Crisis management practices during the COVID-19 pandemic: The case of a newly-opened hotel in Bali

Made Gaby Permatasari ©
Department of Management, Undiknas Graduate School, Universitas Pendidikan Nasional, Bali, Indonesia

Luh Putu Mahyuni
Department of Accounting, Faculty of Economics & Business, Universitas Pendidikan Nasional, Bali, Indonesia

Abstract
The global COVID-19 pandemic—and the ensuing safety measures—has inflicted a debilitating blow against the lodging industry by transforming tourism patterns and discouraging travel. Guided by tourism disaster management framework and the contingency theory, this study attempts to explore the crisis management practices (CMPs) conducted by the leaders of a newly-opened hotel in Bali, Indonesia, during each phase of crisis. Through an interview with eight hotel executives, the findings of this study provide both theoretical and managerial implications for comprehending CMPs during the current circumstances. As the pandemic has not yet ended, a company that has reached the resolution phase may revert to the emergency phase, or worse. Therefore, this study also recommends considering the advantages of communication, contingency plans, open leadership styles, organization culture, past experiences, and business continuity as the principle tools with which to increase the chances of successful CMPs. These findings may also prove to be significant to other areas of the tourism sector beyond the hotel industry, as well as to other cultural tourism destinations outside of Bali.

Keywords
crisis, crisis management, tourism disaster framework, contingency theory, tourism industry, success factors, open leadership

Introduction
The COVID-19 pandemic has rapidly reverberated throughout the world, causing not only an international health crisis, but also triggering a global economic downturn (Chang et al., 2020). The tourism industry has been immensely affected by the COVID-19 pandemic. This industry has suffered enormously due to the imposition of lockdowns, travel bans, and safety warnings (Jamal and Budke, 2020). These measures resulted in the absence of inbound visitors for several months. The industry thus faces a crisis which might irreparably damage businesses or cause widespread bankruptcies (Wang and Lafer, 2020).

To combat such ramifications, those involved in the tourism industry must now seek executive level strategies in response to the crisis caused by the pandemic. Several studies have suggested useful crisis management practices (CMPs) for the industry, as well as strategies designed to mitigate the negative impacts of the crisis. For example, Liu et al. (2015) developed the “hotel 4R” (reduction, readiness, response, and recovery) model for the bed bug crisis within hotels. This study focused on the use of social media as part of CMPs, with future research expected to broaden the CMPs framework to manage all stages of another health crisis.

Another study by Ali and Al-Aali (2016) outlined several strategies aimed at improving effective Crisis Management (CM), such as imagination and adaptability as necessary qualities for crisis prevention or the reduction of its negative impacts. This article then revealed that CM is doomed to failure without proper training, education, and human capital development. A recent study by Pavlatos et al. (2020) developed five practices that can be used for the recovery of Greek hotels from the COVID-19 pandemic: operations, maintenance, human resources, marketing, and government. The study’s limitations encourage future research to investigate CMPs over a longer crisis period in order to obtain details on the actual practice implementation rather than solely the decision.

In the context of health crises, previous research on CM during SARS (Kim et al., 2005; Leung and Lam, 2004; Mansour, 2013), swine flu (Hung et al., 2018; Pan and Meng, 2016), Ebola (Maphanga and Henama, 2019), as well as the current COVID-19 pandemic (Chang et al., 2020; Hao et al., 2020), have indicated how health crises can damage hotels. Their findings showed that crises must be managed seriously by well-educated and knowledgeable managers able to effectively cope with emergent challenges.

Although the aforementioned studies are valuable for the hotel industry in terms of crisis preparation, recent studies...
have questioned the efficacy of practices unable to cover all stages of a crisis (Huang et al., 2020). Such studies were limited to a particular time period of the crisis, for instance, much research has been conducted only in the pre- or post-crisis stage. Comparing CMPs between initial and pandemic stages has also been insufficient for ascertaining the management strategies at every crisis phase (Lai and Wong, 2020).

In light of the above, this paper aims to explore the CMPs undertaken by hotel managers during the COVID-19 pandemic. Our findings could well contribute to both the CM literature and the industry itself by aiding the development of a CMP framework in each phase, which could be adopted both by hotel managers and other stakeholders in the tourism industry. Additionally, prior research has identified that some managers still rely on unwritten strategies, thereby highlighting the need for formalizing key CM strategies beside detailed practices (Ali and Al-Aali, 2016; Bhadri, 2019). To address this issue, we also highlighted some critical success factors from selected hotel executives, including their leadership style as lessons learned for future management (Campiranon and Scott, 2014; Ghaderi et al., 2014; Ritchie and Jiang, 2019). We expect these lessons to help companies adapt to future challenges and determine how to fully operate a business during on ongoing health crisis.

Located in Indonesia, Bali, known as the Island of the Gods, is undoubtedly one of the country’s highest revenue-generating tourism destinations. According to Colliers International Report (Yonasari, 2020, 2021), the hotel income in Bali has plummeted dramatically since the first quarter of 2020. Despite the temporary closure of hundreds, overall hotel occupancy in Bali was heading in a positive direction with an occupancy rate of 10% and increases in domestic visits during 2020s fourth quarter. Both existing and newly-opened hotels contributed to the industry surviving the COVID-19 crisis.

Given that the majority of existing hotels were struggling to maintain their business resilience, a study of a newly-opened hotel that can survive with normal operations during a crisis will provide an important contribution to CM knowledge. This study is also unique in the sense that it explores how leaders successfully manage crises in a “newbie” company despite the possibility of their having insufficient resources and cash flows (Gaudig et al., 2020). Moreover, we seek to bolster previous research conducted in several countries, including Israel (Israeli et al., 2011), Thailand (Campiranon and Scott, 2014), and numerous African countries (Maphanga and Henama, 2019). Conducting an examination into specific tourism-generating destinations, such as Bali, has been suggested as a way to provide more comprehensive insights into tourism CM strategies.

The structure of this paper is as follows. The next section will present a literature review, followed by the methodology. The results are then presented and discussed. Conclusions and recommendations are offered at the end of this paper, including future research directions.

**Literature review**

**Nature of crisis**

To manage a crisis, it is crucial to understand its nature and impact to an organization. Pearson and Clair (1998: 60) defined a crisis as “a low-probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly.”

General CM theories assume that a situation progresses through a series of stages wherein appropriate and timely action can prevent a crisis. A number of frameworks (for example, Faulkner, 2001; Fink, 1986; Mitroff, 2004; Pearson and Mitroff, 1993; Wang and Ritchie, 2010) have been defined to analyze the phases of a crisis. Developed from Fink (1986) CM framework, Faulkner’s model provides a more detailed and suitable framework for investigating how companies—particularly hotels and resorts—manage crises (Campiranon and Scott, 2014; Henderson and Ng, 2004; Racherla and Hu, 2009). Moreover, Faulkner’s model has not yet been empirically examined at each crisis stage, meaning that this knowledge gap must be filled (Gani and Singh, 2019). This study therefore adopted Faulkner’s approach (2001), who listed the following six crises phases:

- **Pre-event.** In the pre-event stage, all efforts must be directed at prevent the crisis from occurring. Risk management and planning are needed in this stage to mitigate the impact of the potential crisis. At this time, some protocols, coordination, and disaster team appointment should be established, and communication is essential for keeping everyone well informed.

- **Prodromal.** In this stage, it is apparent that a crisis is imminent. Prevention is no longer possible, and mobilization and contingency plans are instead needed. Moreover, at this point, leaders should begin reviewing and revising their marketing.

- **Emergency.** In the emergency stage, several impacts occur due to the crisis. Swift action is essential in this stage to protect the people, property, and establishments.

- **Intermediate.** Immediate actions are needed in this stage to return to normality. The main focus is to plan a recovery step. Address the short-term and intermediate needs of employees. Clear media communication is also crucial in this stage.

- **Long-term (recovery).** This stage is a continuation of step 4; nevertheless, it requires swift action to implement the plan formulated in the intermediate stage. Leaders begin to conduct self-assessment, analysis, and healing. The main point is to engage in reconstruction and reassessment, correct any environmental problems, and reinvestigate (and debrief) strategies. The practice example is the rebuilding and reconstruction of damaged infrastructure and environmental areas.

- **Resolution.** In this stage, all efforts are directed to return to the former routine, as well as to review the decisions made and enforced by the team. Procedural improvement is also required.

Figure 1 (below) summarizes the tourism disaster management framework adopted from Faulkner (2001) study. This framework consists of six phases of the disaster process, element of responses, and the principal ingredients, which are the outlining prerequisites of effective disaster management.
strategies. Such strategies should be based on potential disaster assessments, which allow for the existence of various scenarios in response to a variety of potential challenges.

Crisis management in the hospitality industry

Crisis Management has its roots in strategic planning to respond to unexpected events. The challenge for every organization typically concerns how to recognize early “warning signals” and take appropriate action (Pearson and Clair, 1998). Crisis Management is intended to prevent crises, or, if a crisis should occur, then it is vital to know how to effectively manage it (Mcauley et al., 2007; Racherla and Hu, 2009).

Nowadays, CM is a popular topic within the tourism and hospitality sectors, especially in response to the COVID-19 pandemic (Lai and Wong, 2020; Yu et al., 2020). The pandemic has not only jeopardized the global economy, but also the livelihoods of many tourism industries. In November 2020, the World Travel and Tourism Council (WTTC) published a report on the economic and employment impact of tourism for 185 countries and 25 regions (WTTC, 2020). The report found that the tourism industry had lost almost US$4.5 trillion in 2020, while GDP contribution plummeted dramatically by 49.1% as compared to 2019. This evidences how vital it is to formulate and adopt CM strategies so as to mitigate the detrimental impacts of crises.

Previous research on hospitality CM has largely focused on how particular crises were handled rather than the protection of a company’s resilience (Jamal and Budke, 2020; Ritchie and Jiang, 2019). Sawalha et al. (2013) argued that, despite the breadth of CM literature, there is lack of effective frameworks that can be adopted as guides with which to prepare for future crises within the hospitality industry. A continuing study has found that some Jordanian executives prepared for a crisis, but neglected to form a business continuity plan (Sawalha et al., 2015). Moreover, a study by Ghaderi et al. (2014) also revealed that the majority of tourism companies in Malaysia are primarily concerned with their business continuity, but have yet to reach a common agreement on CM due to a lack of formal guidance.

Recent CM studies during the current pandemic have also provided managerial implications for hospitality executives. For instance, A COVID-19 management framework has been proposed to address the strategies with which to respond to and manage such a crisis in China (Hao et al., 2020). Another study by Le and Phi (2021) also refined the pandemic CM model based on global hotels’ strategic responses in each of COVID-19’s crisis phases. However, as the model has not yet been either tested or validated, further studies are required so as to develop a more efficient CM framework.

Accordingly, this study develops the tourism disaster management framework to explain CMPs at each crisis phase of the current global pandemic, using a case study of a newly-opened hotel in Bali to do so. We also seek to highlight the key ingredients of leadership strategies, such as knowing how to operate their business with minimum bodily contact, how to protect the business’ resilience and employees, and how to effectively operate the business with minimum cash flow and disrupted supply chains. Moreover, we attempt to comprehensively understand what kind of leadership strategies they employed in order to bring the hotel to the forefront of the hospitality industry during a crisis.

Contingency theory

The contingency theory is a type of behavior-based theory developed during the 1960s, which denotes that there is no single “best way” to organize or lead a company. Certain organizational or leadership styles which have proved to be effective in one organization may well fail in another (Fiedler, 1964). The optimal organization style is contingent upon various internal and external drivers or barriers. In other words, contingent leaders must show flexibility when deciding and adapting to several strategies which are suitable in particular periods. This theory also implies that leaders are not required to be effective in all situations, and that there are certain issues which may best be resolved by other candidates (Fiedler, 1978; Gilmour and Sheehan, 1976).

Despite major advances in CM literature in recent years, each new crisis is unique (Bundy et al., 2017; Henderson et al., 2008; Mitroff, 2004). Crises are high in uncertainty and may necessitate different approaches from those used previously (Eriksson and McConnell, 2011; Stam et al., 2018; Wang et al., 2017). We hold that the theoretical lens of the contingent theory continued to be well-suited to CM. When companies are faced with a crisis, the contingency theory can provide clear guidance with which to effectively manage and respond (Mcauley et al., 2007; Nyenswah et al., 2016) by carefully considering the contingent factors (Ping et al., 2011; Prewitt et al., 2011).

Methodology

We adopted a qualitative approach for this case study as it can be used to understand a condition, experience, or event from a personal standpoint (Patton, 2015). Generally speaking, crisis research tends to more frequently adopt the qualitative approach, especially in case studies (Bundy et al., 2017;
Ritchie and Jiang, 2019) which successfully capture leadership experiences, and investigate the strategies employed in a particular crisis (Jamal and Budke, 2020; Lai and Wong, 2020; Maphanga and Henama, 2019).

To select informants, we used a purposive sampling strategy to identify individuals who could provide the information needed to comprehend the central phenomenon (Creswell and Plano Clark, 2018). We deliberately selected the informants from a newly-opened hotel in Bali, who were identified as senior leaders, being experts in their fields, and also as having critical roles in managing such crises.

First, we gathered a list of five-star newly-opened hotels that remained open during the pandemic. We then reviewed information from the hotel website as well as several open publications concerning Bali hotels, tourism, and leisure. Then, we selected one large hotel that met our criteria and accepted our research request. Despite being classified as a new pipeline hotel which recently opened in 2019, it is notable that, unlike the hotels that were forced to close, this hotel was fully operational with hundreds of open rooms and over 500 employees on its payroll. We believe that research into a company resilient enough to protect its business and employees during a crisis (Gaudig et al., 2020) will yield new insights into CM knowledge during health crises.

The hotel’s crisis management team (CMT) consisted of executives and marketing leaders, and were chosen as interviewees. We also added the owner representative as an additional informant in order to obtain the perspectives of the company’s proprietor. Eight of the nine people that we approached agreed to be interviewed for the study. These participants held the roles of General Manager, Hotel Manager, Executive Assistant Manager, Owner Representatives, Human Resources Director, Finance, Revenue, and Marketing.

We conducted semi-structured face-to-face in-depth interviews. This afforded informants the freedom to express their thoughts and maximize the quality of the data collected (Campiranon and Scott, 2014; Sawalha et al., 2013). In the process of analysis and data presentation, each participant was assigned a code from I-01 to I-08. Open-ended questions were used in order to allow for greater levels of flexibility and follow-up questions regarding CM (Leung and Lam, 2004). All research ethics guidelines, as defined by the General Data Protection Regulation (GDPR), were strictly adhered to for this research. Respondents were specifically asked if they wanted to participate in the study and were reassured that their anonymity would be protected (Pavlatos et al., 2020). The interview process was conducted in August 2020, with follow-up questions asked during the first quarter of 2021.

The interviews were audio-recorded, with the most salient points being transcribed into text. A thematic approach based on pre-existing themes or categories was adopted for data analysis (Tuckett, 2005). First, all of the interview transcripts were fully read, with both relevant and interesting sections highlighted, and notes were made in the transcript comments (Creswell and Plano Clark, 2018). Once done, we conducted formal coding, upon which some codes began to merge together and show a hierarchical relationship. In a deductive manner, both coding and theme analysis were directed by existing theory considered in the research (Nowell et al., 2017). The interviewees were asked about the hotel’s situation using Faulkner’s disaster management framework, followed by questions about their CM practices at each phase, their leadership and their way to organize the hotel based on contingency theory perspective.

Results

The findings were linked to existing CM theories in that they explained the situation at each crisis phase, captured the CM practices undertaken by the hotel leaders, and highlighted the principle ingredients. The blue arrow indicates that, once the hotel has reached resolution, it may still return to the pre-crisis or even emergency phase. The framework is depicted by the following figure:

The first observation made during the data collection process was the pandemic’s impact on the hotel’s operation, which had only been open for a year. Furthermore, in order to explore the CMPs, one general question was asked so as to gain information on how the leaders responded to a crisis: “Can you explain what you did first after you heard the news of the coronavirus outbreak?” Since the interviewees came from a diverse range backgrounds and departments, they were probed to explain CMPs based on their own perspectives and roles as key leaders.

Pre-event phase

The pre-event phase marks a point when action can be taken to prevent or mitigate a potential crisis. Regarding the question asked to interviewees, six out of eight interviewees mentioned that assigning a dedicated team (the aforementioned CMT) was the first step they took to managing the crisis. Before the extensive spread of the pandemic, the hotel leaders were also already prepared with crisis communication training from their corporate office.

This workgroup consisted of senior executives, as articulated by one interviewee, “When COVID-19 happened, we immediately formed a senior management workgroup for this […] we needed our marketing head all the time because communication is important. Standard verbiage and standard communication to our staff and stakeholders are important because they were already in a panic” (I-07). The CMT is a selected group of experienced and knowledgeable people with the capacity to effectively delegate information and tasks. One of the interviewees highlighted communication as one of main ingredients of managing a crisis at the pre-stage, “You need to have not only strong people, but people who know what information can be communicated to others or keep the information secret so that people will not panic” (I-05). Another interviewee then added, “After discussion with the executive’s member, we came up with some solutions, which we communicated first to the owners and corporate, and they, in turn, provide us with a feedback” (I-02).

Prodromal phase

A pandemic is an unpredictable and inevitable situation. As viruses can be spread person-to-person, strict health, safety, and hygiene protocols must be monitored in accordance with the World Health Organization and government direction. Due to COVID-19’s international spread, prevention was no
longer possible. Based on the interview results, the CMT encouraged both employees and guests to follow health, hygiene, and wellness regulations. Contingency plans had to be prepared, and the leaders applied an open leadership style in order to adapt with the situation.

Seven out eight interviewees had concerns about health, hygiene, and wellness protocols. As expressed by one interviewee, “So, the very first thing that we did is to hold series of our awareness on personal health, safety, and hygiene to all our employees. We also started to implement thermal body checks and strict monitoring on employees’ health and well-being, which requires a certification from the government” (I-01).

The hotel management continued to engage with guests through a video wellness program, as one interviewee noted, “We launched a program called mindfulness. We wanted to share that, despite our condition today, across the globe, we are human beings. We have to be mindful. That is, the kind of message that we want to spread to our guests as well as people outside Bali that choose Bali as a destination” (I-04).

Immediate action had to be taken in terms of reservations, as mentioned by one of interviewee, “From the reservation and revenue side, we updated the content on our website, online travel agent, and confirmation letter […] hmm about the COVID-19 protocols as our reactive and preventive action” (I-03). Another interviewee added, “In this case, micromanagement is the important thing that we need. We, as leaders, should lend a hand to every single thing in the operation” (I-05).

On the other hand, a contingency plan helps leaders make optimal decisions in terms of preparing for several possible scenarios and alternatives to future challenges. Seven out of eight interviewees mentioned that it was vital to have a contingency plan of necessary action at the prodromal phase. As one interviewee revealed, “When the hotel started to receive many cancellations and decreases in bookings picked up, we always had a plan, A, B, and C. A is how to react. B is what is to be done next. C is worst scenario […] everything is related when we have contingency plan” (I-07).

Emergency phase

The pre-event and prodromal periods, foregoing the emergency, were particularly brief. External forces may also be a major influence on the efficacy of any plans. Thus, at the emergency phase, and following the government’s recommendations, the hotel ceased operations for 2 months. Before management decided to close the hotel, several analyses and to-do lists were conducted so as to prepare a future action plan. As one interviewee expressed, “We started to work with the director of finance to look at the cost management with the assumption that it is better to keep open the hotel or closed the hotel” (I-08).

Five of eight interviewees expressed the importance of cost management. Cost is an enormous concern to all companies facing a crisis. One of the interviewees clearly stated that, “First, it is about maintaining our cash flow […] cut our daily workers, outsourcing because we still have employees who can do multitasking jobs to minimize additional expenses, give discounts to travel agents, as well as asking discounts from our suppliers and saving expenses” (I-02).

Fortunately, continuous trust and financial support from the owner company gave the leadership sufficient confidence with which to make decisions. As one of the interviewees noted, “The owner is fully supportive about the decision made by executives in the hotel; they will not let everyone lose the job, thus we have to protect their business by doing our best to protect our hotel operation. They will support us financially, but the hotel has to pay interests to owner, which means we have to survive first” (I-06).

All of the interviewees mentioned that they applied an open leadership style to handle every situation, especially in the emergency phase. The key to leading is transparency. The leaders involved others in their work and decision-making, and provided clear information and understanding to the stakeholders. As one interviewee pointed out, “Because we were transparent with them, they trusted us to manage the situation, and I believe there is no pressure from them” (I-02).

Transparency relates to how leaders communicate to stakeholders. Open communication builds trust and reduces hesitancy. One interviewee expressed their concern thusly, “I just do open communication and be straightforward, keep communicating and not worry about making strong decisions as long as we understand the impact” (I-08). He went on to say, “I am not a kind of visionary, but I am just trying to understand the situation. I hear noises; I hear voices, see what has happened. You cannot see what the future will be. What you can force is what is happening to the business pattern, so you can feel it.”

Most importantly, every decision was collectively agreed upon. Six out of eight interviewees mentioned this collective decision-making. One of them stated that, “So, the leadership in this is to make sure that we make a decision, you stand by your decision, and you advise people. At the end of the day, it is not a decision by the hotel, by me, the executives, and owners, but it is our decision” (I-08).

Intermediate phase

This phase marks when normal business operations can begin to be restored. No one can categorically state when the pandemic will end, meaning that the hotel would completely lose its place in the market completely if the management were to close for a lengthy time period. Therefore, all of the interviewees mentioned that they chose to reopen the hotel as the pick-up of the local market started to increase. One interviewee revealed, “At this point, applying strict health and hygiene protocols, especially preparing all of the employees with trainings and health certification is mandatory” (I-01).

Another interviewee mentioned that boosting the pricing and marketing strategy to the local market was the best choice at this stage. This included (1) promotion without price reduction, (2) promotion that includes food and beverage credits, and (3) marketing strategy innovations, such as wellness programs, and advertising to promote Bali as a destination and the luxury of Indonesian culture through video storytelling (I-03).

According to six of the eight interviewees, success in the CMP at this phase was contingent on effective teamwork, supportive ownership, and a sense of camaraderie. As one interviewee expressed, “Second is commitment to protecting
the business and our job. We have to love the hotel, love what we do, and believe that what we currently do is the best. This built us stronger and more trusting” (I-02). The interviewee then added. “Based on our Smith Travel Research (STR) benchmarking data for 2020 and first quarter 2021, we are ahead of our competitors in Bali in terms of revenue, and average rate. With our teamwork collaboration, we are leading the market and surviving. STR is a global company who provides data benchmarking, analytics and marketplace insights for hospitality sectors” (I-02).

Protecting the employees means to also protect the business. The success in managing the crisis was mentioned by one of the interviewees. “We are proud that the hotel can survive until now without a cut in the salary, benefit, and payment, while we can see other hotels, even many other companies cut their employees through involuntary separation, pending the payments to suppliers, and ending in bankruptcy. We still survive using cash flow without asking money from the owner. This is a great achievement as a newbie hotel (I-06).” Another interviewee added, “Despite the closure, we are the only hotel in Bali that is still fully paying our employees—in line with the company’s vision that employees are one of the greatest assets that we have” (I-01).

Recovery phase

After reopening the hotel, the leaders gradually prepared the staff on how best to open hotel services, including restaurants, the gallery, and certain guest activities. To do so, the leaders were able to create teams that value each other while respecting every individual talent and skill within it. Moreover, it would be important to avoid the mindset that employees had at the beginning of the crisis.

Since the hotel had opened only a year prior to the pandemic, they encountered few difficulties at this stage. As one of interviewees mentioned, “Basically, what we are doing now is similar to what we were doing last year to open the hotel. Therefore, we still have the pre-opening team here with us. They know what should be done to prepare for the opening, which is why they need not be in a rush and are calm” (I-08). Another four interviewees expressed how fortunate they were to still have staff involved with the pre-opening team.

Past experiences were also cited as enabling leaders to suitably identify the situation and take proper action. Seven out of eight interviewees had past experiences relating to crisis management. Interestingly, two interviewees expressed “Several actually, one was working in a country that had an Ebola outbreak, another country had a terrorist bomb attack quite near my work place and several other crises” (I-07). “I was ready in keeping the right team, who experienced handling a crisis well. We can share our experiences. Past experience helps me know how to identify [a situation] and where it will go” (I-08).

One of the interviewees also expressed, “We are not in the first, second, or recovery stage of the crisis anymore. A lot of the staff I think should be given brainwashing, giving information that need to be understood. So, we can bring it forward but the brainwashing should be in a nice way and based on reality, stop the lies. We should gather and give the real information so people will understand.” (I-08)

Resolution phase

Although the pandemic has not yet ended, a company can still reach the resolution phase as their business positively increases. Seven out of eight interviewees mentioned a satisfactory increase in their hotel’s business, despite the fact that they were currently relying on the local market and facing difficulties in forecasting business. One interviewee revealed, “After facing the hard situation like closing the hotel operation and strong losses of revenue, at this time we have a positive response from the local market. Nobody knows the future situation as the pandemic hasn’t ended yet, but we are trying hard to lead the market as we have strong team, beyond professional” (I-08).

Hotel operations may not necessarily return exactly to normal upon recovery. Some routines may have changed, and leaders must be better prepared to respond to impending crises by gaining knowledge from previous experiences (Ritchie and Jiang, 2019). Six out of eight interviewees mentioned lifetime learning. One interviewee stated, “I am learning from this and continuously striving to be better. I analyze my day every evening, it’s my process of growth, and I consistently seek feedback” (I-07). Another interviewee added, “We’ve learnt how to operate the hotel, we’ve been able to reopen the outlet without extra costs, we’ve been able to open all hotel facilities without extra cost, so we’ve learnt a lot and still need improvement” (I-08).

Although vaccines have been developed, we may well see further outbreaks or new variants in future. Consequently, it more critical than ever to have a crisis preparedness and business resilience strategy in place to deal with the “new normal” conditions. One interviewee mentioned, “As an international chain hotel, we are prepared with the crisis management guidance from our corporation. Also, they created health and safety standards as well, namely a white gloves policy” (I-02). Another interviewee expressed a similar opinion, “Not just crisis preparedness, we also have business continuity management guidance and we are well trained since the pre-opening of the hotel. Aside from our past experiences, formal guidance like this is very important for our resolution to be prepared for the future as everything can happen suddenly” (I-04).

The government’s regulations are another major factor that can impact the hotel’s crisis situation. One interviewee expressed, “Today we have passed a difficult time of crisis. Local market response is very positive. But still, the pandemic hasn’t ended yet, and future business is still darkly forecast. Small government intervention will terribly affect business, for example, regulation of a mandatory PCR test or temporary local travel ban” (I-02).

It is worth remembering that the hotel could still return to the emergency phase. However, since the leaders and their teams are already prepared in terms of both past experiences and formal guidance, returning to pre-stage would be an unlikely scenario. One interviewee expressed, “A business continuity plan is a must. We can just handle the crisis well; but without thinking of the business resilience, if we are facing difficult times again, we will lose the business. Like last week’s situation: because of the local travel ban, we had so many cancellations. But we already prepared everything with scenarios, it will be back to normal soon and nothing will happen to our business resilience” (I-08).
| Crisis phase of the hotel | Crisis management practices | Principle ingredients |
|--------------------------|-----------------------------|-----------------------|
| **Pre-event**            | Precursors                  | Communication         |
| • WHO alerted cases in Wuhan, China in Jan 2020 | • Establish crisis management team: Consist of the executive and marketing director | • Keep the staff well informed, detailed data, information, and learn the pattern. |
|                          | • Crisis management team communicates information to the right hierarchy | • Make sure to have the right technologies for smart working |
|                          | • Gather real data and information, manage the data to make a decision. | |
|                          | • Every decision to be communicated to owner and corporate | |
| **Prodromal**            | Communication               | Contingency plan      |
| • The outbreak COVID-19 started to spread to another country | • Establish health, safety and hygiene protocols, including government certification | • Prepare scenarios and plan short-term and long-term measures to anticipate more negative impact happened |
| • The hotel started to receive booking and event cancellations | • Keep engaging with customers through wellness brand videos: Mindfulness | • Micromanagement; attention to the detail |
|                          | • SOP adjustment with COVID-19 protocols | |
|                          | • Updating website content with COVID-19 protocols | |
| **Emergency**            | Action                      | Open leadership style |
| • COVID-19 stated as a pandemic by WHO, spread to Indonesia and Bali | • Focus on hotel maintenance during hotel closure | • Open to new ideas and supporting each other; open-minded |
| • The hotel closed the operation for 2 months; following local government direction | • Innovative cost management | • Transparency, open communication |
| • Travel ban             | • Cash flow management      | • Respect, leading by example. |
|                          | • Cut daily workers, trainees, and outsources | • Understanding the pattern of the situation and impact of every decision taken |
|                          | • Maximized the productivity of full-time employees in maintenance, security and operations | • A collective decision making |
|                          | • Asking payment discounts from suppliers while giving pending payment discounts to travel agents | |
|                          | • Financial support from the owner whenever needed | |
| **Intermediate**         | Recovery                    | Organizational culture: Ownership, sense of belonging |
| • Reopening the hotel on Q3 2020 with limited rooms & restaurant | • Marketing strategy for hotel visibility | • Protect the business by protecting employees |
| • A positive trend from domestic business | • Establish brand video promotion to increase visibility | • Salary and benefit of full-time employees paid in full amount |
|                          | • Pricing strategy with focus on domestic and local market | • Employees commitment to the company |
|                          | • Establish room package benefits as special selling promotion | |
|                          | • Employees preparedness with trainings and health certification | |
| **Recovery**             | Reconstruction & reassessment | Past experiences      |
| • Reopening all restaurant and rooms | • Gradually start opening all restaurants and more rooms based on business level | • Past experiences of leaders in handling crisis |
| • Strong domestic bookings | • Extensive advertising and promotion | • Most of employees already adaptable to the situation as they come back to the pre-opening stage |
|                          | • Brainwash the team not to stuck at pre-crisis action | |
| **Resolution**           | Review                      | Business continuity (BC) |
| • Pandemic has not ended yet, but business levels gradually increase back to normal | • Review and drawing lessons to be ready with future crisis | • Learn from the past and prepare for the future crisis |
| • Government action & regulation are strongly affect crisis level | • Seek feedback from others | • Combine CM and BC management |
|                          | • Improvement and reconstruct crisis management SOP | |
Discussion

Our findings suggest that the first response to the crisis should be the creation of a dedicated CMT, which corresponds to the study of Mikusová and Horváthová (2019). This team is also an integral part of the executive committee that oversees the General Manager in dealing with day to day safety concerns within the property and assist in crisis situations. In addition, the interview results revealed that solid communication is the first necessary attribute that the leaders preserved during the crisis. Stakeholders will likely be exposed to confusing information or feel anxious about the action that should be taken. However, as long as the leaders communicate the right hierarchy of information, stakeholders will be able to understand and support every decision made— even in unanticipated situations. This is similar to Nyenswah et al.’s (2016) findings, which stated that active communication to the stakeholders was a highly important task for leaders during Liberia’s Ebola crisis.

Second, this paper emphasized that health and safety protocols are essential practices that should be implemented in any health crisis which corresponds to a study by Pavlatos et al. (2020). Moreover, we discovered that creating mindfulness brand videos and a variety of wellness activities are effective ways for hotels to gain the trust of their guests. Some guests would prefer to stay at a hotel that promotes strict health protocols on social media or other channels (Liu et al., 2015; Pan and Meng, 2016). Hence, this study recommends precautionary hygiene standards as one of the best practices for gaining a competitive advantage. Although vaccination delivery has begun around the world, customers’ confidence to travel remains low. In consequences, the only way for hoteliers to differentiate themselves in this highly competitive market is to shift their focus to regular sanitization. Although it is critical to establish credibility and trust with the guests, it is also critical to focus on employees training on new hygiene measures.

We then identified contingency plans as being widely considered an essential action in CM, which corresponds to the study of Rindrasih (2015), Spector (2019), and Wang et al. (2017). As with contingency planning, the ambiguity, communications, and interactions between employees require several assessments at every phase, and the details of the plan should be updated depending on the slightest change. This paper suggests that, although there are various possible futures that leaders could consider, they ought to especially focus on determining what scenario would be helpful to revisit. Uncertainty causes many people to hesitate, so it would be highly beneficial for them to see a focused management team that communicates correctly to stakeholders and formulates collective decisions.

According to the interview findings, the leaders’ open leadership style is a major constituent influencing the success of managing the COVID-19 crisis. This is, to the best of our knowledge, the first study to have revealed this result. Open leaders involved others in their work and clearly communicated their responsibilities, empowerment, expectations, as well as difficulties, to the stakeholders. Accordingly, this approach can facilitate effective team work, trustworthiness, and help to avoid conflict as every decision—regardless of the situation’s difficulty—is made collectively. This paper, in line with other studies, has perceived that a good organizational culture can bolster ownership and a sense of belonging to the company, which thereby creates a positive working atmosphere during a crisis (Afi and Al-Aali, 2016; Bhaduri, 2019; Wang et al., 2018). An agile leader would exert more effort into benefitting both the company and its stakeholders—a finding in line with Cha and Rew (2018). When team members realize that they are unique and valuable in the eyes of the management, their sense of camaraderie increases and they tend to work beyond expectations in order to protect their company’s resilience.

Some studies also suggest that past experience is a key factor that support the decision-making of leaders during a crisis (Bundy et al., 2017; Ritchie and Jiang, 2019; Wang et al., 2017). The interview results indicate that all of the hotel’s leaders are experienced in handling crises. Therefore, this paper also suggests that past experiences might also be considered essential factors for facilitating leaders’ decision-making. Lastly, our findings found that an organization that has CM and business continuity plan in place tend to recover from major incidents more quickly than those that do not, which accords with Maphanga and Henama (2019), Niininen and Gatsou (2008), and Sawalha et al. (2015). With business continuity plan, leaders will be able to act by minimizing damages when an emergency occurs. The major goal of the emergency and CMPs procedure guideline within the Business Continuity Plan is aimed at the preservation of life, protection of property and reputation as well as ensuring continuity of business operations.

Conclusion

The COVID-19 crisis and the subsequent economic downturn have become forerunners of any company’s future challenges. As a result of the pandemic, travel patterns have changed and tourists are less likely to spend their vacations in traditional tourism destinations, including Bali hotels. Therefore, this study has integrated the tourism disaster management framework concept to enhance the effectiveness of CM in the hospitality industry. We also used contingency theory as a theoretical guide with which to highlight the key points of a leader’s strategy in managing such a crisis: communication, contingency plan, open leadership style, organizational culture, and business continuity. This study contributes to existing CM knowledge by developing the COVID-19 CM model within the context of a newly-opened hotel—which is something of a rarity. It also serves as a springboard for future discussion and research in this field.

A newly opened hotel has several advantages that will entice guests to visit the property over an older hotel, despite its financial distress during the crisis (Bruza et al., 2019). Agile leaders who can perceive, and capitalize upon, this opportunity will likely use their knowledge and skill to lead the team and bring the hotel to the forefront of the tourism market, despite the ongoing pandemic. Doing so is an effective way to maintain business resilience and protect all staff’s employment during a difficult situation. Since each crisis has its own characteristics, we have discovered that an open leadership style is applicable for a health crisis because it strengthens transparent communication, which can facilitate a smooth and swift exchange of information, as well as heightened decision-making.

This paper also has practical and managerial implications. The experience of this hotel will provide solutions—albeit limited—to
hotel practitioners and those involved with the tourism industry abroad who are also suffering from (pandemic-related) crises. They can also choose the CM practices that are best suited to their organization. Companies that keep expending efforts to fully pay their employees during a crisis stand to strengthen their business and consumer engagements. Transparency fosters trust, which likely aligns the interests of all stakeholders involved, such as the owner, the corporation, employees, guests, and society as a whole. Furthermore, our findings would be beneficial not only to the hospitality industry, but also to tourism businesses all over the world.

Although this research has managerial and tourism-related implications, it still has several limitations. First, despite our efforts to be as inclusive as possible, we acknowledge that it is difficult to comprehensively describe all possible CMPs within a single study. Therefore, while we have been constrained by a limited object, we would recommend future research to explore another possible destination in which CM can be enhanced in a larger scale and sample. We also suggest comparing the CMPs of a newly opened hotel to an existing one of a similar size and with a comparable number of employees. Second, although purposive sampling is useful when the researchers have limited resources and time due to a pandemic, such a random approach may disprove claims of researcher bias in participant selection. To overcome this limitation, we would suggest that future studies use another method, such as snowball sampling, for the data collection.

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ORCID ID
Made Gaby Permatasari https://orcid.org/0000-0002-2640-9918

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