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Hotel specific mega disruptions: Exploration of multi-stakeholder perspectives

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ABSTRACT

The novel coronavirus caused major upheavals to the hospitality sector. The hotel industry is the most affected in the hospitality next to tourism. Therefore, the purpose of this research is to introduce and explore a new concept known as hotel specific mega disruptions (HSMD). Aiming which, in-depth interviews were conducted among 39 stakeholders including employees, customers, employers, vendors, suppliers, government representatives. Thematic analysis was done on the interview transcripts using NVivo software to identify emerging themes and sub-themes. Following analysis, fourteen subthemes were condensed into three main themes at micro, meso and macro level. To enhance the credibility and validity of the results, triangulation was done using secondary data available in the form of news, research works, reports etc. The study addresses a pertinent topic and highlights theoretical and practical implications for various hospitality stakeholders.

1. Introduction

The World Health Organization (WHO) declared pandemic in early March 2020, and the reason was attributed to the spread of 2019-nCOV which disrupted the global community (Clark et al., 2020). India is the second country to record highest number of COVID-19 infected cases. Amidst the COVID-19 shock, the Indian hospitality industry is undergoing a catastrophic phase and the focus of this paper is to specifically highlight the impact of COVID-19 on key stakeholders of the Indian hotel industry. The multiplicative effects of COVID-19 are observed in all levels of the hotel ecosystem. Kabadayi et al. (2020) introduced a new concept called service mega disruptions (SMD) to describe how the multiple industries and multiple stakeholders across geographical locations are affected by unforeseen disturbance, for example, COVID-19. This paper has therefore adopted the framework of service mega disruptions (SMD) given by Kabadayi et al. (2020) and recoined the concept as hotel specific mega disruptions (HSMD) to study the Indian hotel context, which is not yet explored in the literature. The study examines how various stakeholders at macro, meso and micro levels are affected by the pandemic. To answer this, the following research questions are posited:

RQ1. What are the service disruptions that affect the various stakeholders in a hotel industry?

RQ2. What are the different disruptions at each level (micro, meso and macro) in the hotel industry?

In addition, the study also discusses implications to the hotels, for instance, using social media as a communication tool (Mamirkulova et al., 2020), enhancement of CSR activities, implementing innovative strategies such as non-pharmaceutical (Wang et al., 2021) and education based interventions (Azadi et al., 2021) to overcome the disruptions caused by COVID-19.

2. Literature review

2.1. Hotel specific mega disruptions (HSMD)

The COVID-19 pandemic has a direct impact on nearly every sector of the economy (Maqsood et al., 2021). The devastating impact of the coronavirus pandemic on travel and tourism around the world has resulted in a severe drop in tourist demand (Li, Wang, Duan, & Mubeen, 2021). As the repercussions of the tourism hit, the hotel industries are among the worst-hit worldwide. Tourists revenues fell by more than half to 2.86 trillion US dollars, a sharp decrease in leisure and domestic tourism (Abbas, Mubeen, et al., 2021). Due to COVID-19, small commercial hotels are at risk of losing their property assets due to the lack of receipts for “accommodation costs.” Moreover, the pandemic affected the tourist sites around the world, including sports facilities, amusement parks, and museums. Tourism sites in many countries have been closed to new visitors and flights to these locations have been restricted. These
anti-pandemic measures had an impact on the tourism and hotel industries all around the world. Many hotels were forced to cancel reservations because of the cancellations and postponements of trip plans by international passengers, domestic tourists, and business personnel (Wang et al., 2021).

COVID-19 led disruptions have impacted several businesses, countries and multiple stakeholders. Service ecosystem comprising of micro (e.g., customers and employees), meso (e.g., hotel, tourism, retail industries) and macro (e.g., government) levels are affected simultaneously with a setback time to recover completely. These disruptions are named as service mega disruptions (SMD) and it is defined as “unforeseen service market disturbances caused by a pandemic” (Kabadayi et al., 2020). This paper introduces a new concept called ‘hotel specific mega disruptions’ (hereafter, HSMD) and defines it as “the concurrent unpredictable cascading effect at the micro, meso and macro levels of the hotel ecosystem by COVID-19 like outbreak”.

Like hospitality ecosystem (Bisalas & Leung, 2018), hotel ecosystem studies the interaction and exchange of services among multiple stakeholders in creating value. Broadly any service ecosystem will have multiple levels, viz. micro, meso and macro levels, where multiple actors at each of these levels will be interdependent to exchange and integrate the available resources and to create value (Vargo et al., 2017). This has compelled many employers (meso level) to layoff the employees (micro level), cut down the salaries, postpone the promotions etc. Also, lockdown measures (macro level) which forced people to stay at home, also restricted customers (micro level) to take away food items from hotels/restaurants (meso level) instead of dine in. All these cascading effects are due to pandemic and have its adverse effect on health and well-being of people, especially in developing countries which are devoid of advanced healthcare system (Abbas, 2020). These effects are felt on a global scale, and not limited to Indian hotel industry.

3. Method

Thematic analysis was used to identify the themes related to hotel specific mega disruptions (HSMD). Since this paper explored HSMD at micro, meso and macro level, multiple stakeholders were contacted to participate in this study. The data was collected using in-depth interviews and online sources available in the form of news, reports, research papers etc. The in-depth interviews were conducted among employers, employees, customers, suppliers, vendors and few government representatives. Most of the stakeholders are related to the three star hotels located in Tamil Nadu, South India, one of the highly infected state in India. In-depth interviews provide detailed information from respondent’s perspective (Boyce & Neale, 2006). The respondents were recruited using purposive sampling. A total of 58 participants were approached but only 39 participated in the study.

Online interviews were conducted using various platforms like zoom, Skype, google meet among 35 respondents. However, 4 of the respondents who reported issues with their network, responded through phone calls. Interviews were stopped on reaching saturation level, as no new relevant information emerged. Each interview lasted for 45–60 min and voice recorded with prior consent of the respondents. The researcher transcribed the interviews, cleaned the data extracted, then proceeded with NVivo software to uncover the emerging themes. Most of the themes emerged were in line with the published secondary data and the proposed framework. In addition, the researcher also conducted a round table discussion using zoom with select respondents from each level to ensure any loss of information and to obtain new information, if any, missed in interviews. Round table discussion gave the same information and validated the previously obtained information. Reflective thematic analysis was conducted as it is considered a good approach to analyze qualitative data to understand the opinions and views of participants (Braun & Clarke, 2006).

4. Results

The study analyzed the hotel specific mega disruptions (HSMD) at micro, meso and macro levels whose details are presented below.

4.1. Micro level: employees and customers

4.1.1. Theme 1: subjective wellbeing

The most prominent theme that emerged in micro level among customers and employees is subjective wellbeing. The subthemes emerged are job loss, job insecurity, financial issues, physical health, mental health, stress, anxiety, resilience. The word cloud based on this theme is presented as Fig. 1.

Hotel employees were in the fear of losing jobs, an example of exemplary quote from one of the respondents was:

“The major thing which worries us most is the insecurity we have on the job which restricts us to ask any questions on the non-payment of salary … I am not able to sleep comfortably as I have this insecure feeling on the job.” (Male, 32yrs)

On the other hand, some hotel employees in star hotels transformed their roles to serve quarantined people staying at the hotels (Sharad, 2020) and demonstrated resilience. One of the respondents said,

“We have had to leave our families for days and live in the hotel itself because we worked for quarantined patients. I never thought I’ll face such a situation in my career, but I learnt to fight back!” (Male, 30yrs)

Few of the employees also reported financial issues. One respondent commented,

“I have thought about finding a new job rather than holding to the current one which does not benefit us financially. But there is another problem to it. Though we manage to find a job, the salary is far lesser than the usual pay for that grade.” (Male, 29yrs)

The study also captures some of the concerns of customers. Few quotes from customers are highlighted below:

“It has given a fear in me. If I have to travel, I am not comfortable going outside my country or state …. ” (Male, 36 yrs)

“I would prefer the housekeeping and the kitchen staff wear a mask while attending the customers …. The foods in the restaurants should be properly kept from any contamination …. “ (Female, 28 yrs)

The fear associated with the COVID-19 has forced many customers to start a healthy lifestyle focusing on physical and mental well-being. Going forward, customers are more likely to become concerned about the cleanliness and sanitization of hotels. They will also be conscious about the nearby health facilities or medical care available next to the hotels they choose to stay.

4.2. Meso level: Hotel industry, supplier, vendors

4.2.1. Theme 2: business sustainability

The most prominent theme that emerged in meso level among hotel employers, suppliers and vendors is business sustainability. The subthemes emerged are innovation, service transformation, manpower planning, learning. The word cloud based on this theme is presented as Fig. 2.

Market sustainability and building resilience was the priority for business owners. Various steps like rightsizing, minimum shift hours, work days etc., were implemented. Some of the quotes from the respondents are presented below:

“We have reduced the head count of our employees in all the departments like maintenance, Housekeeping and kitchen staff. Few employees have
lost their job as we are running the industry with minimal staffing ...” (Hotel owner, Male, 45 yrs)

“Another option is for some employees we have asked them to work on alternate day with the actual pay for 15 days to avoid any further job loss due to insecurity and job loss” (Hotel owner, Female, 39 yrs).

While the usual stock purchases of the hotels were in standstill, some of the new purchases are added to the list as observed in the following quotes:

“Guest amenities like soaps, toothbrush and shampoos which are bought in bulk usually no longer happens” (Supplier, Male 47 yrs)

“New purchases are added for hand sanitizers, masks and powerful disinfectants” (Vendor, Male, 38 yrs)

4.3. Macro level: government

4.3.1. Theme 3: policies and support measures

The most prominent theme that emerged in macro level among government representatives is policies and support measures. The sub-themes emerged are work from home, quarantine, lockdown, safety measures. The word cloud based on this theme is presented as Fig. 3.

Respondents highlighted the transformation of hotels into isolation wards, introduction of digital measures, necessity to wear masks and use of sanitizers etc., Few quotes are presented below:

“Hotels are used as isolation wards because we have so many people and less hospitals to accommodate ...” (Male, 49 yrs)

“......Government has introduced mobile app to track infected patients and alert the public ...” (Female, 42 yrs)

Some of the hotel specific mega disruptions will include digital transformation, contactless delivery, human less services, protective measures like social distancing, thermal checks, food safety, increased usage of renewable energies for sustainability and ecofriendliness such as bio degradable materials such as customized insulation box for packaging food, using solar for sanitization, etc. Themes and subthemes emerged in this study is presented in Table 1.

5. Discussion

The present study draws insights from Kabadayi et al. (2020) framework of service mega disruptions (SMD) and introduces a new concept known as “Hotel specific mega disruptions” (HSMD). This is the first study to highlight the service disruptions affecting various stakeholders revealing themes and subthemes at each level (micro, macro and meso) of the Indian hotel industry.
5.1. Theoretical implications

At the micro level, most of the employees in the hotel industries are undergoing tremendous psychological insecurity, job insecurity due to the layoffs and temporary job losses (Sharma, 2020). This study highlighted how hotel employees, especially servers, hostess and hosts of restaurants, bartenders, spa and wellness specialists have been directly affected by the lockdown as one of the first industries to shut operation was the hotel industry. It was found that job loss of hotel employees had a greater impact on their financial status. Financial issues also affect the wellbeing of the individuals since finance is the social determinant of health (Weida et al., 2020). In line with our findings, recent studies have also shown the effect of job insecurity on health outcomes such as depression and sleeplessness and a sense of hopelessness among the employees (Bernhard-Oettel et al., 2020; Murray, 2020). At the meso level, the study highlighted the sufferings of hotel employers, vendors and suppliers and their major concern was business sustainability. At macro level, the greater disruption is in the form of policies and support measures by the government. Interestingly, the study found out that occurrence of any disruptive event at the macro level has its repercussions at the meso and micro level as well, therefore we believe that this study contributes to the existing body of knowledge in understanding the nuanced association between the three levels in the wake of COVID-19.

5.2. Practical implications

This study recommends that hospitality practitioners should focus their attention on all three levels (micro, meso and macro) for the holistic growth and welfare of the hospitality industry. At the micro level, COVID-19 pandemic had severe consequences on the mental health (Su et al., 2021; Li, Wang, Abbas, et al., 2021). Therefore, it is the need of the hour for organizations to build a resilient team along with undertaking innovative practices to bear the brunt of any disruptive event. Organizations as well as government can disseminate important information using social media (Mamirkulova et al., 2020) related to COVID-19 as it can enhance the learning behavior among various stakeholders (Abbas et al., 2019) and promote the subjective well-being and mental health of employees and customers (Abbas, Wang, et al., 2021). Moreover, hotels can develop interventions to protect the mental health of stakeholders based on health belief model (Azadi et al., 2021). To be proactive and fight with any future pandemics, tourism and hospitality must first invest in high-quality sanitation systems. For instance, all hotels may require staff, visitors, and disinfectants to wear safety masks and gloves. Restaurants should serve clients in shifts to avoid overcrowding (Abbas, Mubeen, et al., 2021).

COVID has also transformed the consumer (micro) preferences, many hotels will have to consider meditation programs, healthy diet programs, fitness programs, sleep hygiene programs and digital detox programs as a part of their guest package to attract customers during post pandemic period. Hotels can also use predictive analytics to develop customized health focused amenities using their past behavioral data and consumption history (Mariani, 2019).

At the meso level, many star hotels in India have started their online delivery as well as take away services for business sustainability. For example, in Mumbai - Grand Hyatt, The Oberoi, in Delhi –The Taj Palace, The Lalit, ITC Gardenia, in Chennai –The Park, Hyatt Regency to name a few (Goyal, 2020). Indian hotels company (IHC) has launched a mobile app “Qmin” that leverage online gourmet food delivery services to meet the growing demand of customers while maintaining the safety and hygiene protocols as recommended by the government departments (Mathai, 2020).

Furthermore, as social distancing has become a norm, many hotels are modifying their regular activities and the way they work to ensure least human contact. Hotels like Hilton, Chalet have started to use Bluetooth locks instead keycards that can be unlocked using phone apps. Some hotels such as Hyatt, are moving towards getting cleanliness accreditation which includes third-party auditing, protective equipment/measures for employees and customers, employing sanitization experts in hotels, ensuring food safety (Nagar, 2020). Moreover, considering the energy consumption of hotels, it is high time to invest in renewable energy sources like solar panels, geothermal, biofuels for long term business sustainability.

At the macro level, the Indian government shut their borders and suspended visas to avoid entry of foreigners. Lockdown also restricted people’s movement and many businesses adopted “work from home”,

Fig. 2. Word cloud –Business sustainability.

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which has limited usage as far as hotel industry is concerned. Additionally, government should provide a scheme for such unemployed to get their pay to run their livelihood. The Indian government “MAN-REGA” scheme must be used to pay the hotel employees who are unemployed right now. Liaisoning with the government, almost 45,000 rooms belonging to the hotel chains such as Indian Hotels Company (IHC), Lemon tree, Radisson, Intercontinental Hotels Group (IHG) have been set to use for quarantining the suspect patient, travelers and for accommodating the medical staff (Chaturvedi, 2020). This customized facility by the hotels given to the consumers might help in brand building which in turn help to increase the revenue of the hotels in the future. Tamil Nadu government launched a mobile application, “Arogya Setu”, COVID-tracker app, primarily aimed at contact tracing by alerting vicinity of someone who had been tested COVID-19 positive. This could also be a means for them to choose the location of their hotel stays.

Government should adopt smart strategic methods such as limiting tourists’ arrival, extension of hotel loan repay period, reduction in corporate tax, exemption from GST (good and services tax) to enable hotel industries to recover from disruptions and contribute to the country’s GDP. Lastly, as recommended by Li, Wang, Abbas, et al. (2021) the use of non-pharmaceutical interventions (NPIs), such as suppression approach (Lockdown in a phased manner) and a mitigation model, could be incorporated by the government.

5.3. Limitations and future research

First, the study is based on qualitative analysis which may reduce the generalization of the results. However, this is the first study in the literature to introduce a new concept called “Hotel Specific Mega Disruptions - HSMD". Future quantitative studies can be conducted by addressing the themes and subthemes emerged from this research and

Table 1
Themes and subthemes across levels.

| Levels     | Themes                  | Sub-themes | Frequency |
|------------|-------------------------|------------|-----------|
| Micro      | Subjective wellbeing    | Job insecurity | 24        |
|            |                         | Job stress  | 19        |
|            |                         | Resilience  | 14        |
|            |                         | Social distancing | 25        |
|            |                         | Anxiety     | 23        |
|            |                         | Financial issues | 24        |
| Meso       | Business sustainability | Innovation  | 13        |
|            |                         | Learning    | 12        |
|            |                         | Manpower planning | 17        |
|            |                         | Service transformation | 11        |
| Macro      | Policies and Support measures | Work from home | 9        |
|            |                         | Quarantine  | 13        |
|            |                         | Lockdown    | 11        |
|            |                         | Safety measures | 13        |

Fig. 3. Word cloud – Policies and support measures.
provide more robust model to understand HSMD. Since this study is conducted in India, future studies can be extended to other geographical locations to explore the mega disruptions affecting global hotels. The service mega disruptions are explored in hotel context; future researchers can try to extend this study to other businesses in the hospitality sector. Repeated studies can be conducted after few months to see the trends in hotel specific mega disruptions. Extending future research to address the mentioned limitations can help the scholars and practitioners to deal with industry specific mega disruptions.

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