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A Fight to Survive Lockdown

A multiple case study on how firms in the hospitality industry have responded to the effects of Covid-19

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Abstract

This paper attempts to explore the theoretical dimensions of crisis management with an abductive approach using the Covid-19 pandemic's effect on the hospitality industry as the main source for secondary as well as primary sources. Interviews were conducted in Sweden, Korea, and Hawaii to compare different firms' response to the ongoing crisis as well as governmental lockdowns. The Mayor of the county of Kauai was also interviewed to gain insight into the perspective and motivations behind the strictest of lockdowns. The results of this exploratory approach found that theory could be used as a conceptual framework (as was developed through this study) to better facilitate the functions of crisis management. Extremes of the varying degrees of lockdowns in the countries wherein interviews took place seemed to show more commonalities in crisis management rather than differences in behavior. The resilience of each firm and their potential ability to survive future crises is explored in this study; as well as structured theory based on past studies as well as primary sources.

Keywords: Crisis management, Covid-19, hospitality industry, resilience, retention, strategy, structure, ideology, slack.

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1. Introduction

Chapter 1 introduces the topic of this thesis, which is crisis management, starting with a background including, followed by a problem discussion which addresses gaps in the literature. Thereafter comes the purpose, research questions, delimitations, and finally the thesis outline.

1.1 Background

Businesses have throughout history experienced many economically challenging periods such as the aftermath of natural disasters, political instabilities, negative economic growth, recessions and so forth. The Covid-19 pandemic is unique in that it has created extreme restrictions to travel, which has affected the tourism and hospitality industry in a way that is difficult to compare to any other economic downturn in modern history (Lai & Wong, 2020). Industries and companies respond and react in various different ways, however research within crisis management and resilience in the tourism and hospitality industries shows certain patterns and consistencies regarding actions responding to negative effects of various crises.

This paper aims to target these patterns and suggest ways to improve the way the hospitality industry might deal with a crisis. Many theories highlight these patterns and authors have continually improved upon previous research in the field of conflict management (Fink, 1986) (Mitroff, 1994) (Gonzales-Herrero and Pratt 1996) (Burnett, 1998) (Jacques, 2007). An important aspect of the hospitality industry is the ability for a firm to be resilient in the face of a crisis and it can be assumed that with greater resilience the greater its probability of coping with future crises and getting an advantage of other firms.

In addition, there are many different stages of resilience of firms in the hospitality industry. There is no one research paper that examines all stages of the topic, but rather one stage, for example preparation or business strategy, while other papers focus on specific actions etc. This means that the whole view is rarely presented in a single case, rather just a small portion. As no crisis is the same, and these are very circumstantial events, creating generalizable theories or frameworks may

not be possible. As mentioned earlier, there has not been a crisis in modern history, or perhaps ever, that has affected the tourism industry as hard as the effects of Covid-19 (Lai & Wong, 2020). Even though research within these topics are fragmented and case-specific, research is still important, and can help firms understand how to act in future crises and help build their business strategies with the possibilities of crises happening again, which is always a possibility. Since this is an ongoing crisis, current research will be valuable and useful for the future, providing insight to the crisis as it is happening and optimize firm performance.

When analyzing firm performance, there are two main views, including industry-specific and firm-specific (Israeli & Reichel, 2003). Within crisis management, in most cases, there is a specific crisis that has affected the firm or even entire industries, which means it is highly relevant to examine how firms respond, based on what managerial decisions are made. If we look specifically at research in the field of strategy and strategic management, Porter argued that structural properties of markets and industries have a higher determination on whether a firm will survive or not (Porter, 1980). Barney (1991) presented a theory which claims firm-specific characteristics had a direct effect on the performance of the firm, for example superior management teams. Hawawini analyzed and compare the two views and argued that industry-specific factors are more deciding for a firm's success than firm-specific factors, however he did argue that management could affect a firms performance in certain cases where the management were divided into 'winners' or 'losers', so whether they created value for the firm, or they destroyed value for the firm (Hawawini, 2003). Even though there are contradicting theories on which factors affect the success of companies most, when it comes to management in specific situations such as a crisis, the management and actions taken will have an effect on companies' capability to benefit or survive (Israeli & Reichel, 2003). It will also have an effect on the tourism industry as a whole.

The tourism industry accounts for 10 percent of global GDP and employs over 300 million people across the globe (Behsudi, 2020). Due to the pandemic, about one third of all jobs within the tourism industry have been at risk of furlough or being lost, with predictions that the recovery will be slow, and may take several years to reach the same levels as pre-pandemic (Behsudi, 2020). For example, the biggest job losses in the United States due to Covid-19 have been in the leisure and hospitality jobs – 1.3 million employees from the start of the pandemic to early 2021 (Pizam, 2021). Although research has been done examining crisis management in the tourism and

hospitality industry, the Covid-19 pandemic is incomparable to any other crisis in modern history (Lai & Wong 2020). There has been a surge of innovation within the tourism industry, that is a likely response to the crises, and perhaps one way to create resilience (World Travel & Tourism Council, 2020).

1.2 Problem Discussion

In order to understand the relevance of research in this thesis, an analysis of the types of present research on crisis management on Covid-19 and its effect on the hospitality industry is important. According to an article analyzing the current research investigating the hospitality industry and how it has been affected by the Covid-19 pandemic, the largest share of studies are on the impacts of the pandemic (Davahli et al, 2020). The second most published research is on the resumption of activities during and after the pandemic, followed by developing simulation & scenario modeling, and finally the impacts relating to economics (Davahli et al, 2020). According to the researcher (Davahli et al, 2020) who analyzed the types of research found potential areas of recommended research to “include the use of machine learning and artificial intelligence in building a more sustainable tourism and hospitality industry and developing the best practices in improving the industry’s resilience in the future” (Davahli et al, 2020). The following section will delve into these aforementioned best practices of improving an industry’s resilience during a pandemic in order to prove the relevancy of this study.

It is important to understand the impact of the crisis resulting from the Covid-19 pandemic is to the stakeholders (workers directly affected) in the traditional hospitality industry. Two key points can be looked at in terms of the response to the pandemic; the financial and the managerial responses. Previous studies might have shed light on different crises and how they affected the hospitality industry, but we still do not know the full extent of the financial and managerial implications on the hospitality industry in this current crisis. It is regarded as the industry “most affected by the consequences of Covid-19” (Wieczorek-Kosmala, 2021). That makes this project even more relevant and unprecedented.

Firstly, in terms of the sheer financial distress experienced by the hospitality industry, the financial risk preparedness is an important indicator whether or not a firm survives or not (Wieczorek-Kosmala, 2021). This is problematic because the hospitality industry’s financial “risk preparedness

should be judged as relatively low” (Wieczorek-Kosmala, 2021). This indicates that the industry is an extreme example among industries most affected by Covid-19. The seriousness of how financially ill prepared the hospitality industry should be taken very seriously. According to one study of four European countries, “nearly 60% of... examined businesses are vulnerable to the consequences of operating disruptions” (Wieczorek-Kosmala, 2021). This means that over half of all business within the hospitality industry is in jeopardy during the Covid-19 pandemic. Secondly, the managerial perspective within the hospitality industry is deemed as also having an important role in the ability to sustain their business. The way managers are trying to respond to the crisis has been to “tightly monitor the innovations implemented by their competitors” (Wieczorek-Kosmala, 2021) and relying on technological and innovative responses themselves. Some researchers propose that “a crisis management agency must be established to monitor, identify, diagnose, and rectify the strategic and execution management of the enterprise, thereby strengthening the company’s operating fitness” (Fu, 2020).

One extreme example of how the hospitality industry is affected by Covid-19 is demonstrated in an article focusing on Spain as close to 15% of its GDP is dependent on the industry (Crespí-Cladera et al, 2021). The study indicates that it is mostly smaller firms that experience the most difficulty during the crisis. This means that the size of the firm, as well as the managerial and financial situation, may be an additional factor in terms of survivability in the Covid-19 crisis (Crespí-Cladera et al, 2021). 60% of firms in a sample study of European firms in the hospitality industry have or will fail during the pandemic. In Spain, this number is at 73% unless “no sufficient injections of liquidity are provided to the hospitality industry” (Crespí-Cladera et al, 2021). Furthermore, 11% of all employment in Spain is in the hospitality industry (Crespí-Cladera et al, 2021), which is especially worrying as at the time of writing a third wave is currently being experienced throughout Europe. The two most important factors mentioned earlier are still very important to understand if the hospitality industry will survive. However, in addition to the financial and managerial capabilities, a third factor should be considered separately due to the nature of Spain’s ability to provide support by public authorities. All workers “of firms affected by the Covid-19 crisis were paid a salary by the central government while firms remained inactive” (Crespí-Cladera et al, 2021). However, it is uncertain how long these compensations will last.

The other sides of the extremes are the success stories in which firms have “successful recovery attempts” (Breier et al, 2021). One article conducted a multiple case study of six successful hospitality firms in Austria to try to identify variables that increase the chances for survival or even for how to thrive during the crisis in the hospitality industry (Breier et al, 2021). The findings relate to “temporary business model innovations” (Breier et al, 2021), or BMIs for short. The drivers that motivated these BMIs to succeed were “available time, overall pressure to change because of the crisis, and the important role of [regular patrons]” (Breier et al, 2021). “[A]bove all, government support and targeted advertising of local populations help to overcome a crisis” (Breier et al, 2021). Contradictory, government support has a negative effect on innovation as it reduces the overall pressure (Breier et al, 2021). This increases the complexities in the ever more complex environment presented by the Covid-19 crisis.

1.3 Purpose

The purpose of this research paper is to investigate and attain an increased understanding of what specific actions firms within the hospitality industry have taken in order to survive, benefit, or create resilience as a response to the effects of Covid-19.

1.4 Research Questions

-What actions have firms in the hospitality industry taken as a response to the effects of the Covid-19 pandemic?

-How does a firm's internal antecedents (slack, strategy, ideology, structure) affect its crisis management?

1.5 Delimitations

This paper had many obvious delimitations due to the constraints of working mostly virtually. It is also a major delimitation to do a study on three majorly different geographical locations; South Korea, Sweden, and an island of Hawaii in the United States. However, when looking at the extremes of the spectrum of lockdowns by the governance of all three locations, we can gain

further insight on crisis management and utilize theory in a more consistent manner. Context is obviously an important delimitation when considering our topic and is discussed in the analysis.

One of the main points of delimitations of a study is to narrow the study to make it manageable and relevant to what we are trying to prove. Obviously, since our research questions can be answered in so many different ways, we looked for cases of more extreme nature as well as considering our own personal connections and ability to conduct the study with the highest possible quality in mind. This way, we were able to utilize and combine our network to come up with far better results to test our hypothesis on crisis management.

1.6 Thesis Outline

A brief description of the six chapters this thesis contain, is presented below:

1. *Introduction* - The introduction chapter included a background of the topic, crisis management, as well as a problem discussion and purpose, presentation of the research questions, delimitations, as well as the thesis outline.
2. *Theoretical framework* - The second chapter provides an overview and review of existing theories and literature relating to the topic of this study, including crisis management, crisis management within the hospitality industry, resilience theory, covid-19, followed by the presentation of the conceptual framework and model.
3. *Methodology* - The methodology chapter includes description and motivation for our methodological choices, including our research approach, research design, data collection, quality of research, and ethical considerations.
4. *Empirical Findings* - The fourth chapter presents the empirical findings from the interviews, where each company is introduced with a brief background and context, followed by an outline of the actions taken and the individual crisis management plans. The chapter is concluded with a brief summary of the empirical findings.
5. *Analysis* - The analytical chapter analyzes and discusses the empirical findings from the previous chapter, referring to theories presented in the theoretical framework. Based on the findings, a revised conceptual model is presented.
6. *Conclusion* - The final chapter concludes our analytical findings and aims to answer the research questions.

2. Theoretical Framework

The theoretical framework provides an overview and review of existing theories and literature relating to the topic of this study, including crisis management, crisis management within the hospitality industry, resilience theory, covid-19, followed by the presentation of the conceptual framework and model.

2.1 Background

The hospitality industry is an extremely customer focused business. Customer service traditionally means good communication with face-to-face interactions in order to establish trust and a sense of security and comfort. However, due to social distancing and drastic measures as a response to Covid-19, alternative approaches to traditional methods are important in order to survive. Innovative responses related to digitalization, for example, lead to better communication between the customers and management and “improves the exchange of ideas and innovations that can help to develop stronger resilience and recovery potential from future crises” (Breier et al, 2021). This is also true for business meetings and business planning among management in businesses in general. To facilitate an environment prone for maximizing innovation, digitalization of the business will help to accommodate the business during times of crisis. Digitalization will help to make time for strategy planning, communicate better with the regular patrons, and “actively reduce the effects of inhibiting factors and promote enhancing factors” (Breier et al, 2021). It allows for open innovation necessary to respond better to the increase of pressures caused by the pandemic.

Due to the practical disadvantages of physical distancing during Covid-19, digitalization in the hospitality industry has also developed significantly in other areas than communication. “The inclusion of robotics in various tourism and hospitality operations are expected to become commonplace, where applications such as robotics in guidance, cleaning, kitchens, airports, hotels, deliveries, may see an increased adoption” (Kaushal & Srivastava, 2021). This is backed by recommendations of many hospitality industry scholars such as “(Ivanov and Webster, 2018; Webster and Ivanov, 2020; Yang et al., 2020)” (Kaushal & Srivastava, 2021).

One study puts heavy focus on the “need of multi-skilling and professional development of the employees, increased sense of hygiene, sanitation... [and the] need of better crisis preparedness”

(Kaushal & Srivastava, 2021). A key finding is that firms in the hospitality industry, as discussed earlier in crisis management in the hospitality industry, prefer to retain employees rather than having to rehire and retrain new staff during the Covid-19 crisis. In addition, multitasking is seen to also be preferable to hiring new employees. Due to the ongoing Covid-19 crisis, hospitality firms are engaging employees in multiple job roles and this is “expected to become a norm in hospitality and tourism” (Kaushal & Srivastava, 2021).

A study in Indonesia stresses the role of the supply chain in order to increase the sustainability of business’ in the hospitality industry (Japutra & Situmorang, 2021). In Indonesia, the hotels that decided to furlough employees versus those that did not experienced very different results. The hotels that did not choose to furlough, pursued “a salary reduction policy” (Japutra & Situmorang, 2021). However, this policy “created anxiety and tension among employees” (Japutra & Situmorang, 2021). It became a constant debate between the workers who should have their salaries decreased as they felt the reduction “should not be equal across employees” (Japutra & Situmorang, 2021).

The above example might be an extreme example as Indonesia’s GINI index is quite high meaning that there is a big difference between the rich and the poor. However, in places dependent on the hospitality industry, there will most likely always be a need for cheaper labor as well as more expensive labor to cater to the more affluent. In the Indonesian study, employees believed the “board and senior management should bear more responsibility” (Japutra & Situmorang, 2021). One way to alleviate this issue is to “openly discuss this kind of salary change to avoid tension” (Japutra & Situmorang, 2021). This could be a discussion not only with employees but also with multiple stakeholders such as other “companies, suppliers, tourism associations, and governments” (Japutra & Situmorang, 2021). Collaborating together in times of crisis could help keep the business afloat.

The study in Indonesia also found that laying off employees had issues of its own since hotels have rather high recruitment requirements (Japutra & Situmorang, 2021). It is recommended that hotels, labor unions, and the government should work together in order to get the best recovery strategies. In this particular study in Indonesia, the government was “considered to be slow and reactive [rather than proactive] in providing guidelines and solutions” (Japutra & Situmorang, 2021). Some

of these issues can be explained by the decentralized roles of dealing with Covid-19 in Indonesia since the central government and the provincial governments communicated poorly and had different regulations and policies (Japutra & Situmorang, 2021).

The role of government in crisis management was deemed to be essential in the case of Indonesia. It is more an example showing the failure of governance since the central government failed to “put forward a strategy” (Japutra & Situmorang, 2021) and the provincial governments should of created incentives for the hotels such as with “property tax and hotel tax” (Japutra & Situmorang, 2021). A digital infrastructure created by the government would also help (Japutra & Situmorang, 2021). Digitalization could also be adopted by managers at hotels by for example “using video-conferencing tools to support remote working” (Japutra & Situmorang, 2021).

Another study focused on the role of CSR (Corporate Social Responsibility) in the hospitality industry during the Covid-19 pandemic (Zhang & Morrison, 2021). The study revealed that “hotel CSR positively predicted employee safety behavior” (Zhang & Morrison, 2021). Hotel CSR also improved “adaptation, followed by compliance and participation” (Zhang & Morrison, 2021) among employees. This means that the hotels that have CSR policies in place are more likely to respond better to a crisis and will manage better in crisis.

2.2 Crisis Management

There is no one theory of crisis management, but rather there are several theoretical models (Fink, 1986) (Mitroff, 1994) (Gonzales-Herrero and Pratt 1996) (Burnett, 1998) (Jacques, 2007) that are conceptual frameworks that prepare, prevent, cope, and help recover from a crisis, which is summarized in figure 1 below (Burnett, 2008). The following section will delve deeper into popular crisis management models in academia but most of them have some form of approach similar to these:

- Pre-emptive Crisis Management: This approach seeks to prevent or resolve a crisis at its earliest sign.
- Proactive Crisis Management: In this approach, organizations take initiative early in the crisis and seek to shape how events unfold.

- **Responsive Crisis Management:** This occurs when there is little warning of a crisis. However, thoughtful and quick analysis can lead to effective action that accounts for long and short-term results.
- **Reactive Crisis Management:** This is often a panic-driven or knee-jerk reaction. Emotions like fear play a leading role, and objective thinking is largely absent from the crisis response. The company faces a crisis defensively and, following the crisis, the business may experience problems, high turnover of senior leaders, or even business failure” (Marker, 2020).

2.2.1 Origin of Crisis Management Theories

Organizations did not until the mid 20th century turn from responsive to proactive ways to face crisis. Most common threats include “natural disasters and labor problems” (Marker, 2020). A “capacity-based” model rather than a “scenario-based model” of crisis management is the current shift in crisis management in the past half century in which organizations emphasize “building capacities like communications, financial backup plans, and readiness for remote work” (Marker, 2020).

The scenario-based model “makes use of multiple scenarios or stores of different futures to underscore the fact that the future is unpredictable, unstable, and inherently filled with uncertainty” (Moats JB, et al., 2008). Moats JB, et al recognized the difficulty of organizing strategies for crisis management in a scenario-based approach and outlined four general phases of scenario planning: “getting started, laying the environmental analysis foundation, creating the scenarios, and moving from scenarios to a decision.” (Moats JB, et al., 2008). It is a recognition of the difficulty of general preparation of a crisis, such as in the “capacity-based” model, and more of a guide towards preparing for crisis by “empowering the individuals to be more open to multiple perspectives” (Moats JB, et al., 2008).

2.2.2 Crisis Management Theory’s Increased Relevance in Academia

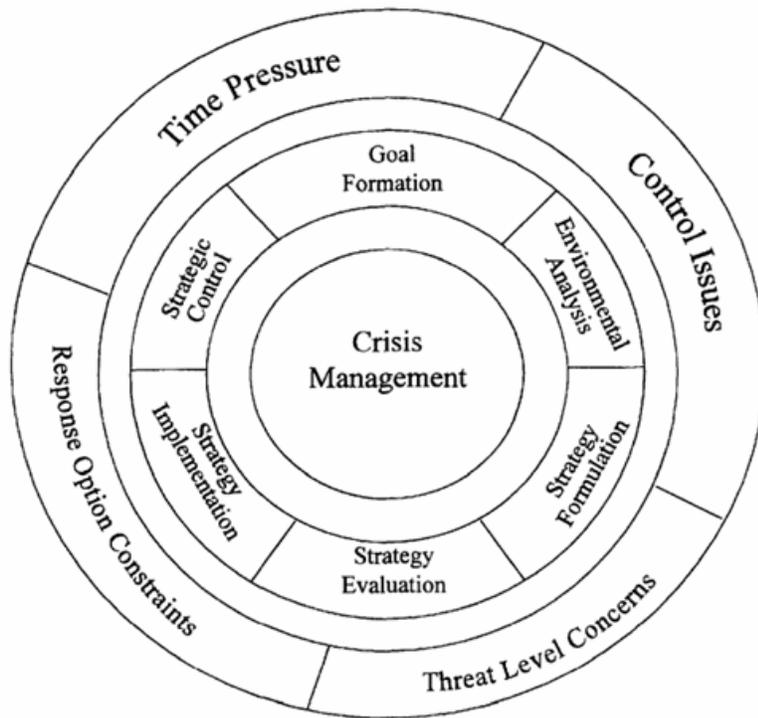
One of the first famous crisis management models was written back in 1986 by Steven B. Fink. He defined crisis management as the “techniques to remove many of the risks and uncertainties to control one's own destiny to the extent possible” (Kamei, 2019). About a decade later, Gonzales-

Herrero and Pratt, focused on crisis communications in crisis management and how it “should be a long-term activity by which organizations use formal procedures to respond proactively to crises” (Gonzales-Herrero & Pratt, 1996, p. 101). Their study found that only a handful of organizations had crisis communications plans. They also emphasized that their four-step crisis model on management activities are essential to be present in an organization’s mind-set to avoid loss in “reputation, competitiveness and bottom line are, perhaps even in the long run, adversely affected” (Gonzales-Herrero & Pratt, 1996).

Ivan Mitroff delved deeper into crisis management models regarding environmental disasters since he believed they will “always represent a major crisis for an organization and its surrounding community” (Mitroff, 1994). Similar to Gonzales-Herrero & Pratt, he emphasized that in all cases of disasters, there will be a challenge to the “reputation of an organization” (Mitroff, 1994). It is almost as if he predicted a pandemic such as the one experienced by the Covid 19 pandemic as he stressed that “in today’s world, there is no option but to prepare broadly for the unthinkable. It is no longer a question of ‘if a major crisis will strike an organization,’ but only ‘when,’” (Mitroff, 1994).

In the late 1990s, John Burnett formulated an updated model of crisis management. He believed that the strategies set in place could “minimize adverse effects” (Burnett, 1998). Public relations is, from a management standpoint, a means to “mitigate uncertainty” (Burnett, 1998) in a crisis and they do so “by manipulating publics’ behavior or, in the case of crisis, by being proactive and dealing with this type of uncertainty strategically” (Burnett, 1998). Having strategies in place to deal with potential crises avoids “ineffective and inefficient responses to crisis” (Burnett, 1998). Figure 1 below, shows the factors related to crisis management and the outer ring factors are more difficult to manage as they are more out of the hands of management in the organization, but the inner circle factors could minimize their negative effects.

Figure 1: Burnett's Crisis Management Model



Source: Burnett (1998)

2.2.3 Crisis Management Theory

In the late 2000s, Tony Jacques argued that previous models in crisis management were weak because they focused too much on having a “definitional or linear approach” (Jacques, 2007) on crisis management. His “new relational model presents... [crisis management] as part of a cluster of actions, focused on more effectively preventing and managing crisis, and is intended to address the weaknesses identified in the previous theoretical models” (Jacques, 2007). Jacques argued that previous theoretical models focused too much on lobbying as well as media relations and that the models were more tailed with the idea that the “crisis is over when the flames die down” (Jacques, 2007). The following illustration by Jacques (Figure 2) shows what he believes to be a model that “helps deliver real bottom line impact – minimizing human and financial cost and reducing both the risk and impact of adverse events” (Jacques, 2007).

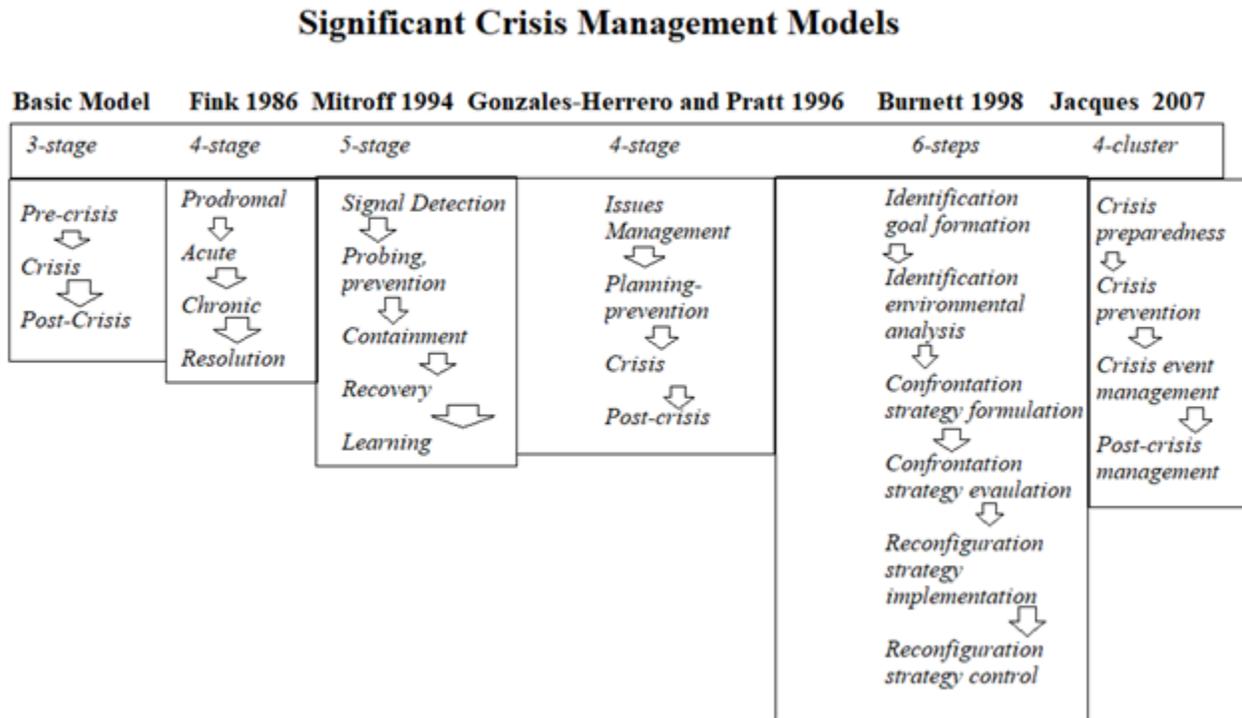
Figure 2: Relational Model of Crisis Management



Source: Jacques (2007)

For the sake of clarity, the following conceptual model captures all the above-mentioned common crisis management models found in our research. All of the models are related in a way in which there are temporal stages that determine the preparedness and resolution of the crisis. However, the latest model by Jacques (2007) encapsulates a crisis more relevant to our study as Covid-19 is a far more perpetual crisis and the other models are more concerned with temporary crises that are over once the media considers it to be so, as Jacques himself argued. Therefore, our study promotes the latest model in our summarization model (Figure 3)

Figure 3: Major Crisis Models Conceptualized



Source: Author's own conceptualization

2.3 Crisis Management in the Hospitality Industry

Previous research related to crisis response and management in the tourism and hospitality industry has had a strong connection to the effects of terror activities. Israeli and Reichel examined the Israeli hospitality industry during the first years of the 21st century which was largely affected by various terror activities and political unrest which resulted in a drastic decline in tourism (Israeli & Reichel, 2003). Israeli and Reichel created four categories of procedures including marketing, infrastructure, human resources, and governmental assistance, with 21 specific actions within the four categories. The four categories were based on several factors, one being the work of Mansfeld (1999), who presented several principles that should be implemented in times of crisis in the hospitality and tourism industry. Some suggestions include using the domestic market as short, mid, and long-term balancing mechanisms, marketing mechanisms must be adapted to current situations, tourism infrastructure plans must also be adapted, governmental incentive packages,

and so forth (Mansfeld, 1999). As well as using previous literature, Israeli and Reichel used the results from their own interviews with 13 managers of the largest hotel chains in Israel (Israeli & Reichel, 2003).

According to the respondents, the most important practices were extending payment terms on local expenses, for example to the municipalities, reducing the number of working days per week, general governmental assistance for current expenses, and marketing to domestic tourists. The least important were the replacement of high-tenure employees with new employees, marketing to foreign tourists, postponing maintenance of engineering systems for the purpose of cutting expenses, and organized protests due to the lack of governmental support (Israeli & Reichel, 2003). This suggests that companies would rather go to local governments for financial support, than to replace or lay off parts of their labor force. There are certain limitations to this study, as it does not provide respondents with the ability to add practices not included on the questionnaire, but perhaps more importantly, it does not examine the long-term implications of the actions taken by the managers, which limits the ability to understand how successful the practices were.

Similar research was done almost a decade later with the case of Indian luxury hotels, using the same 4 categories and 21 actions (Israeli et al., 2011). The results of the questionnaire showed that the average results of the least important actions were laying off employees, while the most important was marketing and promoting new products. For this case, it seemed that the general theme was cost-cutting, rather than the original four themes. Although findings were similar to those in the first study of the crisis in the Israeli hospitality industry and therefore provide an enhanced robustness of the theories and conclusions presented in the two papers, there are certain limitations. There is still no consideration to the long term effects or success of the practices. Furthermore, luxury hotels represent a specific and limited part of the market segment of the Indian hospitality industry, which means there is a need for further research of a broader segment in order to draw more meaningful conclusions (Israeli et al., 2011).

Pine and McKercher researched the effects of the SARS epidemic between 2002 and 2003, which lasted only a few months until WHO declared the outbreak contained worldwide. The hospitality industry in the region suffered huge losses and decline in tourism, in which hotel management took actions such as closing certain areas of hotels, suggested holidays or unpaid leave to

employees, asked for governmental support and extensions on payments etc., which are all actions in line with previous research (Pine & McKercher, 2004). However, one difference is that hotels cancelled promotional campaigns, which is the opposite of what has been suggested by the studies of Israeli for example (2003, 2011). In general, the main features of the actioned responses to the lower demand had to do with cost cutting and governmental support. Predictions were made that it would take up to one year for the market and demand to recover from the effects of the epidemic, however, it turned out that tourism increased faster than anticipated, which resulted in certain cost-cutting actions being removed earlier than planned, and calling back employees which had been asked to go on unpaid leave (Pine & McKercher, 2004).

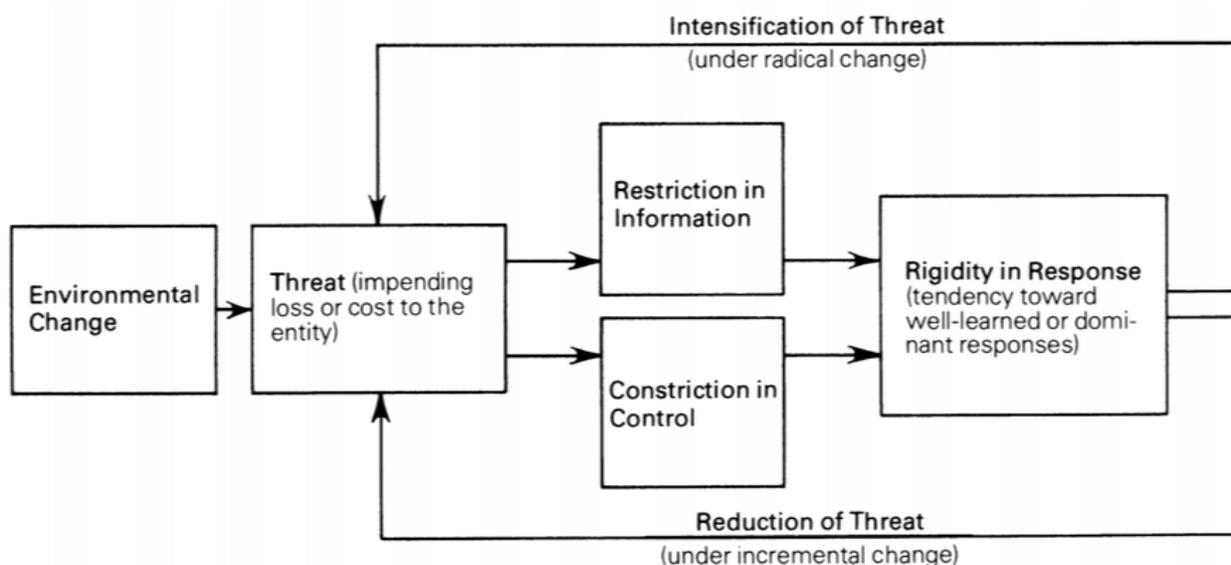
2.4 Resilience Theory

During recent years the concept of resilience has become increasingly popular amongst researchers, however the concept is broad, and the conceptualization and operationalization still vary (Linnenluecke, 2017). Chandler and Coaffee defined resilience as “a capacity to prepare for, to respond to, or to bounce back from problems or perturbations and disturbances” (Chandler & Coaffee, 2016). Fiksel defined resilience as capacity for an enterprise to survive, adapt, and grow in the face of turbulent change (2007). It can be generalized that there are three different stages of resilience, inducing *preparation*, *response*, and *recovery*-which can also be seen as before, during, and after. Preparation can include many things depending on the type of crisis, however in many cases it would include the type of business strategy, planning for crises, having access to emergency financial funds, etc. The response is in short what actions are taken in order to respond to the crises. The last stage, growth examines the outcome of the response, whether or not the business has survived, and has been able to respond and adapt to the crisis in a way that leaves a functioning business post-crisis (Linnenluecke, 2017). Not only does the definition of resilience, but also the parameters, the variables that determine resilience, as well as the criteria of how it can be measured (Linnenluecke, 2017).

Some of the first contributions to the research field of resilience are Meyer’s research on strategic change in hospitals, and Staw’s research on organizational responses to external threats, dating back to the early eighties (Linnenluecke, 2017). The two papers examined how external threats were handled by firms, and whether the reactions resulted in survival or a changed strategic

position in the market. However, the papers have different conclusions regarding how firms handle or react to outside disturbances. Figure 4 shows Staw's representation of threat-rigidity effects on an entity. When an entity is threatened, this will lead to rigidity within the entity, which in turn can be "maladaptive", which is based on previous research saying that when environments change in extreme ways, flexibility and diversity create a greater chance of survival (Campbell, 1965; Weick, 1979). Staw suggests that maladaptive behavior is predicted when extreme changes occur, since the "normal" response and behavior are not appropriate when conditions are not normal, hence rigidity is a negative effect. On the other hand, when the entity is threatened in a way that does not create extreme change, rigidity may be a well-functioning response, since the effects may not change the environment as much, meaning well-known responses may work better than new responses (Staw, 1981). This theory is modeled in figure 4.

Figure 4: Threat-rigidity cycles presented by Staw

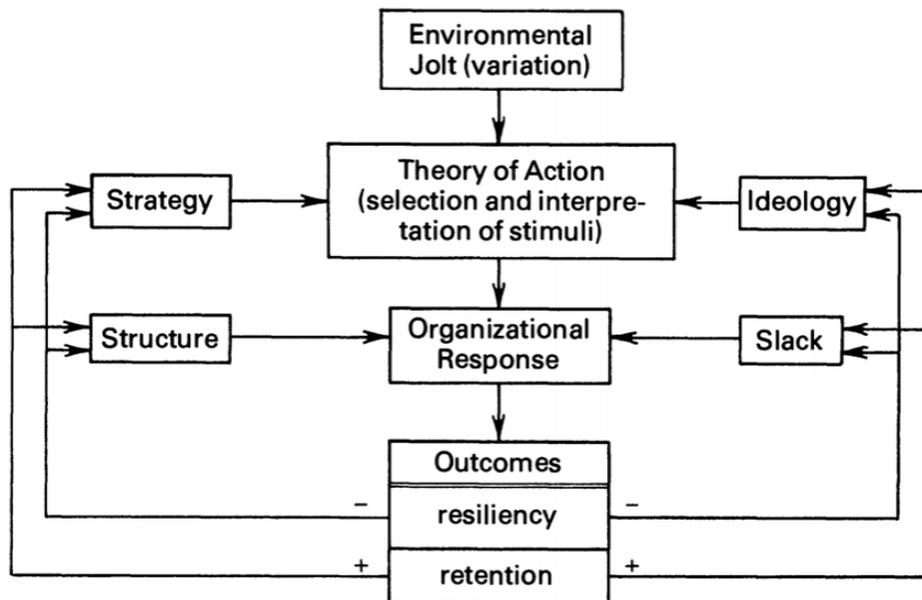


Source: Staw (1981)

Meyer focused on selective responses and environmental attributes. As seen in figure 5, the response of a threat, or "jolt" is influenced by a firm's internal antecedents (Meyer, 1982). Similar to Staw, Meyer suggests that different reactions create different results, categorizing the outcomes to either resiliency or retention. According to Meyer, resiliency occurs when the organization absorbs the impact of the threat or "jolt", by undergoing first-order change and single-loop learning. Retention occurs when an organization adapts and changes their practices which creates

second-order change and is similar to double-loop learning. The four antecedents that affect a firm's crisis management are categorized into strategy, structure, ideology, and slack resources. A firm's strategy can be explained as the organizational decisions which are based upon the interpretation of the outside environment (Mintzberg, 1983). Structure refers to how a firm uses task allocation within subunits of the organization, as well as the mechanisms used to coordinate and administer work (Ashby, 1960; Simon, 2005). A firm's ideology is viewed as the shared belief and value system that affects how a firm acts and reacts, meaning organizational ideologies have a substantial impact on how an organization reacts to a crisis (Beyer, 1981; Hage & Dewar, 1973). Slack are resources that can be used in order to achieve organizational goals (Georg, 2005). It is suggested that organizational slack improves the performance of a firm during a crisis as the outside environment is much more rigorous than normal, and slack resources are important for an organization's survival during crises (Wan & Yiu, 2009).

Figure 5: Organizational adaptation to jolts presented by Meyer



Source: Meyer (1982)

Further research of resilience during the eighties and nineties had a greater focus on large incidents such as Chernobyl and the Challenger space shuttle disaster. The focus shifted from how external threats affected organizations, to the internal reliability of the organization, intra-firm processes, and how firms handle smaller challenges to avoid becoming larger disasters (Linnenluecke, 2017).

The two major theories during this time of research were 'Normal Accident Theory' and 'High-reliability Organizing'. Normal accident theory illustrates the importance of identifying and handling small accidents, as small accidents that are not investigated or handled properly can lead to larger issues that can threaten an entire operation or organization (Perrow, 1984). Sitkin (1992) suggested managers should experiment with 'intelligent failure' as an organizational learning process in order to keep smaller failures from turning into detrimental accidents (Sitkin, 1992). Sitkin's suggestions were questioned by researchers as certain industries are not able to experiment by doing due to high-risk activities. As a result, the HRO theory was presented by a group of researchers examining the processes of organizations conducting high-risk activities. The research showed that in order to avoid failures and other accidents, these organizations actively searched for reliability and were reliability-seeking instead of reliability-achieving, hence the name of the theory (Linnenluecke, 2017). This theory was heavily researched, with meaningful contributions from Weick & Roberts (1993) who claimed that reliability-seeking organizations focused on mindfulness, effective communication, and mental processes, which were often more developed in reliability-seeking firms than others.

A major change in resilience research was seen after the 9/11 terror attacks. There was a shift from intra-organizational focus, towards response strategies and methods of survival. Resilience as a concept became more widely known, and efforts were made to increase resilience of the US financial system (Linnenluecke, 2017). The stream of research can be divided into three main categories, including employees, adaptability, and supply chain (Linnenluecke, 2017). The employee focused research is largely influenced by psychology, and improving the strengths of the workforce, which will in turn increase resilience. The goal of increasing employee strength was to improve mental health in a way that made employees become more self-sufficient, and believe in their own abilities, which would in turn increase the organization's abilities and resilience (Coutu, 2002; Luthans, 2002). This idea was further developed by Luthans *et al.* (2006), who introduced the theory of psychological capital (PsyCap), in order to measure employee strength based on the four factors, *hope, optimism, self-efficacy, and resilience*. PsyCap could be developed and improved by various activities which focused on mental health (Luthans *et al.*, 2006). This stream of research focused on if and how the human role affected the resilience of an organization, and although some research is contradicting, the main conclusions were that an

organization's resilience can be positively affected by improving the mental health of employees, and developing psychological capital (Linnenluecke, 2017).

A key concept within resilience research has been adaptability, focusing on how an entity adjusts, changes, and adapts in line with the outside world and affects thereof, preferably doing so alongside changes in the outside world, instead of after. This topic became more researched again during the beginning of the 21st century, going back to the work of Staw (1981) and Meyer (1982) (Linnenluecke, 2017). In a way, research started to combine the two concepts of working to prevent and prepare, as well as actions to react and respond to outside disturbances. Gittell *et al.* (2006) underlined the importance of a well-developed and working business strategy that accounts for the availability of financial reserves and resources during times of crisis, which would be specifically allocated to employees. Through their study, they found that reducing the workforce of an organization in order to reduce costs, would actually increase recovery time (Gittell *et al.*, 2006). Furthermore, research showed the importance of the utilization of slack resources, not only during a crisis, but also for preventative purposes, as well as loosening control, and broadening information processing (Sutcliffe & Vogus, 2003).

A final major topic that has been researched within the field of resilience after 9/11 has to do with an organization's supply chain design. When a threat or crisis occurs such as a terror attack, having interdependent supply chains are not seen as beneficial, as alternatives are not easily accessed, which will hinder or delay the recovery period of an organization (Rice & Caniato, 2003). In order to prevent this, organizations should focus on attaining flexible, agile, and partially redundant supply chains by diversifying suppliers, using multiple transport methods and production modes and so forth (Kleindorfer & Saad, 2005). Sheffi & Rice (2005) even argues that not only can an effective supply chain management increase flexibility to reduce potential damages to the organization in times of crisis, but it can also create opportunities in times of crisis.

2.5 Conceptual framework

In order to systematically examine how firms in the hospitality industry have responded to the effects of Covid-19, in terms of specific actions in order to survive and potentially create resilience, we have created a conceptual framework. The conceptual framework is based on the key concepts

and theories presented in the theoretical literature review above. More specifically, the framework combines the most relevant theories within crisis management within the hospitality industry, as well as resilience theory. Due to the individuality of crises, certain situational factors related to Covid-19 had to be considered as well as incorporated into the conceptual framework. These three factors were considered to be the key factors that needed to be incorporated into a framework needed to answer the research questions: "*What actions have firms in the hospitality industry taken as a response to the effects of the Covid-19 pandemic?*" and "*How does a firm's internal antecedents (slack, strategy, ideology, structure) affect its crisis management?*"

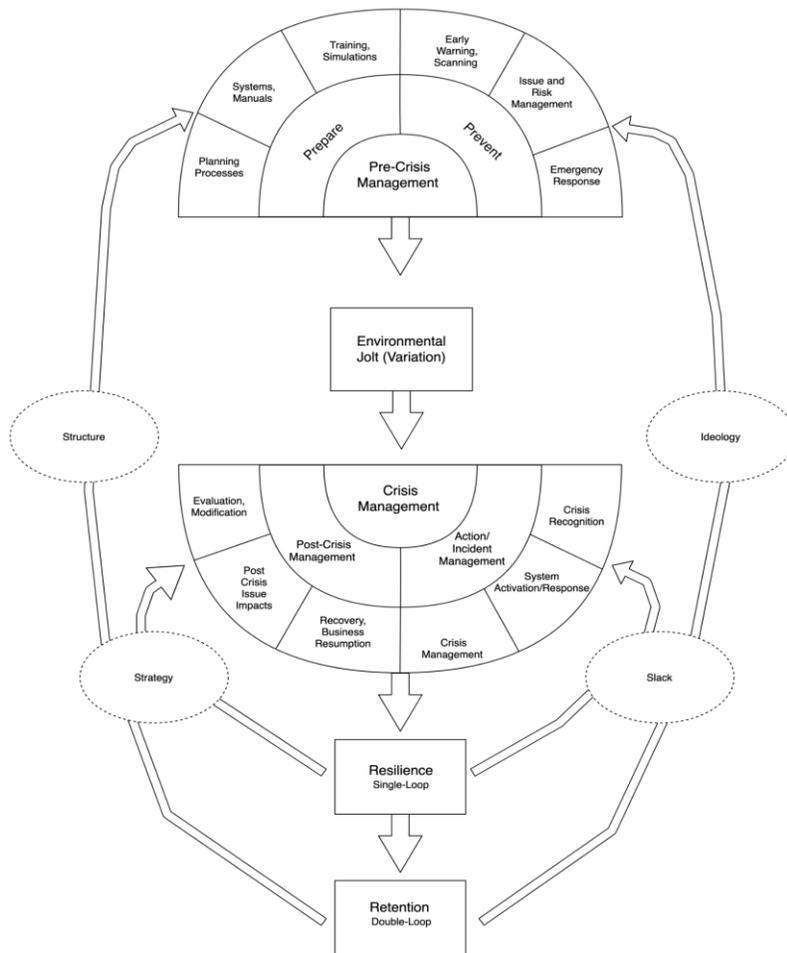
The conceptual model is based on Meyer's (1982) conceptualization of organizational adaptation to jolts and the issue and crisis management relational model presented by Jaques (2007). As discussed in the theoretical section above, Jaques (2007) moved toward a more fluid model, arguing that crisis management is a cluster of events rather than a specific chain of actions. He presented a framework that stressed the importance of pre-crisis management, crisis prevention, as well as post-crisis management, which all have equal importance to crisis-management which only includes responses during the crisis (ibid.). Based on the above, our conceptual model has divided Jaques (2007) diagram into two, where the pre-crisis management happens before the environmental jolt. The firm must have processes set in place to prepare them for certain crises, and plans on how to handle them, which is represented by preparation and prevention. When an environmental jolt occurs, the pre-crisis management will have an effect of actual crisis management, since the crisis management is largely based on the actions done to prepare and prevent. The organizational response is represented in figure 6 as crisis management.

The four internal antecedents focused on in this study are strategy, structure, ideology, and slack, which all have an effect on the cycle of crisis management (Meyer, 1982). However, our conceptual model shows how strategy and slack resources can be altered throughout the environmental jolt, as a result of single loop-learning. Structure and ideology changes cannot occur as a result of single-loop learning, and are not as easily altered, which means that they can be altered as a result of retention, and will correspondingly affect the pre-crisis management.

After organizational response, Meyer (1982) presents two outcomes, either resilience or retention. Resiliency occurs then the organization "absorbs" the impact of the jolt, and undergoes first-order

change, which is also single-loop learning. The other outcome is retention, which occurs when the organization is able to adapt and change their processes and methods as a result of the jolt, hence undergoes double loop learning (Meyer, 1982). Our model shows resilience as the first outcome, since some absorption of the negative impact of the jolt is predicted to occur, however first-order change through structure and slack will create resilience (ibid.). After creating resilience, the responses may have exposed the need for modification of a firm's structure and ideology, which will have created second-order change, and double loop learning. So instead of the result being either resilience or retention, it is predicted that retention happens as a result of resilience, through firstly single-order change, followed by double-order change.

Figure 6: Conceptual Model



Source: Author's own compilation based on Meyer (1982) and Jaques (2007).

In conclusion, the conceptual framework combines crisis management theory with resilience theory with various alterations that are believed to be relevant in the case of crisis management in relation to covid-19, as well as alterations based on other theory presented above. The aim of the conceptual model is to help identify how a firm's antecedents affect its crisis management. Since this study is inspired by an abductive approach, additional theories and research will be considered along with the empirical data in order to develop the theory.

3. Methodology

The methodology chapter includes description and motivation for our methodological choices, including our research approach, research design, data collection, quality of research, and ethical considerations.

3.1 Research Approach

3.1.1 Qualitative research

As mentioned, the purpose of this research paper is to investigate and attain an increased understanding of what specific actions firms within the hospitality industry have taken in order to survive, benefit, or create resilience as a response to the effects of Covid-19. Research is most commonly divided in two main streams or methods, including qualitative research, and quantitative research. The differences between qualitative and quantitative research have been widely discussed and disputed, however the main differences can be generalized as quantitative research being greatly based around numbers, while qualitative data is based around words (Bell et al., 2019). Furthermore, theories are often developed as a result of research through an inductive view, as well as the research being “interpretivist” and “constructivist”, implying that the focus lies on understanding a social context by investigating the interpretation of the context by the individuals within it (Bell et al., 2019). In order to gain a deeper understanding of the topic of crisis management in the hospitality industry and to answer our research questions, interviews and conversations with representatives within the industry were needed. With this, a qualitative research approach was chosen, due to the nature of the questions and field of research, as well as the aim to understand the reasoning behind the actions taken by the firms.

Based on previous research within the field of crisis management, we compiled a list of most common actions taken by firms as a response to a crisis, which could in theory have been used to develop a quantitative research approach, however, this would have required a much larger number of respondents in order to create valuable results. In addition, using this method would not provide insight into actions taken by firms that have not been done before, which would limit the development and progression of the research field. Lastly, using a quantitative approach would not

provide insight into why certain actions were taken and not taken, which is in this case very relevant information in order to successfully analyze and compare actions made by different firms.

3.1.2 Abductive Research

Two main research strategies were initially considered when designing the thesis, inductive and deductive research. Broadly, an inductive approach is when the researchers aim to build new theories based on new empirical findings, while a deductive research approach aims to test theories that already exist (Merriam, 2002). As we developed our conceptual framework based on existing theories, our initial aim was to test the conceptual framework on the empirical data, hence a deductive approach was chosen. However, as we started our empirical research, we learned that each crisis and each individual case were so different from one another that we had to revise and develop the conceptual framework as we collected and analyzed the empirical data, resulting in the use of a combination between inductive and deductive research. Dubois and Gadde (2002) argues for the importance of “systematic combining”, especially when developing theories. Systematic combining is an abductive approach to research where the framework is constantly developed throughout the research process as a result of the empirical findings, as well as deeper and new theoretical inputs (Dubois & Gadde, 2002). Consequently, an abductive approach was used in order to create the most valuable results.

In order to create the most valuable study, we used a combination of theoretical and empirical inputs and evidence. The first step was to create a literature review to compile and understand the previous research that has been carried out within the field. This was done in order to understand various points of view in the research; however it was also important in order to spot a research gap. In order to identify the gap, we used a combination of ‘neglect spotting’ and ‘application spotting’ (Sandberg & Alvesson, 2011). Neglect spotting became apparent quickly after conducting a literature review as research is limited within the field, which is often mentioned in articles within the field of crisis management. In addition, the situation to be examined, being the ongoing Covid-19 pandemic is an entirely new situation, and with every disaster or crisis being different, the research in this thesis would both complement and add to current theories and research with a new perspective, which is more under the category of application spotting (Sandberg & Alvesson, 2011). Based on the identified gaps in research and need for

complementary research about this specific crisis, we formulated a purpose and research question, and identified a theoretical framework based on our literature review. Combined, these three would serve as the basis for the research design.

3.2 Research Design

3.2.1 Multiple case study

According to Saunders et al. (2016), the definition of a case study is a “*research strategy that involves the empirical investigation of a particular contemporary phenomenon within its real-life context, using multiple sources of evidence*” (Saunders et al., 2016, p. 666). Because the research topic is on an ongoing crisis, a “contemporary phenomenon” being Covid-19, and the aim of the research is to understand what specific action firms in the hospitality industry have done responding to the effects of the pandemic, using a case study research design seemed appropriate primitively. Case study research can be used in two ways, investigating one single case-a single case study, or investigating several cases-a multiple case study (Yin, 2014). Using a multiple case study research design, the researchers have the opportunity to not only compare the empirical data with the existing theories and frameworks but can also compare the cases against each other to identify and analyze similarities or differences, patterns and so forth (Eisenhardt, 1989). Additionally, having more cases, i.e. more empirical data often provides greater and more detailed description of the situation, which enhances the quality and generalizability of the data (Yin, 2013).

Another important aspect in the research design was not only looking at multiple cases, but also looking at different areas of the world. The Covid-19 pandemic has affected the entire world; however each country has responded differently, with different rules and regulations. Consequently, firms in the hospitality industry have not had the exact same circumstances, which also creates diversity, and an interesting aspect to cross-analyze. We decided to include cases from three different countries that all had different approaches to rules and restrictions regarding the pandemic. As a result, we followed a three-tier analysis system, starting with within-case analysis to understand each single case in relation to the existing theory as well as for further theory building (Eisenhardt, 1989). Secondly, we did cross-case analysis to compare the actions and reasonings of each firm to one another, looked for similarities and differences, patterns etc. (ibid.).

Lastly, we did a broader cross-case analysis between countries in order to search for other meaningful results or patterns which we called cross-country analysis. By using the three-tier analysis system, we evaluated and analyzed the data on three different levels, namely firm level, industry level, and country level, resulting in a comparative multiple case study.

Since we not only needed to know what specific actions the firms did, but also the reasonings behind them, we deemed that the most appropriate way to collect the empirical data would be through interviews with the appropriate employees of each firm, meaning the employees that had most control and understanding over the actions taken, which in most cases were managers or directors. Complementary data that was needed in relation to each case was collected through company websites.

3.3 Data collection

3.3.1 Data sources

According to Bell et al. (2019), primary data is gathered by researchers along the duration of the study with the ambition of answering the research questions. Secondary data is already existing data done by other researchers, firms, organizations and so forth (ibid.). This study uses both primary and secondary data. Primary data is used in the empirical findings, through the interviews done with employees of the various firms. Secondary data was used in preparation for the interviews to gain a deeper understanding of how the different countries had handled the effects of covid-19, i.e. what type of rules and restrictions were set in place by governments, what type of support was provided and so forth, as well as gaining a deeper knowledge of the individual hotels. The preparation was crucial as it provided the interviewer with a context and background information that is important in order to understand and participate in the interview (Bell et al., 2019). Lastly, secondary data was used in the background section, theoretical framework, method, as well as in the analysis.

3.3.2 Selection of companies & Candidates

When conducting research including empirical data, cases or objects of investigation must be selected (Dubois & Gadde, 2002). When selecting case companies, we went through several steps

before we finally decided on what type of firm we were going to use in the case study. The technique we used was judgement sampling, also known as purposive sampling, which entails that the researcher purposefully selects specific participants based on their traits and qualities (Suen et al., 2014). The first condition was that the firm was in the hospitality industry, as that is one of the main criteria of this study. The hospitality industry includes many different organizations and different types of businesses, however we wanted to reduce the scope and increase certain constants in order to obtain empirical data from all cases that could be analyzed and compared between one another. We chose to focus on hotels, since the pandemic had placed harsh restrictions specifically on travel, but also general restrictions that threatened businesses in the service industry overall. Hotels include not only accommodation but also restaurants, bars, meeting rooms, clubs, event halls and so forth, so a hotel includes many services within the hospitality which is why we settled on this type of business, which became our first criteria for selecting cases.

In order to provide a type of constant, we chose hotels that were in the same range in terms of standards, meaning luxury hotel, mostly 5 star. This was done to be able to create a better comparison, using hotels that had similar resources available. All of the hotels chosen were a part of a larger hotel chain, which can often result in higher demand (Rubaud et al., 2020). We also wanted to include hotels from locations which had different approaches to handling the pandemic, such as rules and restrictions. Sweden has had a relatively different approach to handling the spread of infection, using less restrictions, less travel bans etc. South Korea along with the USA had a stricter approach, using travel bans, strict quarantine rules and so forth. This has created different impacts of the pandemic within different countries, which is an aspect that we wanted to include in our scope of research. Thus, would provide the opportunity for us to see if there were differences in responses based on location. The interview candidates had one main criteria, which was that they had to have good knowledge of the actions the hotel took as a response to the effects of Covid-19, and also have knowledge of the hotels' crisis management plan. This meant that the interview candidates were mostly managers of some sort, or other employees who had access and understanding of the information we wanted to retrieve.

There are certain limitations to using purposive sampling, since it is non-random, it can create a factor of bias (Dubois & Gadde, 2002). This means that the researcher had a greater control, and chooses specific participants in the study, which can leave out important representatives in the

greater population, which means the generalizability is not as strong as with random sampling (ibid.). However, in order to answer our research questions, using purposive sampling was deemed the most suitable method, as it led us to the most appropriate companies in terms of providing the most relevant empirical data. That being said, it is important to mention that over 50 hotels were reached out to, and the response was very limited, which also had an impact on which cases are present in this study.

3.3.3 Interview and question design

In qualitative research, the interview is one of the most appropriate approaches to retrieve primary data (Bell et al., 2019). Based on this, this study uses a number of interviews as the way of obtaining empirical data. The interviews were with employees working for three hotels in Seoul, South Korea, two hotels in Kauai, USA, and one in Stockholm, Sweden. In addition to this, we had the opportunity to interview the mayor of Kauai. When conducting a multiple case study, there is an advantage in having a structure around the interview questions, as it allows for a greater consistency of the data and allows for the cases to be compared (Bell et al., 2019). Nevertheless, it is also important for the interviewer to have some freedom in order to ask spontaneous questions that were not included in the interview guide, but may still provide useful information, as well as asking follow-up questions for clarity or elaboration. A combination of these two factors resulted in semi-structured interviews, mainly following the interview guide, but also allowing for spontaneous questions throughout the interview.

We created an interview guide (Appendix A) which was largely based on three theoretical models with influence from the theoretical framework overall. The three models included Meyer (1982), Jaques (2007), and Israeli et al. (2011). The latter was the main basis for the questions relating largely to answering the first research question, and the two former were used as the basis for answering the second research question. For the first research question, questions on specific actions were categorized into four categories, namely *Human Resources*, *Marketing*, *Maintenance*, *Government*. Other subcategories aim to retrieve data that will help answer the two research questions combined. Although many efforts were made to interview more people within one hotel, we do believe in hindsight that it would have been beneficial to have more input regarding each

case, as this would leave less risk of bias, and could provide elaboration on topics that were not always well-known by the interviewee.

3.3.4 Interviews

The interview guides were sent to each interviewee around two weeks prior to the interview, to in some cases to get permission from their employer, however mostly in order to prepare and make sure they could answer the questions and that they were the correct employee to provide this information. Ideally, the interviews would have been conducted face-to-face, since this enables the interviewer to more accurately read body language and interpret facial expressions (Bell et al., 2019). Conducting interviews electronically can also present technical difficulties such as lagging and other disruption that could reduce the quality of the interview. However, due to the pandemic, we were not able to travel, and most organizations have reduced their contact with outsiders, meaning virtual calls have become the best option for communication. Two interviews however were conducted face-to-face (Hyatt and Timbers). All other interviews were held over Zoom.

We did ask to record all interviews to be able to refer back to them when needed, as it can be challenging to retrieve all the information given whilst also focusing on asking follow-up questions, which was permitted by all interviewees. After the interview, we made a summary of the empirical findings, which was then sent to the interviewee for any clarifications or additional comments. We found this very useful as it provided us with a greater confirmation that we had understood the information correctly, and we believe it was also beneficial for the interviewees as they were also able to refer back to their answers and make sure it was correct.

Table 1: Overview of company interviews.

Company	Position	Location	Type	Length
Four Seasons Seoul	General Manager	Gothenburg-Seoul	Zoom	60 min
Mondrian Seoul	Assistant Director of Sales	Gothenburg-Seoul	Zoom	50 min
Lotte Seoul	Room Sales Manager	Gothenburg-Seoul	Zoom	60 min
Lotte Seoul	Banquet Manager	Gothenburg-Seoul	Zoom	40 min
Haymarket by Scandic	Hospitality Manager	Gothenburg-Stockholm	Zoom	60 min
Hyatt Kauai	Director of Rooms	Kauai	Face-to Face	60 min
Timbers Kauai	General Manager	Kauai	Face-to Face	70 min
Mayor of Kauai	Mayor	Kauai-Kauai-Gothenburg	Zoom	40 min

Table 1 above provides an overview over all interviews conducted. As can be seen, all interviewees working at hotels were either a director or manager of some kind. Although responsibilities can vary between the interviewees, there is a certain level of knowledge and competence of a manager or director, which was essential for answering the research questions.

3.4 Data analytical process

Bell et al. (2019) stress the importance of having a methodological pathway in order to systematically analyze the potentially large sets of data that are common in qualitative research. The first step in the data analysis process started when the interviews concluded, and we

transcribed and summarized the data for each case. The summary was then sent to each respective respondent, for comments, clarifications, additions, and ultimately approval that the data was correct and could be used in our study. After we had conducted all the interviews and received approval from the respondents that information was accurate and ready to be used, we created a summary table that had different categories related to the two research questions. The first categories had to do with what specific actions the hotels did as a crisis response, consisting of human resources, marketing, costs/maintenance, government, and other. The second part included subcategories relating to the second research question about internal antecedents, strategy, structure, ideology, slack. In addition, we had a third section with other information that was useful but was not necessarily directly connected to one of the research questions.

After that data was organized per hotel, we analyzed the data on an intra-firm level, as well as inter-firm. In addition, we also analyzed based on country, and compared countries with each other. On an intra-firm level, we analyzed which actions were taken as a response to the crisis, what role the four antecedents played, as well as how the actions taken, and antecedents impacted the crisis management plan of that hotel. Using this, we conducted an inter-firm analysis, comparing the six different hotels to one another to find similarities, differences, patterns and so forth. The results of the cross-case analysis were also analyzed using previous theory. Lastly, we grouped the hotels into countries, to conduct a cross-case analysis on a more general level than only inter-firm, to see if this had any significance.

3.5 Quality of Research

When conducting a study, several criteria can be used in order to assess the quality of research, which is an important step to take in the research process (Bell et al., 2019). There are several methods that can be used, using validity and reliability criteria being one (ibid.). This method is most commonly used within quantitative research, but has also been used in qualitative research, however this has been discussed by researchers who question if it is the most appropriate method for testing quality of qualitative data (Welch & Piekkari, 2017). Consequently, we used an alternative method presented by Guba and Lincoln (1994) in order to assess the quality of research for this study.

Guba and Lincoln (1994) present four criteria to assess the trustworthiness of data, including: *credibility, transferability, dependability, and confirmability*. The credibility criterion was addressed through mostly *respondent validation* as well as *triangulation*. Respondent validation was used by sending interview summaries back to the respondents after we had transcribed and summarized the interviews, which provided the respondents the possibility to edit, add, or clarify the empirical results. In addition to this, the respondents were sent a more detailed version of the empirical results along with an analysis including a theoretical part. The summarization was commented and accepted by all respondents, while the second edit was received and accepted by each respondent, however not always commented on. Triangulation was used inherently as we used a multiple case study research design. We conducted eight interviews with eight different individuals. In addition, we used a combination of primary and secondary data throughout the study. However, as mentioned earlier, we do believe that it may have improved the quality of data to interview more than one employee per hotel, which we were only able to do in the case of Lotte Seoul (Edwards et al., 2011). It should also be mentioned that the respondents expressed their own subjective views on certain areas which must be considered when making assumptions and generalizations about the hotel as an organization.

The second criterion of transferability refers to how well the findings can be applied to other contexts, as qualitative data tend to be very situationally based. As a response to this issue, we used “thick description” as suggested by Geertz (1993). We aimed to present a detailed account of the methodological approach used, as well each individual case, presenting a background and situational context that may be relevant for other researchers to evaluate the transferability of our conclusions. The aim of this study however is not to draw universal conclusions applicable to all situations, but rather to investigate responses of individual cases.

The third and fourth criteria dependability and confirmability, draws parallels to reliability used in quantitative research (Bell et al., 2019). In order to maximize dependability, we kept a detailed record of all processes of research, which was also important to refer to as the research process moved forward. We kept our data and writing records on online folders, which allowed us to refer back to previous versions of our writing, keep the data safe, and also allowed the two researchers to view the data and other documents simultaneously. The main “auditing” process was done through our supervisor who provided us with feedback and advice. Confirmability was tackled

through the continuous aim throughout the research process to act in good faith, and not let personal biases or values affect the research process whatsoever as suggested by Bell et al. (2019).

3.6 Ethical considerations

The study follows ethical considerations in compliance with the Swedish Research Council's (2017) guidelines on good research practice. This is an independent study that has not been conducted by the request of any of the companies involved, nor any of their stakeholders. The study's only purpose is academic. The empirical data in this study comes mostly from interviews, the research relies on trust from the interviewees (ibid.). The interviewees were given the option to be anonymous if they wished, which some chose, however most interviewees gave their permission for us to use their names in our study. As mentioned, respondents were provided with the interview guide prior to the interviews, where they could respond if they did not want to answer certain questions, although this did not happen. Additionally, the respondents were made aware of the interview being semi-structured and accepted that there may be additional questions asked during the interview for clarification purposes, following up and so forth. We sent the empirical data of the company in two different stages back to the respondents for additional confirmation that we had understood and transcribed correctly, and that we could use the information given by them. This enabled full transparency between the interviewee and the researchers regarding the data we would use in the study based on the interview. This was important to ensure that the data we used did not cause any harm to the organizations nor the employees (Farquhar, 2012).

4. Empirical Findings

The fourth chapter presents the empirical findings from the interviews, where each company is introduced with a brief background and context, followed by an outline of the actions taken and the individual crisis management plans. The chapter is concluded with a brief summary of the empirical findings.

4.1 Four Seasons, Seoul, South Korea

The Four Seasons hotel in Seoul is a luxury, five-star hotel located in Seoul, South Korea, and part of the Four Seasons hotel chain which was founded in 1961 in Toronto, Canada. The chain has hotels all over the world, focusing on luxury accommodation and high-end service and dining experiences. The hotel has around 450 permanent employees, as well as around 150 employees who are outsourced. The properties are not owned by Four Seasons, but by property developers and investors, who then collaborate with the chain on design. The hotels are then run by the Four Seasons, with a division of costs and profits between the two.

The interview took place via Zoom with the general manager, Mr. Alejandro Bernabé. Mr. Bernabé has worked at the Four Seasons Seoul since October 2018, with more than 20 year's experience in the luxury hotel industry. His role as general manager includes developing the sales strategy, supporting employees to ensure goals and tasks are achieved, maintaining contact with the owning company (Four Seasons Chain) as well as other stakeholders.

4.1.1 Actions taken

Within the first few months of the pandemic, the Four Seasons Seoul saw a 90% decrease in revenue, which forced certain actions to be taken. The hotel did not fire any employees, however there were temporary paid layoffs with the use of governmental support. The government paid for 80% of the minimum wage salary, while the hotel covered the remaining amount, which was used for about 6 months. Additionally, employees were encouraged to use vacation days as a way to temporarily reduce the workforce. In terms of salary adjustments, the management reduced their salary, and bonuses and commissions were paused. All bonuses and commissions were kept track of and recorded so that they could be played when the hotel had a better cash flow, most of which

were paid out within six months. The employees were understanding of this delay and had a generally good attitude towards the changes as many competitors had to fire many employees.

The termination of international marketing happened immediately after the spread of the virus reached Seoul in the beginning of February. Since the hotel is well known in Korea for being luxurious and there is a certain prestige around dining at hotels in Korean culture, marketing shifted towards local customers, focusing on the food and beverage (F&B) segment. Before Covid-19, F&B accounted for 55% of the revenue, and has increased to 65% of the revenue due to the shift of customers. Their marketing shifted to customers living in or close to Seoul looking for a “staycation”, offering value-added services and special packages, however avoiding lowering prices in order to keep their brand image. The hotel partnered with other merchants such as Disney and a Korean investment firm to attain new customers and create attractive deals. The hotel experienced some difficulties obtaining supplies early on that had to do with the pandemic, such as facemasks, disinfectant, visor-screens and so forth, which meant they had to add new suppliers for tasks and goods that were not needed before. Apart from initial difficulties regarding certain products, there were no major disruptions in their supply chain.

Prior to the pandemic, there were no programs promoting mental health provided to employees, however as the pandemic kept going, and some employees were working from home, there was a sense of instability in terms of job security, and layoffs, a greater focus on mental health was introduced. Mr. Bernabé explained that there was a greater dialogue between managers and other employees to talk about mental health, which was important as employees were worried about their job security, as well as other issues in their private lives as well that Covid-19 caused. It was important for the administration to show employees that they had their best intentions in mind, and that the employees felt heard. However, Mr. Bernabé also predicted that this dialogue and increased focus on mental health would fade out and not be prioritized when society slowly returns to normal, as it hopefully will.

When analyzing their own crisis management, it is clear that certain changes will be made in terms of planning and preparations, however it was clear that this crisis was very different from any other crisis that has happened in the past, and crises in the future will most likely be different from the current crisis, meaning there are only certain things they can do and change in their crisis

management plan that may turn out to be effective in the future. The Four Seasons has learned much as an organization through this crisis, which will be useful in future crises, however Mr. Bernabé predicts that very few things will be changed in the crisis management plans or within the overall strategy or ideology of the hotel. One thing he mentions however is the structure of the firm, where he explains that during times of good business, the company can become “fat” meaning there are many layers of employees, there may be positions that are not necessarily needed, and when business is struggling, they become more efficient, and are forced to look over their structure, which is something that they will continue to work for, maintaining efficiency and continuously analyzing which positions are needed and which are in excess.

Moving forward, Four Seasons as a company, but especially the Four Seasons Seoul has two main goals moving forward. The first one is sustainability. Much work was done in 2019 in order to create a more sustainable hotel, from energy choices, supplier selection, goods being used etc. Unfortunately, when the pandemic hit, everything changed to single use plastics, masks, a lot of materials were being used for cleaning purposes and so forth, since the largest focus was on safety, which meant they essentially had to take steps backward in the process of becoming more sustainable and environmentally friendly. As the pandemic hopefully dies down, moving back to a more sustainable focus is a top priority. The second goal tackles diversity. Mr. Bernabé explained that the Four Seasons was doing this intrinsically, however he mentioned the death of Georg Floyd and the black lives movement, which created a larger focus around the issue of diversity and inclusions. As a result, there are currently more efforts being made into creating a more diverse and inclusive workplace that is comfortable and safe for all employees.

4.2 Mondrian, Seoul, South Korea

The Mondrian hotel in Seoul is a newly opened lifestyle hotel. The hotel opened the 1st of August 2020, and has not yet received a formal rating, however, aims to be a five star hotel. The Mondrian is owned by the Accor hotel group, which is one of the largest hospitality companies in the world, currently the largest in Europe, with Mondrian being their first hotel in Asia. The hotel is strategically placed in the Itaewon region in Seoul, which is known as Seoul’s more international district, with many diplomatic residents and embassies, as well as many bars and restaurants. Currently, the hotel has approximately 130-150 employees.

The interview took place via Zoom with the assistant director of sales, who has been a part of developing the hotel, along with sales strategies from March 2020. The interviewee has over 15 year's experience in the hospitality industry in Seoul and works in close relation to the sales manager to develop sales strategies. Other responsibilities include managing customer accounts, as well as procuring new clients.

4.2.1 Actions taken

This particular case has a different outset from other cases since the hotel opened during the pandemic. One major issue was deciding when to open the hotel. There were conflicts between the management team and owners, where the management team pushed to postpone the opening to early 2021 in hopes that travel restrictions and local restriction would have been loosened, as this would create a more successful opening. Several different dates and scenarios were analyzed, however due to pressure from the owners and stakeholders, the opening date was August 2020. The number of employees were calculated and based on certain forecasts that were made before Covid-19, which means that a major reduction of the workforce in all departments had to be done before the opening in August, for cost-cutting purposes. Furthermore, some employee contracts that were signed between 6 to 12 months that were expected to be renewed, are not being renewed.

Certain businesses in Seoul had the opportunity to receive support from the government, which The Mondrian used for about 2 months. Around 20 employees were on government supported leave, where the government paid for 80% of the minimum wage salary. The employees were not forced to take the leave; however, some wanted the time off, which was beneficial for the hotel. Since the hotel is located in an area of Seoul which has many bars and restaurants, the hotel's bars and restaurants attract many locals for dining and drinking. This means that the need for staff fluctuates during the day, as well as during different days of the week. During the weekends and mealtimes, back-office staff are more flexible, meaning they help restaurant staff during peak-hours. This has been an important factor in managing staff, creating a more flexible workforce, so more employees are able to do a broader number of tasks.

Since the hotel aimed to have many international clients, international marketing had begun before Covid-19, however as from February/March 2020, marketing strategies focused on international customers was terminated. The strategy switched to focus on domestic clients, as well as

promoting the bars and restaurants more than before, as they noticed that a greater proportion of the revenue came from food and beverage related services than what was initially thought. Packages with special deals were introduced, such as a special 2 for 1 promotion during certain times, packages with more services and benefits included etc. Furthermore, the use and marketing through online travel agents were increased in order to increase visibility online. The room rates are slightly lower than what was planned and estimated before opening.

In order to cut costs and adapt to the lower number of visitors than expected, some areas of the hotel were closed off, for example certain bars were only open during the weekends, rooms closed off etc. Since it is a new hotel, there was no need for any maintenance. There were no particular issues with suppliers in terms of late deliveries and so forth, however since certain events had to be cancelled, the relationship with suppliers had to be worked on in order to keep the relationships good for future business. For the future, the Mondrian is working on continuing to lower costs, as well as educating employees in more areas to create a more fluid workforce. This has been very beneficial for them during the pandemic and has reduced the need for very specific and niche positions.

4.3 Lotte, Seoul, South Korea

Lotte Hotel in Seoul is one of many Lotte hotels in Seoul, owned and managed by Lotte Hotels & Resorts, which is a subsidiary owned by the multinational Lotte Corporation. Lotte Hotels & Resorts is the largest hotel group in Korea, and has several hotels outside South Korea, currently focusing on expansion outside Asia. Lotte Hotel is a five-star business hotel, with two towers, the main tower and the executive tower, with the latter focusing on business travelers and contains the suites and more premier part of the hotel. In addition, the hotel has 14 banquet rooms where weddings and other large events are held, which can accommodate over 500 attendees.

We were able to interview two employees at the Lotte Hotel Seoul, including Mr. Kang and Mr. Song. Mr. Kang is the room sales manager and has worked at Lotte for almost 10 years. His main responsibilities include making sure the rooms are booked, keeping in contact with customers, and organizing procedures for VIP guests. Mr. Song who is the banquet manager has contact with embassies who have their events at the hotel, as well as the U.S. Army, which is a big customer. Mr. Song oversees all major events, calculates cost per person, and accommodates special requests

made by customers regarding events. The interview took place over zoom, where we first spoke to Mr. Kang, and afterwards with Mr. Song.

4.3.1 Actions taken

The hotel has not fired employees, however, they have offered termination packages to certain employees. These were first and foremost offered to employees above the age of 57, who were approaching retirement, as the retirement age in South Korea is currently 60. The headquarters and individual employees negotiated towards a package that both parties agreed upon, an example being that the Hotel would pay for the university education of the employees' children or grandchildren, along with several months' pay and so forth. The number of employees who have terminated their contracts since the beginning of the pandemic was unclear/unknown, however during 2021 to the date of the interview (May 7th, 2021) was about 100 employees. In order to further reduce the labor force, employees must use unpaid vacation days, which was one day per week during the time of the interview, which started from august 2020. This is the case for most employees, however certain members of the finance department and a few other positions do not have this schedule. The lost 20% of salary by the employees were subsidized by the government. Furthermore, employees have become more fluid in their positions, where they assist in other areas than purely their role. This has been especially useful for larger events when the staff is smaller than before the pandemic, support has been needed from other departments, as well as during peak hours in the hotel's restaurants and bars.

Since the hotel is targeted at international business customers, not all international marketing was terminated since certain customers had to travel despite restrictions, however it was still heavily reduced. The marketing team switched focus towards domestic customers, with an additional focus on the banquet halls, and gaining customers through weddings and other events. The room and event rates were not changed during the first months, however special deals were introduced offering additional benefits straight away. After the first months, competitors reduced their prices, which created a difficult situation for the management, however in an effort to keep the exclusivity of the brand, they did not reduce room rates, but focused on special deals containing more benefits, upgrades and so forth. One campaign for the banquet and event sections was offering a complimentary rental fee of the banquet hall when an event had a certain number of guests. In this

case, the hotel would earn enough revenue on food and beverage to be able to offer the rental fee free of charge.

In order to save costs, the hotel shut down floors 7-22 in the main tower, only keeping floors 23-36 open. In addition, club lounges in the main tower were closed off. Renovations and maintenance that was planned prior to the pandemic were carried out as usual, and it was pointed out that it was a good opportunity to do renovations and maintenance since there were fewer guests that would be affected by it. Moving forward, there was some uncertainty whether the expansion plans overseas would have to be postponed or not, however the Lotte Hotel in Shanghai will open as planned. There seemed to be no major efforts known to the interviewees of increasing resilience in any concrete ways, other than having a flexible workforce that can help out in more areas than just their own role.

4.4 Haymarket by Scandic, Stockholm, Sweden

The Haymarket hotel is located in Stockholm, Sweden, and is owned and operated by the hotel chain Scandic. Scandic is the largest hotel chain in the Nordics and owns about 280 hotels in six different countries. The hotel was built in the heart of Stockholm in 2016, and has 400 rooms, along with several bars and restaurants which attract many more than just hotel visitors. Haymarket is a luxury hotel, with around 50 employees, with about 30 working full-time. We interviewed the hospitality manager, which is equivalent to the general manager of the hotel. The interview took place over zoom. The interviewee has had her current role since September 2020 and has worked within the Scandic chain for 10 years. Her main responsibilities include ensuring operations run smoothly, overseeing employees, delegation tasks and responsibilities, developing sales strategies, as well as communicating with owners and stakeholders.

4.4.1 Actions Taken

The hotel experienced an 80% decrease in hotel bookings, as well as business in general, meaning also in their restaurants, pubs, and meeting rooms, in March 2020. Throughout the pandemic, the occupancy rates have fluctuated as restrictions have been more and less strict. The first action taken was looking over the number of employees and positions in the hotel. Pre-Covid-19,

Haymarket had around 300 employees, and around 250 were let go due to the 80% decrease in business. There was no need for as many employees, nor was there space in the budget to keep them employed without the revenue stream from the guests. Other Scandic closed down their restaurants and bars completely, except for breakfast for hotel guests. Haymarket were able to keep their restaurants and bars open, since it was an important source of revenue (50%) for the hotel due to the central location which attracts many customers outside of hotel guests.

Another main change they did in order to adapt, was to change the way tasks were delegated, hence creating a much more fluid workforce. Employees were taught were educated in a greater number of tasks, meaning a fewer number of employees were needed at each shift, since the employees that were there could carry out more tasks if needed. Employees who work part-time or had a contract lower than 100% were asked to decrease their work-hours, for example many went from 80% to 60% or 50% to 40%. Due to government regulations, there were certain restrictions that had to be followed, such as a max capacity in each room, only a certain number of guests per table, guests were not allowed to walk around freely in the restaurants but had to sit down at their table and so forth. The hotel was cleaned more often than before, dividers and protection screens were set up and so forth. These were tasks that did not exist before, which “luckily created something for the employees to do”. These routines were important to reduce the infection rate, but also so that the hotel guests would feel safe.

Initially, all marketing was stopped, as there was almost no travel so there was no need for marketing. However, after a few months, only international marketing was terminated, and local marketing within Sweden could continue. The marketing strategy also shifted toward a more family-oriented strategy, since the business guests were almost non-existent due to most companies working from home. However, they did introduce a coworking space where businesses and private people could rent rooms and desks where they could work safely. They also promoted through online travel agents and promoted special deals with reduced prices. The deals were more suited for families since this was the largest group of customers.

From a financial perspective, all subscriptions and deals were looked over, unnecessary ones were terminated, and others were renegotiated to try to save as much as possible. Certain areas of the hotel that were not needed were shut down, certain floors and rooms were not used, and electricity

and heat was therefore not needed in those areas, which also saved some money. Tasks that needed to be carried out, for example certain maintenance tasks and so forth, were always aimed to be solved using hotel staff instead of hiring a third party. The hotel also received government subsidies for the lost revenue as well as salary support for the employees who reduced their working hours.

4.5 Hyatt Kauai, Hawaii, USA

Hyatt Kauai is the largest private employer on the island of Kauai in Hawaii (Hawaii News, 2020) and decided to remain closed for the whole first year of the pandemic from March 2020 – March 2021. The resort on Kauai has 605 rooms, is currently owned by the Japanese corporation known as Takenaka Corporation since 30 years back, and has a 50 year long management agreement with Hyatt. Prior to the pandemic, there were a little over 900 employees and they now have around 800 employees. The occupancy since opening up in March 2021 is very low; around 20-30% (Matthew Elliot, 2021).

Majority of the employees were furloughed through a union that the Hyatt management and owners worked with in order to help them keep benefits and gain government assistance. These benefits include coverage for health, medical, dental, and taking turns having staff come in and rotate. During the pandemic, Hyatt lost millions of dollars every month and only used around 50-80 employees to maintain the facilities. Since opening up again in April 2021, around 250-300 employees are currently back at work while others will return as occupancy increases (Matthew Elliot 2021).

Matthew Elliot is the director of rooms and has been working in that role for three years. We decided to interview him to gain unique insight of how the hospitality industry dealt with being in one of the most restrictive counties in The United States considering it is a vital part of the island's economy. Mathew Elliot is a division head reporting directly to the general manager. When speaking to him about his experience with other crises, he explained: “for our industry.. [it is] hard to compare with the Covid-19 pandemic crisis happening currently” (Matthew Elliot, 2021).

One of the most difficult things was to have the county, specifically the mayor, listen to the business community. Mr. Elliot expressed that more are hurt by the business being closed and of

the lockdown itself than what he believes the mayor estimated. He also believed that the tier system was very confusing and “threw a lot of businesses on island for a loop” (Matthew Elliot, 2021). There was a strong sense of being left out of the conversation in terms of the lockdown and that he “hope that there's better communication in the future on this type of big crisis that happened so that we can collaborate more and be more of a team and more of a solution to the problem instead of getting in silos, and not feeling like our voices being heard” (Matthew Elliot, 2021).

4.5.1 Actions Taken

Mr. Elliot went on to describe how their crisis management was mostly about mobilizing contractors to do a long list of projects they had wanted to do for a long time and now able to do since they would not disturb guests. He went on:

“[The contractors] were able to work following all the Covid-19 protocols temperature checks, mask wearing, social distancing, and they were able to speed up a lot of these projects we had on plan for the next couple of years to do them during our closure here, and a number of those projects included carpet in every guestroom and included suite renovations. They included our work on the exterior building, painting, gutters and downspouts, roofing, we also got our flagstone at the pool deck was Jack hammered and removed out and we replaced all that with stamped concrete, which really is going to help us as far as the slip and fall, and just the maintenance and upkeep of it. There are a number of other projects we did during this time so our owners were very long term thinking, and they knew this was just an obstacle in the way of speed bumps, so to say. And instead of not pursuing these projects to save money, they sped them up so that we could get them done now, and not have to have an impact in the future. A lot of these projects were done where you really would have difficult times doing them, if we were open with guests everywhere, because these are very loud intrusive projects that were going on”

(Matthew Elliot, 2021).

In terms of marketing for the eventual reopening, Mr. Elliot and his team used social media a lot and would post updates and pictures in order to keep in touch with potential guests. This was also to show off the new improvements of the facilities. During the lockdown, there was a opportunity to open up back in October 2020 joining a “bubble hotel” option which meant to join a 3 day

quarantine program where guests would be able to stay for 3 days at the hotel and later be out of the normally 14-day or 10-day quarantine mandated by the county. However, Hyatt did a study in which they contacted 100 potential customers asking if they were willing to come under these conditions but 70-75% of respondents said they would not. This made the financial teams of Hyatt management decide to opt out of early opening until the county alleviates quarantine restrictions (Matthew Elliot, 2021).

4.6 Timbers Kauai, Hawaii, USA

As an alternate view on the hospitality industry on Kauai, a resort with a different crisis management approach and perspective on the lockdown was interviewed, Timbers Kauai. Timbers Kauai has 160 employees and it shut down on the third week of March 2020 like most other hotels on Kauai. They furloughed the entire team down to around 10 managers and started to slowly bring staff back during the summer, three months after the start of the lockdown. They went on the assumption that the lockdown was temporary and wanted to have a gradual reproach back to normal operations (Sean Burpee, 2021). The goal was to work with mayor Kawakami of Kauai as closely as possible to try to reopen as fast as possible since the county opted out of the rest of the state's lockdown mandates in order to have an even harder lockdown (Sean Burpee, 2021).

We were able to interview the general manager of Timbers Kauai, Sean Burpee, who had worked at Timbers since November 2020. He went on to explain the importance of working with the Mayor to be able to opt into the "Bubble Resorts" program. The "Bubble Resorts" program was designed to allow for resorts to open earlier by helping tourists forego the mandatory longer quarantines and instead do 72 hours of quarantine at the designated resorts. This program began the process of opting in to the program by December 2nd 2020 and the bubble resort program started by January 5th 2021, well ahead of the April 2021 opening of Hyatt and many other hotels who waited until the lockdown eased allowing tourists to enter only via a PCR Covid-19 test rather than a 10 day quarantine (Sean Burpee, 2021).

All in all there were about 9 resorts participating in the "Bubble Resorts" program. Timbers Kauai joined with the adjacent Marriott resort and was able to coordinate with their General Manager to combine so that their guests could freely move between the two resorts. Sean Burpee recognized the financial burden of opening up the resort and of the study Hyatt had performed that convinced

them to stay shut down but stressed that for Timbers Kauai the financials were never the priority but rather the loyalty to the customers. Opening up as soon as possible, albeit incrementally, was the priority. In order to accommodate the changes needed to opt into the “Bubble Resorts” program, social distancing, quarantine procedures, and several other procedures were put in place (Sean Burpee, 2021).

4.6.1 Actions Taken

In terms of employee management, employees were eliminated but most were furloughed. However, due to the early reopening currently only 2 employees remain furloughed (as of April 2021). The idea was to eliminate any surplus employees and keep as many as possible to avoid having to train new employees from scratch. In order to care for furloughed employees, Timbers Kauai offered free food to them and their families on a regular basis. They also invited the community from December 2020 to allow them to set up vendors on their grounds free of charge to sell anything they would want in order to support local business during difficult times. They had a community event every Friday evening that would allow vendor artists to come sell their products and make an income. They are continuing this to this day (Sean Burpee, 2021).

Due to the uncertainty of the future, Timbers Kauai did not work much on deferred projects such as in Hyatt’s case. Instead, the focus was on reopening and on the human aspect of supporting its employees through community involvement and cooperation with the local government. They also learned a great deal from the pandemic and created a “health response plan” (Sean Burpee, 2021) which they would use as they would a hurricane preparedness plan, for example. This includes regular drills in which workers are educated in social distancing, staying clean, and helping staff become vaccinated.

In terms of communications with the Mayor as well being represented in regular meetings regarding the lockdown, Sean Burpee regularly communicated with who he felt was the representation of the Kauai business community, the Kauai Visitors Bureau. By collaborating with them, they felt like they were part of the process and kept making sure Timbers was able to open up as soon and as safely as possible. Finally, Sean Burpee explained that he “think [covid-19 made] us more resilient, for sure. I think we've learned a lot, I think, I hope that our position in the community has helped our social responsibility”.

4.7 Mayor Of Kauai

As an addition to the six individual cases above, we also had the opportunity to interview the mayor of Kauai, Derek Kawakami to attain a greater understanding of how Covid-19 affected the tourism industry and business in general on Kauai and Hawaii. The county of Kauai is known to be one of the restrictive counties of The United States in terms of its lockdown and its procedures. It was Mayor Derek Kawakami's decision to early on make sure the infection rate stayed as low as possible as he believe early on that the ICU capacity on the island would not be able to cater to the potential rise in cases as the island consists of a lot of older people and people in the high risk category. Kauai being such an interesting case with so few cases throughout the first year, we decided to interview the mayor (Derek Kawakami, 2021).

The mayor decided that it might be like SARS from the beginning but did not foresee it becoming as bad as it did. However, he enacted very strict quarantines, curfews, and lockdowns of indoor businesses very early just to stay safe. He believed there was no clear guidance from the federal government and wanted to act on his own by asking Governor Ige of Hawaii to opt out of the state lockdown program in order to have more power over the lockdown. The relationship between the governor and the mayor was important because due to the aforementioned shortage of ICU beds, whenever anyone would test positive for Covid-19, they would be flown to the capital of Hawaii (Derek Kawakami, 2021).

The mayor continued to explain that "we were able to learn a lot and prepare and respond, and at least have some ability to be proactive" (Derek Kawakami, 2021). It was important to realize that the island would have difficulty obtaining necessary resources for the first responders such as "rubber gloves, protective masks like n 95 masks" (Derek Kawakami, 2021). Therefore, preventing the disease from ever arriving on the island was the priority. Recognizing our research and comparing with the lockdown in Sweden, the mayor acknowledged:

"we were very restrictive, much the opposite of Sweden, but we felt that we had to. A lot of it also is, I think culturally, you know, Kauai is probably the island that has been able to preserve our culture and our Hawaiian sort of values, more so than the other counties because we're much more rural, and our culture really holds our elderly (our 'kapuna') in the highest regard as they are living treasures. They're not just to be disposed of and we don't treat them by saying, you 'folks have to

go lock yourselves in'. We collectively as a community usually wrap ourselves around the kupuna to protect them. And when we took a look at who were the most vulnerable people with underlying health conditions. Well, demographically and statistically, our native Hawaiian population has high cases of heart disease, lung disease, obesity, diabetes, so our own host culture, our own native people were at the highest risk of severe symptoms and reactions to COVID-19. So it was, it was a natural response from me as mayor to respond in the way that I did a lot of it is my values, our culture, and what we could gather about COVID-19 and I think that really led up to our initial very restrictive response towards Covid-19, even when the state had defined that essential workers will be able to go and work”

(Derek Kawakami, 2021).

When speaking about the financial impacts of the business community having to close down and how Hyatt's management, for example, did not feel their voice had been heard, the mayor explained that the business community is “used to being the biggest player government tends to roll the red carpet to in order to accommodate the biggest industry, but during a time of crisis as a mayor, and during a disaster, public health and safety becomes my top priority to preserve the health, safety and lives of people. And we knew that the visitor industry was going to take a huge economic hit... and so a lot of businesses were going to take it on the chin. That wasn't an easy decision to make weighing the economic crisis that was happening, but we've always built our strategy on health and safety” (Derek Kawakami, 2021).

As for the future outlook, due to the very restrictive early lockdown methods, Kauai County is able to open businesses faster than any other county in the state. A combination of low infection cases and high vaccination cases (around 50% by April 2021) has made it possible to come out of the crisis and return to a state of normalcy faster than other places that experienced less lockdowns. Restaurants are, as of April 2021, open for in-door dining, as well as hotels, sports events, as well as many other in-door events. The very restrictive early lockdowns some would say paid off since the island is able to open up faster than other places. However, the economic costs remain to be seen (Derek Kawakami, 2021).

The county of Kauai is known to be one of the restrictive counties of The United States in terms of its lockdown and its procedures. It was Mayor Derek Kawakami's decision to early on make

sure the infection rate stayed as low as possible as he believe early on that the ICU capacity on the island would not be able to cater to the potential rise in cases as the island consists of a lot of older people and people in the high risk category. Kauai being such an interesting case with so few cases throughout the first year, we decided to interview the mayor (Derek Kawakami, 2021).

The mayor decided that it might be like SARS from the beginning but did not foresee it becoming as bad as it did. However, he enacted very strict quarantines, curfews, and lockdowns of indoor businesses very early just to stay safe. He believed there was no clear guidance from the federal government and wanted to act on his own by asking Governor Ige of Hawaii to opt out of the state lockdown program in order to have more power over the lockdown. The relationship between the governor and the mayor was important because due to the aforementioned shortage of ICU beds, whenever anyone would test positive for Covid-19, they would be flown to the capital of Hawaii (Derek Kawakami, 2021).

The mayor continued to explain that “we were able to learn a lot and prepare and respond, and at least have some ability to be proactive” (Derek Kawakami, 2021). It was important to realize that the island would have difficulty obtaining necessary resources for the first responders such as “rubber gloves, protective masks like n 95 masks” (Derek Kawakami, 2021). Therefore, preventing the disease from ever arriving on the island was the priority. Recognizing our research and comparing with the lockdown in Sweden, the mayor acknowledged:

“we were very restrictive, much the opposite of Sweden, but we felt that we had to. A lot of it also is, I think culturally, you know, Kauai is probably the island that has been able to preserve our culture and our Hawaiian sort of values, more so than the other counties because we're much more rural, and our culture really holds our elderly (our ‘kapuna’) in the highest regard as they are living treasures. They're not just to be disposed of and we don't treat them by saying, you ‘folks have to go lock yourselves in’. We collectively as a community usually wrap ourselves around the kupuna to protect them. And when we took a look at who were the most vulnerable people with underlying health conditions. Well, demographically and statistically, our native Hawaiian population has high cases of heart disease, lung disease, obesity, diabetes, so our own host culture, our own native people were at the highest risk of severe symptoms and reactions to Covid-19. So it was, it was a natural response from me as mayor to respond in the way that I did a lot of it is my values, our

culture, and what we could gather about Covid-19 and I think that really led up to our initial very restrictive response towards Covid-19, even when the state had defined that essential workers will be able to go and work” (Derek Kawakami, 2021).

When speaking about the financial impacts of the business community having to close down and how Hyatt’s management, for example, did not feel their voice had been heard, the mayor explained that the business community is “used to being the biggest player government tends to roll the red carpet to in order to accommodate the biggest industry, but during a time of crisis as a mayor, and during a disaster, public health and safety becomes my top priority to preserve the health, safety and lives of people. And we knew that the visitor industry was going to take a huge economic hit... and so a lot of businesses were going to take it on the chin. That wasn’t an easy decision to make weighing the economic crisis that was happening, but we’ve always built our strategy on health and safety” (Derek Kawakami, 2021).

As for the future outlook, due to the very restrictive early lockdown methods, Kauai County is able to open businesses faster than any other county in the state. A combination of low infection cases and high vaccination cases (around 50% by April 2021) has made it possible to come out of the crisis and return to a state of normalcy faster than other places that experienced less lockdowns. Restaurants are, as of April 2021, open for in-door dining, as well as hotels, sports events, as well as many other in-door events. The very restrictive early lockdowns some would say paid off since the island is able to open up faster than other places. However, the economic costs remain to be seen (Derek Kawakami, 2021).

Table 2: Summary of Empirical Findings, Actions Taken (1)

Hotel	Actions taken		
	Human Resources	Marketing	Maintenance/Costs
Four Seasons, Seoul	<ul style="list-style-type: none"> - Did not fire employees - Encouraged use of vacation - Reduction of salary in management - Temporary paid layoffs, monthly 	<ul style="list-style-type: none"> - Termination of international marketing - Marketing targeting local customers - Special offers, activities, virtual concerts - Working with other brands: investment firm, disney - Price reduction during weekdays - Offering value-added elements to guests 	<ul style="list-style-type: none"> - Closed off certain floors - Measure taken to reduce energy consumption - Only certain kitchens open - Used the time to increase maintenance due to fewer guests
Lotte, Seoul	<ul style="list-style-type: none"> - Have suggested early retirements and termination of contracts by use of packages - Unpaid vacation to reduce working days 	<ul style="list-style-type: none"> - Reduction of international marketing - Increased marketing toward local customers and events - Special room deals with more benefits 	<ul style="list-style-type: none"> - Shut down several floors in the main tower - Planned renovations were followed through as planned
Mondrian, Seoul	<ul style="list-style-type: none"> - Reduction of staff for cost saving - Fluid workforce, back-office working in bar/restaurant/reception during peak hours - Government supported leave for ca. 20 employees used for 2 months - Not renewing contracts 	<ul style="list-style-type: none"> - Termination of international marketing - Marketing targeting local customers - Promotions using online travel agents, room packages, more benefits - Price reduction on rooms 	<ul style="list-style-type: none"> - Closed off certain areas during certain time - New hotel
Haymarket by Scandic, Stockholm	<ul style="list-style-type: none"> - Reduction of staff by 250 employees in two rounds - Fluid workforce - Educated staff to have more tasks/roles - Decreased working hours 	<ul style="list-style-type: none"> - Termination of international marketing - Marketing shift to domestic market and families - Special deals, packages - Introduction of coworking facilities - Reduction of room rates 	<ul style="list-style-type: none"> - Closed off certain areas - Looked over expenses for cost reduction - Elimination of certain offers that were not profitable - Tried to do maintenance with own staff
Hyatt, Kauai, United States	<ul style="list-style-type: none"> -Fired around 100 -Furloughed most and cooperated with union to help them receive unemployment and support -Kept around 50-80 during closure -Reopening in april 2021 250-300 	<ul style="list-style-type: none"> -No real marketing in terms of pricing but conducted study of 100 potential guests asking if they would stay considering harsh lockdowns of the county and 75-80% said no -Made them decide to opt out of early opening 	<ul style="list-style-type: none"> -Major maintenance during pandemic -Generous financial support by Japanese owners -Renovations and upgrades that had been delayed were made as well as new construction and investments in property
Timbers Resort, Kauai, United States	<ul style="list-style-type: none"> -Furloughed most down to just 10 managers -Eliminated some positions -Supported them by feeding furloughed staff 	<ul style="list-style-type: none"> -Extremely community centric approach -Invited 6-7 local community vendors every friday to use their facilities to sell local crafts etc 	<ul style="list-style-type: none"> -A more retroactive rather than proactive approach in terms of projects - Very optimistic always communicating with kauai tourism bureau (the representation of business community in local government) but therefore kept deferring projects until opening up, which never happened as early as they believed -Proactive for the community but not in terms of renovations etc
Mayor Derek Kawakami of Kauai, United States	<ul style="list-style-type: none"> -Super health oriented approach -One of the lowest cases of any county in the United States -9 PM Curfew, 14 day quarantine, mandatory testing 	<ul style="list-style-type: none"> -Health first, tourism or economy second 	<ul style="list-style-type: none"> -Extremely high since island's largest industry is the tourism industry and it opted out of the regular Hawaii Safe Travels program all other counties participated in in order to have the absolute hardest lockdown

Table 3: Summary of Empirical Findings, Actions Taken (2)

Hotel	Actions Taken	
	Government	Other actions
Four Seasons, Seoul	<ul style="list-style-type: none"> - Subsidies that covered 80% of minimum salary - Used for 6 months - Would like more support, no dissatisfaction - Dissatisfaction with restrictions 	
Lotte, Seoul	<ul style="list-style-type: none"> - Employees did not feel support personally, however there is understanding of the limitations -Subsidies covered lost salary due to shorter work week (20%) 	
Mondrian, Seoul	<ul style="list-style-type: none"> - Subsidies that covered 80% of minimum salary - Used for 2 months - Some dissatisfaction with the sudden changes of restrictions 	<ul style="list-style-type: none"> - Management pushed for postponed opening of the hotel
Haymarket by Scandic, Stockholm	<ul style="list-style-type: none"> - Salary support for employees with reduced working hours as well as some losses 	
Hyatt, Kauai, United States	<ul style="list-style-type: none"> -Very unhappy with the level of support from Government -Felt business community was "left out" of the conversation -Unhappy about needing to pay hefty property tax -Hard to keep up with changes 	<ul style="list-style-type: none"> -Opted out of early opening due to deciding it is too costly and rather invested in renovations -Planned for years in the future by renovating and conducting heavy investment in infrastructure
Timbers Resort, Kauai, United States	<ul style="list-style-type: none"> -Communicated well with government -Was able to set up bubble resort to allow customers to only do quarantine for 3 days instead of the normal 14-10 day quarantine period 	<ul style="list-style-type: none"> -Training and investment into the operation of the property - Have implemented a health response plan
Mayor Derek Kawakami of Kauai, United States	<ul style="list-style-type: none"> -Quite autonomous from federal and state -Mayor was very active and proactive 	<ul style="list-style-type: none"> -Daily updates on youtube and radio as well as website

Table 4: Summary of Empirical Findings, Change in Strategy

Hotel	Change in Strategy			
	Employees	Supply Chain	Resilience	Other
Four Seasons, Seoul	<ul style="list-style-type: none"> - Programs for mental health - Not something that will be expanded - More focus on mental health during pandemic due to working at home, restrictions etc. - Likely that it will fade out 	<ul style="list-style-type: none"> - Some difficulties obtaining supplies early on - Had to add new suppliers for tasks and goods that were not needed before, such as temperature controls, masks, safety equipment etc. - No noticeable disruptions in deliveries 	<ul style="list-style-type: none"> - 2 main goals forward, sustainability and diversity/inclusion - Greater focus on crisis management, however understanding every crisis is different - Organization became more efficient, cut down unnecessary roles 	
Lotte, Seoul	<ul style="list-style-type: none"> - No programs or focus on mental health due to high concerns with cost-cutting 	<ul style="list-style-type: none"> - No major disruptions in supply chain 	<ul style="list-style-type: none"> - More fluid workforce - May have to postpone expansion of Lotte Hotels overseas 	
Mondrian, Seoul	<ul style="list-style-type: none"> - No programs or focus on mental health due to high concerns with cost-cutting 	<ul style="list-style-type: none"> - Working on the relationship with the suppliers - Seeking understanding when large events have to be cancelled 	<ul style="list-style-type: none"> - Reducing costs - Creating a more fluid workforce - Educating employees on more than one role 	<ul style="list-style-type: none"> - Worried of lack of vaccines, which could result in Korea becoming isolated while the rest of the world is starting to recover, which will further decrease business, maybe in the long term
Haymarket by Scandic, Stockholm	<ul style="list-style-type: none"> - Greater focus on mental health during pandemic - Will not be continued after pandemic 	<ul style="list-style-type: none"> - No major disruptions in supply chain - Re-negotiation of many contracts for lower prices and extended credit period 	<ul style="list-style-type: none"> - Creating a more fluid workforce - Elimination unessential employees - Reducing services that are not profitable - Increasing other sources of income, i.e. coworking, events etc. 	
Hyatt, Kauai, United States	<ul style="list-style-type: none"> -Support for union to allow for them to receive health care etc -Coverage for health, medical, dental, etc. 	<ul style="list-style-type: none"> -Made sure construction crew were feeling safe by doing temperature checks, mask wearing, etc -Very generous support from owners allowed for no issues with the supply chain 	<ul style="list-style-type: none"> - Owners were had long-term vision, were able to look past covid-19 as an obstacle. Used time to increase speed of projects to inhibit negative effect of them in the future. 	<ul style="list-style-type: none"> -Renovation oriented -Most major obstacle was government
Timbers Resort, Kauai, United States	<ul style="list-style-type: none"> -Medical insurance to furloughed staff -Staff meals on a regular basis to furloughed as well as regular staff -Meals for entire families of staff 			<ul style="list-style-type: none"> -Community oriented -Optimistic and felt supported by government felt health was biggest concern rather than financials
Mayor Derek Kawakami of Kauai, United States	<ul style="list-style-type: none"> -Appointment only -All gov offices closed unless via appointment and only video appointment normally 		<ul style="list-style-type: none"> - Health and safety were prioritized even though the tourism industry is the largest, and will be greatly affected. 	

5. Analysis

The analytical chapter analyzes and discusses the empirical findings from the previous chapter, referring to theories presented in the theoretical framework. Based on the findings, a revised conceptual model is presented.

5.1 Crisis Prevention and Preparedness

As pointed out by Jacques, less than 50% of members of “The American Management Association” reported having a crisis management plan by 2001 (Jacques, 2007). Jacques described crisis preparedness as having “familiarization programs, testing, table-top exercises, and live simulations” (Jacques, 2007). Although the hotels in Hawaii often have hurricane crisis preparedness programs, neither the local government nor hotels interviewed had any sort of pandemic preparedness program. This has all been developed simultaneously with the pandemic (Sean Burpee, 2021). The empirical data shows that all hotels had certain processes in place to prepare them for a crisis, along with a plan of action. However, in most cases, these crisis plans referred to more short-term crises such as terror-attacks, fire, flooding and so forth. As mentioned in the theoretical section, crisis management is difficult to plan and predict, since it often happens suddenly, and become unique situations that have not occurred previously.

Jacques defined crisis prevention as having systems to identify, prioritize, strategize development, and for implementation. “Early warning and scanning, plus the identification and prioritization phases of issue and risk management, are to a large degree overlapping clusters of activities” (Jacques, 2007). What this alludes to is the fact that given knowledge of a potential crisis, how would top management react to prioritize a potential response? Analyzing all the cases presented in this dissertation, none of the hotels/local governments made any preventative prioritizations earlier than the other. They all locked down simultaneously around February/March of 2020.

However, as the managerial agents might not have acted earlier than the next, they all acted differently in terms of strategizing and implementing activities to deal with the lockdowns. Kauai, for example, had a mayor deciding to opt out of the state mandated regulations called the Hawaii Safe Travels program in order to implement far stricter lockdowns. This ended up in preventing further harm/casualties per capita than any other major county in Hawaii but, as evident by the

interviews with top management of the hospitality industry, made it difficult, to say the least, to manage their business' lucratively.

Jacques further elaborated crisis prevention as having a good emergency response in the sense of logistical availability in infrastructure, documentation, and training. The mayor of Kauai referred to SARS and the potential for Covid-19 to harm and potentially result in a large number of casualties. His emergency response actions, very early on, are very likely to have saved a lot of lives. In a strategic perspective, as Jacques pointed out, "it is essential from the overall strategic perspective to recognize that a serious emergency can trigger a crisis, and that as such, prompt and effective emergency response is a core element in crisis prevention" (Jacques, 2007). Mayor Kawakami of Kauai created strategies immediately with a team of competent people and took the pandemic very seriously from early on (Derek Kawakami, 2021). The hotels initiated responses immediately when understanding the magnitude of the current pandemic, which happened quickly. The government played a big role in response initiation, as all countries in the study introduced restrictions that would affect the business of the hotels, as well as restrictions that had to be implemented by the hotels, which in turn acted as a type of crisis management strategy by the hotels.

5.2 Crisis Management

As is pointed out by Jacques, "too often management is more concerned with messaging and reputation protection than taking action to manage the crisis" (Jacques, 2007). Mayor Derek Kawakami of Kauai explicitly said that he is fully aware of the fact that people may strongly dislike him for his very stringent and decisive actions during the pandemic but that what mattered to him was to save every life possible (Derek Kawakami, 2021). The way the top management dealt with crisis event management during the pandemic was different in each case. However, most decided to retain as many workers as possible and focus on renovation activities. Timbers Kauai decided to focus heavily on community engagement in order to allow local merchants to use their property to sell their items. They also gave out free food for furloughed workers. Hyatt Kauai worked closely with the workers union to make sure everyone was able to gain unemployment and generally be alright during the pandemic.

Aligned with Jacques' addition to crisis management theory; Mayor Kawakami completely disregarded a big chunk of the island's population's concerns regarding their economic well-being due to losing jobs to the pandemic (Matthew Elliot, 2021) (Jacques, 2007). One of the higher up managers at Hyatt Kauai, the largest employer of the island, complained that the largest obstacle during the pandemic, in general, was actually the local governance of Mayor Kawakami (Matthew Elliot, 2021) and his lack of inclusion of the business community. Instead, the focus in crisis management was on fighting the pandemic regardless of what the media or others might paint him as in public discourse.

However, this was disputed by the Timbers Kauai general manager, who argued that the business community was always represented and that working together with the local government as well as the local community, they fared much better than resorts that chose to opt out of programs initiated and coordinated with the local government such as the "bubble resorts" program that allowed for tourists to visit and quarantine at the resort with less restrictions (Sean Burpee, 2021). In reality, there were benefits of each approach, but the Hyatt approach might have had a reduction of resilience due to the lack of cooperation between government, community, and business.

5.3 Post-Crisis Management

We are still not at this stage of the pandemic, however, as is pointed out by Jacques, this concerns "operational recovery, financial costs, market retention, business momentum, share price protection" (Jacques, 2007). Since the return to somewhat normal operations in April 2021 in which customers can stay at hotels again more easily, the top management are optimistic and plan to implement training and systems for future crisis management related to health management and pandemic related responses (Sean Burpee, 2021). This was true for Timbers Kauai where he worked for, but it is unclear what the other companies interviewed will do in terms of crisis management for future catastrophes. However, as Jacques pointed out, "companies which reported having a crisis in the past, 42% still did not have any sort of crisis management plan" (Jacques, 2007). Therefore, it is likely a lot of the companies interviewed will continue to be reactive rather than proactive and it will depend more on the local government for them to actually activate strategies.

5.4 Discussion Comparing Firms' Responses and Action

All six hospitality industry firms were of luxury class, but it is also important to distinguish between the sizes of the hotels and the immediate surroundings/their comparative influence on the local economy. Lotte Hotel in Seoul employs over 1000 employees and even though they remained opened with a reduced occupancy from 85% to under 10%, their overall impact on the local economy pales in comparison to Hyatt hotel on Kauai. Hyatt Kauai is the largest employer for the whole island of Kauai, Hawaii. They employ over 800 employees and remain completely closed from March 2020 - April 2021. Their impact on the local economy was, due to being the largest employer, arguably more significant. Due to the stricter lockdowns, they could not keep any occupancy open. The Hotels in Korea did respond a month earlier and had their hotels begin implementing crisis management earlier. This is also likely due to the geographical nature of South Korea being much closer to the origin of the pandemic. In Sweden, just like in Korea, they reduced occupancy instead of having a complete shutdown such as was mandated by the local government on Kauai.

A commonality between all the hotels interviewed is the fact that they all opted decidedly against mass firing. Furloughing of staff was the key response while some hotels, such as Scandic Hotel in Sweden, decided to decrease work hours. This is partially due to the expensive nature of training new staff as most hotels were under the impression that the industry will bounce back to normalcy. Most hotels also opted out of marketing while a few decided on attracting local customers (Lotte in Seoul and Timbers on Kauai). The hotels on Kauai did not lower any rates on rooms during the pandemic but the hotels interviewed in Korea and Sweden did.

A significant takeaway from the interviews was that they all mentioned their hotels invested in renovations and extra maintenance. Hyatt Kauai had renovations past due as well as future renovations put to work around the hotel grounds. Since they decided to remain in a hard lockdown without a soft opening through an available "bubble resorts" program where guests would quarantine at the grounds of the hotels, they decided to rather invest in renovations. There was mention of a study conducted to see how many guests would come to the Hyatt with the "bubble resort" program and the financial team decided it was not worth the effort. This was not the case for the other resort interviewed on the island which had even combined with a nearby hotel to have

a larger “bubble resort” area in which their spaces were shared for the guests. Four Seasons Seoul also took the opportunity of fewer guests to maintain facades and initiate other work that was planned further in the future. They had the confidence that business would return to normal and saw it as a good time to do maintenance and repairs as it would disturb less guests than initially anticipated.

5.5 Discussion Comparing Firms’ Change in Strategies

As for changes in strategies by the firms involved in our interviews, a variety of strategies were implemented in regard to the employees of each hotel. The Four Seasons in Seoul implemented mental health programs while the other two hotels in Seoul did not. Scandic hotels also implemented mental health programs while the resorts on Kauai kept their employees on health care that would enable mental health coverage during the pandemic. Timbers resorts on Kauai went a step towards community involvement by organizing staff meals to furloughed staff as well as regular staff. This also included meals for their families. Activities such as local markets on Timbers resorts grounds were also organized in order to maximize the involvement of human interactions; meant to lower the effects of the negative effects of mental health during the pandemic.

As for the supply chain management, no issues on Kauai due to having little to no occupancy up until the interviews were conducted. Hyatt Kauai had “very generous owners” willing to invest heavily to have supplies for construction and renovations provided regardless of difficulties due to the pandemic. Scandic hotel in Sweden as well as Mondrian and Four Seasons in Seoul, South Korea, all needed to re-negotiate or add new supplies in order to properly obtain all necessary Covid-19 supplies such as temperature control tools, masks, safety equipment, etc.

5.5.1 Increase in Resilience

All resorts had some kind of implementation of strategy that has an effect on its ability to be resilient in a crisis such as the covid-19 pandemic. Four Seasons Seoul stresses the importance of understanding how each crisis is different and focuses more on sustainability and diversity/inclusion while moving forward. Lotte hotel focuses more on local customers and is rethinking expansion overseas. Mondrian hotel in Seoul wants to focus on having employees able

to do many roles and reducing costs. Scandic hotel in Sweden is keener on eliminating unessential employees and effectivizing services. Hyatt Kauai has established a longer vision past the current crisis and rather increased the speed of unrealized projects such as renovations held back due to customer presence. Timbers Kauai has forever ingratiated itself with its community involvements.

5.5.2 Local Government Perspective

Health and safety were emphasized as the top priority during the interview with the Mayor of Kauai, Derek Kawakami. Contextually, Kauai is known to have an older, more affluent population and in a way Mayor Kawakami was following the interests of his constituents. During the initial stage of the pandemic back in early 2020, Mayor Kawakami took a very hardline approach to the lockdown. He mandated a 14-day quarantine for all visitors and closed down all unessential businesses. There was also a 9 PM curfew. Military police would visit people's homes in order to make sure people were quarantining correctly and the police set up roadblocks to check on people. This was in line with the Mayor's philosophy of "health first, economy second". Mayor Kawakami demonstrated a uniquely proactive approach towards crisis management which resulted in almost no cases of Covid-19. He would post daily updates on the radio and on YouTube explaining the current status on the island in terms of Covid-19. In accordance with his own mandates, he closed down all government offices to the public unless for appointments only/virtual visits.

5.6 Revised Conceptual Model

Based on the analytical findings, there are certain changes that have been made to the conceptual model. Figure 7 below is a revised version of our conceptual model, which was presented in section 2.5 figure 6. The main changes made in the model include revisions of the placement of the four internal scented studies, namely *strategy*, *structure*, *ideology*, and *slack*. In addition, we have added the role of the government into the model, all of which will be explained in more detail in the following sections.

5.6.1 Internal Antecedents

The main change in relation to the four antecedents have to do with structure. Initially, it was thought that structure could not change as a result of single loop-learning, as it was not easily

changed (Ashby, 1960; Simon, 2005). However, the analytical findings showed that most hotels restructured their employees by creating a more fluid workforce, so there were less clear boundaries of what a specific role entailed. In other cases, the management was restructured as the pandemic created the need to evaluate which positions were essential and which positions were excess, which resulted in a restructuring of the hotel's employees. Consequently, structure can be altered as an initial response, and as a result of single-loop learning. This is shown in the conceptual model below, where strategy and structure now share the same area, as they both have an effect on initial response, or action response, as well as the change in pre-crisis management.

The other antecedent that has been altered in the conceptual model is ideology. Ideology was included in double-loop learning, and not single-loop learning from the start, however the analytical findings showed that the hotel ideologies did not play a big role in crisis management, and there were no suggestions that any of the hotels would change or revise their ideology as a result of the pandemic. The only hotel that provided some indication of an ideological change was the Four Seasons Seoul. Mr. Bernabé mentioned two main goals moving forward that included diversity and sustainability, which are a part of their ideology. However, these two topics were focused on and included in their ideology prior to the pandemic, although they had been less focused on due to the magnitude of the current crisis. Most organizational ideologies are positive and aim to have the best intentions for all parties involved, which is why there is no evidence that ideologies will change or have any major impact on a revised crisis management plan in the future. Consequently, ideology has been removed from second-loop learning, and is now a separate part, only having potential effect on pre-crisis management as seen in figure 7.

The two last antecedents, strategy and slack, seemed to have the same impact as predicted, and as shown in previous theories. Most hotels did change their strategies in order to appropriately respond to the effects of the pandemic. The strategies were mainly adapted in relation to costs, marketing, and employees. Slack resources were also important for instant response to the crisis, however a factor that must be considered is that all the hotels in this study are a part of other major hotel chains that have considerably greater access to resources than for example a smaller independent hotel. The slack resources were used as an initial response but can also be used to further develop the entire crisis management plan. Another factor that must be included in regard to slack resources, in governmental support, which will be elaborated on in the next section.

5.6.2 Government

As for governance impact on the hotels interviewed; lots of variations on the level of strictness had vastly different effects as well as the level of support from the government. The interviewee at Hyatt Kauai was markedly feeling the most left out of the local governments' decision making. There was mention of suggesting having at least the property taxes temporarily pardoned during the hardest of lockdowns. Subsidies in the form of unemployment were offered by all governments involved and the hotels worked with the workers to have them receive support. The other respondents seemed mostly satisfied with the involvement of their governments, some expressing a desire for increased subsidies for salary payments, however all respondents expressed an understanding that financial resources are finite, and not only the hospitality industry is in need of aid.

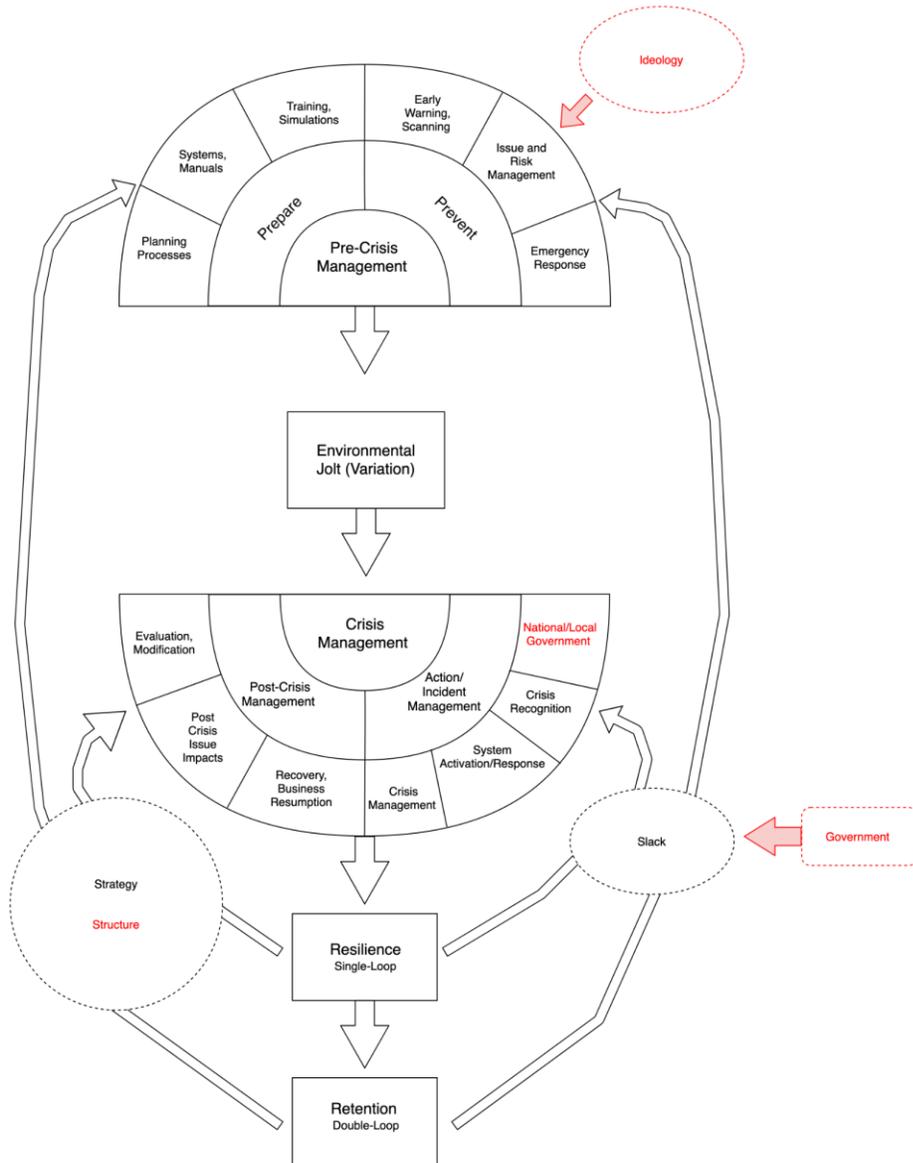
In Isrealei's research, the governmental aspect includes mostly how the organizations view the role of governmental support and whether they are satisfied or dissatisfied with it etc. Through our study, we have understood that the government plays a much larger role in crisis management. It is clear that the government had a big role in how the hotels handled this crisis, both in terms of the restriction that was placed on society as well as organizations and industries such as the service industry, but also with the amount of financial support provided. The financial support/subsidies provided by the government was mostly related to the lost revenue the hotels experienced, as well as salary support for temporary layoffs and reduced working hours. In most cases, the hotels were able to pay their employees at least 80% of their original salary. We do question whether the hotels would have kept all their employees hired, had they not received government subsidies.

Secondly, many of the restrictions set in place by the government forced hotels to act in a certain way, for example use facemasks, reduce maximum capacity in rooms, use temperature controls and so forth. Most of these measures taken had to do with reducing the spread of infection, and not as much being able to survive the crisis as an organization, however the two are not mutually exclusive. As explained by Mr. Bernabé, the general manager of Four Seasons Seoul, as the pandemic went on, many of the actions recommended by the government, as well as actions competing hotels were doing, were actually proved to be useless for reducing the spread of the

disease, however they had to keep doing them in order to “keep up appearances”. That is, all guests may not have had that information, so removing certain actions that were considered by the public to be important, would put the hotel in a negative light, which is why they had to keep doing them. Even if the government had not enforced certain rules and actions to be taken, perhaps the hotels may still have done them, however in this case they were still heavily affected by what the government recommended and enforced.

Since the national and local governments played such an important role in the crisis management, we have added a governmental aspect in the conceptual model as can be seen in figure 7. National/Local government has been added in the main crisis management section as a part of action response, as it made a great impact in what the hotels actually did. The governmental aspect is also added as a dependent to the slack resources. By this, we mean that the governmental financial aid provided the hotels with the possibility to keep all employees, with only minor changes to the force of employees.

Figure 7: Revised conceptual model



Source: Compiled by authors, based on figure 6, Conceptual model.

6. Conclusion

The final chapter concludes our analytical findings and aims to answer the research questions.

This paper attempted to explore crisis management in the hospitality industry and how they differ in response to the Covid-19 pandemic in Korea, Sweden, and the United States. In the United States, the county of Kauai, Hawaii, was chosen due to one of the author's access to key members in the hospitality industry as well as local government. Kauai served as an excellent location for this research due to its local government's very drastic response to the pandemic. Mayor Darek Kawakami decided very early on to even opt out of the State's recommendations in order to have more autonomy; rendering the island able to lockdown even further. This had a drastic effect on the hospitality industry and the local economy as a whole as much of the economy is dependent on the hospitality industry. Sweden could be seen as the antithesis of Kauai in terms of the government's decision on the Covid-19 pandemic. Sweden's government decided not to lockdown and was therefore able to keep businesses open for much longer. South Korea had a more of a status quo response to the pandemic and followed what most other nations were doing in terms of lockdowns.

In terms of academia, we attempted to further the theories of crisis management by contributing, through abductive research, further insight on the hospitality industry's ability to be resilient or use strategies to survive a crisis better. The thesis conceptualized a model based on the questions:

"What actions have firms in the hospitality industry taken as a response to the effects of the Covid-19 pandemic?" and "How does a firm's internal antecedents (slack, strategy, ideology, structure) affect its crisis management?"

The different companies within the hospitality industry came up with different strategies to combat the Covid-19 pandemic. The Grand Hyatt Hotel on Kauai, very frustrated with the local government's decision of having a hard lockdown, decided to invest heavily in renovations rather than opening up reactively. Timbers Kauai decided to delve into community engagements and believed communicating and responding quickly with the local government, partially opening up

whenever possible, was the best way to improve its chances of surviving. All this as the Mayor of Kauai, as was interviewed extensively for this thesis, kept the island mostly controlled through strict daily reminders of cases, lockdowns, and even cooking shows for people on mandatory quarantine or stay at home workers.

New systems were put in place in the firm's internal antecedents. Timbers Kauai implemented a whole new health catastrophe prevention training; in addition to their regular hurricane disaster training for their employees. Hyatt Kauai implemented, along with renovations, ways to socially distance customers in order to reduce the spread of the virus. There is also a lot more attention towards procedures at all firms with the scanning of temperatures for workers as well as customers. All in all, all firms interviewed had some sort of systems put in place retroactively to prevent further spread of the virus and some firms, such as Timbers Kauai, went even further into implementing permanent health training for employees.

Another commonality, in terms of the hospitality industry, as was done in the past when looking at crisis management in other cases, is the fact that none of the firms laid off a significant number of employees. Very few actually. Most were furloughed and it was mentioned in the interviews that it is simply much too expensive to train new employees and it is better to furlough employees and also to help them receive unemployment, health insurance, or other benefits to help them survive during the pandemic. The plan is always to improve resilience and; albeit it seems to happen more retroactively rather than proactively.

The analysis of the empirical data showed that the four organizational antecedents examined had a different effect on the crisis management than initially predicted, based on existing theory. Organizational structure could be adapted as an initial response to the crisis, as a result of single-loop learning. Ideology had a less substantial effect on the crisis management and did not have a role in single-loop learning, nor double-loop learning. Slack resources and strategy both had substantial effects on initial response, as well as in the double-loop.

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Appendix

Appendix A- Interview Guide Hotels

Interview Guide

Introduction

1. What is your role in the organization you work at, and how long have you worked there/had that role?
2. Approximately how many employees does the organization have? If a chain, how many employees at this specific hotel?
3. Could you describe your main tasks and responsibilities of your current role?
4. Could you briefly describe the hotel/chain you work at- i.e. is it a luxury hotel? Budget? How many stars? Design hotels? Apartment hotel? And so forth.

Covid-19

5. When did you start seeing the effects of the ongoing pandemic on your business?
6. Do you know by how much approximately your business has decreased during the past year? Losses
7. Have you experienced a crisis threatening the hospitality industry previously?
 - a. If yes, how has covid-19 been different?

Specific Actions

8. What specific actions have you needed to take in as a response to the crisis in order to survive?
9. Based on previous research within crisis management in the hospitality industry, we have compiled common actions taken in response to a crisis. Could you please answer yes/no whether the action applies to your business, and elaborate on how and why this was used/done.

Human resources

- a. Fired employees and/or replaced high tenure employees with new employees
- b. Used unpaid vacation to reduce labor force or frozen pay rates
- c. Decreased number of working days per week
- d. Increased reliance on outsourcing

Marketing

- e. Changed marketing strategy, i.e. targeting domestic/local customers, joint campaign with local merchants, promoted new products etc.
- f. Reduced prices on offers/rooms

Maintenance

- g. Cost cuts by limiting hotel services, postponing cosmetic maintenance etc.
- h. Extended credit or postponed scheduled payments

Government

- i. Organized protest against the lack of government support
- j. Industry-wide demand for governmental assistance with current expenses
- k. Industry-wide demand for a grace period on tax payments
- l. Industry wide demand for a grace period on local tax (municipality)

General

- 10. Does the organization have a crisis management plan, if so: how is it structured and what are the main elements of it?
- 11. Were there processes set in place pre-covid in order to prepare employees for disasters, improve mental health, and so forth. Will they be set in place now?
- 12. How has the pandemic affected your supply chain? I.e. Have you changed suppliers, have there been delays, other issues and so forth?
- 13. How has the hotel's slack resources affected the actions taken as response to Covid-19?
- 14. How has the pandemic affected the overall structure of the organization?

Preparations for the future

- 15. Has the pandemic presented a need for a more specific crisis management plan/strategy for the future?
- 16. What specific actions have taken place or plans been made in order to create a more resilient organization/business?

Final thoughts/comments

- 17. Is there anything else you would like to add? Anything we may have missed that you think is important?
- 18. Do you have any questions for us?

Appendix B- Interview Guide Governmental Agencies

Interview Guide - Governmental Agencies

1. What specific actions did you take initially and has your position on restrictions changed since the beginning of covid? What have you learned?
2. Are you better prepared for a future crisis now?
3. Do you and have you had an open dialogue with all parties involved (business community, health officials, etc)?
4. Kauai county's largest employers are in the hospitality industry. Interestingly, Kauai county is also known for being the only county opting out of the Hawaii Safe Travels program in order to become one of the most restrictive counties in the United States, it also has some of the lowest cases and deaths of any county in the United States. Do you believe the benefits of restrictions outweigh the negatives of the financial impact on the business community, such as the hospitality industry?