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A Practical Approach on Human Resources Strategies and KPI´s for Hospitality Crises Management.

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Master´s in Tourism and Hospitality Management

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Department of Human Resources and Organizational Behavior

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Resumo:

Nos dias de hoje, estratégias relacionadas com Gestão de Crises, têm-se revelado de extrema importância para todo o gestor Hoteleiro, com o objectivo de superar a pandemia criada pelo Covid-19, tal como, outras situações extraordinárias que sua atividade possa enfrentar.

Esta dissertação aborda diversas estratégias e sua importância, para os departamentos de Recursos Humanos, dentro de um grupo hoteleiro. Para acompanhar estas estratégias, vários indicadores de performance foram apresentados para validar sua importância, numa gestão baseada em métricas, não apenas num ambiente normal, mas também durante uma crise,

Com foco especial no trabalho dos Recursos Humanos dentro de um hotel, em situação de crise, foram realizadas entrevistas e alinhadas a diversas pesquisas acadêmicas para desenvolver um quadro prático que considera estratégias reais e KPI's de grande importância para superar e mitigar os efeitos de uma crise.

Abstract:

Nowadays Crisis Management strategies are in the top-of-mind of every hospitality manager, with the main goal of leveraging the Covid-19 pandemic, and other abnormal situations that their activity may be faced with.

This dissertation will approach several strategies and their importance, for the Human Resources departments, inside a hospitality group. To follow these strategies several Key Performance Indicators where presented to validate their importance to a metric-based management not only in a pre-crisis environment but also during a crisis,

With a special focus on the Human Resources role inside a hotel, in a crisis situation, interviews were conducted and aligned with several academia research to create a practical framework that considers real strategies and KPI´s that must be of a significant importance to leverage and mitigate the effect of a crisis.

TABLE OF CONTENTS

TABLE OF CONTENTS – TABLES

TABLE OF CONTENTS – FIGURES

Introduction

In these recent years, Portugal has established its identity as a global destination, being its capital, Lisbon, the primary focus. The Tourism Industry, in the last decade, had an exponential growth which led to an overall development in all branches of this Industry. From the multiplier effect it had on the employment, being one of the main boosters of the Portuguese economy, tourism proved itself to be the foundation of today's economies.

According to Andraz and Rodrigues (2016), tourism in Portugal had played a central role on the country's economic performance. According to the INE (Instituto Nacional de Estatística) and Turismo de Portugal, "the tourism sector is the largest export economic activity in the country, being responsible, in 2019, for 52.3% of services exports and 19.7% of total exports, with tourism revenues registered an 8.7% contribution in the Portuguese GPD". In addition, it also created an overall employment contribution of around 336.800 jobs.

However, as it can be seen worldwide for almost a year, this growth was faced with a massive impediment, resulting from a public health crisis, due to the new Corona virus, Covid-19. This Public health crisis, in Portugal, reached in a number of over 65,000 cases of infected people since its beginning in early 2020, affecting all sectors in an unprecedented way.

Comparing with the pre-crisis environment, the reality was fairly different from what we are exposed now. It was possible to observe an incredible grow with exceptional financial results which led to a dependence of the tourism industry to the strategic management of our country.

This been said, and according to this new reality, Dr. Nuno Fernandes, University Professor at IESE Business School, stated that we are facing a "destruction of supply and demand in every activity", a "global crises" and an increase in "government debt with less capacity to dampen the effect of the pandemic".

Consequently, it is vital to analyse the potential factors that can activate a crisis, and how to overcome it with minimum of losses as possible, either monetarily as well as the reputation of the destination.

Being the constant reality that we live in, is a crisis-prone environment, it is crucial for every hotelier to have in mind strategies to fight or reduce the effects of crisis, whether economic, operational or any other strategies, which will be further explained in the course of this dissertation.

It is recognised that Human Resources are at the foundation of any hospitality institution and bear an importance to its consumers. Therefore, in this dissertation, we will focus on the underlined HR strategies and their importance when facing a crisis, not only for this Covid-19 pandemic but also other potential crisis to come.

These strategies will then be compared with several other crisis management approaches to identify which ones are more suitable to apply on the Hospitality and Tourism market. Furthermore, these strategies will be measured trough KPI´s, in order to assure metrics that can provide an assessment to the performance of the hospitality institutions in a crisis situation.

In order to achieve this goal, several topics will be further approached to introduce the subject with the aim to have more knowledge and insight vision. As it was previously presented, a more in depth insight will be done on this dissertation, either on the tourism environment and the adjacent Human Resources, followed by the work of several authors on the matter, and strategies on how to leverage in a crisis with strategic management and then a drill down to Human Resources strategies inside the crisis management strategies and frameworks.

Along on this dissertation, a brief approach will be done on KPI´s, it´s definition and their importance for Human Resources and Crisis Management.

To determine which of this strategies where more suitable to leverage this new crisis, several interviews were conducted to hospitality managers and professional to have a clear understanding of how the market flows and reacts to this extraordinary situation.

Research Problematic

With decades of development and consolidation, all over the world the tourism industry and its markets have experience a constant growth, which led to the creation of travel brands of unprecedented size.

Focusing on Portugal's Hospitality Industry visitors, and according to Travel BI and Turismo de Portugal, in the last decade and a half, we verified that the number of visitors has almost doubled between 2002 to 2019. This exponential growth in Tourism Industry is highly associated with more risk, since, according to 2019 Delloite insights the strategies used to build a travel brand for growth also make it more vulnerable.

From economic loss, fraud, health crisis, political instability or cyber-attacks, there are several situations that can easily lead to a crisis, and therefore be a risk for the Industry.

This was confirmed with the arrival of the new Corona virus in December 2019, that have proved itself as a real threat to every activity around the globe, especially the tourism and Travel industry.

Barton (1994) stated that tourism organisations that ignore the need for a crisis plan do it at their own risk, since the risks associated with managing a service/product in the industry are often incorrectly foreseen. Barton (1994) analysis can be easily proven by looking closely at the tourism institutions currently working at the market, and which one of them will be capable to leverage this crisis and continue with their activity with the less damage possible.

According to Delloite 2019 Travel, Transportation and Hospitality Outlook "risk-sensing tools and processes to monitor and predict risks are maturing, opening new doors for risk management in 2019". This highlighted the importance of this approach to crisis management in a year in which the industry is finally getting concerned about strategies to avoid losses.

Delloite Insights on the industry proved that "at some point, all expansion cycles come to an end. With the hospitality industry reaching almost 10 years of consecutive growth, and the potential of broader economic slowdown looming, brands must prepare for the possibility of softening demand", this is applied not only to Covid-19 but for every possible crisis that every activity is constantly subjected to.

The decline in demand, along with a health crisis and human-inflected crisis, will force managers to prove their ability to surpass this crisis in the tourism industry, by either creating new environments that will boost the need for differentiation, customer experience initiatives, and/or revenue management and crisis management strategies.

One of the main consequences of any crisis is the high possibility of value loss from an economic perspective.

Having this in mind, in this Dissertation several strategies will be approached, focusing on HR departments, alongside crisis management plans for this and the next crisis potentially to come.

This being said, and considering all previous data and research from various authors, we can correctly state that crisis readiness and crisis management strategies are essential in all markets around the world, especially in the tourism industry.

Various authors have dealt suitably with the generality of crisis management in tourism, and although we still may find some gaps in this issue, this dissertation will actively address and focus on the study of the specific role of Human Resources departments in a crisis environment and how can we measure their strategies with Key Performance indicators.

With the purpose to achieve this, an introduction on crisis management and crisis management strategies is required, that will mainly focus on the topics mentioned before.

Previous case studies will be used as an example for this dissertation, in order to compare the best way to proceed when faced with a crisis, since there is no better way to learn than with past experiences and mistakes.

To conclude, this research will analyse the constant and comprehensive problem within this industry. As Faulkner (2001) suggests, a research on this subject is "essential basis to help the tourism industry and relevant government agencies learn from past experiences and develop strategies to avoid and deal with similar events in the future."

Chapter 1

Human Resources as a Key Solution to Face a Crisis

1.1 Tourism Crisis and its Human Resources

As it was previously mentioned, the goal of this project to underline strategies and key performance indicators that can drive a positive change in the Hospitality Human Resource Strategies during a crisis. In order to make this achievable, a brief approach is necessary in several subjects.

Nowadays, we understand that the world is in constant change and adaptation. These changes are felt in several industries, as the actual paradigm evolves and changes. As mentioned before, this can be observed in tourism industry that has seen both turbulent and stable environments in a relatively short timeframe.

There were some global main factors that have largely contributed for these changes that were observed in the tourism market. These external factors should be highlighted, as they can either be the cause or the solution for the industry success facing a crisis.

Whilst this dissertation was being completed, the current health crisis we are living, due to the Covid-19 pandemic, is the perfect example to explain that all markets, and especially the tourism one, are susceptible to outside dangers that are out of our control.

In this fast-moving world, there are several situations and stimulus that are certain to affect the market and the way business are performed. According to Baum (2015, p.205) this can go from "climate changes and scarcity of traditional energy resources; the financial crisis and the rebalancing of the global economies in favour of emerging economic powers; generational and technological change in the consumer behaviour and the way in which we execute our choices; the power of the internet and the social media to link brands and consumers" between others.

This can be understood by what Baum (2015, p.205) stated, where "Each of these has direct consequences for tourism as a global industry, for work and the workplace and also for the management of people working within the myriad of businesses that go to make up the tourism sector."

As it will be further explained, crisis can be considered as one of these external factors and they are an important driver for change within the industry. As Faulkner (2001) already suggest,

crisis or disasters can be described as "sudden challenges which might test the organisation's ability to cope".

This changes in the Macrosocial, Economic, Political and Technological environments, have a direct influence on the tourism institutions, and that by consequence also has a direct impact on workplaces. Baum (2015, p205) also mentions that "major enhancements in the tourism workplace and dramatic shifts within the way that organisations went about their people management business, driven by external change and guided by shifting values within society".

To understand the market and the main drivers that force the Tourism Human Resources to adapt in the current environment Baum (2015) highlighted some implications that these constant changes can influence the workplace. These implications can be seen on Table 1, that refers to the impact of tourism change on work and the workplace, and Table 2, that refers to the external changes and their impact in the workplace.

Table 1 - Impact of Tourism Change on work and the Workplace

Influencer/Drivers of change in Tourism	Implication for Work
The nature of the tourism industry itself, with changing patterns of travel with respect to both origination and destination markets	New skills and service demands - for example social media-based marketing and the need for a wider portfolio of language and cultural skills
The growing maturity of tourists as independent travellers, with less dependence on pre-packaged programmes and tours (Babu, 2014)	More bespoke/individualised service delivery
Fluctuating economic conditions resulting in efforts to drive down costs from key sectors in tourism, notably air tranport (CAPA,2013), the emergence of retrenchment strategies such as "staycation", a clear luxury - budget polarization and an increasing focus on dynamic packaging.	Elimination of key work areas, especially in tourism intermediaries such as travel agents
The impact of social media on customers and their decision making (Xing, Magnini & Fesenmaier, 2015)	Pressure on workforce to adopt new communicatios strategies
Changing tourism distribution systems, primarily trought evolving technologies (Mistilis, Buhalis & Gretzel, 2014)	Altering or elimintaion of existing skills, creating new skills and new jobs
Growing awareness of environmental concerns within tourism	Emergence of a demand for a new range of "green" skills from those working in the sector

After analysing Table 1, according to Baum (2015), we understand that there are several drivers that influence the way that human resources work in the tourism environment.

6

We can understand with Table 1, that a change is denoted in the market. This change can be influence or driven by several factors, such as: shifted travel patterns and the development of a more independent Tourist; floating economics conditions and the change of the distribution channels, and even the impact and importance that social media and environmental concerns have nowadays in order to influence and reach consumers.

All these factors have a direct impact in the market, and it is something that HR departments must keep in mind, as the pressure on the workforce rises and by consequence some intermediaries are inevitably eliminated (e.g. Travel agencies).

In order to keep up with the constant progress the world is facing and to fulfil consumer needs, new skills and services are demanded.

As shown below in table 2, Baum (2015) presents several external factors that can influence and affect the market. These external factors are known to have influence on every market, business, and they have the ability to affect the workplaces and the tourism institutions.

Table 2 – External Changes and their impact in the Workplace

External Environment Change	Impact on Work
Sustained high levels of unemployment in some developed countires, post 2008 (Gialis & Leontidou, 2014)	Strengthened hand of employers in the labour market with impacts on recruitment work conditions and benefits
Impact of the Global Finantial Crisis on the professional role of HRM, within organisations - For human Resources Management (HRM), the global crisis represents na external shock-wave that changes the parameters within which HR professional at all levels operate" (Zagelmeyer & Gollan, 2012:3287)	Reduced influence of HRM on strategic decision making in organisations
A rise in under-employment (Cooper, 2004) with a significant number of new entrants over-qualified for the work available to them	Increasing use of part-time and other reduced hours contracts in the UK among other countries (Brinkley,2013); staff over qualified for roles available to them
Continued weakening of organised labour across developed country economies (Addison, 2014)	Rise of employers that do not recognise trade unions - for example, low cost airlines
Growth of new business models, notably throught outsourcing, both locally and on a global scale (Willcocks, 2011)	Removal of Key roles (Front and Back office) from direct employment by branded tourism companies (airlines, hotels); off-shoring of selected back-office functions
Continued deskilling of new key work areas, combined with technology substitution for selected work areas (Falcioglu, 2014)	Reduced demand for employees with traditions skills training
A changing balance of power between employer and employee - the increasing dominance of managerial/organisational objectives over individual employee outcomes and aspirations (Clegg, 2014)	Individual/personal needs subjugated to organisational priorities
Aspirations for greater balance between work and personal life among employees (Haar, Russo, Suñe & Ollier-Malaterre, 2014)	Conflict between employer rhetoric and reality (solnet et al,2013)
In developing countries, rapidly growing levels of youth unemployment in countries such as Egypt and Iran (Pastore, 2014)	Challenge for tourism to create employement opportunities for increasing numbers

As noted by Baum (2015) the Global Crisis, the increasing substitution of key work areas by technology or the constant change between the relation of employer and employee and, by consequence, the new labour conditions "conjoined" with the internal factors will undoubtedly affect the HR departments. These changes will directly impact and manipulate the existing HR strategy.

Having in mind what was mentioned by Baum (2015), others authors have also confirmed and strengthened what was said on this matter. Garavan (2007), mentions that Human Resources Strategies and its development must focus on integrating HRD activities with organizational goals and values, to develop core capabilities that enhance firm competitive advantage and therefore to have a better leverage facing a crisis.

This is also supported by Boin and McConnell (2007), Elliott (2006) and Preble, (1997), who stated that organizations have become more technologically complex, multinational, and operate in more turbulent environments, the need to align crisis management planning with business strategy becomes prominent to lessening potential vulnerability of critical resources.

Strategic Human Resources development is recognized to make two contributions into crisis management, that should be further explored, in order to provide a good functioning of any activities. These contributions are verified by Garavan et al. (2009) that affirms "it provides organizations with operational capabilities to manage crisis" and "it enables organizations to understand a basic objective of crisis management, that is, to accumulate wisdom" with the main goal to learn from previous experiences. As Brandstrom et al. (2004, p 191) confirms, "when faced with the uncertainty and confusion that marks a crisis, people will search their memories and their knowledge base for situations that can at least give some clue as to what is going on".

As it can be vividly confirmed, constant change and adaptation in this fast moving and volatile world, we currently live in an environment extremely susceptible to crisis, which can be originated by several factors in any business or industry. These crises are becoming more and more complex, where an increased competition with several new players are a major reality in this globalized era, that new technology and new way to do business are a constant phenomenon.

> *"Trickling and spiralling crisis can slow or prevent corporate growth, as well as create a significant negative impact on the sustainability of business development (...)".*
>
> Fleming and Zhu (2017)

1.2 Crisis and Strategic Management

In order to fully understand how can a crisis negatively impact businesses, we firstly need to understand what defines a crisis.

This topic was already studied by several authors, which presented their own definition of crisis. For the purpose of this dissertation, with a more precise and forthright, definition will be considered throughout this project, that states that a crisis is "an abnormal situation which presents some extraordinary, high risk to business and which will develop into a disaster unless carefully managed. (Shaluf et al., 2003; p. 29)

Faulkner (2001), after analysing the work of several authors in what makes a crisis, noted several key points of a crisis. These key points can be described as:

- A triggering event, which is so significant that challenges the existing structure, routine operations or survival of the organization;

- High threat, short decision time and an element of surprise and urgency;

- A perception of an inability to cope among those directly affected;

- A turning point, when decisive change, which may have both positive and negative connotation, is imminent;

- Characterised by 'fluid, unstable, dynamic' situations.

Having this in mind, it is vital for any business to understand and know how to react when faced with a crisis. Faulkner (2001, p. 137), also mentions the importance of this matter, suggesting that good management means having strategies for coping with unexpected events over which organisations have no control.

Several other authors, emphasize the importance on this matter, where contingency plans are put to place when faced with this eventuality. Pearson and Mitroff (1993, p. 59) is a good example, where they mention that 'the purpose of crisis management is not to produce a set of plans; it is to prepare an organization to think creatively about the unthinkable so that the best possible decisions will be made in time of crisis'. Furthermore, Anderson (2006) also states that in response to a crisis, invariably, urgent management decisions, which are not part of an organisation's normal operating procedures, will have to be made.

Looking closer to the effect of HR action and, according to Hickman & Crandall (1997), it is accurate to affirm that effective crisis management means that senior management must manage

the impact of the crisis on various sections of the organisation, such as information systems, operations and human resources.

Since "in actual crisis management, it is desirable to have in place, prior to the crisis, a management plan that addresses crisis prevention, crisis management and post-crisis recovery" (Wisittigars & Siengthai, 2019, p. 10), some previous Framework from several authors will be presented in the development of this project.

An analysis on the different approaches of crisis management will be executed in order to find which strategies are more efficient.

Firstly, and analysing Ritchie (2014) work on this matter, its correct to affirm that "recognition of problems through environmental scanning and data collection in the political, economic, social and technological environment can provide information on possible trends and their likely impacts on the organization."

Based on several previous authors, Ritchie (2014) elaborated a Framework, presented in Table 3, which deals with a strategic planning for crisis management that may be of great importance to tourism managers. In the table below, we can identify a kind of timeline of measures such as risk management, strategic forecasting and evaluation.

Strategic Management Framework — Anatomy of a Crisis/Disaster
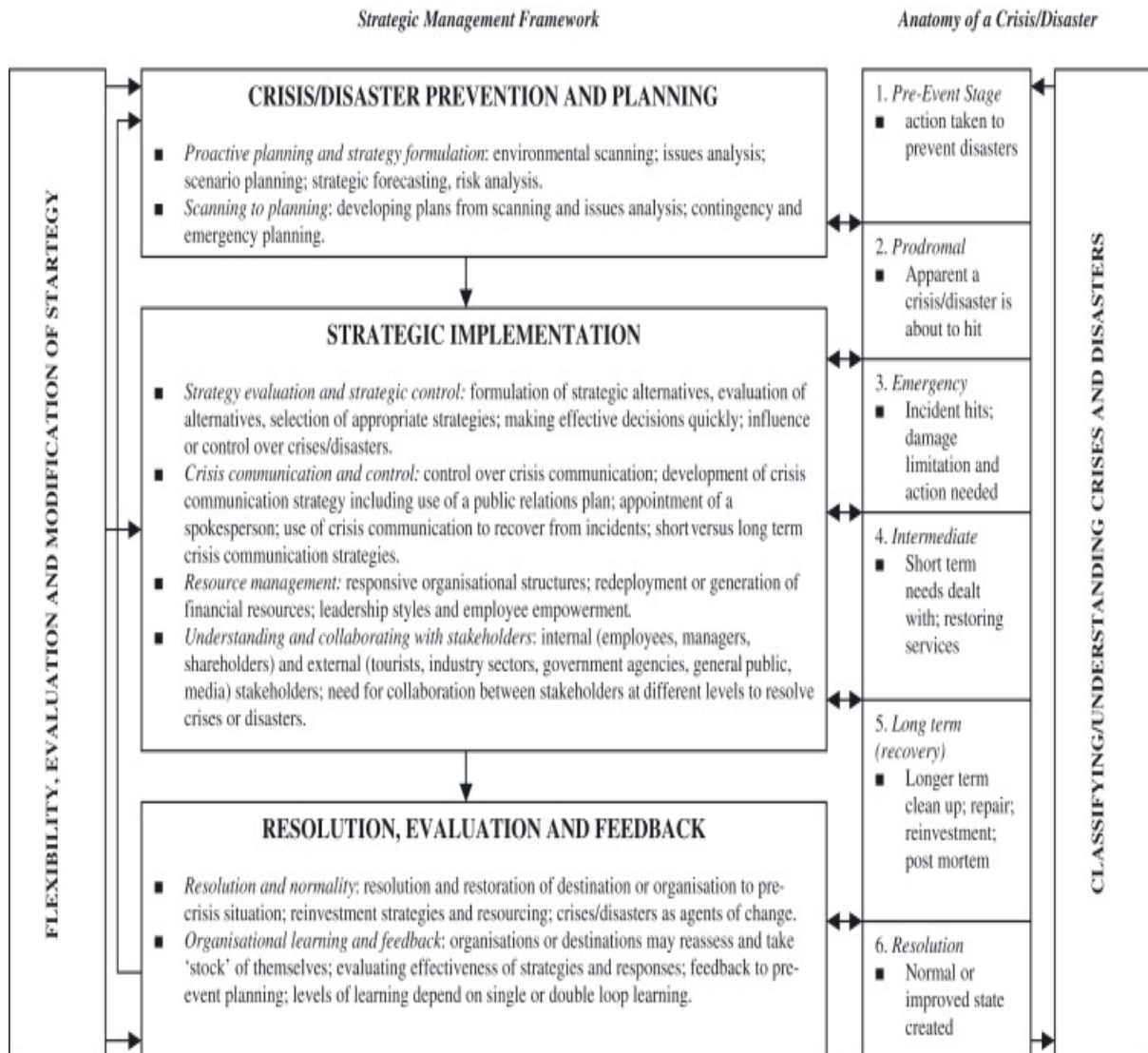
According to Ritchie's (2014) Framework three phases are needed to have an appropriate Crisis Management Plan.

The first phase regards the planning for and effective prevention of a crisis to come. This phase has the goal for a proactive planning and strategy formulation. This strategy forecasting should be transversal to all of the departments.

The following phase, and perhaps the most important, cares about the implementation of the strategy. To optimize the results, the implementation should affect communication departments, with crisis communication and control, the collaboration with stakeholders and the correct management of every resource at disposal. These resources can be financial, structural and Human.

After this step, we should achieve a resolution of the crisis and reach a state of normality of the activity that must be monitored to evaluate the effectiveness of the applied strategies.

This been said, is essential to develop strategies, which entails the involvement of all stakeholders Byrd, Cárdenas, & Greenwood (2008), as well as long-term strategic planning in order to ensure the sustainability of particular tourist destinations Gustafsson, Larson, & Svensson (2014).

Parakevas & Atlinay (2013) also had a perspective on the risk and crisis management in tourism. They highlight three main stages that can be presented as: The first stage is a post crisis response and concentrates on mitigating the negative impacts of the disaster; while the second stage focuses on the recovery aspect of crisis management. The third stage, and final stage, emphasizes the pre-crisis phase, showing how both tourism stakeholders and hospitality organizations can learn lessons from the devastating results of former crisis in order to be prepared for future ones. The last stage offers a holistic perspective, involving integrated strategies, models, and frameworks, which provides a comprehensive knowledge of previous crisis and disaster management (Parakevas & Altinay, 2013).

Another matter that must be of extreme importance to every business activity are Critical Success Factors (CSF). Although in this dissertation only a general focus will be made, it is important to understand which are the CSF that have more relevance to the tourism industry.

Identifying CSF enables the institution to have a clear vision on their strategic goals and therefore to track and measure the progress toward it. When facing a crisis, the first thing managers must have in mind, are their institution goals and how to achieve a state-of-normality again.

Having this in mind, CSF provide a common reference transversal to every department that will ensure that tasks and Project, especially in a crisis environment, are aligned across team and departments.

As we can see on below, Figure 1 exposes the Critical Success Factors that, according to Çakar (2018), are important to have a proper and effective destination governance in time of crisis to leverage the possible outcomes.

Figure 1 - Critical Sucess Factors
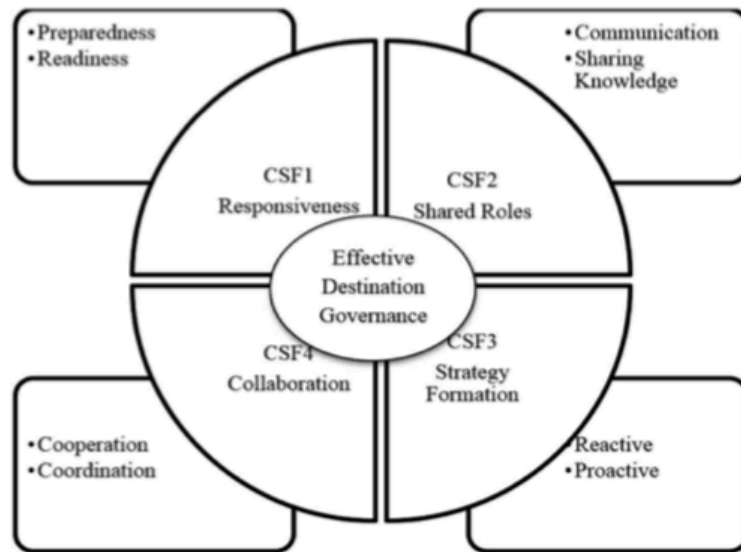
As we can observe on Figure 1, Çakar (2018) expose four main critical success factors (CSF) for responding to crisis: Responsiveness, Shared Roles, Strategy formation and Collaboration. During a crisis, there are several strategies and actions managers need to choose to successfully handle the situation.

From the previous literature on the subject, we can highlight some strategies: on the one hand, proactive measures such as increasing marketing and sales campaigns or reaching new markets and, on the other hand, cost reduction measures, indicating that the hotel reduces salaries, budgets and services to deal with the crisis.

The Human Resources of a hospitality chain may be the great leverage it faces during a crisis, since a well-managed HR can influence performance resulting in a fast come back to the normal operation.

Alonso-Almeida and Bremser (2013) also had a detailed approach on the response of the Spanish hotel industry to the financial crisis that began in 2008, where some strategies were highlighted as more useful than others.

Three main tables of results were elaborated from the answers given by the majority of Hotel Managers in Madrid (around 70%) which were later analysed "combining factor analysis, hotel characteristics and two regression models", Alonso-Almeida & Bremser (2013, p.141).

From the first table "Factors affected by impact of the crisis", we can identify 4 main components: **Cost Reduction; Efficiency improvement**; **Competiveness improvement**; **Income reduction.**

In each component, some factors were proved to be more related when facing a crisis as shown below:

- **Cost Reductions**: Dismissals of employees, reduction of direct customer service and Elimination of back-office services.
- **Efficiency improvement:** Flexibility gains, increased answering speed and introduction of new exclusive service.
- **Competiveness Improvement:** Company is opening in new international markets and in new market segments.
- **Income Reduction:** Income Reduction and Room Price Reduction.

The second and most important table for the purpose of this study delves into the "factors resulting from the measures taken to deal with the crisis" and its importance was exposed by the following components, that demonstrate what were, actually, the strategies with the best outcomes after a crisis:

- **Reactive Measures:** Reduction or elimination of the budget for internal and external social spending, increase or elimination of training budget, reduction of management levels, reduction of investments and expansion plans.
- **Added Customer Value:** Introduced employee empowerment, created awards for employee's ideas to reduce costs or increased sales, reduce sales forecast for the year and asked clients more about what would increase value.
- **Flexibility:** Products or services in high demand from customers were not changed, but the least demanded were omitted to reduce costs and expensive products or services were replaced by cheaper products.
- **Proactive:** Strengthening the commercial area and increasing expenses with advertising.

Another table on the Alonso-Almeida and Bremser (2013) study shows "Factors resulting from strategies to deal with the crisis", and it is important to highlight the "Customer Loyalty" component where it is proved that these strategies have influenced customer loyalty, trust image and exclusive services, differentiating the hotel from competition.

As has been shown, there are several types of crisis that may have different resolution strategies to ensure a return to normality.

For the purpose of this project we will focus on strategies that are strictly linked with the Human Resources departments.

1.3 HR strategies in Crisis Management

According to Hickman and Crandall (1997), crisis are times in which relationship between management and employees can potentially become stronger, as they work together in the face of adversity to restore their organisation.

During this time, staffing levels need to be adjusted and it is of higher importance that the institution has appropriate policies and strategies in place to guide their responses.

A research was made to the work of several authors to create a table of known strategies that are both related with Human Resources and Crises Management.

The main goal is to create a practical strategies framework that, after combined with HR Key Performance Indicators can help managers to decide which strategies are more cost effective in times of crises.

In order to fully understand practical strategies used by HR departments in a crises situation, table 4 was elaborated to combine several strategies approached by different authors in academia.

Table 4 - Human Resources Management in Crises Management

Human Resources Strategies in Crises Management	
Author	**Strategies**
Aviad A. Israeli ; Arie Reichel (2003)	Firing employees to reduce labour force
	Using unpaid vacation to reduce labour force
	Decreasing number of working days per week
	Freezing pay rates
	Replacing high-tenure employees with new employees
	Increased reliance on outsourcing services
Barbara A. Anderson (2006)	The right to hire and fire staff to suit prevailing economic conditions
	To alter wages and conditions to suit the prevailing economic conditions
	The ability to adjust time and quantity of work time with relation to overtime, shift work, flexible starting times and stand down arrangements

Alonso-Almeida & Bremser (2013)	Extend the range of tasks a worker can perform
	Dismissals of employees
	Reduction of direct customer service
	Elimination of back-office services
	Increase or elimination of training budget
	Reduction of management levels
	Introduced employee empowerment
	Created awards for employees ideas to reduce costs or increased sales

According to the table presented above there are some strategies transversal to several authors. We can affirm that dismissals of employees, adjusting costs with numbers of working days and forced vacations, freezing pay rates are some of the main policies when facing a crisis.

It is also possible to observe a raise and a preference for new and less expensive employees and outsourcing services. The reduction of customer services or back office departments as the extended range of tasks an employer can perform, are also some measures presented above.

On other hand Alonso-Almeida and Bremser (2013) defend that introducing employee empowerment and create awards for employees ideas to reduce costs or increased sales can also help recovering from a crisis and to boost the economic activity of the institution.

Chapter 2

Metrics as a competitive factor in hospitality HR

The worldwide globalisation process, and consequently, the increase in tourism and travel business have led to an unprecedented growth in the hospitality chains which have expanded their activities around the globe. According to Harris and Mongiello (2001) the constant rise in market demand and consumer expectation in terms of in-house facilities, quality of services and value for money, has prompted chains to develop a range of segmented hotel services through budget, mid-scale and deluxe properties.

Graham and Harris (1999) stated that these developments and the constant growth in the major hotel chains have also intensified the competition between them, leading to a growing awareness among operators for the need to optimise the effectiveness of operational and business decision-making activities such as those related to profit planning, control and improvement

This intensified competition, in a market that is clearly defined by the demand, led to an implementation of tools for measuring performance in the hospitality institutions in order to maintain their normal activity and leave less space for unplanned events. According to Gabcanova (2012), due to these reasons, organizations are forced to measure their overall performance contributing to the stability of the organization in today ́s competitive environment. Therefore, Performance Measures (PM) are essential for hospitality managers to maintain an effective control of their objectives.

Kavrakov (2015) defined PM as a process which companies assesses the delivery of its goals and purposes within the organisational activities. It helps to achieve customer satisfaction, monitor progress, benchmark process and activities, and drive change Enoma & Allen, (2007); Pit & Tucker, (2008). As stated by The Travel and Tourism Competitiveness Report (2015) several countries have already increased the profitability of their hotels using PM as a strategic tool.

Harris and Mongiello (2001) stated that, although from a consumer point of view a hotel represents a total seamless product, the distinct nature and underlying diversity of activities involved in the provision of hotel services should be recognised and addressed in the determination of compatible performance measures

To reach a concrete answer on how well is the hospitality market prepared for a crisis, this dissertation will approach Key Performance Indicators and its definition following with a specific analysis on some of the more important metrics in Human Resources and Crises Management. The main purpose is to create an overall practical approach on some highlighted HR strategies and KPI´s that will posterior be validated by actual hotel managers.

2.1 Definition of Key Performance Indicators.

In PM, Key performance indicators can be considered as one of the most important instruments, as they contribute directly for an institution understanding of their process towards its goals. Gabcanova (2012, p.120) stated that "choosing relevant KPIs requires thinking to be aligned with the strategies and objectives". This implies that the company mission and strategies should be taken in account for a success in the choice of measures.

According to "KPI.org" Key Performance Indicators are "the critical indicators of progress toward the intended result". The same website also stated that KPI provides "a focus for strategic and operational improvement, create analytical basis for decision making and help focus attention on what matters most". This been said, KPI´s contribute for a better understanding of performance gaps inside the institution activity and how to measure the progress toward an optimization of this gaps.

KPI´s can be divided into Lagging and Leading being the main difference between them the timeline where they are applicable. Leading KPI refers to future developments and the drivers/causes, as Lagging Indicators are metrics that refers to past developments and effect/causes. According to Eckerson (2009) some characteristics where highlighted for effective KPI´s as seen in table 5:

Effective KPI characteristics	
Sparse	The fewer KPIs the better
Drillable	Users can drill into detail.
Simple	Users understand the KPI.
owned	KPI have an owner
Actionable	User know how to affect outcomes
Referenced	Users can view origins and context
Correlated	KPIs drive desired outcomes
Balanced	KPIs consist of both financial and non-financial metrics
Aligned	KPIs don´t undermine each other.
Validated	Workers can't circumvent the KPIs.

Hursman (2010) also defined five criteria elements for effective KPI as they need to be specific, measurable, attainable, relevant and time bound.

Based upon Hursman (2010) the next table was elaborated for a better understanding on how to established KPIs:

Table 6 - Establishing KPIs

Determine Corporate Goals

⇓

Identify metric that fit the goals

⇓

Capture actual data for those metrics

⇓

Jam metrics into scorecards

⇓

Brief employees about the scorecard
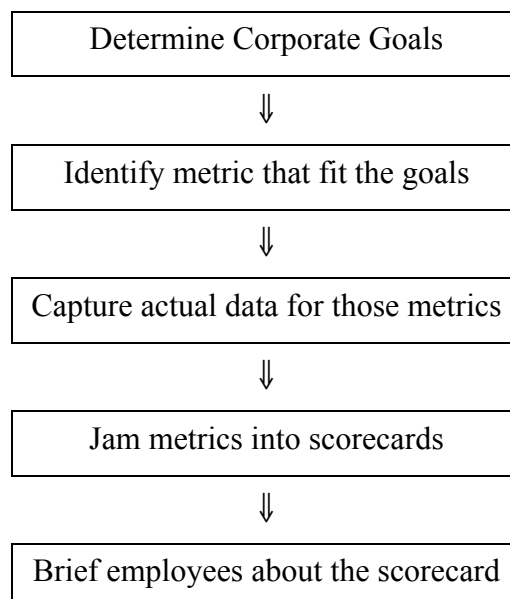
On Human Resources, the KPI as well as the strategy maps, have been strengthening all institutions. The notions of vision, core values, targets and strategies plans are helping all the organization to reach the objectives, based on increased outputs.

 According to Kaplan and Norton (2004) these strategy maps are presented, by management, as the basic map or visualization of what goes on in all parts of the institution based on a system of checks and measures introduced by Balanced Score Cards. These maps form a focal point for how all other processes are categorized and performance managed across the organization.

On the Human Resources level KPI´s are useful to measure and obtain concrete information on how these strategies are working for organisations. As Gabcanova, I. (2012) stated, that to develop this strategy map on the HR level, managers have to define clear, measurable and attainable targets which are strictly related to the enhancement of efficacy of the organization.

All the chosen KPI´s must present a mirror for the organization performance and must be connect with the HR mission on financial, customer, internal and learning and growth levels.

2.2 Key Performance Indicators in Hospitality Human Resources

Like any other industry, the hospitality business has its own characteristics strictly related with its product, and therefore, "the measures used to assess hotel performance should reflect the specific activities and kinds of product and services offered". Harris and Mongiello (2001, p.121).

The current hospitality market can be considered market oriented, which requires a focus on costumer related activities and labour intensive, since the core of the operation is highly dependent on human resources and operations.

According to Harris and Mongiello (2001, p.123) "this assertion evolves from the proposition that customer, operations and human resource indicators are classified as determinant factors, while finance indicators are classified as results."

In the hospitality industry the choice of Key Performance Indicators should be balanced according to four perspectives: Customer, Finance, Operations and Human Resources.

Although managers have all these variants in consideration when choosing their activity indicators, the decisions are very often restricted and dependent to the financial indicators.

Furthermore, although the financial indicators are of high relevance in any actual activity it is possible to observe a growing awareness to the external environment in the the tourism sector, as the Human Resources.

According to Harris and Mongiello (2001) and as seen in indicators such benchmarking, fair share analyses, guest satisfaction, employee surveys and training and development, the managers are considering feedback and investment in people as one of the most important elements within the business, highlighting the importance of non-only financial indicator but also Human Resources, Operations and Marketing strategies.

As Bean and Gerathy (2003) stated, according to their experiences, KPI´s are only valid when applied in a consistent and comprehensive manner. The validation of this indicators is based on the respect of financial performance as a critical measure for success without forgetting the close relation of this measures with a set of operation and Human Resources metrics.

According to the Kaplan and Norton (2007) scorecard and its usage in the HR area, a new tool for the management and measurement of the human capital was established adding two important contributions for Human Resources influence on the institution success:

- Manage HR as a strategic asset,
- Demonstrate HR´s contribution to firm´s financial success.

As has been presented, if Human Resources and Operation strategies are operated as an asset it is possible to observe this positive feedback in the organisation financial results.

Having this in mind, "the setting of appropriate KPIs on HR level is not so easy and sometimes it can take longer as the management presents. Top leaders should take into account all organization aspects, it means financial situation, market position and also the vision of the company. The base for setting proper KPIs is formulating the strategy map and understanding the consequences between human resources management and significant company´s targets." Gabcanova, I. (2012, p.127)

Therefore, and as it was previously mentioned, KPI´s must take into consideration the organisational strategy for an efficient establishment of strategic goals and, when considering the hospitality industry, to understand what is more important to the hotel.

The main goal is to facilitate employees with clear aims and objectives, coupled with a basic understanding of how they relate to the overall organisational success (Falite, 2013).

Therefore, and as Falite (2013) stated, KPI and PM are good practices especially within the hotel industry to follow a series of standardized KPI to monitor, improve and benchmark performance.

Gabcanova, I (2012) listed several KPI´s that both the management as the HR departments must have in consideration for measuring and optimising their business situation.

These KPI´s will be listed throughout this dissertation, as a practical study will be performed within the hospitality industry to understand their importance to the managers and to validate if the industry is aware of their importance to optimise their goal.

Since a crisis management perspective is also intended the following KPI will be posterior merged with crises management metrics that were found in the literature on the theme.

According to Gabcannova (2012) study, these are some of the more relevant KPI´s for the HR departments, they are divided into four different areas and for each goal a Lagging and a Leading KPI. These four areas are demonstrated below in table 7 to 10 and they are divided into Financial, Customer, Internal and Learning and Growth

Table 7 - Financial Key Performances Indicatiors in Human Resources

		Objectives	**Lagging KPIs**	**Leading KPIs**
Financial		F1- Labor Costs	Sickness rate	Productivity
			Labor cost per 1 employee	
		F2 – Decreasing of Turnover rate	% of turnover	Recruiting costs
		F3- Effective using of Training Budget	ROI of training	Effeciency of investment to human capital

Table 8 - Customer Key Performance Indicatiors in Human Resources

	Objectives	Lagging KPIs	Leading KPIs
Customer	C1- Succession planning	% of employees promoted	Number of successors on key posts
	C2 – Using of Human Capital	% of multiskilled employees	Qualification index
	C3- Retention of the employees	% of employees who performed the Employee Dialogue	Participation in career coaching program
	C4- Corporate social Responsibility	Amount of investment to IT HR Technologies. Number of activities organized for employees	Savings(money and time) from HR iT technologies. Number of new hiring relates to good referral program.

Table 9 -Internal Key Performance Indicatiors in Human Resources

	Objectives	Lagging KPIs	Leading KPIs
Internal	I1 – Internal Flexibility	Job Rotation	Posts filled by internal sources
	I2 – Simplify of the sales process	Time for dealing with customer	% of Customer satisfaction
	I3 – Increasing of motivation	Results from employee motivation survey	Influence of the inflation on salary
	I4 – Employee survey	Returnability of questionnaire	Performed action measures
	I5 – Idea Management	Number of accepted IM proposal	Acquisition for company according to accepted IM proposal
	I6 – Online Hr Tool	Time for saving of routine HR paper work	Time for saving of routine HR paper work

	Objectives	Lagging KPIs	Leading KPIs
Learning and Growth	L1 – Consistently supporting of employees qualification	% of training courses matching company requirements	Average number of training hours per employee
	L2 – Increasing of internal customer orientation	% of participans in communication training	Number of costumers complaint
	L3 – Multiprofession	Costs for training relates to multiprofession	Qualification Index
	L4 – Rewarding system improvement	Compensation cost	Average company salary
	L5 Consistently develop of leadership skills and strengthen manager´s role as a coach and a mentor	Leadership Index	Leadership Index

All these KPI´s have an important role for measuring the activities of any institution and must be in the manager's mind at all times.

For the purpose of crisis management, some will prove itself more valuable than others since when dealing with an extraordinary situation, choices must be made and a special focus have to be done on actuation areas.

The next chapter will approach specific Key Performance Indicators for crisis management and then a comparison will be made to assess which are the most relevant for the hospitality manager´s when facing a crisis.

2.3 Key Performance Indicators in Hospitality Crisis Management

We can understand that inside the Hospitality Industry, specific and exclusively features can be found inside a particular business. These features are strictly related to the performance measures that Top management determine that are more suitable and appropriate for their line of business

Such as Hospitality Businesses, Services businesses have unique characteristics that distinguish them from the products. Consequently, the Service Business can be considered" intangible and heterogeneous, particularly in work-intensive industries" Kotler (1991); Parasuraman, Zeithaml, and Berry (1985). Therefore, the flow and outcomes are highly influenced by the participation of customers in the production process.

Consequently, customers experience service performance and quality, at the time of delivery. Haber & Reichel (2005).

We can understand that this information, highlights the importance of Human Resources for hospitality management. This can be perceived just, by creating a high quality service, and consequently, a satisfying delivery for the customer, that according to Anderson and Fornell (2000) can enhance venture performance and growth over time and serve as a necessary tool for future planning.

According to Banker, Potter, & Srinivasan (2005) in order to determine the appropriate measures and weights for the hotel industry, it is necessary for management to analyse and identify key performance metrics, including nonfinancial performance measures, that are material and used to manage the business.

In order to understand which performance measures are more connected and helpful for crisis management inside a Hospitality Institution, an overall approach will be further explained on KPI and Performance Measures in Hospitality Management

In this next chapter, will focus on both financial and non-financial performance measures. These measures will be presented to managers in the field, in order to understand which are more relevant, with a special focus, on which are strictly related to Human Resources, its strategies and operation.

2.3.1 Overall Performance Measures in Hospitality Management

To determine metrics and understand which components can be measure in the hospitality industry, an understanding of the context of the business is imperative, as "its constituents in terms of the decision-making process and the information flow." Haktanir & Harris (2005, p.49).

Furthermore, Haktanir, M., & Harris, P. (2005) also supports that it has become apparent that the kind of measures used and the way the measures are perceived is different at various levels of the business.

Two kinds of measures to evaluate the performance of the hospitality industry can be considered: Financial and Non-financial measures.

According to Banker, Potter, & Srinivasan (2005, p. 395) non-financial measures, are those more related to human resources strategies as "these measures are better indicators of future financial performance than are accounting measures, and they are valuable in evaluating and motivating managerial performance".

Non-financial measures have better results in reflecting the future financial performance, by linking the current new investments to future cash flows. This kind of measure is "believed to complement short-run financial figures as indicators of progress toward a firm's long-term goals and reflect overall corporate strategy". Banker, Potter & Srinivasan (2005, p.395)

Therefore, it is possible to affirm that qualitative measures are more efficient at an operational level. This can be seen in several departments, such as of Human Resources or Marketing, that can provide managers with a view "of the outcome of the operational efforts through financial indicators". Haktanir & Harris (2005, p.49)

Focusing on the financial security of the hotel, both types of measures should be considered by managers, since using both type of measures "will provide information on factors that cannot be measured objectively, such as emotional and other holistic aspects, which contribute to service quality and to the tourist experience.". Haber & Reichel (2005, p.262).

Having in mind the information that was previously mentioned, and understanding the importance of measurement within the Hospitality Industry (either financial and non-financial), in several departments (such as HR; Operations or Marketing), a set of overall performance metrics and Key Performance Indicators were combined for previous literature on the subject.

As it can be seen, the following table 11 presents these performance metrics. These metrics will be further combined with HR KPI also presented above. These table will be then, compared to manager's opinion and strategies in the Hospitality field, in order to determine their usability and importance for managing a crisis and consequently for the HR departments.

Table 11 - Overall Key Performance Indicators in Hospitality Management

Overall Performance Indicators in Hospitality Management	
Authors	**Indicator**
Banker, R. D., Potter, G., & Srinivasan, D. (2005)	TREVPAR - Total reveneu per available room
	COSTPAR - Operation cost per available room
	AVGRATE - average rate of na hotel
	OCCRATE - occupancy rate
	LRETURN - Likelihood of return
	GOPAR - gross operation profit per available room
Garrigós-Simón, F. J., Palacios Marqués, D., & Narangajavana, Y. (2005).	Return on assets (ROA) - average economic profitability
	Return on investment ((ROI) - average finance profitability
	Return on Sales (ROS) - average profitabilty on sales
	Average growth in sales
	Market share increase
	Wealth creation
	Customer satisfaction
	Employee satisfaction
	Overall competitive position
	Sucess rate in launching new products
Haktanir, M., & Harris, P. (2005)	Room occupancy against the budget
	Revenue of revenue centers against the budgets
	Expenses in comparison with budget
	Income per head
	Room revenue per head
	Other income (extra)

	Payroll expenses
	Net income
	Observation evaluation
	Guest comment card and evaluation
	Employee turnover
	Daily staff charts
	Employee complaints/feedback

Chapter 3

Method

Having in mind the research goal of this dissertation, we adopted a qualitative research method to access relevant information. We used semi-structured interviews with managers of Hospitality groups that had a high or considerable numbers of hotels.

This decision was made due to difficult of reaching a great amount of managers who had availability at the time to schedule a meeting. This high number of hotel in the interviewed group managers can provide assurance, regarding the information provided, since they are main players in the Portuguese Hospitality market.

3.1 Instruments

The instruments for this qualitative method was semi-structured interviews to top managers in hospitality chains in Portugal. The interview format was previously defined by protocol with three main question with the main goal of approaching the necessary topics hence, at the same time, let the managers give their open opinion on the subject.

The structure of the interview was mainly done by direct questions, with the goal to approach three main topics, that will be explained below.

Firstly, understanding which were the main strategies and approaches used by managers to leverage this crisis and, in a HR level, what were the new procedures necessary to survive the Covid-19 pandemic.

Then, it was important to understand what was the normal criteria and KPI´s to assess employee and operation performance and, according to the hoteliers which one had the most importance during a crisis.

The last question focused on the importance of performance indicators, for crises management, mainly focused on a HR perspective, and which strategies are measurable and of the highest importance.

This structure allows us to have a clear perspective of the main strategies used by hospitality managers before and during a crisis and wich KPI´s they have in mind for business optimization for both situations.

Due to the current Covid-19 situation interviews were conducted by Google Meeting and telephone and took around 30 minutes each.

Interviews on Google Meeting where recorded using Apowersoft Screen Recorder and telephone interviews were recorded in a studio. Before starting the interview, the researcher ask permission to record it.

The information was posterior divided by topic to present the most accurate opinion of the managers on the study-subject.

3.2 Participants

As previously mentioned, there were some difficulties regarding the availability of managers to be interviewed, that can be due to the current situation of Covid-19 situation and by still the ongoing consequences on the workplaces and workforces.

For this reason, the decision of focusing on hotels groups that have a considerable number of hotels was a good decision, as only four groups were available to conduct interviews for this dissertation.

These four interviews were conducted to different directors within the group.

The first interview was to a Human Resources responsible in a 4-star hotel in Downtown Lisbon; the second interview was to a Executive Committee Member for Human Resources, Business Intelligence and Innovation in a Portuguese international hotel group, with approximately 91 hotels and over 12.000 rooms; the third interview was to a Human Resources managers of two 5-star hotels both in Lisbon and Cascais. This hotel belongs to an international group with 17 other hotels. The Last interview was a Human Resources Manager of a 5 star hotel in Lisbon.

Due to the expertise, of the interviewed managers, on the subject it was possible to mitigate the lack of interviews related to the lower number of managers that made themselves available.

For a better understanding about the interviewed managers its presented, in table 12, their demographic information.

Table 12 - Manager's Demographic Information

Hospitality Professionals	
Sex	3M
	1F
Mean Age	42,25 years (SD = 4,32)
Speciality	Human Resources Director - 2
	Human Resources Manager - 1
	Executive comitte member - 1
Mean Years of Practice	22,75 (SD = 7,43)

Chapter 4

Results

On this chapter, the primary responses, given by the hoteliers and managers, are going to be exposed for a correct understanding on how the market is reacting on the Covid-19 Pandemic. According to main topics approached, when responding to the questions, three chapters where considered of higher importance to understand which strategies are more efficient, as will be shown next.

4.1 Practical approach on Covid-19 as a case study on Hospitality strategies to leverage a crisis.

Although the main purpose of this thesis is to understand the main responses of the hospitality industry for any crises, from a financial perspective to terrorism or public health, with the arrival of the unexpected Covid-19 pandemic, which affected every market as no other crisis in our life-time, can provide real insights on the subject, that will undoubtedly be of great value to overcome future crises.

In all the interviews it was possible to state that the Hospitality market has been highly susceptible to Covid-19, 90 % of the activities of all the groups in analysis have closed doors during the pandemic. The sudden break in parallel activities of the tourism environment as the airline companies or the travel agencies made it impossible for people to travel affecting incomparably the hospitality industry all around the globe.

According to the interviews the first departments that where affect by it were the operational department and the human resources that were forced to stop their activities from one day to the other.

According to interviewee nº3, Director of Human Resources, "It is a crisis that forced us to review everything that is a hotel's priorities" since "from one moment to the next, the customers, who are the raw material, necessary to be able to work, disappear in an unexpected and, above all, abrupt way".

Being a public crisis that affected all the sector of the industry the first strategy that was taken by the hotels was to analyse all of the support measure created by the Government regarding the maintenance of the labour contracts.

Therefore, and to accept the fall but preserve the job positions, due to the lack of overall budget, "Lay off" measurement where implemented as a government support to the activities.

According to *Segurança Social* the lay-off consists of the temporary reduction of normal periods of work or suspension of employment contracts carried out at the initiative of the companies, for a certain time, due to:

- Market reasons;
- Structural or technological reasons;
- Disasters or other events that have seriously affected the normal activity of the company.

Provided that such measures are indispensable to ensure the economic viability of the company and the maintenance of jobs.

In some hotels, facing the uncertain of the market, the non-renewal of short term contracts was also a strategy to leverage the crisis.

According to interviewee nº2, Executive Committee Member, this new reality also brings new challenges to their Hospitality group, as new methods of communication and work need to be implemented to maintain the "new-normal" activities with teams reduced, separated and mainly working from home.

This been said it is of a high importance to assure the safety and well-being of the employees as new work methods are being develop by the HR departments facing an unprecedented health crisis.

Interviewee nº4, Human Resources Director, reinforced the importance of having a straight communication line with all the departments that were working from home, to maintain an active connection, using different online platforms with the main objective that "workers don't lose their link to the employer".

According to him, In the hospitality industry, mainly the back office departments, as marketing, reservations or sales, where the ones that continued working during the pandemic, since the front office workers, were forced to stop entirely their activity with measures as lay-off and employment contract suspension.

36

On top of this, Interviewee nº3 stated that, on HR level, there is a need to study, assess and implement the more sustainable and proactive measure on three levels: Company; Owners and Stake-holders; collaborators and employees.

This where the main measures taken by the groups that where interviewed as, looking close to the reality that all the tourism sector is facing, we can affirm that this strategies, are transversal to all the surrounding industry.

4.2 – Key Performance Indicators to evaluate HR working performance and their importance in a crisis environment.

In a crisis prone environment, the standards change in all departments of an hotel, raising new challenge to the managers.

According to the research made we come across two different realities, one experienced by the big hospitality chains and another by the small and medium hotels.

According to the online journal, OpçãoTurismo, the number of hotels available for sale had a 30% increase since the beginning of the Covid-19 pandemic, noting the great difficulties that the market is experiencing, essentially the small hospitality groups with less capital and consequently less cash flow.

The lack of previous standards and strategies left these small hotels with no capacity to cope with the crises forcing them to sold their structures to larger groups.

Key Performance Indicators are one of this main standards that must be taken in consideration by all hospitality chains with defined metrics that allow them to be correctly aware of their business data. This is noted by interviewee nº2, as she stated they (KPI) are highly important for levering a crisis and nonetheless for the optimization of the institution activities in a pre-crises environment which will made the different in the capacity to resist in a non-favourable environment.

To understand which performance metrics are more important, and capably applied, during a crisis, its necessary to look close to which metrics hotel managers use daily to monitor their activities and off course, their human resources.

According to interviewee nº4, and as it is applied in his hotel, metrics are one of the main tools for every manager daily work.

Normally the hotels have their own systems where workers' assessments are inserted, by department, which automatically generates performance metrics that can be of great use in managing decisions.

For this interviewee nº3 have referred as set KPI´s used carefully by all the 17 hotels in the group as presented below:

1. **Customer Satisfaction** - one of the most importance KPI´s for them, being a qualitative metric allows the managers to understand their most important asset, the client.
2. **Loyalty Recognition** – Associated to the first KPI, loyalty recognition allows the hotel to materialize the customer satisfaction in loyalty.
3. **REVPAR** (Revenue per available room)
4. **Service quality** – Transversal to all services that a client experience in their stay allowing to have a perfect view of every department.
5. **Carbon Footprint measurement** – Ecologic KPI related to the impact of the hotel activities in the environment.
6. **Total Revenue**
7. **GOPAR** (gross operation profit per available room)
8. **Employee satisfaction** – Injecting satisfaction to the employee work to create engagement.

During this crisis, in an overall view on the hospitality human resources, there is an urgent need to re-invent the processes as an evaluation must be permanently done on the new ways of working, with new procedures and an urge to assess the services requires, in all departments, as the situation evolves.

According to interviewee nº3 "It is unthinkable for a company to keep KPI´s in a reality and in a scenario that is completely averse to known normality" so, and taking in account, the new strategies and rules implemented, there will be an evaluation focusing on these new methods with the necessary KPI´s to measure the efficiency of the procedures and the way the work is done by each employee.

Therefore, was stated by all the interviewed that the HR strategies must be aligned with the institution mission in this difficult times.

Interviewee nº2 reinforced the need to be aware and go along the evolution of the demand on a national level, the evolution of a vaccine and the aviation market affirming that this will be the most important metrics that will be decisive for the tourism sector.

According to interviewee nº2, 70% of the clients are international and therefore are conditioned to the restrictions applied to leverage the pandemic so there is a need to monitor the internal market and their interests in travel inside Portugal.

Hospitality managers must have a daily monitoring on new government measures, company bankruptcy's, foreign markets and the allowed air corridors to optimize their activities according to this metrics.

On a general managers level it was stated that the maximum management horizons must be set in 2 or 3 months forward as they analyse witch hotels are fit to open, which supports can they have from national institutions and how many human resources can they allocate in a sustainable way.

It is important to be aware of the degree of motivation of resources and their resistance on the part of people to work in affected areas. The Interviewed managers largely referred to the importance of maintaining proximity management with their customers inspiring security and confidence for the return of the activity.

In this situations there is a need of marketing and communication strategies to reach the clients and maintain a good and constant brand positioning while the hotel institutions have their activity stopped or largely reduced.

Regarding this strategies, it is correct to affirm that they should be measure with proper KPI´s, as Return on Investment (ROI) or Cost per Lead, to evaluate they efficiency for the Hotel and ultimately for their brand image and new client collecting.

Based upon the interviews made and the posterior analysis, all the hospitality markets are suffering with this crisis and there will great difficulties to return to normality, in a financial, operation and resources way. These difficulties will affect mostly the small and medium hospitality chains that were not so well prepared to leverage the crisis.

This can be confirmed by interviewee nº3, Manager of a 5* Hotel Group, as he stated that

"the big question will be to see which companies, that 6 months without revenues, have the capacity to inspire confidence through safe environments, which can only happen through Cash Flow " being "the ability to adapt to change one of the great motives for the success of companies.

4.3 – Most important strategies in hospitality business regarding Covid-19 and Crisis Management.

As previously explained, Covid-19 took a large part of the hotel market by surprise forcing many institutions to stop or change their activity for months.

Unable to escape to the financial consequences, hospitality managers had to find a method that allows them to mitigate the effects of Covid-19 and prepare the hotel, their brand, and their human resources not only for this extraordinary situation but also for the near future, where a normality state is expected to be reached.

Being this a health crisis, leaving less space for manoeuvre, new procedures were implemented as interviewee nº2 highlight the importance of monitoring Human Resources at the same time they work daily on a new communication challenges to motivate and understand how their teams are working in this completely new reality. Performance measures must be looked at to analyse costs, methods efficiency and the engagement of the employees being the hospitality business and the hotel activity strictly dependent on their human resource.

For achieving this goal, inquiries must be done to the employees and new politics created to level the hotel activities to the new standards that forced their way in due to this pandemic situation.

As was confirmed by the literature, and the interviews, it is necessary to learn from past experiences, being the managers work, not only to have short/medium and long term vision, but also to look in the past and learn from similar situations.

On a financial level two reality were found, the smaller hotel, with less cash-flow, had to stop entirely their operation seriously damaging their brand, their financial accounts and their human resources.

The larger groups who had the ability to cope with the crises, although with their hotels closed, had to analyse deeply their financial situation, at the same time they restructure their methods, they invest on their hotel structures and they keep their brand on clients "top-of-mind" trough marketing strategies.

Interviewee nº4 also stated the importance of having a clear communication not only with their teams, but also with external partners, as suppliers, travel agencies and usual clients to allow a correct reading of the market, their partners and collaborators.

New services and strategies were already created or modified to satisfied the clients in this new reality. As example we can mention the reinforcement of restaurants, respecting the new measures applied and attracting new customers to the hotel.

This will be the necessary procedures and strategies that will inspire confidence and safety into their client's mind, turn their hotel structures secure (according to Direção Geral Saúde new standards) and allows them to be able to survive in this harming environment, to adapt to this new reality and to be successful when it's all over.

Chapter 5

Discussion

After a deep analysing the manager's responses, and with the goal of creating a Framework, that demonstrates the implications of this dissertation for professionals, several variables were combined from literature and the interviews.

These variables allow us to understand what was previously studied by several authors and their results on the matter. This information provides us with an overall perspective of which strategies and performance measures are used by managers in their daily operation and which are more relevant during a crisis.

On the other hand, the empiric chapter of this dissertation, have complemented the literature review with actual strategies that were used to leverage the Covid-19 pandemic, that we are currently living in.

The results from both chapters permitted the elaboration of a Framework, with a practical application for hospitality professionals, with combined strategies and Key Performance Indicators that can be used as a response for crises and their management mainly throughout the Human Resources departments.

5.1 Practical Framework for crisis Management – Covid-19 case-study.

Being the main goal of this dissertation to expose, analyse and validate which strategies are more relevant, as which performance measures, have more insight and importance during a crises environment, a practical framework was elaborated based upon all the data gathered from the literature and the performed interviews.

Having insights of what several authors have debated on the theme and with a direct approach on several Human Resources Managers it was possible to make a correct comparison of what was previously exposed in the academia and what is actually put in practice by managers with a wide range of know-how and expertise.

Note that all strategies and key performance indicators presented throughout this dissertation are valid and of imperative utilisation in different situation, since no crises are equal to another and different situations must require different approaches.

Focusing mainly on Covid-19, several KPI´s and strategies are combined and presented next, as a proposal, of some the most important approaches to leverage a crisis.

Although some KPI´s must reflect the measurement of the strategies presented on the left row some are isolated (strategies and KPIs) and complementary for different situation throughout the hospitality business.

Table 13 - Practical Framework for Hospitality Crisis Management - Covid19 Case Study

Crisis Environment Strategies and KPI (Covid-19)	
Strategies	**Key Performance Indicators**
Human Resources	**Human Resources**
• Lay-off and decreasing of working days (shift work)	• Labour cost (minimize costs)
• Non-Renewal of contracts	• Payroll expenses
• Effective line of communication with teams	• Employee satisfaction regarding new work environment
• Effective line of communication with partners, suppliers and client	• Customer satisfaction regarding new measures
• overall resource management and allocation (From HR to financial)	• Using of human capital (Multiskill)
• Strategy evaluation and control	• Employee complaints/feedback
• Reduce customer services and back-office services	• Number of Online HR tools
• New and secure methods (Home-office; Safety measures inside the hotel, etc.)	• Adapted services quality
Others departments	**Others departments**
• Marketing campaigns to create awareness on the situation	• Marketing and investments ROI and ROA
• Investment to secure the hotel facilities	• Overall competitive position
• Brand positioning	• Market share and fair share according to crises index
• Lower prices	• Total revenue compared to market index in crisis
• Monitor Tourism company´s bankruptcy	• COSTPAR - REVPAR - GOPAR (Internal and comparing to market)
• Monitor new government measures	
• Crisis Communication and control	• Success rate in launching new products and services suitable with new crisis recommendations
• Monitor foreign markets and allowed air corridors	

Chapter 6

Conclusion

This dissertation had the main goal to highlight several topics, as the market is in constant change and it is daily affected by several situations that can led it susceptible to external factors that affect the hospitality institutions and therefore its workplaces.

To adapt to these changes, Human Resources management, and all its intervenes had the need to follow up with the market demand to stay competitive and ahead of the competition.

Crisis, as Covid-19, or any other type, can and must be considered, as an external factor of high relevance that contributes to significant changes in the way business are performed and for an overall change in the tourism paradigm.

This been said, it was proved the relevance and the importance of bearing in mind crisis management strategies aligned with the hospitality strategic management to have expertise to leverage and survive a crisis.

There were referred several frameworks regarding strategies, and critical success factors, that must be in manager's mind for everyday business, especially in a crisis situation as the one we are currently living, this where proved to be of extreme importance not only for the overall operation but essentially for Human Resources.

Key Performance Indicators, as performance measurement units, are stated as one of the most important measures for hospitality managers to be correctly aware of their business, and since, in a crises situation, like Covid-19 Pandemic, all usual standards where modified in some aspect, their importance lies on the main goal of having correct metrics about their business, comparing the values between a normal and abnormal situation and providing correct insight on how their strategies working.

For developing a practical framework, as the one presented in the last chapter, several hospitality managers where interviewed providing us with a clear conclusion of what was the market reaction to this new corona virus, and how to mitigate this health crisis for the hospitality industry mainly troughs the effort of human resources departments.

All the responses where coincident at one point, with several strategies regarding to Human Resources being applied in mostly of the hotels in the industry.

The Covid-19 pandemic have been considered as one of the most nefarious of our life-time with a set of consequences that will undoubtedly affect all branches of all industries. This dissertation has been written with the goal to create awareness on the subject and ultimately to provide a response framework based upon real strategies and relevant key performance indicators for every managers of the sector.

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