

Covid-19 Pandemic Peak Period-Challenges and Overcoming Measures followed in the Star-Rated Hotels in Gondar town, Ethiopia

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Abstract

Coronavirus (COVID-19) is an infectious disease caused by a newly revealed coronavirus. This virus spread worldwide, done severe damages to the lives of many people, and allowed to have a forced closure and lockdown of many activities. This pandemic condition also led to a substantial loss in the hospitality business in various means. This study focused on identifying the challenges encountered by the hotel management during this covid-19 pandemic peak period in star-rated hotels in Gondar town. Descriptive research design and judgmental sampling technique is used, and structured interviews were conducted with the managers working in the star-rated hotels. Study results reveal that Average Monthly Occupancy Rate (AMOR) is fallen to the minimum and led to the budget deficit, lack of capacity to pay salary and run the business. However, the hotel management overcomes the accumulated challenges by cost-reducing, minimizing the workforce, offering training programs, rendering essential maintenance and renovation works in the properties, by giving discounts, forced leave to employees and closure of hotels facilities and services and operating the significant activities in the hotels with limited staffs.

Keywords: Covid-19, Challenges, Hotels, Measures, Star rated

Introduction

Introduction and Background

Coronavirus (COVID-19) is an infectious disease caused by a newly revealed coronavirus. Most people infected with the COVID-19 virus drive experience mild to moderate respiratory illness and recover without demanding special treatment. Older people and those with fundamental medical problems like cardiovascular disease, diabetes, chronic respiratory disease, and cancer are more likely to cultivate serious illness. This virus spreads primarily through dewdrops of saliva or release from the nose when a diseased person coughs or sneezes.

The United Nations Economic Commission for Africa (UNECA) estimated that COVID-19 would shave 2.9 % points off Ethiopia's economic growth for 2020. The pandemic has affected Ethiopia's flower export industry, and 150,000 employees in this industry are also at the risk of losing their jobs. Ethiopian Airlines reported that it is working at only 10% of its capacity and conveyed a loss of \$550 million in January to April 2020 due to coronavirus pandemic. More than 26 million students were affected by school closures. Subsequently, school feeding programs for around 1 million children across the country have immobile due to the coronavirus. National Electoral Board of Ethiopia (NEBE) released a statement on March 31, affirming that the general elections will not occur on the scheduled date 29 August 2020.

Following Article 93 of the Constitution of the Federal Democratic Republic of Ethiopia (FDRE), the government declared a 5-month state of Emergency to limit the spread of the Coronavirus (COVID-19). This period is considered as Pandemic Peak Period (PPP) in this study.

International arrivals to Ethiopia reached 596,341 in 2012, a 39.6% growth since 2009. This upward trend continued in 2013–2017, with a record 933,344 figure in 2017. The slowdown in visitor arrivals in 2016 with recovery in 2017–2018. In 2016, Ethiopia recorded 863,7424 international tourism arrivals, a deceleration compared to the growth registered in previous years, but still high given the problematic country's difficult situation.

According to Aschalew, Head of Gondar City Administration, Bureau of Culture, Tourism, Youths and Sports Directorate, the total number of tourists visiting Gondar in the previous year was 86,000. Still, this year only until the end of January 2019, 160,442 tourists have visited Gondar, from this, the government earned about four million Birr, and the community secures 174,512,422 Birr.

COVID-19 is having an unmatched impact on the Ethiopian hotel industry. Hotel occupancy in Ethiopia has dropped to 43%, and revenue per available room has declined by 30.5% for the week ending March 14, according to Smith Travel Research (STR). The World Travel and Tourism Council (WTTC) in 2020 estimates that more than 50 million jobs in the travel and tourism sector could be at risk globally. (Solomon M B, 2020)

For businesses to succeed in the dynamic global business environment, they need to take advantage of opportunities. This means focusing on new societal needs assisted by creative individuals trying to deal with the covid-19 crisis (Vanessa Raten, 2020)

The employees need distinct procedures, education programs vis-à-vis health awareness, and new hygiene equipment in use in times after the COVID-19 outbreak. The hotel industry and all other sectors related to mass travelling were influenced significantly by implementing social distancing as the advised response to epidemics. (Tomasz Napierala et al., 2020)

Crisis communication on shared emotions can increase tourists' intentions to visit when the outbreak ends. (Haiming Hang et.al, 2020). The hotel managers should design desirable hotel products satisfying consumers' price preferences in the post-pandemic era. (Mengqing wang et.al. 2020)

The future may demand greater localization in how tourism is framed, complex levels of community engagement and the capacity of policymakers and the private sector to listen and respond to voices from these diverse African communities. This African research plan is designed to support the recovery process in small but, we believe, important ways. (Christian.M.Rogerson & Tom Baum, 2020,)

Statement of the problem

Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus. It started in Wuhan, China, spread worldwide, causing severe damage in many people's lives, and allowed to have a forced closure and lockdown of numerous activities. This pandemic situation also led to having a substantial loss in the hospitality business in various means. Hence, this study focused on identifying the challenges encountered by the hotel management during this covid-19 pandemic peak period in star-rated hotels in Gondar town.

Objectives

The study's general objective is to investigate the challenges faced by the management of the star-rated hotels during the covid-19 pandemic peak period. The specific objectives are:

- Portray the overcoming measures followed by the management of the star-rated hotels during the covid-19 PPP

- Supports that were rendered by the government during the covid-19 PPP for the star-rated hotels

Materials and Methods

Study design and period

To carry out this research study, the researcher had used a Descriptive research design. The qualitative data was obtained from the star-rated hotels' managers in the Gondar town using structured interviews from October to November 2020.

Study Population

The managers working in the star rated hotels in the Gondar town. The details of the hotels where the study was undertaken are depicted in Table 1

Table 1. List of star-rated hotels taken part in the study

S.No	Name of the hotel	Star category
1	Florida International Hotel	3
2	Jantekel Hotel	3
3	Haile Resort Gondar(Formerly Gondar Landmark hotel)	3
4	Taye Belay Hotel	3
5	AG Hotel	3
6	Goha Hotel	3
7	Quara Hotel	2

Sample size and sampling procedure

According to the website information of the Ministry of Culture and Tourism (MOCT), Ethiopia, there are seven star-rated hotels in Gondar town. These hotels hold 451 rooms, 520 beds, 223 male employees, and 379 female employees. Judgmental sampling technique was used in the study. Accordingly, the managers working in the star-rated hotels in Gondar town were selected for the study purpose due to their relevancy to obtain qualitative data from them to strengthen the study. The ultimate sample size was seven managers who voluntarily took part in the survey amidst this covid-19 threat. A face-to-face interview system was engaged in the data collection using pre-prepared questions from these selected respondents and the responses given by the managers during the interview were carefully recorded.

Data collection tool and procedure

The data collector explained this study's tenacity to the managers and obtained proper appointment time in advance for the interview and the managers were interviewed based on the pre-fixed schedule depicted in Table 2.

The participants are the following: Gondar Hotel Manager- Respondent 1(GHM1), Gondar Hotel Manager- Respondent 2 (GHM2), Gondar Hotel Manager- Respondent 3 (GHM3), Gondar Hotel Manager- Respondent 4 (GHM4), Gondar Hotel Manager- Respondent 5 (GHM5), Gondar Hotel Manager- Respondent 6 (GHM6) and Gondar Hotel Manager- Respondent 7 (GHM7)

Pre-prepared questions were asked, and sufficient time is given to them to respond to the data collector's items.

Data processing and analysis

Information collected from the managers was listened carefully and scrutinized by the investigator. Descriptive statistics (percentages, frequency, mean) were used in the analysis for a few res-

ponses, and narrative approaches were carried out in the interpretation to disseminate their ideas and actions.

Table 2. Interview schedule and participants details

S.No	Identification Code of the participant	Job Title/position of the participant	Date and Time of Interview conducted
1	GHM1	Front office Manager	November 1,2020 @09:00Hrs
2	GHM2	Human Resource Manager	November 1,2020 @15:00Hrs
3	GHM3	HR & Training Manager	November 3,2020 @11:30Hrs
4	GHM4	General Manager	November 4,2020 @13:00Hrs
5	GHM5	F & B Director	November 5,2020 @10:00Hrs
6	GHM6	Front office Manager	November 7,2020 @09:30Hrs
7	GHM7	General Manager	November 7,2020 @16:00Hrs

Results and Discussion

The Results and Discussion pertaining to responses for the interview questions from the managers of the star-rated hotels in Gondar town are furnished below:

Table 3. Socio-demographic characteristics of the respondents (N=7)

Variables	N (%)
Gender	
Male	5(71.4%)
Female	2(28.6%)
Education	
Diploma	0(0%)
Degree	3(42.9%)
Masters	4(57.1%)
Others	0(0%)
Age(In years)	
25-30	3(42.9%)
31-40	2(28.6%)
Above 40	2(28.6%)
Marital Status	
Single	3(42.9%)
Married	4(57.1%)
Divorced/Separated	0(0%)
Job Position	
Front office Manager	2(28.6%)
Human Resource Manager	1(14.3%)
HR & Training Manager	1(14.3%)
General Manager	2(28.6%)
F & B Director	1(14.3%)

Variables	N (%)
Years of Service	
2-4 years	3(42.9%)
4-6 years	1(14.3%)
More than 6 years	3(42.9%)

Table 3 illustrates the socio-demographic characteristics of the managers taken part in the study wherein the majority 5(71.4%) are male, 4(57.1%) of them are Master degree holders, 3(42.9%) of their age falls under 25-30 years. Further, 4(57.1%) are married, 2(28.6%) working as Front office managers and General Managers respectively, and others 1(14.3%) job title is Human Resource Manager, HR & Training Manager and F & B Director. Equally, 3(42.9%) managers' years of experience range from 2-4 years to more than 6 years. Further fewer numbers in the participants such as 2(28.6%) are female participants, 3(42.9%) educational qualifications are degree level and nobody is with Diploma or other educational qualification. Further, equally 2(28.6%) of the participants age group falls under 31-40 and above 40 years respectively. Among the fewer numbers in participants 3(42.9%) marital status is single and nobody is divorced or separated. In addition, 1(14.3%) respondent's year of service is 4-6 years in the hotel industry.

Table 4. AMOR in the star rated hotels during covid-19 PPP

		AMOR during covid PPP
N	Valid	7
	Missing	0
Mean		9.7143
Minimum		.00
Maximum		30.00

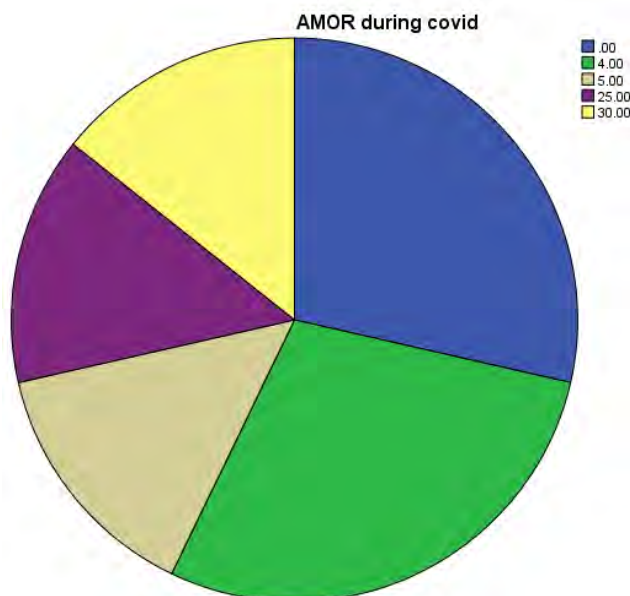


Figure 1. AMOR in the star-rated hotels during covid-19 PPP

The information depicted in Table 4 and Figure 1 about AMOR during the Covid-19 PPP in the star-rated hotels in Gondar town, states that the minimum occupancy was 0% that means nil occupancy and the maximum was 30%, and the mean value is 9.7143%.

Managers responses to interview questions

For the Question “What are the challenges the hotel management experienced during the covid-19 PPP”. The answers given by various managers during the interview are:

- Budget Deficit/Financial constraints in operating the hotel business is the primary significant challenges faced by the hotel management, and it is confirmed by the managers GHM1, GHM3, GHM5, GHM6 and GHM7
- All the managers taken part in the interview announced that the following are also the essential challenges faced by the hotel management during the covid-19:
 - Lack of customers and losing entire business
 - Unable to pay salary for employees and offering meals to them.
 - Forced to send employees on annual leave
 - Lack of financial or credit support from lending institutions.
 - Government restrictions
 - Inflation in the cost of commodities/raw materials
 - Forced closure of properties, facilities and services
- Hotel managers GHM2, GHM5, GHM6 and GHM7 responded that the hotel management was forced to close some of the facilities and services such as swimming pool, health club, bar, gymnasium, massage etc.
- The managers GHM3 and GHM4 stated that their hotel management closed their hotels during the said period
- The managers GHM1, GHM2, GHM4, GHM5 and GHM7 stated that lack of knowledge about covid-19 and its protection methods among employees were also the additional challenges for the hotel management.

For the Question, “How the hotel management solved the raised challenges encountered during the covid-19 PPP”. The responses given by the managers at the time of the interview are:

Almost all (100%) of the managers participated in the interview declared that they involved in the following activities so that to solve the challenges encountered for the hotel management during the covid-19 PPP

1. Offered training programs to employees and implemented Covid-19 protection procedures.
2. Provided voluntary annual leave without pay for employees.
3. Reduced the staffs to 10%
4. Cutting costs for some expenses like a staff meal, transportation and introduced various limited convenient shift timings
5. Essential maintenance and renovation work in the properties.
6. Giving a discount for the customers, special discount for loyal customers etc
7. Closed some facilities like swimming pool, parlor, massage, gymnasium etc
8. Operated the significant activities in the hotels with limited staffs.
9. Offered meal services in open-air locations within the business environment.
10. Practiced dining activities and party gatherings maintaining social distances.
11. Encouraged contact less reservation and check-in for the customers.
12. Practiced cash less transactions for the customers.
13. Periodical cleaning and sanitizing of the premises.

For the similar Question stated above, the manager GHM3 stated that their hotel management managed the challenges by providing long-term loans to employees; the manager GHM1 informed that his hotel management introduced selling breads to local people part of income generation mechanism. Further, the managers GHM1, GHM2, GHM5, and GHM6 announced that their hotel management was involved in outdoor catering services for their customers in their homes for various occasions/ceremonies. Also, the managers GHM1, GHM2, and GHM7 informed that Special attractive discount packages were introduced and applied low season marketing strategies to overcome the aroused challenges. Finally, the manager GHM6 replied that his hotel management managed by taking PPE experience.

For the Question, “What are the supports obtained from the government in running the hotel business during the Covid-19 PPP”. The responses given by the managers at the time of the interview are:

The managers GHM1, GHM2, GHM5, GHM6 and GHM7 informed that some adjustment or flexible bank rule was a credit or loan rule provided by the government that supported them operate their hotel business in a manageable way during the Covid-19 PPP.

The manager GHM1 stated that the government had instructed them to postpone employee pension payment. The manager GHM5 mentioned that the government has given relaxation and allowed an extension in the date for tax payments. Further, all (100%) managers in this study declared that the government had offered Health and Covid-19 protection related training programs to hotel employees with the help of health care specialists and experts.

Conclusion

Coronavirus (COVID-19) is a transferrable disease caused by a newly revealed coronavirus. This virus spread wide-reaching made severe harms to human lives and restrictions in several activities. This pandemic condition also directed to have a sizeable loss in the hospitality business in various means. The study on the challenges and overcoming measures during the Covid-19 pandemic peak period in the star-rated hotels in Gondar town declares that there were budget deficits or economic concerns, lack of ability to pay salary, and run the business to fulfillment of its goals. As a part of overcoming the accumulated challenges, the hotel management applied cost reducing, minimizing the work force, offering training programs, rendering basic maintenance and renovation works in the properties, giving discounts, forced leave to employees and closure of hotels facilities and services and operating the major activities in the hotels with limited staffs.

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