

JOURNAL OF ECONOMICS AND SUSTAINABILITY

https://e-journal.uum.edu.my/index.php/jes

How to cite this article:

Tay, K.X., Nur Hidayah & Lim, L.X. (2024). Exploring The Views Of Malaysian Hoteliers About Survival During The COVID-19 Pandemic. *Journal of Economics and Sustainability*, 6(1), 62-77. https://doi.org/10.32890/jes2024.6.1.4

EXPLORING THE VIEWS OF MALAYSIAN HOTELIERS ABOUT SURVIVAL DURING THE COVID-19 PANDEMIC

¹TayKai Xin, ²Nur Hidayah, ³Lim Le Xian

^{1, 2} Senior Lecturer, Faculty of Business, Economic, and Accountancy, Universiti Malaysia Sabah,

³Student, Department of Arts and Social Sciences, University of Nottingham Malaysia

Corresponding author: taykaixin@ums.edu.my

Received: 6/2/2023 Revised: 17/9/2023 Accepted: 15/11/2023 Published: 31/1/2024

ABSTRACT

It is undeniable that a sudden emergence of the COVID-19 Pandemic would have certain effects on tourism, as well as the hospitality industry in Malaysia. Hence, this paper aims to closely examine the views and reactions displayed in crisis management practices pursued by hotel managers for the survival of their businesses during the pandemic. To do so, in-depth interviews were conducted, involving managers from Malaysian hotels of varying calibers (five managers from 3-star hotels, and four managers from 5-star hotels). Results showcased that certain labour actions (e.g., unpaid leave, salary cuts and layoffs) were the first and most favoured options for companies to consider in response to COVID-19. Nonetheless, this may lead to a shortage of trained staff when the hospitality industry recovers in the coming years. Another way to counter the pandemic was to rely on digital marketing and promotion to increase hotel occupancy rates during the crisis. Additionally, there were also ideas involving governmental support for the hotels during the pandemic.

Keywords: Hotel managers, reactions, crisis management practices, human resource management, marketing management

INTRODUCTION

The COVID-19 pandemic has had profound effects on the global hospitality industry, significantly impacting job opportunities in this sector (Aharon et al., 2021). As the pandemic unfolded, travel restrictions, border closures, and mandatory quarantine measures were enforced, deterring potential tourists from venturing abroad and disrupting the tourism chain (Hotel Tech Report, 2021). Consequently, the hospitality industry experienced a sharp decline in occupancy rates, leading to a surge in unemployment rates (Azman & Kamel, 2021). According to survey of the Malaysian Association of Hotels (MAH), which was conducted by Azman and Kamel (2021), it was discovered that almost 28% of the hotels had reduced their workforce by over 51%. The survey further disclosed that approximately 45% of hotels are still executing salary cuts for employees, while 63% are placing the employees on unpaid leaves. To exemplify the scale of this issue in the case of Langkawi, about 61,000 workers from various tourism-related sectors like hotels, homestays, boat operators, car rental, etc., were theorised to have been severely affected by the COVID-19 pandemic (Azman & Kamel, 2021).

According to the chief executive officer of the MAH, Mr Yap Lip Seng, cancellations have been made to a total of 170,085 hotel room bookings, resulting in financial losses to hotels as much as RM 68 million as of 16th March 2020 (Teng, 2020; Teoh, 2020). MAH (2020) declared that, from the statistics of losses generated by hotel room cancellations, Kuala Lumpur was the top location with a loss of RM 23,021,301 in revenue, with Sabah following close behind in the list, with a revenue loss of RM 11,550,605. The situation worsened in 2021, as the number of COVID-19 cases fluctuated upwards around the middle of the year, with the statistics surpassing 10,000 cases daily. Due to this, more than 100 hotels had unofficially ceased their operations since 2020. If the Movement Control Order (MCO) is continuously imposed, many more hotels would be forced to consider closing their businesses, resulting in more than 7,000 employees affected by either prolonged pay cuts or unpaid leaves (Azman & Kamel, 2021; MAH, 2021; Saieed, 2021; Wasiul et al., 2020b).

Although it has been deemed unavoidable for the purpose of inhibiting the spread of the virus, the MCO in Malaysia has gained a reputation for adversely affecting the hotel industry. During MCO, some hotels have adapted by serving as a quarantine centre for healthcare professionals or the front-liners in this pandemic (Awan et al., 2020; Chin, 2020). While preventing the virus from spreading any further, many hotels have found themselves struggling, constantly seeking survival strategies in the industry (Awan et al., 2020). In response to these challenges, Deloitte (2020) has emphasised the importance of accommodation providers understanding the pandemic's impacts on cash flow, working capital and profitability to financially survive the COVID-19 pandemic. To address the ongoing challenges faced by these businesses, the Malaysian government has attempted to initiate a multitude of stimulus packages for the hospitality industry.

Nonetheless, these attempts to help the hospitality businesses often go unnoticed by the majority of hoteliers. This suggests that during the pandemic, there is a lack of focus on those who work in the hospitality industry. Several studies have reveiwed COVID-19's impact on the hospitality industry (e.g., Tahajuddin and Sulaiman (2021); Ashraful, Khan & Hashim, 2020; Foo et al., 2020; Nur Syahira Shari, Mohd Faizun Mohamad Yazid & Mohd Farid Shamsudin, 2020; Razak, 2020; Wasiul et al., 2020a; Abhari et al., 2021; Fizza Zubair & Mohd Farid Shamsudin., 2021; Hafiz Hanafiah et al., 2021), with several conducted in Malaysia. Nevertheless, most of these studies lack primary data, and the ones that do focus solely on tourists' experiences of staying at hotels during the COVID-19 pandemic (Awan et al., 2020). While there are certainly some relevant or similar studies (Dayour et

al., 2021; Rodríguez-Antón & Alonso-Almeida, 2020; Schmidt & Altshuler, 2021; Shin et al., 2021), none of them were conducted in Malaysia. Thus, this paper finds it imperative to delve deeper into hoteliers' perceptions, judgements as well as responses towards the COVID-19 pandemic in Malaysia, particularly focusing on crisis management practices, marketing strategies, human resource management, and government support. These elements are crucial because they are likely to be interconnected. For instance, a crisis like COVID-19 may necessitate changes in marketing strategies, which, in turn, affect human resource decisions. Government stimulus packages can also play a pivotal role in shaping how organizations navigate such crises.

LITERATURE REVIEW

Crisis Management Practices

As the pandemic disrupts the daily operations of the hotel industry, managers and executives have been compelled to take charge of their roles during the crisis. According to Tew et al. (2008) and Hung et al. (2018), crisis management practices commonly revolve around understanding the three stages of the crisis period: the pre-crisis stage, the crisis stage, and the post-crisis stage. The overarching objectives of crisis management, as articulated by Wut, Xu and Wong (2021), include preparing for and training for potential crisis events, mitigating the effects of a crisis by enhancing responsiveness, as well as swiftly and effeciently identifying the crisis's damage. In anticipation for the pandemic, Hung's et al. (2018) study clearly demonstrated the role that hotels are expected and required to play. Hotels should establish their standards of hygiene and provide employee training in preparation for a potential outbreak. Aside from that, hotels are urged to engage in contingency planning, protective equipment acquisition, disease reporting, and surveillance mechanisms to implement during an outbreak (Hung et al., 2018). For instance, Henderson and Ng (2004) showcased the commitment to maintaining excellent hygiene and cleanliness in several Singaporean hotels to reassure guests. Supporting this notion further, another study by Salem, Elkhwesky and Ramkissoon (2021) also observed that hotels in Egypt incorporated financial regulations, health and hygiene measures, labour and training, and marketing techniques to succeed. With this in mind, it is possible for small businesses to ensure a suitable level of productivity, supported by adequate cash flow and a break-even point with a promissory note. Achieving all of this is feasuble as long as hoteliers rely on their well-planned and adaptable resilience, thereby solidifying the sustainability of tourism development (Sobaih et al., 2021).

Regarding the survival of the hotel industry, other studies explicitly highlight the government's role in crisis management. Hung et al. (2018) illustrated the government's readiness with their initiatives to set rules for the hospitality industry in terms of infection prevention and management, especially during previous health crises such as SARS and H1N1. Apart from that, Salem, Elkhwesky, and Ramkissoon (2021) stated that government stimulus packages, interventions, as well as financial support from governmental institutions are some of the many requirements for companies within the tourism industry to increase their chances of survival through a crisis. This is further supported by Burhan et al. (2021), who mentioned that government support is one of the most powerful variables in determining early operational adjustments in response to COVID-19.

When it comes to the COVID-19 pandemic, Wut, Xu, and Wong's (2021) study provides practical information by offering an outline of the overwhelming amount of information and presenting actionable techniques that can help the sector respond effectively to crises. With the right information, operators in the tourism industry will be in a great position to mitigate the repercussions. As Penrose (2000) explained, crisis management implementation includes crisis prevention, crisis preparedness, crisis response, and crisis revision. On the other hand, Hao, Xiao, and Chon (2020) proposed a

concept of developing a more practical and comprehensible pandemic crisis management strategy for the hospitality industry. For example, the hotel industry in Hong Kong has made efforts for an industry-wide reconstruction, emphasising mutual assistance between the governmental, national committees and the private sector in pandemic preparations for hotels to maintain their operations (Hung et al., 2018).

Marketing Management

When the COVID-19 crisis emerged, managers and hoteliers resorted to deploying marketing strategies to ensure that their businesses could continue to operate. However, differing perspectives on marketing tactics during the COVID-19 pandemic's pre-crisis and crisis stages persist. In the initial stage, hoteliers often expected the situation can be resolved quickly, leading to price reductions to stimulate public demand (Lai & Wong, 2020). Despite these expectations, such marketing methods proved ineffective in generating sales, prompting them to save marketing expenditures for pandemic preparedness (Lai & Wong, 2020). A similar idea is echoed in Ghaharian's et al. (2021) study, in which, given travel limits, physical separation, and other COVID-19 precautionary measures, certain observed marketing methods become less helpful to gambling-related hospitality firms, and GBSs may perceive governmental aid as something beyond their control. For example, instead of relying on marketing, maintenance, human resources, and government aid, Indian luxury hotels focus on managerial measures centred around cost reductions and efficiency (Israeli et al., 2011).

This also ensures that marketing practices during the post-pandemic stage of COVID-19 would be strengthened. In another study about hotels during the SARS endemic in Singapore, Henderson and Ng (2004) observed that the majority of hotels either increased their advertising or collaborated in promotional activities with other tourism organisations such as airlines and travel agents to raise customer awareness and generate demand. As a result, these hotels were closer to recovery when the endemic ended, to the extent that their businesses were believed to have returned to pre-SARS levels by the last quarter of 2003, with their hotel occupancies averaging at 73.2 percent (Henderson & Ng, 2004). Previous academic literature also point to how most marketing strategies deployed during the pre-crisis and crisis stages of the COVID-19 outbreak are ineffective. In addition, Patwary et al. (2022) focused on international tourists' intention to visit green hotels in Malaysia and recommended that hotel managers to customise their marketing strategies to align with the preferences of environmentally conscious guests.

Human Resource Management

Like any other company, human resource management is one of the most essential aspects of the hotel. It is especially significant during times of crisis, as it plays a major role in crisis management. The concept of human resources management originated from the idea of using human capital wisely and efficiently, particularly in times of crisis (Vardarlier, 2016). Based on this concept, businesses have devoted a large significant resources to strengthen their human resource policies and procedures to gain advantages in terms of performance in their operations (Vardarlier, 2016). Prior literature emphasises that human resource techniques are more economy-related than marketing-related, and play a crucial role in maintaining hotel values.

Hotels are responsible for strategizing the labour force, giving employees training and retraining them in the event of a pandemic (Salem et al., 2021; Hung et al., 2018). Lai and Wong (2020) stated that human resource measures include limiting working or business hours for both periods and reducing the labour force through unpaid vacation during the pandemic stage, effectively minimising operation

expenses. Contrary to common assumptions, the findings suggest that hotels should avoid layoffs during the pandemic because rehiring them would ultimately incur higher costs (Salem et al., 2021). Human resources management is essential to sustaining a hotel's business during a crisis as it allows for the utilisation of manpower to the fullest at the right place and time. Operational costs will increase throughout the pre-crisis and crisis stages of the pandemic, while profitability will decrease significantly. However, Ghaharian et al. (2021) made it clear that with the right deployment of human resources and maintenance practices, a swift cash flow recovery can be achieved.

Governmental Stimulus Packages

Recognising the adverse impact of COVID-19 on the economy, the Malaysian government introduced the first emergency stimulus package worth RM20 billion to mitigate the virus' effects, encompassing 18 measures. Among these measures made on 27 February 2020, 5 of those are meant to be encouraging citizen-centric economic growth, while another 9 aim to promote quality investment (as presented in Table 1 below) (Ministry of Finance, 2020). As for measures 1, 3, 4, 7, 8, 11, 12, and 15 within strategy 1, they were created to benefit businesses in the tourism industry, including travel agencies, hotels, and airlines (Ministry of Finance, 2020). Measure 1 entails the need to relieve any financial burdens of borrowers in tourism sector, while measure 3 involves Bank Simpanan National (BSN) offering a RM 200 million micro-credit scheme to tourism businesses at a low-interest rate of 4%. In addition to these support measures, measure 4 outlines a 6-month-long tax instalments that spans from April to September of 2020.

Measure 7 involved training or educating tourism stakeholders and advocating for a double tax deduction. As for measure 8, Human Resource Development Fund (HRDF) levies allowed for 8 categories of businesses (e.g., air travel, domestic ground transport, convention centres, shopping malls, travel tour operators, hotels, franchises & hypermarkets) to be exempted from certain taxes. To promote domestic tourism, the Malaysian government offered income tax relief of up to RM 1000 for people who travelled and spent on registered hotels and tourist attractions from March to August 2020. Additionally, the Malaysian government allocated as much as RM 500 million in the form of travel discount vouchers, Galakan Melancong Malaysia (GAMELAN) matching grant, and tourism promotions in measure 12. Lastly, measure 15 was about training and upskilling Malaysian workers, aligning with the tourism plan 2020-2030 (MOTAC, 2020).

Table 1

Economic Stimulus Package 2020

| STRATEGY | MEASURE |
|------------|--|
| 1 | 1. Restructuring and rescheduling of loans |
| Mitigating | 2. Special relief facility (SRF) for COVID-19 |
| Impact of | 3. Bank Simpanan Nasional (BSN) micro credit facility |
| COVID-19 | 4. Deferment and revision of income tax estimation |
| | 5. Service tax exemption for hotels |
| | 6. Tax deduction on equipment provided to employees (PPE only) |
| | 7. Further deduction to hotel operators for training expenses |
| | 8. Exemption from human resources development fund (HRDF) levy |
| | 9. Electricity discount of 15% and MAHB rebate |
| | 10. Review on condition for purchase of duty-free goods for persons entering |
| | Malaysia |
| | 11. Special income tax relief on domestic travel |

| | 10 00 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | | |
|--|---|--|--|
| | 12. Stimulating demand for tourism through discount vouchers and tourism | | |
| | promotion | | |
| | 13. Government use of hotels | | |
| | 14. Employment insurance system (EIS) | | |
| | 15. Skills training fund | | |
| | 16. One-off cash incentive of rm600 for taxi & tour bus drivers, tour guides | | |
| | 17. Special allowance of civil servants directly involved COVID-19 | | |
| | 18. Ministry of health (MOH) – COVID-19 hospital equipment outbreak | | |
| 2 | 19. Employees provident fund (EPF) employee contribution | | |
| Spurring Rakyat | 20. Bantuan Sara Hidup (BSH) enhancements | | |
| Centric | 21. Agrofood | | |
| Economic | 22. Small scale projects nationwide | | |
| Growth 23. To facilitate procurement process | | | |
| 3 | 24. Accelerating public investment | | |
| Promoting | 25. SME automation and digitalization facility (ADF) | | |
| Quality | 26. Securities commission co-investment fund of rm500 million | | |
| Investment | 27. The securities commission and bursa Malaysia will waive their listing fees for | | |
| | companies seeking listing on LEAP or ACE | | |
| | 28. Accelerated capital allowance for machinery and equipment including ICT equipment | | |
| | 29. Special tax deduction on costs of renovation & refurbishment | | |
| | 30. Import duty and sales tax exemption on equipment and machinery for port | | |
| | operators | | |
| | 31. Value added activities carried out in licensed manufacturing w (lMW) and | | |
| | free industrial zone (FIZ) | | |
| | 32. Double deduction for establishment of regional office by international | | |
| | shipping companies | | |

METHODOLOGY

This paper presents empirical data representing a subset of data gathered from the hotel industry in Malaysia. It is imperative to note that this study employs a qualitative research method, involving audiotape transcriptions from hotel managers facing COVID-19's impacts in Malaysia. Qualitative research is well-suited for exploring complex phenomena, such as crisis management practices during a pandemic, and for delving into the lived experiences of individuals. Research invitation letters were emailed to 15 hotels, but only 9 hotels agreed to participate in interviews. These managers were selectively invited from a purposeful sampling strategy, with five of them working in 3-stars hotels and four of them in 5-stars hotels. Throughout the study, the names of the participants and their respective hotels will remain anonymous, and their identities will be replaced with numerical labels as pseudonyms.

These interviews were conducted online, specifically through the applications Google Meet and Google Forms, as movements were restricted during the COVID-19 pandemic. The duration of each interview ranged from 45 to 120 minutes. The per-formulated research questions were designed to be semi-structured, with open-ended responses encouraged from participant. The interviewer would also expand on the responses at the discretion and in consultation with the informant. During the interview process, the typical session began with a short self-introduction and a briefing on the research purpose. To answer the research questions, participants were asked non-leading questions such as "What actions does your hotel take...". This approach aligns with the study's adoption of the phenomenological interviewing theory, allowing informants to construct a more complex narrative of their experiences in response to the COVID-19 crisis by using a wider nexus of discourses (Arsel & Thompson, 2011).

The constructivism-interpretivism approach was also adopted during the interviews. This method allows informants to produce narratives from open-ended and topic-based questionings (Lawson, 2006; H. M. Smith, 2006). The flow of the interviews was guided by an interview protocol related to the research objectives: to examine the management practices pursued by hotel managers for business survival during the COVID-19 pandemic. This approach enables researchers to deconstruct the interview text, create mind-maps, and separate information from the full text into several categories, making clearance of pre-assumptions about the topic possible (Buzan & Buzan, 1994). The collected data was divided into different themes. Therefore, thematic data analysis was employed, a method of analysis for qualitative data that is typically used on a set of texts, such as interview transcripts, and before the beginning stages of analysing a body of text (Rowley, 2012). The thematic analysis was a six-step process. The steps are known as familiarisation, coding, generating themes, reviewing themes, defining, and naming themes, and writing (Smith, 2021).

The first step, familiarisation, involved obtaining a comprehensive overview of all the data before analysis. This step required the researcher to transcribe the audio, read the text, and take initial notes. The following step was coding and generating themes during which emergent themes were identified, and connections between themes were established. A combination of recurring themes and quotes was used to interpret the crisis management practices. The analysis approach was completed by two researchers who independently apply thematic analysis, followed by a comparison of the results to assess the inter-rater consistency. The emergent themes were then returned to informants for member-checking. Multiple interactions between researchers and informants were conducted before a finalised structure was accepted. The quotes presented in this paper were directly extracted from interviews with hotel managers to illustrate the range and depth of themes related to crisis management practices during the COVID-19 pandemic.

RESULTS AND DISCUSSION

From the demographic profiles exhibited in Table 2, it is evident that all of the informants were Malaysian, with a majority of the informants being male (70%) while the remaining informants were female (30%). All the informants held professions at a managerial level, with each of them holding certain responsibilities, including making critical business decisions in response to the challenges posed by the COVID-19 crisis.

Table 2

The Profiles of Hotel Managers

| No. | Demographic variable | Participants |
|-----|-----------------------|--------------|
| 1 | Nationality | |
| | Malaysian | 7 |
| | Chinese | 2 |
| 2 | Gender | |
| | Male | 6 |
| | Female | 3 |
| 3 | Position | |
| | Hotel General Manager | 4 |
| | Assistant Manager | 2 |

| | Assistant Director of Sales | 1 |
|---|-----------------------------------|---|
| | Training Senior Manager | 1 |
| | Senior Talent Development Manager | 1 |
| 4 | States | |
| | Kuala Lumpur | 4 |
| | Sabah | 2 |
| | Penang | 1 |
| | Selangor | 1 |
| | Putrajaya | 1 |

Impacts of COVID-19 On Occupancy Rate

The COVID-19 pandemic wave has had a detrimental effect on the occupancy rates in hotels, as revealed by the results of the interview. These constraints have unquestionably impacted every stakeholder in the hotel sector. Due to several travel restrictions and social distancing conventions, the general visitors' willingness and ability to travel worldwide have dimished. Consequently, tourists have been compelled to cancel their travel plans and hotel reservations, indirectly affecting the job security and financial stability of hotel staff. Singh, Grande Valley, and Wang (2021) have highlighted that the subsequent shortages in labor and cash have led to the postponement or delay of hotel remodeling projects, further dampening the demand for domestic accommodation providers. Nonetheless, existing hospitality literature on the impacts of the COVID-19 pandemic on the hotel industry in general remains on a macro level. In contrast, studies exploring the perspectives of hotel managers on surviving the pandemic crisis in Malaysia are scarce in numbers.

The abrupt outbreak of COVID-19 that occurred over the year prompted the cancellation of major events across Malaysia, purging the formerly bustling hotel economy and therefore leaving many establishments struggling to stay afloat. The majority of this study's informants (7 out of 9) noted a dramatic decrease in their hotels' occupancy rates during the COVID-19 pandemic, with rates dropping by approximately 80 percent. To survive, many hotel operators, especially individual hotel owners, have sold or transferred their properties. "Early waves did not substantially affect our hotel," said informant 7 during the interview, "but after that, the number of people visiting started to fall even more, and we had to cease the accommodation operation 3 to 4 times in that year." As a result of this predicament, the market value of hotel equities has experienced an intense decline. To put it in simpler terms, the pandemic has wreaked havoc on the hotel industry's market and profitability.

Crisis Management Practices

The findings of an exploratory study on hoteliers' perceptions and reactions to COVID-19 contribute to a greater understanding of the long-term viability of financial and stable cash reserves in crisis management practices. Cost reductions emerged as the preferred method for hotels to mitigate financial losses (Hao et al., 2020). Hotels took various measures to cut costs, including slashing personnel costs, reducing salaries, implementing layoffs, and hiring external salespeople. Out of the aforementioned methods, cutting personnel costs and salaries were the most commonly employed strategies by hotels.. During the interviews, the informants clarified that the utilization of labour cost reduction is only a financial sustainability strategy. Other cost-saving measures included halting the operation of low occupancy rate branches, laying off staff to reduce costs incurred, maintaining hourly rates (but shortening the workweek), and converting some employees to part-time status employed as the methods to shrink the labour costs. This is in alignment with a study from Hao, Xiao, and Chon (2020), where hotels were encouraged to be flexible in cutting non-essential labour

expenses by socialising service production, sharing labour with allied service industries, implementing intelligent technology as a replacement to manual labour, and laying off labourers with low productivity levels and attitudes unsuited to survive through crises, especially in rural areas. For this matter, informant 5 emphasised that "optimize labour scheduling as well as forecast staffing needs based on daily fluctuations, and the practices save 20% on labour costs on work week."

In developing countries, the choice to lay off staff could pose significant challenges (Saad & Elshaer, 2017). Any decision to lay off people may lead to reduced levels of operational management within the company. As an alternative, informants sought employees' consent for temporary wage reductions, considering this approach more effective than staff layoffs. The hotel's approach to reducing salary is to rotate working shifts, thereby lowering the salaries. Moreover, the hotel would reduce the salaries based on the income range and position of each employee. "Salary cuts on a specific management level and temporary suspension of the hotel when nationwide travel is restricted" as remarked by informant 8. The hotel's financial viability has been significantly impacted by the decrease in occupancy rates, primarily due to quarantine measures. To protect businesses and reduce breakdown, Datuk Seri Ismail Sabri Yaakob, the Malaysian Defense Minister in charge, announced that the government would provide financial support of up to RM150 per day for hotel accommodations designated as quarantine facilities, covering both rooms and food expenses. All travellers or residents coming from abroad must be quarantined in specified lodgings for 14 days from the day of arrival. According to the informants, four out of the nine hotels have been designated as quarantine centres, while the rest were unclassified for varying reasons. For instance, as mentioned by informant 2, "not used as quarantine centre because only one hotel is served as quarantine centre in a district region."

Informant 6 reported that their hotel remained closed to the public, explaining that "we do not become a quarantine centre, but we do have Kementerian Kesihatan Malaysia (KKM) workers staying at our hotel." Hoteliers all across the country are actively assisting in preventing the transmission of COVID-19 by adhering to quarantine regulations and providing lodging for travellers and residents during the 14-day observation period. As a result, This has resulted in a significant number of guests and locals staying in quarantine hotels. According to Chang et al. (2021), the hospitality industry is collaborating with the government to support its quarantine requirements policy by providing quarantine accommodations during the COVID-19 pandemic. It is further elaborated that by becoming a quarantine centre, the hotels could serve to provide tourists with an accommodation while mitigating the spread of the virus but also supports the government's preventive measures (Chang et al., 2021)

Marketing Strategies

This study underscores the importance of robust crisis management planning. The established marketing and promotion techniques aim to deliver the maximum value to customers while improving the circumstances during the crisis. Due to budgetary and profitability aspects, In Malaysia, digital marketing emerged as the most widely used approach by hotels, followed by marketing and celebratory packages aimed at retaining existing customers and attracting new ones. Many informants favoured the implementation of digital marketing. In addition to enhancing hotel sales, hotels are advised to leverage new technology that aid in maintaining business representation on social networking sites, as well as incorporating with internet firms (e.g., OTAs) (Inversini & Masiero, 2014). By encouraging marketing teams to use social media, hoteliers can proceed by hypersegmenting the target audience and examining ways to leverage on low-cost attention.

During this outbreak, marketing communication remains to be an important aspect of the strategy of maintaining a positive customer relationship and showcasing services offered during the pandemic. In this topic, informant 4 mentioned that "Using Facebook and the official website of our hotel, a promotion of room price reduction has been posted to attract more customers." Social media here serves as a crucial channel for engaging with guests and tourists, as well as a means of exchanging necessary details and engaging with guests online. In the hospitality industry, social media is an outlet for promoting products such as rooms, breakfast, lunch, and supper buffets, spa services, and other amenities to customers (Kim & Ko, 2012). "We had improved our network marketing," claimed informant 9, "and before this time, we did not serve breakfast, but after this time, we sequentially launched breakfast service and accommodation price simultaneously."

After a prolonged crisis from the COVID-19 pandemic, a variety of promotions and festival or event celebration packages were advertised to increase sales. Offering special discounts played a crucial role in raising awareness of these events, generating interest among potential attendees, and persuading them that their investment of time and money would be worthwhile because of the benefits the celebration provides (Rayhona, 2017). For their manners of promoting their establishment, informant 6 explained that "We did four types of promotion, which include promotion on room accommodation, promotion on meeting room rate, promotion on F&B, and participation in the Fair." These initiatives proved instrumental in helping hotels recover guests and profitability. Nonetheless, during the pandemic, the ideals of holding large-scale promotional events aren't possible for some hotels. During the early stages of COVID-19, informant 7 also indicated that certain marketing plans implemented during the pandemic could never be replicated again, with the quote being "We do package celebration promos, but not as vibrant as before. We used to undertake New Year's Eve and Christmas promotions, but we are no longer doing so due to cluster concerns."

Despite hotels' promotional efforts, the repercussions of COVID-19 had a profound impact on consumer behaviour and the marketing techniques that evolved from the disruptions. The crisis led to changes in consumer behavior and marketing strategies during economic downturns. According to Lai and Wong (2020), marketing practices can be effective in resolving a crisis during the initial stage, which occurs before the pandemic stage. Nonetheless, these strategies become less effective in boosting sales once the pandemic stage sets in. Instead, it is recommended to conserve marketing budgets for pandemic preparedness. Marketing practices should only be updated throughout the pandemic's final stages (Lai & Wong, 2020).

Human Resource Management

In Malaysia, five steps had passed in the MCO, leading to a more than two-month quarantine. According to the results from the interviews, the pandemic crisis has disrupted human resource management at various levels throughout the MCO phases. However, the MCO period has caused a major delay in the upcoming restoration of the hotel services. After the MCO was lifted, hotels began to encounter employee management issues. The slow activity for their services was interpreted by the hotelier as a response to changes in the productivity routine, which required hotels to halt their operations that had been ramped up during the crisis. Hence, hotels are to be more adaptable and make significant changes to their operations for the sake of maintaining consistent earnings.

As of October 10, 2021, Malaysia lifted interstate and international travel restrictions for fully vaccinated individuals, signaling the reopening of the hospitality industry.(Lim, 2021). Nonetheless, from that point onwards, hotels come to face significant internal issues. During the reopening of the hospitality businesses, hoteliers faced critical challenges related to personnel management and

customer administration. To retain financial viability, hotels had previously implemented costcutting measures such as salary cuts, task groups, and voluntary separation plans. Unfortunately, the management problem had a significant impact on the pandemic's later stages, i.e., the reopening of the hospitality industry. As informant 8 disclosed, the issue was described as a "Shortage of staff due to leavers during lockdown and quarantine orders". This is particularly impactful and had discontented certain employees, "The remaining employees feel disgruntled and labour passively if their earnings are not improved, the staff have been severely harmed and are dissatisfied." This is as expressed by informant 9.

In any industrial organization, including the hospitality industry, human resource costs typically account for a significant portion of total operating expenses. The findings match with Lai and Wong's (2020), who mentioned that human resource practices, such as limiting business hours, reducing the workforce through unpaid vacations during pandemic stages, and implementing salary cuts, were effective in minimizing operating expenses. In general, hotels in Malaysia practice rescheduling and shift rotation, as well as compensation reductions. Management did not lay off any staff, and instead, the human resources manager saved money by rotating shifts because the activity had decreased due to fewer visitors. However, salaries are now lower than before, and costs are also much lower. "Our hotel has done voluntary separation scheme, work from home, salary cut depending on position," stated informant 2, echoing informant 7 that stated that salary had been decreased "based on wage range. We got to the point where we had to decrease salaries by up to 50%." On average, each hotel employed three to four different methods to manage labor costs while trying to treat their employees fairly during such challenging circumstances. Seven out of nine hotels show that there is an effort in avoiding laying off employees because layoffs will result in a potentially larger financial and service issue in the later stages of the pandemic.

In the final stage of the pandemic, following the lifting of the MCO, hotels began to experience a surge in demand for their room occupancy. For one of the hotels, it has even achieved a 30% of profit increase during that phase. Nonetheless, most hotels also faced a manpower shortage at this point due to the crisis management measures implemented earlier. As a response, hotels would be actively recruiting new employees to meet the increased demand. However, employee dissatisfaction stemming from the earlier compensation cuts should also be considered at the same time. This is as informant 9 pointed out, "The remaining staff feel disgruntled and labour passively if their earnings are not improved."

Government Support

The findings demonstrated the perspectives of hoteliers on the current government support for their survival. The informants emphasised that to regain tourists and diminish the pandemic's impact on their businesses, the collaboration between the government and the private sector plays a significant role. This is primarily due to how business performance is primarily driven by variables such as resource availability and strategic decisions related to internal and external constraints.s. Ganlin et al. (2021) acknowledged that the government represents a significant market potential for businesses of all sizes, as substantial consumers of products and services. To exemplify, the Malaysian government supports companies throughout the duration of the pandemic, with measures including stimulus packages, remedies, compensations, and hotel promotions. Hotels in Malaysia had received a 10% - 15% discount on electricity bills and are exempted from the 6% service tax, among other compensations. As informant 9 explained, "the government has made us the first batch of quarantine hotels and the government has given us compensation so that the hotel did not close down". Apart from that, the government implemented local consumption stimuli and hotel promotions "We have

received hotel promotion from the government," informant 6 explained, "which the hotel bolstered in event and fair to assist generate revenue and modify the way hotels function during the pandemic." As much as the government is helpful towards the hospitality industry, not all establishments were fortunate enough to receive government support. To specify, two out of the nine hotels interviewed allegedly "received no support from the government during the restoration process."

CONCLUSION AND IMPLICATIONS

This study explored the perspectives and reactions of the hoteliers to the COVID-19 outbreak in Malaysia, aiming to understand how Malaysian hotels have navigated the crisis, as well as how businesses can recover themselves. Nine hotel managers were specifically interviewed in this study, with the gathered data was analysed using qualitative inductive approaches. The study examined the impact of COVID-19 on hotel occupancy rates, observed crisis management strategies employed by hoteliers, and categorised them into marketing tactics, human resource management, and government support. The paper acknowledges the reactions and actions taken by hotels in an attempt to survive and remedy the deteriorating situation caused by the pandemic.

The results indicate that maintaining financial stability emerged as a critical strategy, particularly in reducing labor costs during such difficult times. Cost reduction was chosen as the optimal option to save up on the organization's expenses. Some strategies mentioned by informants included closing hotel branches with lower occupancy rates, laying off staff to cut costs, controlling hourly rates while shortening the workweek, and converting some employees to part-time status. Hotels are prone to place a greater emphasis on digital marketing during the early stages of the crisis, just to lower printing expenses. This is as Lai and Wong (2020) suggested, that hotels should save on marketing budgets and therefore intensify marketing efforts during the post-pandemic stages.

Hotels also faced significant challenges in terms of human resources management. High-performing staff were considered valuable assets during crises, as these individuals could contribute to the hotel's recovery. As a consequence, hotels made efforts to retain their staff during the pandemic. Nonetheless, decisions related to employee well-being, such as salary cuts during tough times, posed challenges. Many employees would undeniably think that this was unjust, and some would have wanted a proportional cut. A large group of employees believe that top management should be held more accountable for the company's long-term viability. Even at the same capacity, an identical decline could also be risky since staff may begin to suspect and question their actual level of performance. Maintaining employee morale and motivation was crucial to prevent doubts about their performance.

Apart from internal efforts, the government has offered support to the hotel owner to cope with this situation. The hospitality and tourist businesses contribute significantly to Malaysia's GDP (6%) and job opportunities (23%). As a result, it is reasonable to prioritise support for these businesses. Nevertheless, the majority of hotels indicated that the government could do more in supporting their businesses, particularly through monetary incentives and beneficial policies (e.g., continued reduction of income tax to encourage domestic tourism spending). The collective findings in this study suggest that governmental agencies should play a more active role in promoting and supporting hotels, providing fair opportunities for hotel participation, and offering better financial assistance to the hospitality industry.

This study included interviews with managers from nine hotels in Malaysia. While this provides valuable insights, it is a relatively small sample. Future research could aim to include a larger and more diverse sample of hotel managers to capture a wider range of perspectives and experiences.

Qualitative research focuses on in-depth exploration, but it may not be generalisable to all hotel managers or regions. Future research could consider conducting surveys or mixed-methods studies to assess the broader applicability of the findings. This study collected data during the COVID-19 pandemic, a period characterised by rapid changes and uncertainties. Consequently, the findings are specific to that particular context and may not necessarily reflect the situation in a post-pandemic environment. Future research could explore longer-term effects on the hotel industry and how hotels continue to adapt.. Last but not least, participants were interviewed online due to movement restrictions. This mode of data collection could introduce response bias, as online interviews may yield different participant responses compared to face-to-face interviews. Future research might consider a mix of data collection methods.

ACKNOWLEDGEMENT

The research is supported by Collaboration Research Grant Universiti Malaysia Sabah and Taylors' University under grant GKP 0040-2022 titled: The Impacts of COVID-19 Pandemic on Tour Operation Business in Malaysia: Strategy, Business Model and Future of Work

REFERENCES

- Abhari, S., Jalali, A., Jaafar, M., & Tajaddini, R. (2021). The impact of COVID-19 pandemic on small businesses in tourism and hospitality industry in Malaysia. Journal of Research in Marketing and Entrepreneurship, ahead-of-print (ahead-of-print). https://doi.org/10.1108/JRME-07-2020-0091/FULL/XML
- Aharon, D. Y., Jacobi, A., Cohen, E., Tzur, J., & Qadan, M. (2021). COVID-19, government measures and hospitality industry performance. PLOS ONE, 16(8), e0255819. https://doi.org/10.1371/JOURNAL.PONE.0255819
- Arsel, Z., & Thompson, C. J. (2011). Demythologizing Consumption Practices: How Consumers Protect Their Field-Dependent Identity Investments from Devaluing Marketplace Myths. Journal of Consumer Research, 37(5), 791–806. https://doi.org/10.1086/656389
- Ashraful, M., Khan, A., & Hashim, H. (2020). The Effect Of COVID-19 On Tourism And Hospitality Industry In Malaysia, Resurgence In The Post-Pandemic Era: A Conceptual Criterion. International Journal of Tourism & Hospitality Review, 7(2), 54–62. https://doi.org/10.18510/ijthr.2020.726
- Awan, M. I., Shamim, A., & Ahn, J. (2020). Implementing 'cleanliness is half of faith' in redesigning tourists, experiences and salvaging the hotel industry in Malaysia during the COVID-19 pandemic. Journal of Islamic Marketing, 12(3), 543–557. https://doi.org/10.1108/JIMA-08-2020-0229
- Azman, N. H., & Kamel, H. (2021, July 5). Hotel, tourism industry hanging by a thread. The Malaysian Reserve. https://themalaysianreserve.com/2021/07/05/hotel-tourism-industry-hanging-by-a-thread/

- Burhan, M., Salam, M. T., Hamdan, O. A., & Tariq, H. (2021). "Crisis management in the hospitality sector SMEs in Pakistan during COVID-19". International Journal of Hospitality Management, 98, 103037. https://doi.org/10.1016/J.IJHM.2021.103037
- Buzan, T., & Buzan, B. (1994). The Mind Map Book. In The Mind Map Book How to Use Radiant Thinking to Maximize Your Brains Untapped Potential (p. Buzan Organization). https://doi.org/citeulike-article-id:960994
- Chin, C. (2020, April 1). How the Malaysian hotel and travel industry is helping COVID-19 frontliners | The Star. The Star. https://www.thestar.com.my/lifestyle/travel/2020/04/01/how-malaysian-hotels-and-travel-companies-are-helping-COVID-19-frontliners
- Dayour, F., Adongo, C. A., Amuquandoh, F. E., & Adam, I. (2021). Managing the COVID-19 crisis: coping and post-recovery strategies for hospitality and tourism businesses in Ghana Hospitality and tourism businesses in Ghana 373. Journal of Hospitality and Tourism Insights, 4(4), 373–392. https://doi.org/10.1108/JHTI-08-2020-0150
- Deloitte. (2020). Impact of COVID-19 on the hospitality industry. Deloitte Touche Tohmatsu Limited. https://www2.deloitte.com/nl/nl/pages/consumer/articles/impact-of-COVID-19-on-the-hospitality-industry.html
- Fizza Zubair, & Mohd Farid Shamsudin. (2021). Impact of COVID-19 on Tourism and Hospitality Industry of Malaysia. Journal of Postgraduate Current Business Research, 6(1). http://abrn.asia/ojs/index.php/jpcbr/article/view/105
- Foo, L. P., Chin, M. Y., Tan, K. L., & Phuah, K. T. (2020). The impact of COVID-19 on tourism industry in Malaysia. Https://Doi.Org/10.1080/13683500.2020.1777951, 24(19), 2735–2739. https://doi.org/10.1080/13683500.2020.1777951
- Ganlin, P., Qamruzzaman, M. D., Mehta, A. M., Naqvi, F. N., & Karim, S. (2021). Innovative Finance, Technological Adaptation and SMEs Sustainability: The Mediating Role of Government Support during COVID-19 Pandemic. Sustainability 2021, Vol. 13, Page 9218, 13(16), 9218. https://doi.org/10.3390/SU13169218
- Ghaharian, K., Abarbanel, B., Soligo, M., & Bernhard, B. (2021). Crisis management practices in the hospitality and gambling industry during COVID-19. International Hospitality Review, 35(2), 171–194. https://doi.org/10.1108/IHR-08-2020-0037
- Hafiz Hanafiah, M., Selvaranee Balasingam, A., Nair, V., Raziff Jamaluddin, M., & Salehuddin Mohd Zahari, M. (2021). Implications of COVID-19 on Tourism Businesses in Malaysia: Evidence from a Preliminary Industry Survey. 10(1), 81–94.
- Hao, F., Xiao, Q., & Chon, K. (2020). COVID-19 and China's Hotel Industry: Impacts, a Disaster Management Framework, and Post-Pandemic Agenda. International Journal of Hospitality Management, 90, 102636. https://doi.org/10.1016/J.IJHM.2020.102636
- Henderson, J. C., & Ng, A. (2004). Responding to crisis: severe acute respiratory syndrome (SARS) and hotels in Singapore. International Journal of Tourism Research, 6(6), 411–419. https://doi.org/10.1002/JTR.505
- Hung, K. K. C., Mark, C. K. M., Yeung, M. P. S., Chan, E. Y. Y., & Graham, C. A. (2018). The role of the hotel industry in the response to emerging epidemics: A case study of SARS in 2003 and H1N1 swine flu in 2009 in Hong Kong. Globalization and Health, 14(1), 1–7. https://doi.org/10.1186/S12992-018-0438-6/TABLES/2
- Inversini, A., & Masiero, L. (2014). Selling rooms online: The use of social media and online travel agents. International Journal of Contemporary Hospitality Management, 26(2), 272–292. https://doi.org/10.1108/IJCHM-03-2013-0140/FULL/XML
- Israeli, A. A., Mohsin, A., & Kumar, B. (2011). Hospitality crisis management practices: The case of Indian luxury hotels. International Journal of Hospitality Management, 30(2), 367–374. https://doi.org/10.1016/J.IJHM.2010.06.009
- Kim, A. J., & Ko, E. (2012). Impacts of Luxury Fashion Brand's Social Media Marketing on Customer Relationship and Purchase Intention.

- Https://Doi.Org/10.1080/20932685.2010.10593068, 1(3), 164–171. https://doi.org/10.1080/20932685.2010.10593068
- Lai, I. K. W., & Wong, J. W. C. (2020). Comparing crisis management practices in the hotel industry between initial and pandemic stages of COVID-19. International Journal of Contemporary Hospitality Management, 32(10), 3135–3156. https://doi.org/10.1108/IJCHM-04-2020-0325/FULL/PDF
- Lawson, J. (2006). Critical Realism and Housing Research. Oxon: Routledge.
- Lim, H. T. (2021, September 16). Malaysia lifts travel restrictions for fully vaccinated people . Reuters. https://www.reuters.com/world/asia-pacific/malaysia-lifts-travel-restrictions-fully-vaccinated-people-2021-10-10/
- MAH. (2020, March 17). Tourism Comes To A Standstill. The Malaysian Association of Hotels. https://www.hotels.org.my/press/22578-tourism-comes-to-a-standstill
- MAH. (2021, February 5). Cry Of Despair From The Hotel Industry "Hotel Industry In Serious Need Of Immediate Rescue." The Malaysian Association of Hotels. https://www.hotels.org.my/press/34167-cry-of-despair-from-the-hotel-industry-hotel-industry-in-serious-need-of-immediate-rescue
- Ministry of Finance. (2020). ECONOMIC STIMULUS PACKAGE 2020 "Bolstering Confidence, Stimulating Growth, Protecting Jobs."
- MOTAC. (2020). National Tourism Policy 2020-2030 Executive Summary. MOTAC.
- Nur Syahira Shari, Mohd Faizun Mohamad Yazid, & Mohd Farid Shamsudin. (2020). The strengthen strategies during post Covid 19 after the virus crisis hit hotel industry in Malaysia. Journal of Postgraduate Current Business Research, 1(1). http://www.abrn.asia/ojs/index.php/jpcbr/article/view/102
- Patwary, A. K., Aziz, R. C., & Hashim, N. A. A. N. (2022). Investigating tourists' intention toward green hotels in Malaysia: a direction on tourist sustainable consumption. *Environmental Science and Pollution Research*, 30(13), 38500–38511. https://doi.org/10.1007/s11356-022-24946-x
- Penrose, J. M. (2000). The role of perception in crisis planning. Public Relations Review, 26(2), 155–171. https://doi.org/10.1016/S0363-8111(00)00038-2
- Rayhona, A. (2017). Effective Promotion of Event Management. Case of Uzbekistan. World Scientific News, 67(2), 324–337. www.worldscientificnews.com
- Razak, N. A. (2020). Health and Tourism: Implications of COVID-19 Pandemic to the Malaysian Travel and Hospitality Industry. International Journal of Supply Chain Management, 9(4), 663–670. http://excelingtech.co.uk/
- Rodríguez-Antón, J. M., & Alonso-Almeida, M. D. M. (2020). COVID-19 impacts and recovery strategies: The case of the hospitality industry in Spain. Sustainability (Switzerland), 12(20), 1–17. https://doi.org/10.3390/su12208599
- Rowley, J. (2012). Conducting research interviews. Management Research Review, 35(3–4), 260–271. https://doi.org/10.1108/01409171211210154/FULL/XML
- Saad, S. K., & Elshaer, I. A. (2017). Organizational Politics and Validity of Layoff Decisions: Mediating Role of Distributive Justice of Performance Appraisal. Https://Doi.Org/10.1080/19368623.2017.1320257, 26(8), 805–828. https://doi.org/10.1080/19368623.2017.1320257
- Saieed, Z. (2021, July 24). Hotel industry's defining moment | The Star. The Star. https://www.thestar.com.my/business/business-news/2021/07/24/hotel-industrys-defining-moment
- Salem, I. E., Elkhwesky, Z., & Ramkissoon, H. (2021). A content analysis for government's and hotels' response to COVID-19 pandemic in Egypt: Https://Doi.Org/10.1177/14673584211002614, 22(1), 42–59. https://doi.org/10.1177/14673584211002614

- Schmidt, J., & Altshuler, A. (2021). The Israeli travel and tourism industry faces COVID-19: developing guidelines for facilitating and maintaining a nuanced response and recovery to the pandemic. Worldwide Hospitality and Tourism Themes, 13(3), 340–356. https://doi.org/10.1108/WHATT-01-2021-0016
- Shin, H., Sharma, A., Nicolau, J. L., & Kang, J. (2021). The impact of hotel CSR for strategic philanthropy on booking behavior and hotel performance during the COVID-19 pandemic. Tourism Management, 85, 104322. https://doi.org/10.1016/J.TOURMAN.2021.104322
- Singh, A. J., Grande Valley, R., & Wang, B. (2021). Impact of COVID-19 on the Hospitality Industry and Implication for Operations and Asset Management. www.bu.edu/bhr
- Smith, B. (2021). Narrative analysis. Analysing Qualitative Data in Psychology, 202–221.
- Smith, H. M. (2006). Interpreting Qualitative Data: Methods for Analyzing Talk, Text and Interaction (3rd edition. In Sociological Research Online (Vol. 11, Issue 4).
- Sobaih, A. E. E., Elshaer, I., Hasanein, A. M., & Abdelaziz, A. S. (2021). Responses to COVID-19: The role of performance in the relationship between small hospitality enterprises' resilience and sustainable tourism development. International Journal of Hospitality Management, 94, 102824. https://doi.org/10.1016/J.IJHM.2020.102824
- Tahajuddin, S., & Sulaiman, N. N. (n.d.). Malaysian Government Choice of Fiscal and Monetary Policies during COVID-19 Pandemic: Preliminary Insight. International Journal of Advances in Engineering and Management (IJAEM), 3, 248. https://doi.org/10.35629/5252-0301248253
- Teng, P. K. (2020). The impact of COVID-19 on tourism industry in Malaysia. https://doi.org/10.1080/13683500.2020.1777951
- Teoh, P. Y. (2020, March 17). Hotels badly affected by cancellations. New Straits Times. https://www.nst.com.my/news/nation/2020/03/575491/hotels-badly-affected-cancellations
- Tew, P. J., Lu, Z., Tolomiczenko, G., & Gellatly, J. (2008). SARS: Lessons in strategic planning for hoteliers and destination marketers. International Journal of Contemporary Hospitality Management, 20(3), 332–346. https://doi.org/10.1108/09596110810866145/FULL/XML
- Vardarlier, P. (2016). Strategic Approach to Human Resources Management During Crisis. Procedia Social and Behavioral Sciences, 235, 463–472. https://doi.org/10.1016/J.SBSPRO.2016.11.057
- Wasiul, K., Ahasanul, H., Zohurul, A., & Mohammad, A. U. (2020a). The Movement Control Order (MCO) for COVID-19 Crisis and its Impact on Tourism and Hospitality Sector in Malaysia. International Tourism and Hospitality Journal, 3(2), 1–7. https://doi.org/10.37227/ithj-2020-02-09
- Wasiul, K., Ahasanul, H., Zohurul, A., & Mohammad, A. U. (2020b). The Movement Control Order (MCO) for COVID-19 Crisis and its Impact on Tourism and Hospitality Sector in Malaysia. International Tourism and Hospitality Journal, 3(2), 1–7. https://doi.org/10.37227/ithj-2020-02-09
- Wut, T. M., Xu, J. (Bill), & Wong, S. mun. (2021). Crisis management research (1985–2020) in the hospitality and tourism industry: A review and research agenda. Tourism Management, 85, 104307. https://doi.org/10.1016/J.TOURMAN.2021.104307