



## **Human Resource Management Practises Amidst the Crisis: A Study of the Hospitality and Tourism Industry in the Southern Province of Sri Lanka**

*By K.N.N. SILVA<sup>1</sup> & T.M.A.C. THENNAKON<sup>2</sup>*

The hospitality and tourism industry in Sri Lanka has traditionally played a significant role in the country's economy, serving as a major source of foreign exchange earnings. However, due to various crisis situations such as the Easter Sunday attack, the COVID-19 pandemic, and the current economic crisis, the industry has experienced a decline in performance. This study aims to investigate the impact of crises on the hospitality and tourism industry in the southern province of Sri Lanka, analyse the changes in human resource practises adopted to mitigate the crisis, and explore innovative HR practises to address future crises in the sector. Data was collected through a pre-tested questionnaire survey administered to 40 hotels representing three, four, and five-star categories. Descriptive and non-parametric statistical methods were used for data analysis. The research findings indicate that the recent crisis situations have had a significant impact on various performance indicators of the hospitality and tourism industry, including total bookings, average daily rate, revenue per available room, average length of stay, and occupancy rate. The sector has implemented different managerial strategies in areas such as labour force management, work scheduling, wage and salary plans, and training schedules to mitigate the adverse effects of crises. The study recommends the adoption of crisis preparedness strategies through effective human resource management practises to effectively address challenges during crisis situations in the hospitality and tourism industry.

**KEYWORDS:** Crisis situations, Hospitality and tourism, Human resource practise, Performance

---

<sup>1</sup> Department of Agricultural Economics & Agribusiness, Faculty of Agriculture, Universtiy of Ruhuna

<sup>2</sup> Department of Agricultural Economics & Agribusiness, Faculty of Agriculture, Universtiy of Ruhuna, Email Address: nadee@agri.ruh.ac.lk

## INTRODUCTION

The hospitality and tourism industry is a significant sector within the service industry, comprising areas such as food and beverage, travel and tourism, lodging, and recreation. It plays a crucial role in global value creation, as highlighted by the World Travel and Tourism Council (WTTC). According to recent figures from WTTC, the industry contributed approximately 8.6 trillion USD to the global economy in 2022, which is just 6.4% below pre-pandemic levels (Silva, 2020).

Crisis management is a vital function across all industries, and its importance has become even more apparent in the tourism and hotel industry due to the COVID-19 pandemic. Previous studies have emphasized the significant link between conflicts and tourism (Ngoc Su, Luc Tra, Thi Huynh, Nguyen, O'Mahony, 2021). The consequences of a crisis not only pose a threat to the national economy but also jeopardise the existence of many tourist sites. Therefore, it is crucial to focus on crisis management strategies to mitigate undesirable outcomes. Sri Lanka has experienced severe challenges due to the Sunday Easter attack and the ongoing economic crisis in the country.

Human Resource Managers (HRMs) play a crucial role in navigating and managing crises, serving as leaders who oversee all departments within a company (Shil et al., 2020). Crises such as economic downturns and terrorism, both of which are man-made, can have significant impacts on the hospitality and tourism industry. The most recent and severe crisis the world has faced is the COVID-19 pandemic. Economic crises create uncertainty in the economic environment, leading to a decrease in tourism demand and the loss of skilled employees (Okumus et al., 2005). Terrorism, on the other hand, has a profound impact on tourists, and the varying levels of terrorism threats influence their choice of travel destinations.

The hospitality and tourism industry has played a major role in the Sri Lankan economy, serving as a significant source of foreign exchange for the country. However, Sri Lanka has faced unprecedented challenges due to a depletion of foreign reserves, leading to difficulties in importing essential goods. This situation began with the Easter Sunday attack and was further exacerbated by the COVID-19 pandemic (Ranasinghe et al., 2020). These unexpected crises have greatly impacted the tourism and hospitality industry, as tourists have become hesitant to visit the country, leading to a collapse of the sector. Despite the challenges, the industry has implemented various strategies to sustain its operations. It is important to analyse these strategies and examine

how the industry has managed to survive during these difficult times, considering it is one of the most luxurious industries in Sri Lanka.

The focus of this study is the southern province of Sri Lanka, a province where tourism has flourished, which comprises three districts: Galle, Matara, and Hambantota. This region is home to several tourist attractions, including preserved areas such as Yala, Lunugamwehera, and Bundala national parks, as well as picturesque coastal areas, unique architectural hotels, shops, and restaurants. The study aims to investigate the performance of the hospitality and tourism industry in the southern province of Sri Lanka, analyse the transition in human resource practises and initiatives adopted to cope with the crisis impact, and explore innovative human resource practises and suggestions to mitigate future crises in the industry.

Previous studies have examined the strategic role of HRM during crises in various industries. Vardarli (2016) explored the role of HRM in the crisis management process and its impact on human capital. He, Mao, Morrison, and Coca-Stefaniak (2021) investigated the fear and uncertainty experienced by employees during the COVID-19 pandemic and how HRM helps manage their concerns about job security. A similar study was conducted in the Sri Lankan context by Adikaram, Naotunna and Priyankara (2021), involving 26 Sri Lankan companies. While the hospitality and tourism industry have been directly affected by the crisis situations faced by Sri Lanka in recent years, there is a lack of studies specifically targeting HRM practises in the industry to manage the impact on employees and the sector. Therefore, this research study aims to examine the HRM activities adopted by the hospitality and tourism industries, with a focus on the southern province, given its significance in the Sri Lankan tourism sector.

The main objective of this study is to investigate human resource management practises during crises. The specific objectives include identifying the impact of crisis situations on the performance of the hospitality and tourism industries in the southern province, analysing the transition in human resource practises and initiatives undertaken to mitigate the crisis impact, and exploring innovative HR practises and suggestions to mitigate future crises in the industry.

## **LITERATURE REVIEW**

### **HRM Practises under different crisis situations**

The concept of a crisis has been defined differently in the literature. Doern, Williams, and Vorley (2021) describe a crisis as an extreme, unexpected, or unpredictable situation that demands a quick response from organisations. Cater and Beal (2014) define a crisis as a low-probability situation with significant consequences for the organisation, characterised by a high degree of uncertainty. Regardless of the specific crisis, organisations commonly experience surprise, threat, and a need for quick response. The literature has explored various types of crises that pose challenges to organisational performance, including natural disasters, terrorist attacks, economic crises, scandals, bribery, and sexual harassment. In the context of these crises, the role of HRM approaches has been discussed. Two approaches, namely the "soft" and "hard" models, have been identified (Edvardsson & Durst, 2021). These models discuss strategies for motivating employees during a crisis while minimising labour-related costs for organisations.

Among all organisational activities, human resource management (HRM) is considered crucial as it focuses on managing a unique resource that is distinct from other resources. HRM involves the efficient and effective utilisation of human resources to achieve organisational goals and objectives (Gamage, 2016). It encompasses various tasks such as job design, job analysis, human resource planning, recruitment, onboarding, training and development, rewards management, and health and safety management. With the COVID-19 pandemic, HRM has an increased responsibility to ensure the health and well-being of employees. Promoting workplace safety and health measures has become even more critical in the current global crisis. Given that workplaces attract a large number of people, enterprises and employers have a significant role in maintaining workplace safety to minimise the spread of the disease, as emphasised by the Epidemiology Unit: Ministry of Health and Indigenous Medical Services in Sri Lanka. Therefore, HRM plays a significant role in managing employee well-being while carrying out other HRM tasks and implementing innovative practises in this new environment (Nizamidou, 2018).

The HR department now has additional responsibility for crisis management, requiring them to become strategic partners within every organization's crisis management team (CMT). While the role of HRD (Human Resource Development) in organising, preparing for, and handling organisational crises

has been emphasised by experts and thinkers in crisis management and HR management, there has been limited research on HRD's role in managing and assisting organisations in recovering from a crisis (Stone and Deadrick, 2015).

### **Hospitality and Tourism industry in global and Sri Lankan contexts**

The tourism industry is considered the world's largest industry and plays a significant role in local, national, and international economies. It contributes to nearly 10% of the global Gross National Product (GNP) and accounts for approximately 6-7% of all exports of products and services (Srinivasan, Kumar, & Ganesh, 2013). The industry has been recognised for its potential contribution to economic growth, and it generates employment opportunities across various sectors. Tourism also drives infrastructure development in many destinations, including improvements in transportation networks, telecommunication services, and public amenities, benefiting both tourists and local residents. Additionally, tourism significantly impacts a country's GDP, with a substantial portion of gross receipts coming from foreign exchange earnings. Hence, in many regions, tourism is a key driver for economic development (Palliyaguruge & Chandralal, 2010).

The hospitality and tourism industry's economic contribution has been steadily growing over the years. In 2019, the sector's GDP outpaced global economic growth, and it supported around 330 million jobs, accounting for about 25% of job growth over the previous five years. However, the COVID-19 pandemic has had a severe negative impact on the industry, leading to a significant decline in economic output (Fatima & Elbanna, 2020). In Sri Lanka, the tourism industry faced a major setback starting with the Easter Sunday attack, which marked the beginning of its downfall. The COVID-19 pandemic further exacerbated the situation, causing the HTI sector in Sri Lanka to lose its leading position in the global economy (Silva, 2020). The tourism industry in Sri Lanka has faced multiple challenges, including the devastating 2004 Tsunami, which caused significant damage to coastal communities where many hotels are located (Srinivasan, Kumar, & Ganesh, 2013).

Recent crisis situations, such as the Easter Sunday attack, the COVID-19 pandemic, and the economic crisis in Sri Lanka, have severely impacted the HTI sector. These crises have led to instability in the tourism industry, resulting in a decline in tourist arrivals and revenue. However, the human resource personnel in hotels have played a crucial role in finding solutions to mitigate the effects of these crises on the industry (Baum, 2020). In fact, the

role of human resource management in the HTI sector during crisis situations is vital for adapting to changing circumstances, ensuring employee well-being, and implementing strategies to cope with the challenges faced by the industry. The specific HRM practises and initiatives undertaken in the HTI sector in response to these crises need to be examined to understand their impact and identify innovative practises that can help mitigate future crises in the industry.

### **The impact of Easter Sunday attack on HIT sector in Sri Lanka**

The Easter Sunday attack in Sri Lanka had a significant impact on the HTI (Hospitality and Tourism Industry) sector in the country. On April 21, a series of coordinated terrorist bombings occurred, targeting several locations including prominent hotels and Catholic churches where people had gathered for Easter service (Samarathunga & Kodithuwakku, 2020). The attack resulted in a considerable loss of life, with an estimated 250 civilians killed and significant damage to the buildings where the bombings took place. The tourism industry in Sri Lanka, which was one of the country's flourishing sectors, was severely affected by the Easter Sunday attack. The incident created a sense of fear and uncertainty among tourists, leading to a sharp decline in tourist arrivals and a negative impact on the HTI sector and related industries (Nagendrakumar, Gunawardana, & Kodikara, 2021). Tourist arrivals dropped by around 70%, and hotels faced a significant decrease in occupancy rates. In May 2019, only 37,802 foreign visitors arrived in Sri Lanka, representing a substantial decline compared to the same month in the previous year, and this downward trend continued throughout the year (Silva, 2020). The Easter attack became a major setback for the HTI sector in the Sri Lankan context.

### **Covid 19 pandemic and hospitality industry in the country**

This circumstance was abruptly followed by the Corona pandemic– another unexpected occurrence. The Easter Sunday attack in 2019 halted the sector's rapid expansion, costing the industry \$1.5 billion in tourism revenue. Shortly afterwards the first COVID-19 patient was discovered in Wuhan, China, in December 2019, and since then, the COVID-19 pandemic has spread indiscriminately among nations with sophisticated economies and those without, bringing suffering to people everywhere. 2020 TA plummeted by 17.7 percent during February after falling by 6.5 percent in January. To slow the spread of the COVID-19 pandemic, the Sri Lankan tourism industry-imposed restrictions on foreign visitor arrivals beginning in mid-March 2020 and suspended all international travel authorizations (TA) from all nations

beginning on March 19, 2020. (Nagendrakumar, Gunawardana and Kodikara, 2021)

Firms related to tourism and other businesses have had a serious negative impact due to the COVID-19 pandemic. The bulk of those employed in the tourism sector were rendered unemployed because of the closure of hotels, airlines, travel agencies, and other enterprises. It is challenging to get tourists to the sector due to the COVID-19 outbreak. The COVID-19 pandemic has had a substantial influence on Sri Lankan tourism. However, it gave rise to a chance to reconsider tourism policies and restructure Sri Lankan tourism. Additionally, the study seeks to assess how the Easter Sunday attack and COVID-19 have affected the TA by employing (Shil et al., 2020).

As a spreading disease all around the world, COVID-19 severely restricts the money flow in the global economy. With the time and higher dedication of all the health organisations, they finally controlled the global pandemic with trillions of dollars. The world still has some consequences from the disease, but at present, COVID-19 is well under control.

### **The impact of the economic crisis on Sri Lanka's HTI sector**

The term "economic crisis" is used to describe a severe recession in the economy, where production and services in the economy (GDP) shrink in real terms for two consecutive quarters in more than one industry (Abberger and Nierhaus, 2008). The most common impacts of economic crises on organisations are rising unemployment, changes in labour markets and changes in HRM practises such as wage reductions to redundancies, short term work, reductions in training programmes etc.

The current crisis in Sri Lanka is the worst to hit the nation in many years. The summer of 2022 in the tiny island nation saw thousands of protestors rush to the capital city of Colombo and seize the presidential palace. President Gotabaya Rajapakse was forced to escape and later resign by the protestors, who were fed up with the state of Sri Lanka's economy at the time. His exit on July 14 put an end to the family's nearly 20-year political hegemony. The political unrest and energy problems have their roots in previous regimes' years of economic mismanagement.

## **METHODOLOGY**

The research is carried out to analyse the impact of crisis situations on the performances of the HTI industries in Southern Sri Lanka and to identify the role of HRM in coping with these crises and managing their labour force.

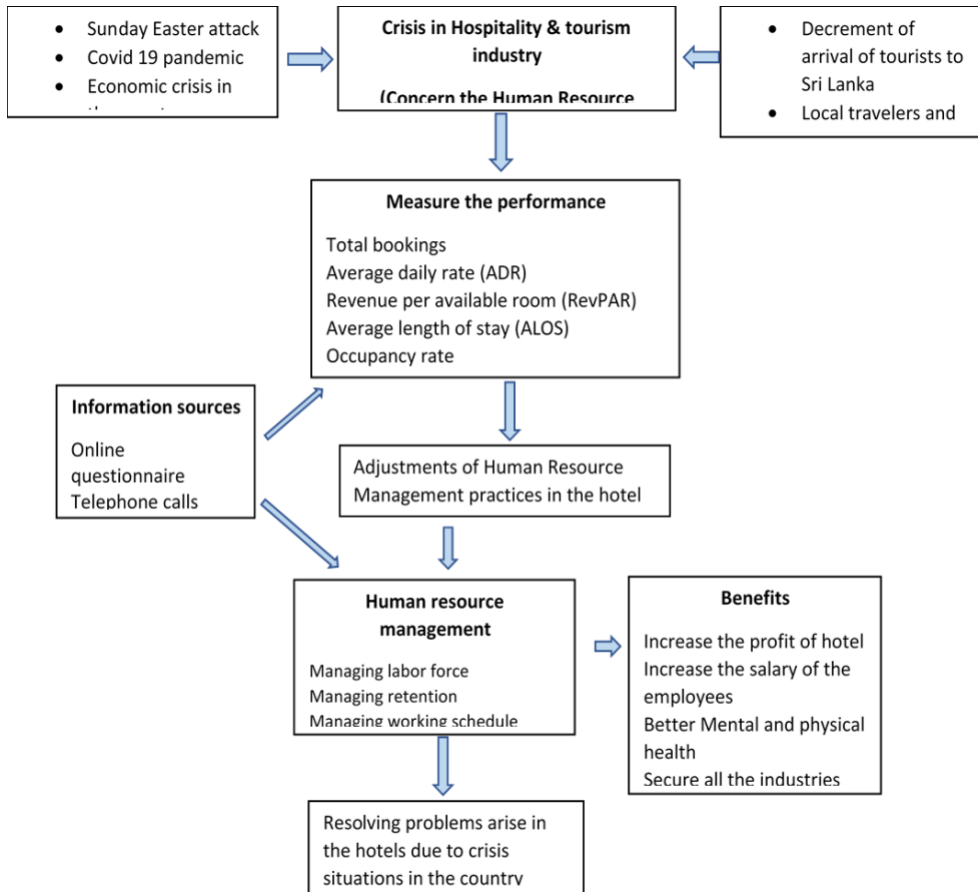
This study is mainly associated with the hospitality industry, which is one of the leading contributors to the Sri Lankan economy. Among the nine provinces, the Southern Province is one of the main tourism attraction points. HTI industries in Galle and Matara districts were selected as the sample for the study.

There are 1382 different types of hotels in the Southern Province. According to the information provided by the Sri Lanka Tourism Development Authority, there are around 350 registered hotels. The total sample size of the study was 40 hotels, including twenty-four 3-star hotels, eleven 4-star hotels, and five 5-star hotels. In these hotels, a responsible person or the human resources department were involved in answering the survey questionnaire. The sample selected was chosen to represent the three-star category of hotels. As the sampling technique, the purposive sampling technique was used as the sampling procedure of the study.

A survey was conducted using a pretested questionnaire to collect the primary data. The questionnaire was sent via e-mail and WhatsApp to the respondents, and at times the questionnaire was filled out by asking the questions in person. Secondary data that was related to the study was obtained through journals, articles, reports, books, research articles, web pages, and the Internet.



**FIGURE 01: Conceptual framework of the study**



Source: Authors' own data, 2022

The total process that followed in the study has been described in the conceptual framework. Due to the Easter Sunday attack, COVID-19 pandemic, and economic crisis, HTI started to fall. By getting the information through the methods mentioned in the conceptual framework, changes in the performance of the hotel and changes in human resource management practises were identified. From there, benefits are added to the hotel, and it makes it easier to resolve problems that arise in the hotels due to crisis situations in the country.

**Hypothesis development**

The findings of Ngoc Su et al. (2021), Jago and Deery et al. (2002), and L.P.D.S. et al. (2020) evidence that there is a relationship between crisis situations and the performance of the hotel. According to the research

objectives and in order to examine the impact of crisis situations on the performance of hotels and changes in human resource management practises, the following hypotheses were developed. In past studies, researchers have found that crisis situations have a negative effect on the performance of hotels. When the crisis impacts the performance, most of the employees have to face difficulties because of the reduced performance and also because of the cutting of facilities for workers (Einstein, 2020).

H0- There is no significant impact on organisational performance due to the crisis situations.

H1- There is a significant impact on organisational performance due to crisis situations.

Human resource management shifts its activities due to the difficult situations in a country or the economic situation. Transitions in human resource management practises are vital in a crisis (Kimes and Anderson, 2015). HRM directives make up an important dimension of crisis management since organisational HRM policies have a great influence on people adopting more humanistic HRM practises in crisis situations. HRM policies are developed as the crisis plan and include different strategies; labour management, staff retention, rearranging wages and working hours, and altering training plans are some modern approaches to crisis management (Vardarlie, 2016). According to this study, the following hypotheses are proposed:

H0 -There are no significant HR practise transitions that occurred as an impact of the crisis in HTI in the southern province.

H1- There have been significant HR practise transitions as an impact of the crisis in HTI in the southern province.

Human resource personnel in hotels investigate and test innovative HR practises to mitigate the current negative consequences of the crisis and to mitigate future crises (Grillo, 2014).

H0 -There is no significant innovation in HR practises to mitigate the future crisis in the HTI sector.

H1- There is significant innovativeness in HR practises to mitigate the future crisis in the HTI sector

After the data collection, both descriptive and non-parametric statistical analysis were used for the analysis of the data. Since this study was based on a sample drawn through purposive sampling techniques, non-parametric tests were adopted for the analysis. As descriptive analysis, pie charts and bar charts were used, and for non-parametric tests, paired sample t tests and

Wilcoxon signed rank tests were used. To analysis the performance of the HTI sector during crisis situation, Total Bookings (the total number of rooms that book/ reserve), Average Daily Rate (ADR) (used to measure the average revenue that a hotel receives for each occupied guest room per day), Revenue Per Available Room (RevPAR) (Is a performance metric in the hotel industry that is calculated by dividing a hotel's total guestroom revenue by the room count and the number of days in the period being measured), Average Length of Stay (ALOS) ( adding the total length of stay for each discharged resident in the month and dividing by the number of discharge residents in a month.), Occupancy Rate ( the percentage of occupied rooms at any given time compared to the total number of available rooms at that time) and Online reviews were selected. Some of these variables are also used by Lai and Wong et al. (2020) and Ranasinghe et al. (2020) in their studies.

### **Average Daily Rate (ADR)**

$$ADR = \frac{\textit{Total room revenue}}{\textit{No of sold room}}$$

### **Revenue Per Available Room**

$$RevPAR = \frac{\textit{Total room revenue}}{\textit{Total rooms}}$$

### **Occupancy Rate**

$$OR = \frac{\textit{No of sold room}}{\textit{Total rooms}}$$

## **RESEARCH FINDINGS**

### **The impact of crisis situations in the country on the performance of the hospitality and tourism industry (HTI) in the southern province**

#### **Total bookings**

Table 1 shows the changes in total bookings of HTI industries due to three different crisis situations: the Easter Sunday attack, the COVID-19 pandemic, and the current economic crisis. According to the results of the paired t-test, the p-value of all the criteria was less than the significant level ( $p < 0.05$ ), leading to the rejection of the null hypothesis. This indicates that the Sunday Easter attack, COVID-19 and the current economic crisis in the country have had a significant effect on total bookings. Covid -19 directly impacted travel

restrictions, resulting in both local and international guests limiting their hotel bookings. The Easter attack had a severe impact on the entire HTI industry, mainly affecting international guest bookings. The economic crisis primarily influenced local guests due to the high cost of living and inflation in the country. Similarly, Kimes and Anders (2015) found changes in total bookings due to crisis situations.

**Table 01: Impact of crises on total booking of HTIs**

Criteria	T value	P value	Decision
Change in Total bookings after Easter attack	3.791	.000	Total booking has an impact due to Easter attack
Change in Total bookings in COVID-19 pandemic	2.443	.017	Total booking has an impact due to COVID-19 pandemic
Change in Total bookings in economic crisis	3.182	.002	Total booking has an impact due to economic crisis

*Source: Survey data, (2022)*

*Significance level = 0.05*

### Average Daily Rate (ADR)

When considering mean values as shown in Table 02, there is only one considerable change. Furthermore, a paired sample t-test was used and interpreted, indicating that the p-value of the first statement ("Change in ADR after Easter attack") was lower than the significant level ( $p < 0.05$ ), suggesting a significant effect from the Easter attack. The other statements had p-values higher than the significant level ( $p > 0.05$ ), indicating that the null hypothesis was not rejected. There was no significant effect on ADR from other two crisis situations. These results can be explained by the fact that the Easter attack had the biggest impact on the HTI sector and mainly targeted the famous Five starts hotels of the country.

**Table 02: Impact of crises on Average Daily Rate of HTIs**

Criteria	T value	P value	Decision
Change in ADR after Easter attack	2.299	.024	ADR has a significant impact due to Easter attack
Change in ADR in COVID-19 pandemic	1.187	.239	ADR has no significant impact due to the COVID -19 pandemic

Change in ADR in economic crisis	1.203	.233	ADR has no significant impact due to economic crisis
----------------------------------	-------	------	--

Source: Survey data, (2022)

Significance level: 0.05

### Revenue Per Available Room (RevPAR)

The findings by Pasteur and Koch (2020) revealed that crisis situations have an impact on the performance of the HTI industry. Table 03 also shows significant changes in the mean values before and after each crisis, and a paired t-test was conducted for further interpretation. The result of the paired t-test indicates that the p-value for all statements was lower than the significance level ( $p < 0.05$ ). This suggests that RevPAR (Revenue per Available Room) was significantly affected by the Easter attack, COVID-19, and the economic crisis. These research findings are evident, as all the aforementioned crises have had a significant impact on the entire country's economy.

**Table 03: Impact of crises on Revenue per Available room of HTIs**

Criteria	T value	P Value	Decision
Change in (RevPAR) after Easter attack	4.466	.000	(RevPAR) has a significant impact due to Easter attack
Change in (RevPAR) in COVID-19 pandemic	2.524	.014	(RevPAR) has a significant impact due to COVID-19 pandemic
Change in (RevPAR) in economic crisis	3.768	.000	(RevPAR) has a significant impact due to economic crisis.

Source: Survey data, (2022)

Significance level: 0.05

### Average Length of Stay (ALOS)

Table 4 presents the various criteria used to measure the performance of the average length of Stay (ALOS). The Mean values for all statements do not exhibit significant differences; however, the p-values for all statements are lower than the significance level ( $p < 0.05$ ). This interpretation suggests a significant effect on ALOS from the three criteria. Based on these findings, it is evident that all crisis situations have impacted the decision-making process

regarding hotel stays, especially due to health concerns related to Covid-19 and increased expenses associated with high inflation.

**Table 04: Impact of crises on Average length of stay of HTIs**

Criteria	T value	P value	Decision
Change in (ALOS) after Easter attack	5.673	.000	(ALOS) has a significant impact due to Easter attack
Change in (ALOS) in COVID-19 pandemic	2.676	.009	(ALOS) has a significant impact due to COVID-19 pandemic
Change in (ALOS) in economic crisis	7.682	.000	(ALOS) has a significant impact due to economic crisis

Source: Survey data, (2022)

Significance level: 0.05

### Occupancy Rate

With the decrease in arrivals to the country, all the performance criteria of the hotel experienced a decline (Ranasinghe *et al.*, 2020). Table 05 displays the results of the paired t-test, where p-values for all the criteria are lower than the significance level ( $p < 0.05$ ), leading to the rejection of the null hypothesis in favour of the alternative hypothesis. This indicates that the Easter attack, COVID-19 and the current economic crisis in the country have significantly impacted the occupancy rate. The HTI sector's occupancy rate has decreased due to low number of guest arrivals.

**Table 05: Impact of crises on occupancy Rate of HTIs**

Criteria	T value	P value	Decision
Change in Occupancy Rate in after Easter attack	34.94	.000	Occupancy Rate has a significant impact due to Easter attack
Change in Occupancy Rate in COVID-19 pandemic	12.64	.000	Occupancy Rate has a significant impact due to COVID-19 pandemic
Change in Occupancy Rate in economic crisis	31.353	.000	Occupancy Rate has a significant impact due to economic crisis

Source: Survey data, (2022)

Significance level: 0.05

## Online reviews

Table 6 displays the results of the paired t-test, where p-values for all the criteria are higher than the significance level ( $p < 0.05$ ), leading to the rejection of the null hypothesis in favour of the alternative hypothesis. Consequently, the Easter attack, COVID-19 and the current economic crisis in the country do not have a significant effect on the occupancy rate. This could be attributed to the fact that online reviews are a cost-effective activity for guests, allowing them to review hotels at any time and at a low cost. Alternatively, they may be reviewing hotels with the intention of booking them in the future.

**Table 06: Impact of crises on online review of HTIs**

Criteria	T value	P value	Decision
Change in online reviews after the Easter attack	-.862	.391	Online reviews have had no significant impact due to Easter attack
Change in online reviews in COVID-19 pandemic	-.440	.661	Online reviews have had no significant impact due to COVID-19 pandemic
Change in online reviews in economic crisis	-.673	.503	Online reviews have had no significant impact due to economic crisis

*Source: Survey data, (2022)*

*Significance level: 0.05*

## Analyse the transition in Human Resource practises and initiatives to cope the crises impact

### Managing labour force

The assessment of the transition of prevailing HRM practises during crisis situations involved measuring key indicators concerning the management of the labour force, labour retention, and working schedule in hotels. Six main variables were utilised to identify the variables associated with labour force management.

**Table 07: HRM practises and initiatives for managing labour force**

Sub variable	P value	T value	Decision
Hire an external workforce analyst	.000	5.049	HIT hasn't hired an external workforce analyst during the crisis
Focus on education and training for managers and employees	.0000	5.395	HTI in southern province hasn't focused on the education and training for managers and employees in the crisis
Set targets, measure, and report	.000	-.690	In the crisis HTI sector highly concern to set targets, measure, and get reports
Enable employee self service	.001	3.244	Self-service practises are used in difficult situations to reduce the cost by HTI in southern province
Integrate HCM with WFM software	.000	5.646	have a positive mind to integrate with software in the crisis situations and for the easiness of operations but not having a significant knowledge about them.

Source: Survey data, (2022)

Significance level: 0.05

When managing the labour force becomes difficult during a crisis, management often prefers to reduce costs in the company (Grillo, 2014). Table 07 displays the results of the Wilcoxon signed-rank test, where the p-value for all the criteria, except for the "build workforce management statement", is less than the significance level ( $p < 0.05$ ), leading to the rejection of the null hypothesis in favour of the alternative hypothesis. This suggests that crisis situations have a significant impact on labour management practises such as hiring external analysts and focusing on education and training, which have experienced negative changes. On the other hand, setting targets, measuring, and reporting are highly preferred by HR management. The other two variables have also undergone changes.



## Managing retention

**Table 08: HRM practises and initiatives for managing labour retention**

Sub variable	P value	T value	Decision
Build employee engagement.	.000	-5.719	Building employee engagement in responding to crises is something that HTI in the southern province highly accepts.
Get recognition and rewards right	.000	4.543	In a crisis, the Southern province HTI sector hasn't paid attention to the rewards with additional cost to them
Create an exceptional onboarding experience	.000	5.590	In a crisis, it is not worth to provide exceptional onboarding experiences within the HTI sector, Southern Province
provides avenues for professionals	.000	5.552	HTI in Southern Province reduces professional networking opportunities at an additional cost to the business.
Build a culture that employees want to be a part of	.000	-5.930	Giving employees the impression that they are a part of the hotel during a crisis is crucial. Therefore, HR professionals highly regard this subvariable.
Offering winning incentives	.000	4.993	HTI in Southern Province does not induce offering winning incentives in a crisis with an additional cost
Prevent burnout by focusing on employee wellness	.000	5.512	The goal of HR professionals is to promote employee wellness during times of crisis, not to prevent burnout.

Source: Survey data, (2022)

Significance level: 0.05

The result of the Wilcoxon signed-rank test indicates that the p-values for all statements were lower than the significance level ( $p < 0.05$ ). This suggests that there have been significant changes in the variables related to managing retention. Especially, building employee engagement and creating a culture where employees want to be a part of have shown positive acquisition. Additionally, other variables related to managing retention have also experienced significant changes. These findings align positively with the research conducted by Kimes and Anderson 2015.

## Managing working schedule

**Table 09: HRM practises and initiatives for managing working schedules**

Sub variable	P value	T value	Decision
Identify time suckers	.000	-5.706	Finding time wasters in emergency situations is a major concern for the HTI sector in the Southern Province.
Prioritise wisely	.000	-5.371	Wisely prioritising is a dominant activity in the HTI sector in the Southern Province in crisis time
Create a daily schedule and stick with it	.006	-2.745	Maintaining a daily schedule is another crucial transition in the Southern Province's HRM and HTI sectors.
Group similar tasks together	.942	.073	The human resource personnel working in the HTI sector in Sri Lanka's Southern Province are not particularly concerned with grouping similar tasks.
Avoid the urge to multitask	.006	-2.122	In order to prevent further harm to the hotel, the HTI sector in the Southern Province resists the urge to multitask during a crisis.
Eliminate distractions	.034	2.734	The HTI sector in Southern Province has eliminated distractions more frequently than usual during this crisis.

*Source: Survey data, (2022)*

The evaluation criteria used to compare working schedule management practises before the occurrence of three distinct crisis situations are shown in Table 9. The Wilcoxon signed-rank test was employed to analyse the significant measures relevant to this study. Based on the findings, there was a significant impact on almost all working schedule management practises, with the exception of one practise (grouping similar tasks together). Therefore, it can be concluded that these activities have undergone considerable changes as a result of the crisis situations.

## Explore innovative HR practises and suggestions to mitigate the future crisis in the HTI sector

This study attempts to explore the different innovative HR practises adopted by the HTI industry during the crisis using a few dimensions such as insurance policies, leave and compensation packages, employee welfare facilities, and training and development plans.

**Innovative HRM practises adopted during the crises****Table 10: Innovative HRM practises adopted by HTIs during crises**

Sub variable	P value	T value	Decision
Life insurance policies	.001	-3.253	Life insurance benefits to the employees are reduced due to crises to reduce the additional cost.
Paid time off, vacation time, and sick leave	.004	2.846	Completely stopped paying time off, vacations and sick leaves are strictly reduced due to the crisis to reduce the cost
Extended leave or family leave programmes	.000	4.427	Family leaves and extended leaves are almost stopped by the HR professionals in the HTI sector due to the downfall of the sector with the crisis.
Student loan repayment programmes, college grants and scholarships	.000	4.743	The provision of student loan repayment programmes, college grants, and scholarships in the HTI sector has significantly decreased as a result of the crisis.
Paid training and development opportunities	.027	2.214	The HTI sector restricted paid training and development opportunities due to the crisis to reduce the additional expenditure.
Continuous education	.001	-3.479	Facilities for continuous education in the HTI sector have been reduced due to the crisis to reduce costs.
Company equipment and transportation	1.000	.000	The HTI sector controls the provision of transportation facilities and purchases new equipment due to crises to reduce extra expenditure.

*Source: Survey data, (2022)*

*Significance level: 0.05*

The significance of the practises was evaluated using the Wilcoxon signed rank test. Accordingly, the p value of all the criteria except company equipment and transportation is less than the significant level ( $p < 0.05$ ), and the null hypothesis is rejected and the alternative hypothesis retained. According to this, the benefit plan for hotel employees is significantly impacted by the country's current crises. Dissanayake (2020) discovered findings that were consistent with previous research.

## CONCLUSION

In the era of globalisation, the hospitality and tourism industries enhance economic growth through job creation, foreign exchange earnings, and regional development. The economy of any nation is influenced by the food served in both households and eating establishments within the country. It is the primary responsibility of the hospitality industry to provide food for people of all ages, from all walks of life, at all times of the day or night, and in every situation.

In the context of the country, the hospitality, tourism, and leisure sectors in Sri Lanka have been significantly impacted by three consecutive crises. This study reveals the performance of the sector, as measured by total bookings, Revenue Per Available Room (RevPAR), Average Length of Stay (ALOS) and occupancy rate. Those have been affected significantly by these crises. The average daily rate (ADR) was only affected by the Easter attack, and online reviews were not significantly impacted.

With the exception of building a workforce management team, all labour force management measures studied were influenced by the aforementioned crises. Previous studies have supported these research findings and demonstrated the implementation of organisational resource supporting activities during times of crisis. All human resource management (HRM) strategies need to be implemented with a crisis plan.

During the crisis, the management of the hospitality, tourism, and leisure industry faced pressure in manage workforce retention. Literature suggests several strategies, such as employee motivation, managing labour schedules, and providing transportation and other facilities even during a crisis. Management made significant changes to the working schedule due to the Easter attack, COVID-19, and the economic crisis. In terms of strategic HRM initiatives adopted by the industry, all practices except company equipment and transportation expenses have been reduced by management. HR managers suggest implementing well-directed cost reduction strategies to ensure the survival of the industry in future crises. Additionally, they recommend improving professional networks with private and public organisations to attract them to hold their organisational functions at hotel premises, thus recovering the income loss due to the absence of tourists.

In summary, there was a significant impact of the crisis on the performance of the HTI industry in the southern province, irrespective of the star category. The HRM departments of these HTI industries played a crucial role in

reducing costs due to low income, as well as in retaining and motivating their employees during the crisis. Therefore, it can be concluded that there was a substantial transition of HRM practises in the HTI sector to cope with the crisis. Importantly, HRM managers and upper management of the hotels have embraced innovative approaches and developed new HRM plans as alternatives for future crisis situations.

## **RECOMMENDATION**

Arranging flexible working behaviour/patterns to make it easier to work in crisis situations without the extra pressure of the employees, close supervision should be strengthened because employees have difficulties in even normal working situations. Because profit must exist, but employees are necessary to make profit, it is crucial to strike a balance between profit-making strategies and employee welfare initiatives. So, hotels must protect their workforce. With the knowledge gained from past crises, management can deal with challenges in the present and future in an effective and efficient manner. HR development activities should be aimed at managing future crises. Develop an employee – employer relationship during a crisis to get mutual benefit for the organisations; with that, problems can be easily identified, and solutions can be easily found.

## **REFERENCES**

Abberger, K., & Nierhaus, W. (2008). How to define a recession?. In CESifo Forum (Vol. 9, No. 4, pp. 74-76). München: ifo Institut für Wirtschaftsforschung an der Universität München.

Adikaram, A. S., Naotunna, N. P. G. S. I., & Priyankara, H. P. R. (2021). Battling COVID-19 with human resource management bundling. *Employee Relations: The International Journal*, 43(6), 1269-1289.

Baum, T. (2020). Hospitality, tourism, human rights and the impact of COVID-19. *International Journal of Contemporary Hospitality Management*, 32(7), 2397-2407. doi: 10.1108/IJCHM-03-2020-0242.

Cater, J. J., & Beal, B. (2014). Ripple effects on family firms from an externally induced crisis. *Journal of Family Business Management*, 4, 62–78.

Dissanayake, K. (2020). Encountering COVID-19: Human Resource Management (HRM) Practices in a Pandemic Crisis. *Colombo Journal of Multi-Disciplinary Research*, 5(1–2), 1. doi: 10.4038/cjmr.v5i1-2.52.

Doern, R., Williams, N., & Vorley, T. (2019). Special issue on entrepreneurship and crises: Business as usual? An introduction and review of the literature. *Entrepreneurship and Regional Development*, 31, 400–412.

Edvardsson, I. R., & Durst, S. (2021). Human resource management in crisis situations: A systematic literature review. *Sustainability*, 13(22), 12406.

Fatima, T., & Elbanna, S. (2020). Balanced scorecard in the hospitality and tourism industry: Past, present and future. *International Journal of Hospitality Management*, 91, 102656. doi: 10.1016/j.ijhm.2020.102656.

Foo, L., et al. (2021). The impact of COVID-19 on the tourism industry in Malaysia. *Current Issues in Tourism*. doi: 10.1080/13683500.2020.1777951.

Gamage, A. S. (2016). The role of human resource management in developing the tourism industry in Sri Lanka: A proposed conceptual framework. *Sri Lankan Journal of Human Resource Management*, 6(1), 63. doi: 10.4038/sljhrm.v6i1.5632.

Grillo, M. C. (2014). Cornell HR review. *Cornell HR Review*, 1–10.

He, J., Mao, Y., Morrison, A. M., & Coca-Stefaniak, J. A. (2021). On being warm and friendly: The effect of socially responsible human resource management on employee fears of the threats of COVID-19. *International Journal of Contemporary Hospitality Management*, 33(1), 346–366.

Hewa, N., et al. (2012). The Global Financial Crisis Impact on Ethnic Diversity of Sri Lanka Boards. 4(1), 52–68. doi: 10.5296/ajfa.v4i1.1243.

Jago, L., & Deery, M. (2002). The role of human resource practices in achieving quality enhancement and cost reduction: An investigation of volunteer use in tourism organizations. *International Journal of Contemporary Hospitality Management*, 14(5), 229–236. doi: 10.1108/09596110210433754.

Kimes, S., & Anderson, C. (2015). Hotel Revenue Management in an Economic Downturn. *The Cornell School of Hotel Administration on Hospitality*, 9(12), 405–416. doi: 10.1002/9781119200901.ch26.

L.P.D.S, P. (2020). Effect of COVID-19 and Strategic Response: A Review of the Sri Lankan Construction Industry. *International Journal of Economics and Management Studies*, 7(6), 73–77. doi: 10.14445/23939125/ijems-v7i6p110.

Lai, I. K. W., & Wong, J. W. C. (2020). Comparing crisis management practices in the hotel industry between initial and pandemic stages of COVID-

19. *International Journal of Contemporary Hospitality Management*, 32(10), 3135–3156. doi: 10.1108/IJCHM-04-2020-0325.

Nagendrakumar, N., Gunawardana, S. A. D. C. K., & Kodikara, U. P. (2021). An influx of tourist arrivals between Easter attack and COVID-19 in Sri Lanka. (May 2019), 80–84.

Ngoc Su, D., et al. (2021). Enhancing resilience in the Covid-19 crisis: Lessons from human resource management practices in Vietnam. *Current Issues in Tourism*, 24(22), 3189–3205. doi: 10.1080/13683500.2020.1863930.

Nizamidou, C. (2018). Providing a New Perspective in HR in terms of Crisis Management. *MHR*, 13(1), 15–25.

Palliyaguruge, K., & Chandralal, L. (2010). Impacts of Tourism and Community Attitude towards Tourism: A Case Study in Sri Lanka, 3(2).

Pasteur, L., & Koch, R. (1941). Introduction. 74(1934), 535–546.

Ranasinghe, R., et al. (2020). Tourism after Corona: Impacts of Covid-19 Pandemic and Way Forward for Tourism, Hotel and Mice Industry in Sri Lanka. *SSRN Electronic Journal*, 1–19. doi: 10.2139/ssrn.3587170.

S, K. A. S., & K, S. M. R. (2020). Easter attack 2019 and Hotel and Travel sector in Sri Lanka: An event study approach, 79–84.

Shil, M., et al. (2020). Global Transition of HR Practices in Covid-19 Pandemic Situation: A Systematic Review through 5P's Model of HRM. *Management and Human Resource Research Journal*, 9(6).

Silva, P. D. A. C. S. (2020). Crisis Management and Rebuilding of Sri Lanka Tourism. In *Book Chapters Edited by Crisis Management and Rebuilding of Sri Lanka Tourism*. University of Colombo.

Srinivasan, P., Kumar, P. K. S., & Ganesh, L. (2013). *Environment and Urbanization Asia*. doi: 10.1177/0975425312473234.

Stone, D. L., & Deadrick, D. L. (2015). Challenges and opportunities affecting the future of human resource management. *Human Resource Management Review*, 1–7. doi: 10.1016/j.hrmmr.2015.01.003.

Vardarlier, P. (2016). Strategic approach to human resources management during crisis. *Procedia-Social and Behavioral Sciences*, 235, 463-472.

Williams, G. A., Woods, C. L., & Staricek, N. C. (2017). Restorative rhetoric and social media: An examination of the Boston Marathon bombing. *Communication Studies*, 68, 385–402.