

## **Covid-19 pandemic: Revoke of State of Emergency and its implications in the hotel business in Amhara region, Ethiopia**

**Thamimul Ansari Peer Mohamed**

Department of Hotel Management, College of Business & Economics,  
University of Gondar, Ethiopia  
E-Mail: thamimulansari943@gmail.com

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### **Abstract**

Corona virus disease caused severe damages to many industries including hotel industry worldwide including Ethiopia that is evident from many researches that were conducted earlier. This study is slightly deviant and focused on identifying the challenges encountered by the hotel management after the revoke of the State of Emergency Period (SOEP) in star-rated hotels in Amhara region. Descriptive research design and judgmental sampling technique is used, and structured interviews were conducted with the ten managers working in the star-rated hotels in different managerial positions. Study results reveal that Average Monthly Occupancy Rate (AMOR) is fallen to the minimum (0%) and led to the budget deficit, lack of capacity to pay salary and run the business during the SOEP period. However, significant progress (26.3%) AMOR was there in the business after the revoke of state of emergency. The hotel management overcomes the accumulated challenges by cost-reducing, offering training programs, by giving discounts, operating the major activities with limited multi skilled workers.

**Key words:** Covid 19, Challenges, Hotels, Measures, State of Emergency

### **Introduction**

#### ***Introduction and Background***

*In accordance with Article 93 of the Constitution of the Federal Democratic Republic of Ethiopia (FDRE), the Government declared a 5-month State of Emergency in an effort to limit the spread of the Coronavirus (COVID-19). The measures associated with the state of emergency include banning of all public gatherings, greetings by handshake, all movements at land borders except for the flow of cargo and essential goods. Additionally, Transportation service-providers to reduce passenger loads by 50% for all national and local journeys, train services within Addis Ababa, as well as on the Addis Ababa – Djibouti route, are to operate passenger capacity at 25% on all journeys. Further, Landlords are banned from evicting or increasing rents on private tenants, All commercial and private employers are prohibited from reducing their workforces or prematurely terminating employment contracts, Students and teachers are banned from meeting and will only be permitted to connect online or by other means that do not contravene social distancing measures.*

Amhara Region governed from its large modern capital city of Bahir Dar, on the southern tip of Lake Tana, Amhara covers an area of 170,752 square km and supports a population estimated at 19.2 million in 2013. In this region, Gondar and Bahirdar are the top two major cities with population 360,600 and 313,997 respectively.

Now the corona virus spreading expanded rapidly to almost all countries worldwide. In Ethiopia, According to International Rescue Committee (IRC) press release a enormous twelve-fold growth in Covid-19 cases between June and September and Ethiopia currently holds the maximum

Covid-19 caseload in East Africa. The COVID-19 spreading is consistent and as of today November 17, 2020, the total recorded cases are 103,056 including 1581 deaths.

In addition to all the consequences, the Ethiopian government has recently revoked the state of emergency and opened doors for all activities to perform. This paper focuses on the Covid-19 consequences and rectification measures in the hotel business in the Amhara region, Ethiopia after the revoke of state of emergency declared for the spread of corona virus disease.

***Statement of the problem:***

Corona virus disease caused severe damages to many industries including hotel industry worldwide including Ethiopia that is evident from many researches that were conducted earlier. This study is slightly deviant and focused on identifying the challenges encountered by the hotel management after the revoke of the covid-19 SOEP in star-rated hotels in Amhara region

***Objectives***

The study's general objective is to investigate the challenges faced by the management of the star-rated hotels after the revoke of the covid-19 SOEP. The specific objectives are:

- Portray the rectification measures followed by the management of the star-rated hotels after the revoke of the covid-19 SOEP
- To investigate the ideas and suggestions of the management of the star-rated hotels for bringing back the good business in the hotels in future.

**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 Amhara region using structured interviews from October to November 2020.

***Study Population***

The managers working in the star-rated hotels in the Amhara region especially in the two major cities Gondar and Bahirdar. 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	Place
1	Florida International Hotel	3	Gondar
2	Jantekel Hotel	3	Gondar
3	Haile Resort Gondar( Formerly Landmark hotel)	3	Gondar
4	Taye Belay Hotel	3	Gondar
5	AG Hotel	3	Gondar
6	Goha Hotel	3	Gondar
7	Avanti Blue Nile Hotel	4	Bahirdar
8	Jacaranda Hotel	4	Bahirdar
9	Grand Resort	3	Bahirdar
10	Rah Nile Hotel	3	Bahirdar

***Sample size and sampling procedure***

According to the website information of the MOCT, Ethiopia, there are 14 star-rated hotels in Amhara region. Judgmental sampling technique was used in the study. Accordingly, the managers working in the star-rated hotels in the two major cities Gondar and Bahirdar were selected for the

study purpose, as they are the touristic important cities and receives more tourists to this region and due to their relevancy to obtain qualitative data to strengthen the study. The ultimate sample size was ten 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. Accordingly, each manager were interviewed based on the prefixed schedule. 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 responses, and narrative approaches were carried out in the interpretation to disseminate their ideas and actions.

### **Results and Discussion**

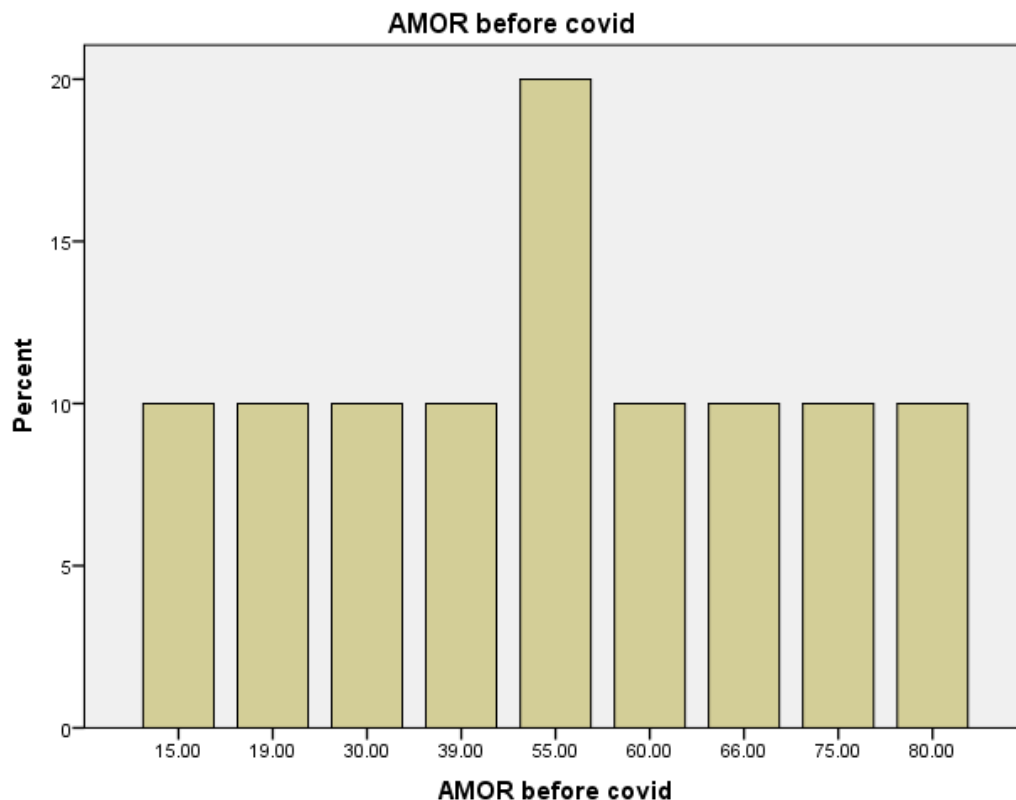
**Table 2. Socio-demographic characteristics of the respondents (N=10)**

<b>Variables</b>	<b>N (%)</b>
<b>Gender</b>	
Male	8(80%)
Female	2(20%)
<b>Education</b>	
Diploma	0(0%)
Degree	3(30%)
Masters	7(70%)
Others	0(0%)
<b>Age( In years)</b>	
25-30	5(50%)
31-40	3(30%)
Above 40	2(20%)
<b>Marital Status</b>	
Single	5(50%)
Married	5(50%)
Divorced/Separated	0(0%)
<b>Job Position</b>	
Front office Manager	2(20%)
Human Resource Manager	1(10%)
HR & Training Manager	2(20%)
General Manager	3(30%)
F & B Director	1(10%)
Recreation Center Manager	1(10%)

Variables	N (%)
<b>Years of Service</b>	
2-4 years	4(40%)
4-6 years	1(10%)
More than 6 years	5(50%)

The Table-2 illustrates the socio-demographic characteristics of the respondents. The male respondents were the majority 8(80%) and the females were only 2(20%). With respect to their educational status the majority 7(70%) of them are Master degree holders and the rest 3(30%) had Degree as their educational qualification. Further, in their age category, the majority 5(50%) of them are young with the age ranges from 2-4 years. However, there are fewer numbers in higher age group such as 3(30%) with 31-40 years and 2(20%) with age above 40 years. In the marital status the managers equally fall 5(50%) with marries and single status. In addition, the Job title of the managers taken part in the study are 3(30%) General Managers, 2(20%) Front office managers, 2(20%) HR and Training managers and rest 1(10%) each are in the positions Human Resource Manager, F & B Director and Recreation center manager respectively. The years of service of the managers in their positions were stated as 5(50%) with more than 6 years of service, 4(40%) with 2-4 years of service and 1(10%) is between 4-6 years of service in the hotel industry.

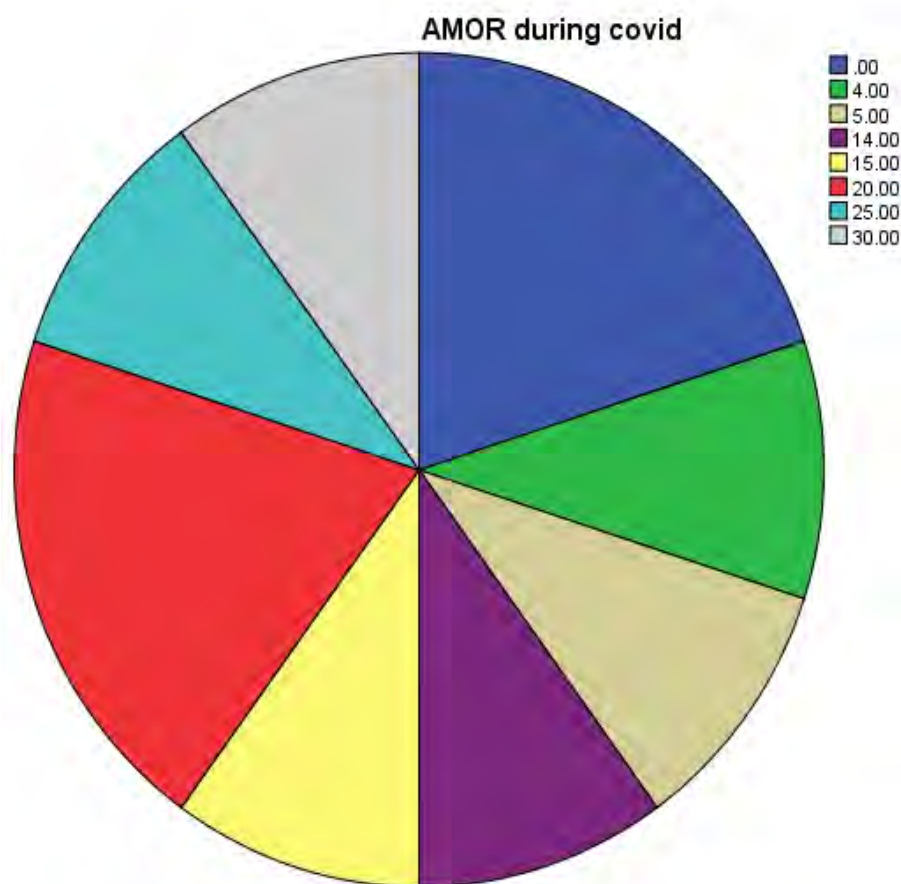
***AMOR in the star-rated hotels before the Covid-19 SOEP***



**Figure 1. AMOR in the star-rated hotels before the Covid-19 SOEP**

The information depicted in Figure 1 AMOR in the star-rated hotels before the Covid-19 SOEP it can be understood that the AMOR was relatively high with an average mean value (55%) and with the minimum AMOR as (15%) and the maximum was (80%). Normally if the AMOR does not fall below 50% indicates that the sector is operating in profit and in a sustainable manner.

***AMOR in the star-rated hotels during the Covid-19 SOEP***

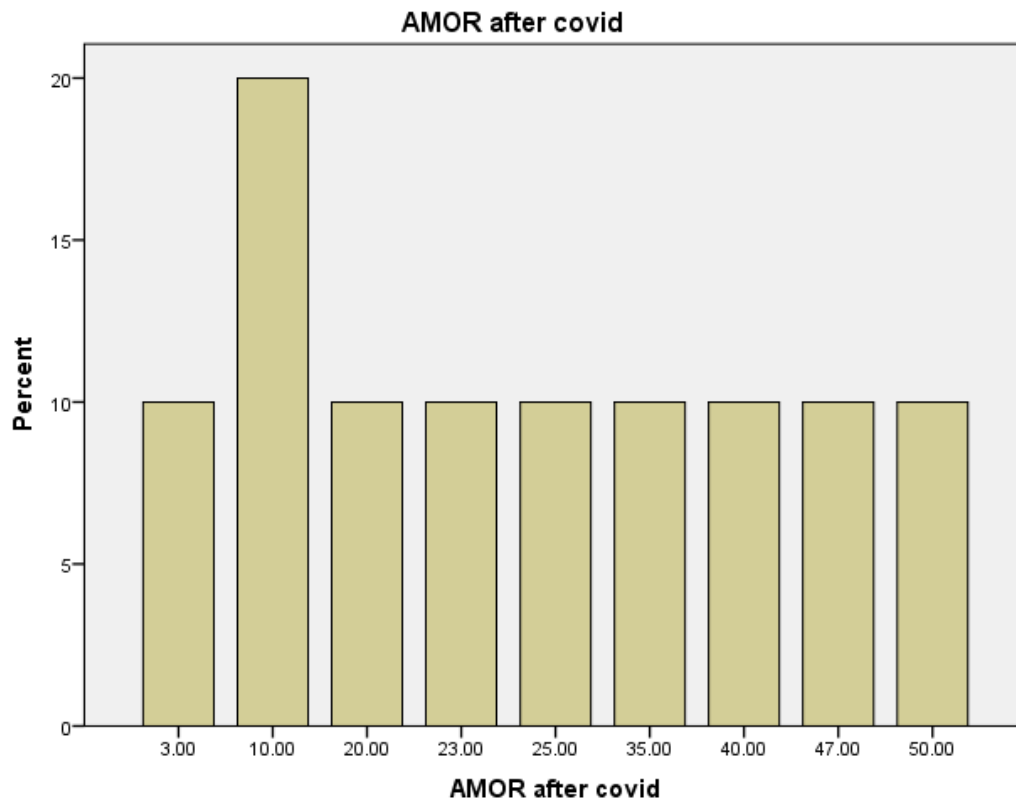


**Figure 2. AMOR in the star-rated hotels during the Covid-19 SOEP**

Figure 2 denotes the AMOR in the star-rated hotels during the Covid-19 SOEP. The information states projects that the AMOR was very low with an average mean value (13.3%) and with the minimum AMOR as (0%) and the maximum was (30%). Normally if the AMOR falls between (0-30percent) indicates that, the sector is operating in a huge loss and it needs a vigorous resolution measure for survival.

***AMOR in the star-rated hotels after the Covid-19 SOEP***

The information depicted in the following Figure 3 AMOR in the star-rated hotels after the Covid-19 SOEP declares that there is a significant increase in the AMOR with an average mean value (26.3%) though the minimum and maximum AMOR ranges from (3-50%).



**Figure 3. AMOR in the star-rated hotels after the Covid-19 SOEP**

#### *Managers response to interview questions*

For the Question “What are the challenges the hotel management experienced after the covid-19 (SOEP)?” The responses given by various managers during the interview are:

Budget Deficit/Financial constraints in operating the hotel business are the major challenges faced by the hotel management and it is confirmed by the managers Bahirdar Hotel Manager- Respondent 1(BHM1), Bahirdar Hotel Manager- Respondent 3 (BHM3), Bahirdar Hotel Manager- Respondent 4 (BHM4), Gondar Hotel Manager- Respondent 3 (GHM3), Gondar Hotel Manager- Respondent 5 (GHM5) and Gondar Hotel Manager- Respondent 6 (GHM6)

- All the managers taken part in the interview announced that the following are also the important challenges faced by the hotel management during the covid-19:
  - Lack of customers and loosing entire business
  - Unable to pay salary for employees and offering meals to them.
  - Forced to send employees on annual leave
  - Government restrictions
  - Inflation in the cost of commodities/raw materials
  - Not able to achieve the objective of the hotel in financial issues.
  - Fear among employees to work because of second wave covid
  - Western countries are still under pandemic and our potential guests are from those countries and no arrival to our hotels for stay.

- Hotel managers Bahirdar Hotel Manager- Respondent 2(BHM2), BHM4 and Gondar Hotel Manager- Respondent 2(GHM2) 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 BHM2, BHM3, GHM3, GHM6 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, “What are the rectification measures the hotel management followed for the encountered challenges after the covid-19 (SOEP)? The responses given by the managers at the time of 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 pandemic (SOEP):

1. Offered training programs to employees and implemented covid 19 protection procedures.
2. Cutting costs for some expenses like staff meal, transportation and introduced various limited convenient shift timings
3. Giving discount for the customers, special discount for loyal customers etc
4. Closed some facilities like swimming pool, parlor, massage, gymnasium etc
5. Operated the major activities in the hotels with limited multi skilled staffs
6. Offered meal services in open-air locations within the business environment.
7. Practiced dining activities and party gatherings maintaining social distancing
8. Encouraged contact less reservation and check-in for the customers.
9. Practiced cash less transactions for the customers.
10. Periodical cleaning and sanitizing of the premises.

For the similar question stated above, the manager GHM3 BHM4 stated that their hotel management managed the challenges by providing long-term loan to employees; the manager GHM1 informed that their hotel management introduced selling breads to local people as a part of income generation mechanism. Further, the managers GHM5, BHM4, GHM2, and BHM1 announced that they involved in outdoor catering services for the customers in their homes for various occasions/ceremonies. In addition, the managers BHM1 and BHM3 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 ideas and suggestions of the hotel management for bringing back good business in future after the covid-19 (SOEP)? The responses given by the managers at the time of interview are:

Almost all (100%) of the managers participated in the interview informed that the hotel management must put the following things in practice:

1. Try to deliver hotel service through protection methodology.
2. Making hotel compound free from covid-19
3. Preparing knowledge creation program about the covid-19 protection methods, safe guest handling procedures.
4. Government should scale-up its support (finance, prolonging loan period, free tax/VAT, country image building and COVID-19 protection).

#### 5. Awareness creation, promotion of the hotel products and services

Further, for the similar question the managers BHM2 and GHM3 stated that all stakeholders in the sector should collectively strive in designation marketing and finally the manager GHM6 insisted that The tourism industry ,hotels ,and the government together should prepare strategic plan about post tourism activity & the way how to attract tourists to Ethiopia & implementing in to action.

#### 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 declares that there were budget deficits or economic concerns, lack of ability to pay salary, and run the business to fulfillment of its goals during the Covid-19 SOEP. It reported a AMOR ranging from (0-30percent) and it underwent a significant increase in the AMOR with an average mean value (26.3%) though the minimum and maximum AMOR ranges from (3-50%). As a part of overcoming the accumulated challenges, the hotel management applied cost reducing, offering training programs, giving discounts, closure of few hotels facilities and services and operating the major activities in the hotels with limited multi skilled staffs. These measures vigorously undertaken with the support of government and stakeholders' in these sectors for the survival and sustainability in the hotel businesses in Amhara region.

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