

A comparative study of the impact of Covid-19 on luxury hotels in Greece and Cyprus.

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PURPOSE

This study explores the impact of COVID-19 pandemic in luxury Greek and Cypriot hotels. The objectives of this study were to identify the impact of the pandemic on the primary functions of operations management, people management, sales & revenue management, and customer expectations in luxury hotels through a comparative perspective. It also seeks to explore any differences among general managers in the two countries in mitigating the effects of the pandemic.

RESEARCH METHODS

As no studies have been conducted to explore the impact of the pandemic on GMs roles, a qualitative inductive approach was used. Fifty-two (n=52) qualitative structured interviews were conducted online via Online Surveys with GMs from Greece and Cyprus. Convenience sampling was used due to the enforced shutdown of the accommodation sector as an impact of the pandemic. GMs were approached through LinkedIn with individualised messages that explained the purpose of this study. Subjects were chosen based on their suitability, accessibility and willingness to participate in the study (Etikan et al., 2016). Personal contacts were also used to ensure high matching of participants as required in comparative studies (Teagarden et al., 1995). The data collected were used to explore the pandemic's impact on the industry's operational norms, and the role of managers in both managing the crisis and planning contingencies for recovery. Thematic analysis was done in a way to compare the findings from the two countries.

RESULTS AND DISCUSSION

This study revealed that GMs play a significant role in dealing with crisis in luxury hotels. GMs were found to be prepared and resilient as they demonstrated flexibility and operated as change agents. Sigala (2020) states that the hospitality and tourism industry is faced with constant changes and challenges, hence GMs learn to deal with such events. The results revealed that corporate structured hotels (multinational and national chains) demonstrated readiness in all four functions under investigation. In particular, such establishments adequately responded to the pandemic with actions relevant to: crisis management; new Health and Safety regulations and protocols; innovative HRM practices related to both employee training and support; optimal use of technology; online bookings that minimize the over dependence on tour operators; and service quality initiatives that



meet or exceed customers' expectations. Our findings with regards to corporate structured hotels are consistent with the conclusions of a recently conducted study which investigated pertinent topics at a global level (Giousmpasoglou et al., 2021). In contrast, family businesses and local chains were found to be unprepared to respond in the COVID-19 crisis. Noteworthy challenges, such as, the absence of contingency planning and leadership, reactive management styles, lack of vision, redundant managers and staff, lack of support from the company's head office, inability to access new markets during the pandemic, and the failure to implement changes in a timely fashion due to lack of resources, surfaced as the primary impediments.

IMPLICATIONS

This study generates empirical data that inform contemporary debates about managing operational contingencies and recovery in hospitality organizations at a micro-level perspective. From an industry perspective, the study identifies the importance of support from the parent company during crisis. The existence of resources and 'know-how' enables managers working at the unit level to respond faster to volatile market needs. Recovery action plans should be well communicated to unit GMs, with detailed information and relevant training available to enhance their crisis preparedness. Future studies should explore the effectiveness of such practices and GMs' preparedness and resilience after the pandemic is over.

KEYWORDS

Luxury Hotels; Hospitality Operations; Contingency Management; COVID-19; Greece; Cyprus

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