managers of high-category hotels in Serbia.

H_3: There is a significant difference considering the importance of the crisis management measures in high-category hotels in Serbia during the different phases of the crisis, as well as in the performance of such measures.

Literature review

The impact of crisis events on tourism has so far received considerable attention in the research area [2], [4], [11], [15], [16], [27], [28], [34], [42]. The tourism industry is vulnerable to various crises and disasters, and its growth has been impeded due to unpleasant situations [12].

Generally, a crisis in tourism involves disrupting events with a significant impact on the organizations in the sector, such as unfavourable economic shifts, natural disasters, terrorist attacks, political instability, and bio-security threats [16]. Tourism is often unable to rebound as quickly as other businesses, since much of a destination's attraction is derived from its image [7]. Therefore, the negative consequences of crises bring about tremendous challenges for the survival and recovery of the tourism industry [48].

The tourism sector, like no other economic activity with social impact, is based on interaction amongst people [45]. Considering the tourist movements, there is a massive mixing of people of all races, nations, cultures, and ages, which can lead to the emergence of epidemics and pandemics [29]. The SARS epidemic (2003), the bird flu epidemics (2003-2004) and the H1N1 pandemic (2009)

severely impacted international tourism declines [9], [25], [48]. The tourism sector is currently the sector that has been suffering the most severe consequences due to the outbreak of Coronavirus (COVID-19) (2019), including the impacts on both tourism supply and demand (hotels and airports closed, as well as national borders around the world). The COVID-19 pandemic has caused a 74% fall in international tourist arrivals during 2020, and a loss of USD 1.3 trillion in export revenues [46]. This is by far the worst result in the historical series of international tourism since 1950 and would put an abrupt end to a 10-year period of sustained growth since the 2009 financial crisis [45].

The tourism industry is one of the most susceptible and vulnerable industries to the economic crisis [16], [17]. Tourism suffered greatly during the 2009 global economic crisis. There was a 4% decline in international tourist arrivals in 2009 and revenues from international tourism fell by 6% by 2009 [44].

Tourism crises are regularly precipitated by natural disasters such as earthquakes, volcanic eruptions, tropical storms and avalanches. These disasters can be of great magnitude and are exemplified by the 2004 Indian Ocean tsunami which devastated many coastal destinations in India, Indonesia, the Maldives, Malaysia, Myanmar, Sri Lanka, and Thailand. In addition to the massive loss of life and physical damage, the tsunami inspired lingering fear and uncertainty among tourists and tourism businesses [13]. The other examples of natural disasters are Hurricane Katrina in the USA in 2005, the hurricane disaster in New Orleans in 2008, Japanese tsunami in 2011, Sandy Hurricane in the USA in 2012, etc. [14].

During the first decade of the new Millennium, terrorism has developed into a lasting crisis with a growing geographical scope [10]. National and international tourism activities are faced with different forms of terrorism threats all over the world. Terror events have severely been affecting the tourism industry worldwide increasingly since the 9/11 attacks in the USA in 2001, followed by major terrorist attacks in Bali (bombing attacks in 2002), Tunis (bombing attacks in 2002) Egypt (Sinai bombings and Taba Hilton terrorist attack in 2004; Cairo and Sharm El Sheikh terrorist attacks in 2005), Madrid (train bombings in 2004), in Jakarta (hotel bombing in 2009), Mumbai (train bombings in 2006), London (suicide-bombings attacks in the city's public transport system in 2005), Paris (terrorist attacks in 2015), etc. [14], [29]. ISIS terrorist attacks in European locations, such as Belgium, France, Germany, and Turkey had significant effects on tourism in recent years [18].

Crises are different and crisis managers need to tailor responses to the individual crises, rather than try to plan for every individual situation [33]. This puts increasing pressure on managers to consider the impact of crises on the tourism industry and develop more effective strategies to stop or mitigate the severity of their negative impacts in order to protect the tourism business [31]. Crisis management emerges as an integral part of today's tourism business [40].

The hotel industry is a very important part of the tourism industry and is not immune to crisis [48]. Owing to the numerous peculiarities of the hotel business, the sensitivity of this sector to crisis situations is higher compared to other economic sectors. Therefore, the crisis management concept must play a significant role in the operations of hotel companies [5]. The literature on crisis management in the hotel industry has achieved significant developments in recent years. Numerous authors have focused on hotel managers and examined their struggle with crisis situations [32], e.g., in hotels in the USA [41], Israel [20], Korea [23], Phuket [37], Hong Kong [26], India [19], Australia [48], Jordan [35], Egypt [14], Russia [22], the Split-Dalmatia County in Croatia [5], Greek islands [21], etc. The literature indicates that many hotel managers have limited knowledge concerning crisis management [8].

Taylor and Enz conducted a survey that included over 1,000 hotel managers in the USA following the 9/11 attacks in 2001. The hotel managers used two strategies: revenue-enhancing and cost-constraining strategies when dealing with the decline in business. Most of the hotels relied on marketing strategies focusing on regional business and redirecting sales efforts, reducing employees' working hours, instructing employees to use their vacation time and take no-pay leave, and even laying off employees. The study found that the strategy of dismissal of employees and the strategy to reduce employees' working hours were actively used by the upper-tier hotels [41].

Israeli and Reichel conducted the survey to evaluate hotel management practices in Israel in times of crisis. The study revealed that there are four categories of practices that hotel managers implement to manage a crisis: human resources, marketing, hotel maintenance, and governmental assistance. The most important and most widely used practice for managing crises is an industry-wide demand for a grace period on local (municipality) payments. The practice that ranked lowest in terms of importance is the replacement of high-tenure employees with new employees. Hotel managers feel more comfortable turning to the local government for help, rather than replacing their workforce [20]. Using the same conceptual framework and the same methodology, Israeli, Mohsin, and Kumar presented the results of a questionnaire that was completed by 145 luxury hotel executives in India. The findings suggest that crisis management in the Indian luxury hotel sector focuses on managerial actions revolving around the logic of cost-cutting and efficiency instead of marketing, maintenance, human resources, and governmental assistance [19].

Ghazi, Kattara, and Barakatt conducted a survey among hotel managers in the five regions of Egypt. When evaluating the importance of implemented practices, managers focused on government support and the change of marketing-mix, while when evaluating the usage of the mentioned practices, managers focused on price- and cost-cutting. Hotel managers focused mainly on reactive crisis management (once a crisis event occurs) rather than proactive crisis management (how can crises be prevented from occurring). At a country level, the short-term response by the government should be to exploit the media, particularly the international media, to emphasize the safety and the security of tourists [14].

Sawalha, Jraisat, and Al-Qudah studied five-star Jordanian hotels and found that crisis management was considered response and recovery activity, as opposed to proactive crises management. Results revealed that Jordanian hotels lack effective and comprehensive tools/frameworks for managing crises. The strategies adopted in Jordanian hotels for managing crises are limited, reducing their ability to respond and recover effectively [35].

Authors Bilić, Pivčević, and Čevra presented the results of a survey conducted on a sample of 59 hotels in the Split-Dalmatia County (Croatia) with the aim of providing insights into their approach to handling crisis situations. The hotel managers believe that they play a key role in ensuring the security protocols/procedures for crisis situations, nevertheless, all activities are poorly developed. The results have revealed that the practice of employee training on handling crisis situations is not well developed, as well as the protocols and procedures for crisis situations [5].

Ivanov and Stavrinoudis investigated the impacts of the 2015 refugee crisis on the hotel industry on four islands in Greece (Lesbos, Kos, Chios, and Samos) and hoteliers' responses to it. Findings revealed that the hotel managers preferred to mitigate the negative consequences of the crisis mostly by increased marketing efforts to attract more guests and cutting costs and prices, rather than by working with fewer employees, delaying payments to suppliers, or requiring more cash payments [21].

Lo, Chung, and Law in their study of the hotels in Hong Kong, suggest that in order to handle a crisis, other than cutting costs and exploring new markets, maintaining employees' morale through effective communication is also essential. Furthermore, support from the government in reviving the economy is crucial in helping hotels in Hong Kong to get back to their normal business [26]. Blake and Sinclair in their study of the USA suggested that government policies such as sector-specific target subsidies and tax reductions were the most efficient ways to handle the downturn in tourism in the USA after the 9/11 incident [6].

Research methodology

For the purposes of this research, a questionnaire was created, with the aim of exploring and identifying the hotel crisis management measures that are most commonly used to achieve the best possible hotel business results during different stages of the crisis. In high-category hotels, high quality of service is expected, but there is a lack of research about how much they use crises management. As Ghazi, Kattara, and Barakat point out, future research on this topic may focus on the 4- and 5-star hotels in different locations, i.e., countries [14]. The target population of this

research is the managers of four- and five-star hotels in Serbia. The questionnaire includes two five-point Likert-type attitude scales. The first one is used for measuring importance from 1 to 5 (where 1 represents the least important and 5 the most important), while the second Likert scale measures performance (usage level) on the scale from 1 to 5 (where 1 represents rarely used and 5 extensively used). The research was conducted during July and August 2020, when the tourism industry in Serbia experienced hard times due to the greatest health crisis caused by the COVID-19 pandemic (July – a 50.5% decline in tourist arrivals, August – a 34.3% decline in tourist arrivals) [38], [39]. Regarding the sample, there are 171 high-category hotels in Serbia in total, of which 160 are four-star hotels and 11 are five-star hotels [30]. The questionnaires were sent to all managers of these hotels. The questionnaires were filled out by 162 managers of high-category hotels (94.7% of the total number of the high-category hotels in Serbia), of which 151 were the managers of four-star hotels (94.4%) and 11 the managers of five-star hotels (100%). All five-star hotels in Serbia took part in the survey. The questionnaire is composed of three sections, the so-called phases of crisis: Before-Crisis phase, During-Crisis phase and After-Crisis phase, where each section contains its own group of statements, i.e., hotel crisis management measures. The statements contained in the questionnaire were designed by considering previous similar studies [14], [18].

The first group of claims – Before-Crisis phase (hereinafter, BCP) includes:

- Crisis Management Team (BCP1) – The hotel has a team for potential crisis identification and crisis management;
- Crisis Management Protocol (BCP2) – The hotel has plans and procedures for potential crisis situations;
- Crisis Communication Channels (BCP3) – The hotel has a free phone line for crisis situations for guests and employees;
- Hotel Budget for Crises (BCP4) – The hotel has a special budget for crisis situations;
- Crisis Training (BCP5) – The hotel regularly provides training to employees on handling crises (at least annually).

- The second group of claims – During-Crisis phase (hereinafter, DCP) includes:
- Cooperation with Stakeholders (DCP1) – The hotel manager cooperates with government officials, tourism agencies, and other key partners concerning further activities;
- Reputation Repair (DCP2) – The hotel manager strives to improve the hotel's reputation by referring to the earlier business successes of the hotel;
- Human Resources Reduction (DCP3) – The hotel manager fires the employees to reduce business costs;
- Cost Reduction (DCP4) – The hotel manager reduces operating hours for certain hotel facilities or closes a part of the hotel;
- Price Reduction (DCP5) – The hotel manager offers discounts on room prices and additional hotel services;
- Change of marketing plan and promotion strategies (DCP6) – The hotel manager changes the marketing plan and increases the promotion of new products focusing on destination attributes;
- Government Support (DCP7) – The hotel manager negotiates with the government to reduce certain fees/charges for water, electricity, sewage, etc.

The third group of claims – After-Crisis phase (hereinafter, ACP):

- Crisis Evaluation (ACP1) – The hotel has a team for assessing the effectiveness of the response to the crisis;
- Crisis Lessons (ACP2) – The hotel manager and employees learn from previous crisis to improve crisis management in the future;
- Government Budget Formation After Crisis (ACP3) – The hotel manager expects help from the government, i.e., the establishment of a state fund to help hotels after the crisis.

The collected data were analyzed by using the Statistical Package for the Social Sciences (SPSS 23). To investigate the significant gap between the importance and performance levels, the paired samples t-test was used. The descriptive statistical analysis was used in order to present the mean and standard deviation for the importance and performance levels. Based on the mean rates of each measure of crisis management the IPA was done. Accordingly, the IPA matrix consists of a

pair of coordinate axis where the 'importance' (y-axis) and the 'performance' (x-axis) and four quadrants, where rated elements are placed according to the mean values of importance and performance in relation to the whole model. According to the quadrants different strategies are suggested [36]:

- The items of the first quadrant are categorized as "Concentrate Here", meaning that managers should give attention to items placed in this quadrant. It consists of items that are of great importance, but offer a low level of performance.

- The items in the second quadrant are categorized as "Keep up the Good Work", meaning that managers should maintain the business as usual. The items are of great importance and have a high level of performance.

- The items in the third quadrant are categorized as "Low Priority". The items have low importance and provide a low performance.

- The elements of the fourth quadrant are categorized as "Possible Overkill", meaning that managers should consider reducing resources. It consists of items that have low significance, but high performance.

Results and discussion

The total number of analyzed responses is 162. According to the mean rates of the collected responses for performance, the managers of Serbian four- and five-star hotels rated the BCP measures the lowest. BCP1 (M=1.4) and BCP2 (M=1.6) are the least used measures of crises management in Serbian high-ranked hotels, i.e., hotels rarely use the team for potential crisis identification and crisis management and rarely have developed plans and procedures for potential crisis situations. Before a crisis occurs, the most used measure of crisis management is BCP5, which refers to crisis training, i.e., the hotel regularly provides training to employees on handling crisis situations (at least annually). The mean rate of 4.5 for DCP indicates that hotels are reacting to the crisis when it occurs. The most used measures of crisis management during the crisis are DCP4 (M=4.8), DCP6 (M=4.7), and DCP7 (M=4.7), meaning that very often during the crisis the

hotel manager reduces operating hours for certain hotel facilities or closes part of the hotel, changes marketing plan and increases the promotion of new products with a focus on destination attributes, and negotiates with the government to reduce certain fees/charges for water, electricity, sewage, etc. The After-crisis measures are extensively used (M=4.7), especially ACP2 (M=4.8) and ACP3 (M=4.9), meaning that the hotel manager and employees learn from previous crises to improve crisis management in the future, but they also expect help from the government, i.e., the establishment of a state fund to help the hotels after the crisis (Table 1).

All measures of BCP, DCP, and ACP are rated as highly important considering that their mean scores are all above 4.3. BCP is the phase of crisis management rated as the most important (M=4.6). In this phase, the managers of Serbian four- and five-star hotels agreed that before a crisis happens the most important thing is to have plans and procedures for potential crisis situations (BCP2, M=4.8). Overall, measures of DCP and ACP are rated nearly with the same mean score of 4.5. The most important action of crisis management during the crisis is that the hotel manager has to strive to improve the hotel's reputation by drawing on the earlier business successes of the hotel (DCP2, M=4.7), while after the crisis the most important item implies that the hotel has a team for assessing the effectiveness of the response to the crisis (ACP1, M=4.7) (Table 1).

Based on the results of the paired t-test there are significant differences between the performance and the importance of BCP measures at a very high level of significance, considering that the p-value is less than 0.01 (p=.000). The highest gap between the performance and the importance of BCP measures is -3.2 (BCP2), meaning that managers believe that it is important for the hotel to have plans and procedures for potential crisis situations, however, in practice plans and procedures for crisis situations before they occur are rarely used. Between the performance and the importance of DCP measures, there are no significant differences, except for the DCP2 and DCP4, both at a high level of significance (p≤ 0.01). The performance and the importance levels show the highest gap for the DCP2 measure (-0.3), i.e., the hotel

manager strives to improve the hotel's reputation by drawing on the earlier business successes of the hotel – this is rarely applied by the hotel managers in practice in ordinary circumstances, but they do believe that it is important to implement this approach during the times of crisis. There is a gap for all After-crisis measures at a high level of significance ($p \leq 0.01$), where the highest one is for the ACP2 (0.5). This means that hotel managers and employees learn from previous crises so as to improve crisis management in the future, but the managers consider this less important (Table 1). Considering that out of 15 measures of BCP, DCP and ACP even 10 show the gap between the performance and importance levels, the H3: *There is a significant difference considering the importance of the crisis management measures in high-category hotels in Serbia during the different phases of the crisis, as well as in the performance of such measures.*

In addition to the mean score rates, standard deviations, and results of the paired t-test, the results of the IPA are presented in Table 1, while the IPA matrix is graphically presented in Figure 1. As previously mentioned, the IPA matrix has four quadrants, and based on the mean score

of the performance and importance [24], the measures of crisis management are placed in the mentioned quadrants. The authors Silva and Fernandes suggest that "a study with the values of intermediate scales is indispensable to do an analysis based on the overall median values; it is also suggested by some authors that the median value of the data reported to cross the axes should still be considered, based on the trend of responses, median values as a measure of central tendency is theoretically preferable to mean because a true interval scale may not exist" [36, p.312]. Therefore, the median values are used for determining IPA quadrants. According to the IPA matrix, DCP7 is the measure that the managers should apply in order to keep up the good work, i.e., the hotel manager's negotiations with the government to reduce certain fees/charges for water, electricity, sewage, etc., thus having both high performance and importance for the managers of four- and five-star hotels. Concerning the measures before the crisis, especially BCP1, BCP2, BCP3, as well as DCP2 and ACP1, managers should focus more on implementing them in practice as they are marked as highly important. This confirms H2 which reads as

Table 1: Performance and importance of crisis management measures - results of statistical analysis

	Performance		Importance		GAP		IPA
	Mean	Std. Deviation	Mean	Std. Deviation	Mean (P-I)	Sig.	
BCP	2.3815	.60013	4.5753	.39359	-2.19383	.000	Concentrate here
BCP1	1.4259	.69430	4.5988	.78384	-3.17284	.000	Concentrate here
BCP2	1.6358	.91064	4.7840	.63753	-3.14815	.000	Concentrate here
BCP3	2.1358	1.03663	4.6852	.58418	-2.54938	.000	Concentrate here
BCP4	2.9444	1.16496	4.4321	.93168	-1.48765	.000	Low Priority
BCP5	3.7654	.96229	4.3765	.87771	-.61111	.000	Low Priority
DCP	4.5450	.38055	4.5529	.31490	-.00794	.831	Keep Up the Good Work
DCP1	4.4691	.73233	4.4938	.82090	-.02469	.785	Low Priority/Possible Overkill
DCP2	4.4012	.86663	4.7346	.61849	-.33333	.000	Concentrate here
DCP3	4.2469	1.05772	4.4383	.90507	-.19136	.079	Low Priority
DCP4	4.7840	.49493	4.5432	.80448	.24074	.001	Keep Up the Good Work/ Possible Overkill
DCP5	4.5247	.78969	4.5247	.77380	.00000	1.000	Possible Overkill
DCP6	4.6667	.63049	4.4877	.85783	.17901	.042	Possible Overkill
DCP7	4.7222	.51379	4.6481	.77598	.07407	.332	Keep Up the Good Work
ACP	4.6646	.46179	4.4835	.48873	.18107	.000	Possible Overkill
ACP1	4.2963	1.09141	4.6975	.69684	-.40123	.000	Concentrate Here
ACP2	4.8395	.41574	4.3395	.98538	.50000	.000	Possible Overkill
ACP3	4.8580	.42975	4.4136	.82391	.44444	.000	Possible Overkill

Source: Authors

follows: *The crisis management measures implemented during the Before-Crisis phase have the highest importance for the managers of high-category hotels in Serbia*; however, the *H1: The measures of the Before-Crisis phase of crisis management are extensively performed in high-category hotels in Serbia*, is rejected considering the low performance of BCP. Other measures are considered less important (Figure 1).

Figure 1: IPA matrix
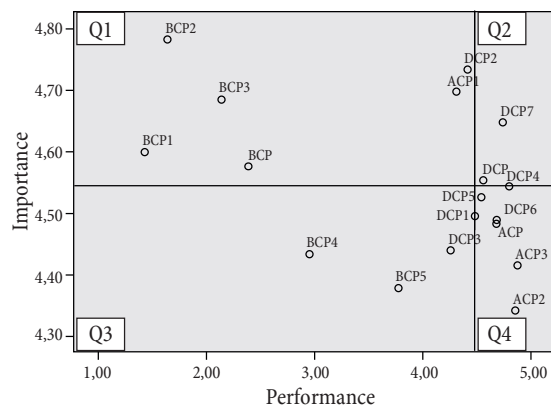
Q1: Concentrate here; Q2: Keep Up the Good Work; Q3: Low Priority; Q4: Possible Overkill.

Conclusion

Crisis management should be a part of any organization. In terms of management, a proactive approach is considered more effective than a reactive way of solving problems; however, in case of a crisis, an organization should make plans and teams in order to be ready to adequately respond to a possible crisis. In today's ever-changing environment different crisis situations are very likely to occur. One of the biggest crises that hit the tourism industry, COVID-19, led to great losses and pointed out the significance of good crisis management for different organizations in order to stay in the tourism market.

This study indicates that managers of high-category hotels in Serbia most frequently use the measures implemented in the After-Crisis phase, and then those that belong to the During-Crisis phase, while the measures applied in the Before-Crisis phase are the least used ones. This means that a proactive way of planning and preparing for a possible crisis is not often present in the four- and five-star hotels in

Serbia. The measures of crisis management in the Before-Crisis phase, During-Crisis phase, and After-Crisis phase are highly important according to the managers of high-category hotels in Serbia. It is interesting that measures of the Before-Crisis phase are rated as the most important and are at the same time the least performed measures in high-ranked hotels in Serbia. Besides the gap between the performance and the importance in the Before-Crisis phase, there is also the gap between the performance and the importance in the After-Crisis phase. This is in line with the results of the study done by Ghazi, Kattara and Barakatt indicating that hotels are mainly focused on reactive crisis management (once a crisis event occurs), rather than the proactive crisis management [14]. Therefore, proactive planning should be adopted as a part of crisis management in hotels.

Although the results of the study may not be generalized to all hotels in Serbia, as only the managers of four- and five-star hotels were surveyed, they represent very good guidelines for comparing key measures that hotel managements use in crises. The results of the paper could be of benefit to all the managers and owners of hotels in Serbia since they provide valuable information on commonly used hotel crisis management measures, but also serve as a recommendation to state authorities to develop a national strategy for crisis management in the hotel industry. Future research should be focused on comparing the use of crisis management approaches in hotels of different ranks (ratings), as well as measuring and comparing the results of the crisis management in hotels. Besides this, the results of this study can be used in future research for the purposes of comparing the crisis management approaches in high-ranked hotels in Serbia, in the aftermath of the crisis caused by the COVID-19 pandemic.

References

1. AbuKhalifeh, A., Som, A. & AlBattat, A. (2013). Strategic human resource development in hospitality crisis management: A conceptual framework for food and beverage departments. *International Journal of Business Administration*, *4*(1), 39-45.

2. Anderson, B.A. (2006). Crisis management in the Australian tourism industry: Preparedness, personnel and postscript. *Tourism Management*, *27*(6), 1290-1297.

3. Andrei, J., & Drăgoi, M. (2020). A brief analysis of tourism economics in the EU – is there a massive economic potential change?. *Tourism International Scientific Conference Vrnjačka Banja - TISC*, *5*(1), 59-76. Retrieved from http://www.tisc.rs/proceedings/index.php/hitmc/article/view/329

4. Becken, S. & Hughey, K.F. (2013). Linking tourism into emergency management structures to enhance disaster risk reduction. *Tourism Management, 36*, 77-85.

5. Bilić, I., Pivčević, S. & Čevra, A. (2017). Crisis management in hotel business – insights from Croatia. *Communication Management Review, 2*(2), 100-118.

6. Blake, A. & Sinclair, M.T. (2003). Tourism crisis management: US response to September 11. *Annals of Tourism Research*, *30*(4), 813–832.

7. Cassedy, K. (1992). Preparedness in the face of crisis: An examination of crisis management planning in the travel and tourism industry. *World Travel & Tourism Review*, *2*, 169-174.

8. Chien, G.C.L. & Law, R. (2003). The impact of the Severe Acute Respiratory Syndrome on hotels: A case study of Hong Kong. *Hospitality Management*, *22*(3), 327-332.

9. Cooper, M. (2006). Japanese tourism and the SARS epidemic of 2003. *Journal of Travel and Tourism Marketing*, *19*(2-3), 117-131.

10. Dabić, M., Mikulić, J. & Novak, I. (2017). Framing research at the tourism and terrorism nexus. *Acta Turistica, 29*(2), 181-212.

11. Evans, N. & Elphick, S. (2005). Models of crisis management: An evaluation of their value for strategic planning in the international travel industry. *International Journal of Tourism Research*, *7*(3), 135-150.

12. Ghaderi, Z. & Mat Som, A.P. (2012). Impacts of global economic crisis on tourism business in Penang. *South Asian Journal of Tourism and Heritage*, *5*(1), 40-46.

13. Ghaderi, Z., Mat Som, A.P. & Henderson, J.C. (2015). When disaster strikes: The Thai floods of 2011 and tourism industry response and resilience. *Asia Pacific Journal of Tourism Research*, *20*(4), 399-415.

14. Ghazi, K., Kattara, K. & Barakatt, M. (2014). Crisis-management practices in the Egyptian hotel industry. In: *6th International scientific conference Tourism in a changing world: Opportunities and challenges*. Alexandria, Egypt, 28-30, April 2014. Alexandria: Faculty of Tourism and Hotels, Alexandria University.

15. Glaesser, D. (2003). *Crisis management in the tourism industry*. Oxford: Elsevier.

16. Hall, C.M. (2010). Crisis events in tourism: Subjects of crisis in tourism. *Current Issues in Tourism*, *13*(5), 401-417.

17. Henderson, J.C. (2007). *Tourism crises: Causes, Consequences and Management*. Oxford: Butterworth-Heinemann.

18. Israeli, A.A., Kirlar-Can, B., Ertas, M., Sel, Z.G. & Tutuncu, O. (2018). Hospitality crisis management in Turkey: A comparative approach. *Tourism Today, 17*, 8-45.

19. Israeli, A.A., Mohsin, A. & Kumar, B. (2011). Hospitality crisis management practices: The case of Indian luxury hotels. *International Journal of Hospitality Management, 30*(2), 367-374.

20. Israeli, A. & Reichel, A. (2003). Hospitality crisis management practices: The Israeli case. *International Journal of Hospitality Management, 22*(4), 353-372.

21. Ivanov, S. & Stavrinoudis, T. (2018). Impacts of the refugee crisis on the hotel industry: Evidence from four Greek islands. *Tourism Management, 67*, 214-223.

22. Ivanov, S., Sypchenko, L. & Webster, C. (2017). International sanctions and Russia's hotel industry: The impact on business and coping mechanisms of hoteliers. *Tourism Planning & Development, 14*(3), 430-441.

23. Kim, S.S., Chun, H. & Lee, H. (2005). The effects of SARS on the Korean hotel industry and measures to overcome the crisis: A case study of six Korean five-star hotels. *Asia Pacific Journal of Tourism Research*, *10*(4), 369-377.

24. Knežević, M. Čerović, S., Borovčanin, D. & Unković, A. (2017). The use of IPA in the analysis of customer satisfaction in the hotel industry. *Ekonomika preduzeća*, *65*(3-4), 245-258.

25. Leslie, D. & Black, L. (2006). Tourism and the impact of the foot and mouth epidemic in the UK. *Journal of Travel and Tourism Marketing*, *19*(2-3), 35-46.

26. Lo, A., Chung, C. & Law, R. (2006). The survival of hotels during disaster: A case study of Hong Kong in 2003. *Asia Pacific Journal of Tourism Research*, *11*(1), 65-79.

27. Lynch, M. (2004). *Weathering the Storm: A Crisis Management Guide for the Tourism Businesses*. Leicester: Matador.

28. Milićević, S. & Ervaćanin, V. (2016). Impact of crises on the development of tourism in the world. *Turističko poslovanje*, *18*, 51-63.

29. Milićević, S. & Štetić, S. (2017). *Menadžment u turizmu*. Vrnjačka Banja: Faculty of Hotel and Tourism in Vrnjačka Banja, University of Kragujevac.

30. Ministry of Trade, Tourism, and Telecommunications of the Republic of Serbia (2020). Retrieved from https://mtt.gov.rs/sektori/sektor-za-turizam/korisne-informacije-turisticki-promet-srbija-kategorizacija/?script=lat

31. Mohammad, A.A., Jones, E., Dawood, A.A. & Sayed, H.A. (2012). The impact of the Egyptian political events during 2011 on hotel occupancy in Cairo. *Journal of Tourism Research & Hospitality*, *1*(2), 1-8.

32. Parnell, J.A., Crandall, W. & Crandall, R.E. (2016). In pursuit of crisis readiness: An examination of managerial characteristics, firm size, industry domain and strategic type within the miles and snow framework. *Journal of the North American Management Society*, *22*(1), 22-38.

33. Ritchie, B.W., Dorell, H., Miller, D. & Miller, G.A. (2004). Crisis communication and the recovery for the tourism industry: Lessons from the 2001 Foot and Mouth Disease outbreak in the United Kingdom. *Journal of Travel and Tourism Marketing*, *15*(4), 199-216.

34. Ritchie, B.W. (2004). Chaos, crises and disasters: A strategic approach to crisis management in the tourism industry. *Tourism Management, 25*(6), 669-683.

35. Sawalha, I.H.S., Jraisat, L.E. & Al-Qudah, K.A.M. (2013). Crisis and disaster management in Jordanian hotels: Practices and cultural considerations. *Disaster Prevention and Management: An International Journal, 22*(3), 210-228.

36. Silva, F. H., & Fernandes, P. O. (2011). Importance-performance analysis as a tool in evaluating higher education service quality: the empirical results of ESTiG (IPB). In *In the 17th International Business Information Management Association Conference* (pp. 306-315).

37. Srikatanyoo, N. & Campiranon, C. (2005). Crisis management of the hotels in Phuket: A comparison of Thai and foreign hotel management style. *ASAIHL-Thailand Journal*, *8*(2), 165-176.

38. Statistical Office of the Republic of Serbia (2020a). Retreived from: https://publikacije.stat.gov.rs/G2020/Pdf/G20201238.pdf

39. Statistical Office of the Republic of Serbia (2020b). Retreived from https://www.stat.gov.rs/vesti/20200930-turisticki-promet-avgust-2020/?s=2202

40. Tate, P. (2002). The Impact of 9/11: Caribbean, London and NYC case studies. *Travel & Tourism Analyst, 5*, 1-25.

41. Taylor, M.S. & Enz, C.A. (2002). Voice from the field: GM's responses to the events of September 11, 2001. *Cornell Hotel and Restaurant Administration Quarterly, 43*(1), 7-20.

42. Tsai, C.H. & Chen, C.W. (2010). An earthquake disaster management mechanism based on risk assessment information for the tourism industry-a case study from the island of Taiwan. *Tourism Management, 31*(4), 470-481.

43. Turtureanu, A.G., Tureac C.E. & Andronic, B.C. (2012). Tourist industry recovers from world economic crisis, *Acta Universitatis Danubius. Oeconomica, 8*(1), 176-185.

44. UNWTO (2020). *Impact assessment of the COVID-19 outbreak on international tourism*. Retreived from https://www.unwto.org/impact-assessment-of-the-covid-19-outbreak-on-international-tourism

45. UNWTO (2021). *UNWTO World Tourism Barometer and Statistical Annex, January 2021*. Retreived from https://www.e-unwto.org/doi/epdf/10.18111/wtobarometereng.2021.19.1.1

46. Vujić, M., Sekulić, D., & Cvijanović, D. (2020). The importance of intangible elements in the assessment of service quality in hotels in Kolubara District. *Hotel and Tourism Management, 8*(2), 43–52.

47. Wang, J. & Ritchie, B. (2013). Attitudes and perceptions of crisis planning among accommodation managers: Results from an Australian study. *Safety Science, 52*, 81-91.

Snežana Milićević

is a Full Professor at the Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac. At the Faculty she performs the duties of the Vice Dean for professional practice of students. The sphere of her narrow scientific and professional interest includes Tourism management, Management of tourism destinations, and Current trends on the tourism market. She has published over 130 scientific papers, 2 scientific monographs, and 2 university textbooks. She is the Associate Editor of the scientific journal Hotel and Tourism Management at the Faculty of Hotel Management and Tourism in Vrnjačka Banja, Serbia. She is a member of the Tourismologists Association of Serbia, Serbian Marketing Association SEMA and Association of Economists of Niš - Association of Economists of Serbia.

Živana Krejić

is an Assistant Professor, at Union University-Nikola Tesla, Faculty of Business Studies and Law, Jurija Gagarina 149a, 11070 Belgrade, Serbia. She is the author of numerous research papers, participant in scientific conferences and published three books.

Nataša Đorđević

is a Teaching Assistant at the Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac. Her research interests include tourism destinations, destination competitiveness, tourism management, and sustainable tourism. She has published over 30 scientific papers. She is a member of the Tourismologists Association of Serbia, Serbian Marketing Association SEMA and Association of Economists of Niš - Association of Economists of Serbia.