Crisis Management of the Hotel Industry in Finland

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Abstract

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Object of this thesis is Crisis Management in the Hotel Industry in Finland and is prepared in order to present the situation and the acting of hotel managers nowadays to guarantee guests a safe and secur stay and to rise the awareness among hoteliers towards crises as well as amongst employees, investors, stakeholders, authorities, and students from hospitality related fields.

Main topic of this research is crisis management and concerns the process of developing a crisis management plan. Furthermore it examines the facts coming from the government and other organizations whose are allowed to make restrictions, and stresses the benefits a company gains out of proactive planning of crises.

The theoretical framework explains the various steps in-depth that one must consider when developing or evaluating a crisis management plan; the hotel management itself, definitions of crisis and crisis management, the crisis management process with knowledge management, legal compliances, corporate social responsibility, and the contingency plan. In addition the theoretical framework provides information about a security action plan developed by the World Travel and Tourism Council.

The method chosen in this research paper is a qualitative method. Through an in-depth interview with a professional Security Officer are basic information delivered as well as information for questions for the further semi-structured in-depth interviews of managers in hotels whose are in charge of crisis management. All collected data is handled anonymous in this research paper to avoid judging.

To present the gathered information from the interviews with hotel managers the research results are presented in form of a discussion. Besides, the chapter includes also the analyzed findings.

Finally, the conclusion reviews the whole research with all its procedures and especially the analysis of the findings. As well suggestions for improvement and further ideas for researches are given.

Keywords
Crisis management, hospitality management, hotel industry Finland

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1   Introduction

This research has the purpose to identify possible threats to the hotel industry in Finland and provides information for developing a new crisis management plan or improving an existent one to increase the overall security within hotels for their guests. Furthermore, it outlines the importance of a crisis management plan and has the purpose to raise the awareness of the likelihood of crises.

The research is of special value to those businesses within the hotel industry located in Finland and concerns general manager of hotels, employees working in hotels, as well as investors to hotels, students of hospitality management positions, and governmental authorities.

Although this research can be used throughout the world from all hotels concerning a crisis management plan, many factors influence the criteria of likelihood of a crisis and those are measured in this research paper for the circumstances of the Finnish hotel industry.

1.1   Rationale

Hotels are special buildings and allow not just an easy entrance but also a permanent access 24 hours a day and 7 days per week. Besides, their existence is depending on customers, national and international, and therefore hotels are very sensible to changes, crises and happenings in the world (Malhotra and Venkatesh 2009, 66).

A Hotel, however, requires professionalism in various fields. The overall management and organization of the business needs well trained managers and staff with broad knowledge and skills in daily routine to make the stay for customers as pleasant as possible and due to the visibility of all actions taking place within a hotel facility. The services provided and the promises made before the stay and delivered during, decide if a customer will spread a positive or negative word of mouth and whether coming back to the hotel or rather not. The tangibility of the whole business makes it to a complex and highly sensible territory.

Broadly said, crises can be divided into two general types. Firstly, there are natural crisis and catastrophes, and secondly there are the human interfered crises. The second group is broader and can be split into three subcategories as follows: civil conflicts, epidemics, and technology failures.

The possibility of crises within hotels is depending on many factors such as the type of targeted customers (business or leisure customers), geography (the location of the country but also of the Hotel itself), the recognition amongst population, and legal regulations. Furthermore, social welfare, poverty, human rights, environment, and food and water resources influence the likelihood of crises (Hall et al. 2003 in Timothy 2006, 27). However, all the issues relating to types of crises and their likelihood will be discussed in the theoretical framework in chapter 2.

Besides, it should be kept in mind in what way hotels can benefit from preparing a crisis management plan. It delivers high valuable insights into crises and changes the actions taking place from reactive into proactive. Reactive actions mostly focus on a short term solution but do not consider aspects for the long term approach to solve the crisis completely, to gain back customers, and return to normal routine. Despite this fact, a crisis management plan is efficient in the way that all manager of a hotel know their duties within a crisis.

Finally, the contribution of a crisis management plan benefits also the promotion of a hotel articulated through Corporate Social Responsibility. Corporate Social Responsibility is nowadays highly regarded and recommended and a useful tool to raise awareness amongst staff and customers towards the environment, profitability and social security. That means also to observe the local happenings as well as international happenings to secure the hotel property and strengthens relations with stakeholders.

1.2   Research Problem

Finland is a small country with about 5 million inhabitants. The political situation is stable. There did not happen terror attacks from international organizations itself in the past and it is also secure when it comes to earthquakes, Tsunamis or volcano

outbreaks. But what will happen in the future is unpredictable. Ritchie (2003, 4) refers to Kash and Darling and warns "that it is no longer a case of 'if' an organization will face a crisis; it is rather a question of 'when', 'what type', and 'how prepared' the organization is to deal with it."

For this reason this research aims to answer the following questions:

- What kind of approach do Finnish hoteliers have towards crisis management?
  - What are the key issues in the crisis management plan, if existing?
  - How do they improve security for guests within the hotel property?

1.3 Aims and Limitations

The aim of this research is to give those, working in a management position in a hotel, and the general manager of a hotel, a supportive tool to develop a crisis management plan or to evaluate the existing one and improve it to increase the overall security within the hotel.

Additionally, this research provides everyone working in a hospitality related field with useful information and increases the awareness towards crises in order to make the stay for customers on the hotel premises more secure and pleasant.

Limitations of this research are that only hotels from Helsinki region and the rural area around Helsinki participated and due to that the research findings do not reflect the situation of whole Finland because of different situations in other places. The same applies for other countries than Finland.

Furthermore, the gathering of relevant data especially for legal regulations which require a crisis management was due to language difficulties hard and did not result with the expected outcomes.

Although for this research several semi-structured in-depth interviews took place which provide highly qualitative information in the subject of crisis management, it is not possible to generalize the findings to all hotels throughout Finland because the

situation in Helsinki as the capital and biggest city of Finland might be a different one than in a small town in western Finland. Although some hotels have participated in this research that are located in a rural area, they are in close distance to Helsinki and count therefore to the Helsinki region.

1.4   Importance of a crisis management plan

Tourism is a very sensible industry and reacts to the slightest changes, especially towards political changes and natural disasters or epidemics (Timothy 2006, 19).

Therefore crisis management plans enable a quick response to a possible threat. For creating a crisis management plan it is necessary to know the economic impact and to go through scenarios of what could happen. A crisis management plan should consider every kind of possibility and give advice in case a crisis happens.

Finland is a small country with only 5.4 million citizens but the World Travel and Tourism Council ranked Finland in March 2011 on 48th position out of 181 nations in the list of tourism economy size and on 135th position for the forecast of growth within the tourism industry. 58.000 Finns are expected to be direct employed in the field of travel and tourism in 2011 and 168.000 Finns indirect. Indirect means that those people are not working in a direct field of travel and tourism such as hotels or tourism offices, those indirect related employments can be for example within a taxi enterprise or a car rental company.

Furthermore, the direct contribution of the travel and tourism economy to the overall Finnish economy is expected to be 4.4 billion €uro in 2011 and the indirect contribution, which includes indirect related fields such as mentioned before, is expected to be 12.2 billion €uro (World Travel and Tourism Council, 2011).

The aim of the Finnish Tourism Board is to employ 171.000 Finns and gain a tax revenue of 7.5 billion €uro which would be 5.1% of the GDP of Finland, until 2020 (Ministry of Employment and the Economy Finland 2010).

A publication from Statistic Finland (2011) showed that the nights spent in Finnish accommodation businesses decreased by 7.5% in January 2011 compared to the previous year in January. However, the same publication shows also that the nights spend by foreign tourists in a Finnish accommodation business increased by 9% and climbed up to 535.000 overnight stays.

This numbers show already the significance of the hospitality industry within Finland and indicate the trouble employees, manager, and the government would face if a crisis would lead to a breakdown of the industry. To show not only the economic impact of crises in the following subsection are some examples from the past which have increased the importance of a crisis management plan, too.

The newspaper Newsweek has ranked in 2010 the world with considerations of many factors such as political situation, health, education, etc. Finland was ranked as a political stable country and things which were measured for the political situation were the level of democratic freedom within a country, a country's participation in political processes, and the relative risk faced by government, businesses and individuals due to political decisions and actions. Nevertheless, the Finnish Army is part of the NATO-soldiers in the war in Afghanistan (Finnish Ministry of Defense 2006) which might increase the likelihood of acts of terror even though they only educate and train police forces in Afghanistan. In December 2010 a bomb attack happened in Stockholm, Sweden and has shown the unpredictability of such acts of terror and has brought those happenings close to Finland (thelocal.se 2010). According to the same newspaper, one of the reasons for the bombing was the participation of Sweden in the war in Afghanistan and the other the cartoons of the prophet Mohammed.

Also in 2010, in April, the Icelandic volcano Eyjafjallajökull emitted huge amounts of ash in the air and it happened that airports were closed down all over Europe and airplanes were not allowed to depart. After a week of troubles and losses of hundreds of millions of dollars of the global aviation industry, restrictions were only set to certain areas of Europe and to certain types of flights (New York Times 2010). The ash cloud did not just have a huge impact on the aviation industry but also to the hotel industry. For countries such as Finland whose are mainly reachable for tourists via

plane, the ash cloud of Eyjafjallajökull proved once already the resistance and way of acting in the Finnish hotel industry.

1.5 Introduction of the research method used in this research

This research approaches its aim with the method of a qualitative research. An in-depth interview is held with a professional in security management to give basic information about the kind of threats occurring in Finland and their impacts to the hotel industry. Basic information is provided for the structure of the semi structured in-depth interviews with hotel managers.

Despites, surveys are conducted in form of semi structured in-depth interviews with Managers from a variety of Hotels to find out the approach the business has towards crisis management. Furthermore the in-depth interviews have the purpose to find out the mangers awareness of a crisis management plan. Names of the hotels will not be mentioned to assure anonymity and avoid judging.

However, previous researches had been made by a number of researchers and books had been published by various authors on the topic of crisis management which provide all information for the theoretical framework.

1.6 Contents of the following chapters

In the following chapter (chapter 2), the reader of this research will get through the theoretical framework with all information provided for a good understanding in the broad field of hotel management and more precisely the crisis management. Detailed descriptions of the process of developing a crisis management plan can be found as well, including relevant issues of knowledge management, legal compliances, and corporate social responsibility. Also in chapter two a security action plan developed by the World Travel and Tourism Council can be found.

Following that, the methodology in chapter 3 clarifies the used methods in detail and the conduction of the research. Additionally, all information about the analysis,

reliability, validity and objectivity, and limitations and ethical considerations is provided in this chapter.

The results of the empirical part of the research are presented in chapter 4. All results of the interviews with the participating hotels will be shown, explained, analyzed and compared with the literature findings.

Chapter 5 is the relevant conclusion of this research. Suggestions for further researches and improvement of this one are delivered.

Finally, there is the Bibliography of all used literature, and the attachments which consists of interviews with the Professional Security Manager and the questionnaire to the hotel managers.

2 Theoretical Framework

The theoretical framework delivers all relevant information for the topic of crisis management from the existing literature. Therefore this chapter is separated in further chapters to see the structure and planning that a crisis management plan needs.

2.1 Hotel Management

Considering crisis management needs to start with considering the hotel management itself. Various things need to be analyzed and decided and therefore it is important to understand the complexity of the hotel management. This task relies on the hotel manager itself but also on the duty of various department managers to fulfill the expectations of guests when it comes to security issues within the hotel premises.

When taking a crisis management plan into account, one must start at the very beginning. Referring to the interviewed Security Officer (27.04.2011; see attachment for the complete interview) it depends on various factors if a hotel has implemented security management or not. These factors were adapted by the author and are: to identify the type of hotel, the size of the hotel, the customers attracted, the location (within the city as well as the country), the level of performance, and the knowledge of the staff. Besides it needs to be decided if tasks are outsourced to other companies, what kind of tasks those are, and what will be demanded from the personnel of outsourced companies, if the hotel has enough personnel and what personnel needs to be hired, and does the hotel have enough resources and what resources are still needed.

Once these main things are identified, they need to be measured and assessed based on continuous monitoring of happenings within the location of the hotel in political, economic, social, and technocratic view, but also on feedback from guests and staff (Ritchie 2003, 6). In most cases this is the duty of the general hotel manager and various department managers. The subject of crisis management is according to the interviewed Security Officer interrelated to many departments. The result is often that a crisis management team is build up within the organization of a hotel.

2.2 Crisis Management

Manager of hotels facing several challenges in a continuous changing environment but always need to maintain the hotel position, and meet all expectations from customers, stakeholders, and media. Crisis management though, is a helping tool for manager to lead a business successful and especially helps to keep the position during harder times when business is suffering (Ribarić 2010, 573).

It is necessary to clarify and define what a crisis actually is. The Pacific Asia Travel Association (2003, in Malhotra and Venkatesh 2009, 67) defines it as follows:

- "A crisis is any situation that has the potential to affect long-term confidence in an organization or a product, or which may interfere with its ability to continue operating normally."

However, Pauchant and Mitroff (1992, 15) define a crisis as:

- "A disruption that physically affects a system as a whole and threatens its basic assumptions, its subjective sense of self, its existential core."

Whereas crisis management is defined by Pearson and Clair (1998, 61) as:

- "A systematic attempt by an organization and its stakeholders to manage or prevent crises from occurring, such that key stakeholders believe the success outcomes outweigh the failure outcomes."

Nowadays crisis management has become an essential part in all kind of businesses. And latest since the 9/11 terrorist attacks in New York and Washington, crisis management has become an important part in the hospitality industry, too. It is an effective management tool to get to know what kind of threats there are to a business and helps to anticipate the threats for a quick response, and to control the damage to the business (Barton 2008, 8).

Crisis management needs to evaluate the probable crisis that can occur and those can be categorized in four different main groups which are (1) natural crisis, (2) civil conflicts, (3) epidemics, and (4) technology failures (Tse 2006, 30; Booth 1993 in Cushnahan 2003, 327). The following subsection will show examples of crises that can occur from each category.

1. *Natural crisis* are happenings that are caused by the nature such as: heavy storms, hurricanes, floods, bush-fires, earthquakes, avalanches, tsunamis, etc.
2. *Civil conflicts* are mostly based on political tensions whose can be within one country but can also occur between different countries such as: demonstrations, strikes, war, terrorism, etc. but also nonpolitical civil conflicts existing, such as: shootings, violence, suicides, sabotage, etc.
3. *Epidemics* are diseases that spread quickly and widely and usually throughout more than one country such as: SARS, foot and mouth disease, swine flu, etc.
4. *Technology failures* are associated with power blackouts, computer irregularities, aircraft crashes, nuclear meltdown, etc.

Separating the crises gives already an overview of the diversity of possible threats that can occur and an idea of how different the approaches of solutions will be.

2.3   The crisis management process

Taking immediate and decisive action when a crisis hits a hotel or the whole destination it is located in should be planned carefully. The key of crisis management for a company is to act proactive and not reactive. Proactive means that a business is prepared for a crisis although it is never hundred per cent possible to be prepared for a crisis because it is an event which cannot be foreseen. Nevertheless, manager of hotels should be able to assess possible threats and reduce their impact.

In that sense, this chapter is analyzing two approaches from different authors to prepare for a crisis in the best possible way.

One who is in charge of crisis management needs to evaluate the likelihood of possible crises and needs to identify the consequences (Security Officer, 27.04.2011). A useful tool that assists the evaluation can be the *risk classification* from Zamecka and Buchanan (2000, in Tse 2006, 33). It categorizes the likelihood of occurring in five different categories, beginning with 'almost certain' and ending with 'rare'. Next to it, five consequences are shown and explain if a risk would be insignificant, minor, moderate, major, or catastrophic. According to these elements the risks are classified into extreme, high, moderate and low and indicate the impact they would have by occurring. As indication there are the letters **E**, **H**, **M**, and **L** whose define the certain threats as follows:

E = **E**xtreme risk

H = **H**igh risk

M = **M**oderate risk

L = **L**ow risk

Likelihood	Consequences				
	Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	**H**	**H**	**E**	**E**	**E**
Likely	**M**	**H**	**H**	**E**	**E**
Possibly	**L**	**M**	**H**	**E**	**E**
Unlikely	**L**	**L**	**M**	**H**	**E**
Rare	**L**	**L**	**M**	**H**	**H**

Figure 1 Risk Classification (Source: Zamecka and Buchanan 2000 in Tse 2006)

Depending on if a risk would have i.e. an extreme impact considerations for solutions should have another approach than i.e. a low impact. The handling of a situation is always depending on the event but should always be proactive.

The risk clssification is a very good tool to exmine the probability. It might be time consuming when establishing because each crisis needs an own model but it shows

directly what consequences such a crisis have and how the solving of the crisis can be started.

Subsequent to the risk classification another method should be considered to prepare for crises. Ideally, the actions one has to do if it hits a business are included in the second method. Consequently, these two methods work very well together because they rely and build-up on each other.

Every crisis is going through several phases and they depend firstly of the kind of the crisis, and secondly on the consequences they bring along. Lynch (2004, 9-20) splits crises in three different time levels, the first three weeks, the next three month, and the next three years. This includes all kind of considerations for the recreation of a destination, including marketing issues and governmental interactions. Refering to the interviewed Security Officer it is very recommendable to take care about internal and external communication to prevent losses of reputation of the hotel (Security Officer 27.04.2011).

- *The first three weeks* are the most critical ones. Manager and employees do not have much time to respond, but need to react immediate to the crisis. In addition to this, stakeholders, media and government wants and needs information which managers have to provide. A team which works together and where each person focus on a different thing is the best tribute there is. Short term and long term approaches of how to get back to 'normality' should be considered. Available statistics should be collected and a wish list created. A wish list mentions the support you would like to get from i.e. the government or the destination management.

- The second phase, *the next three month*, will be less hectic but are still in the middle of the crisis. Those in charge have to keep on providing information about the current situation, need to communicate with customers as well as with the government and stakeholders, and should arrange first changes of promotion and marketing accordingly to the

situation. If possible, first impacts of the crisis in financial aspects can be measured and published. Some crisis will be ended in phase two, but the long-term approach to get back customers will go on.

- Phase three, *the next three years,* is the recreation phase and is mainly about marketing and win back the trust of customers and stakeholders. Reviewing the happening, analyzing the own responses and critically judging if it was appropriate, and evaluating and developing new methods which would be useful if another crisis does happen. Often, a business does not have three years freedom to recover from the crisis because another crisis appears earlier.

However, when a crisis appears manager need to make a lot of decisions and go through scenarios to weigh up the possibilities of solutions and deteriorations.

The decision tree might be another opportunity and also an supporting tool to go through scenarios, although it is not recommended from some researchers because of the complexity of our environment which can not be reflected in a decision tree (Massingham 2009, 2). Due to that reason the decision tree is in this research paper not further examined.

2.3.1 Knowledge Management

Knowledge management contributes to and improves crisis management, and helps immense to solve and reply to crises. It is useful in that sense that companies can share and reuse knowledge efficiently through a better communication within a corporation and a space to create new approaches (Massingham 2009, 3).

Referring to Merriam Webster dictionary (2011) "knowledge" means:

- "The fact or condition of knowing something with familiarity gained through experience or association: acquaintance with or understanding of a science, art, or technique."

Knowledge is available in two different forms. Explicit knowledge which is possible to store and save when it exists in written form but can also be trained and explained in oral form from one to another. This knowledge is easy accessible and communicates principles of the subject. On the other hand exists knowledge in intangible form - tacit knowledge, which means that it is based on experience of a person and is exclusively accessible through that person with such experience and understanding (Racherla and Hu 2009, 567). Tacit knowledge cannot easily be described with words and can neither be stored nor saved, it is rather an intuitive form of knowledge.

The previous definition of knowledge stresses the 'familiarity of something'. That means that knowledge can be applied through informing about procedures, regular training of procedures and the understanding of the interrelation of various factors, whose can be in hotel businesses the various departments. Moreover the continuity of all these approaches towards crisis management and regular up-dates are necessary and are key issues for crisis management as well as security management (Security Officer, 27.04.2011).

However, the application process of knowledge management can have various approaches. Racherla and Hu (2009, 6-16) have developed one which is based on two principles – technocratic approach and organizational approach. The idea is to get quick response from experts of different fields such as governmental agencies, and humanitarian assistance organizations when questions arise. Furthermore, manager as well as employees shall collaborate and work together on new crisis management plans, share experiences with crises, and the knowledge they gained out of them. The community is suggested to build up in the internet since internet is almost everywhere accessible and a fast communication medium throughout the world.

2.3.2 Legal Compliances

To complete a successful crisis management plan means also to fulfil certain criteria in the topic of legal compliances. It ensures the government and the community that their business is taken serious and delivers the basics for the security of guests and staff

within the hotel. Especially when it comes to staff many criteria need to be accordingly to the directives of the government.

This section of legal compliances provides that the building exists and is build according to the directives of the government, concerning emergency staircases in case a fire breaks out and the elevator is not usable, smoking detectors in rooms and floors at each level, sprinkler systems in rooms and in floors at each level, etc. It is also provided that the company is paying according to the law all its taxes and fees for licenses. Although these aspects are important for all hotels considering safety and security, those are in laws and regulations which need to be put into action before the opening of the hotel.

Legal compliances are rather meant in the way that security staff needs to fulfil certain criteria to work as a security staff member. The Private Security Services Act (282/2002) offers in that case all relevant information and it is an obligation to perform accordingly to the criteria.

Within hotel premises most common security staff takes care about the premises itself and also about the guests. This is depending on the type of hotel and the willingness of the management (Security Officer 27.04.2011). Security staff protects guests of robbery, violation, attacks, etc. and detects failures and non-residents through monitoring the premises. To be able to work in such a position it requires according to the above mentioned act of the Finnish law (282/2002) to participate in a vocational guard qualification course which is issued by the Finnish Ministry of the Interior. When finishing this successfully the person gets a *guard certification* which is valid for 5 years. After that time the vocational guard school needs to be assessed another time. To participate on such a course the person must be older than eighteen, have strong characteristics in honesty and reliability, is not allowed to be in a state of bankruptcy, and is not allowed to be a member of the police force. The content of such a course focuses especially on the legislation and explains participants what they are allowed to do in case one needs to interfere into actions, what is legal to do for self-defence, and what attitude one should have acting as security officer (Security Officer, 27.04.2011).

Many companies outsource the security department to external companies which provide a professional qualification and experience. These two things combined, result in a high quality of security staff. But before a hotel hires a security company to maintain the premises the same act of the Finnish law (282/2002) as already mentioned, regulates what a security company must have. Those aspects are that the manager of the security company needs a qualification as manager and must be allowed to act as a manager, needs the ability to organize the company well, and is not allowed to be in a state of bankruptcy.

Furthermore, the Ministry of the Interior defines in the Private Security Services Act (282/2002) how many managers a company has to employ (depending on the size), how long contracts between security management companies and clients need to be stored, what kind of happenings have to be reported in so called *Action reports*, the uniform of the security staff members, where they have to fasten their utensils on the uniform, and in what cases they are allowed to patrol i.e. with a dog.

Moreover, the European Union has made guidelines for all member countries within the EU in the Stockholm Programme (2010/C 115/01) named Union Disaster Management. Union disaster management approaches safe and secure countries through following two principles which are firstly to protect the countries own citizens from occurring threats, disasters and risks, and secondly to help other member states in case a disaster happens and maintain solidarity. The purpose of the union disaster management is the four main aspects which are prevention, preparedness, response, and recovery. The European Union suggests a strategic approach for disaster prevention which can be seen as crisis management.

2.3.3 Corporate Social Responsibility

Nowadays it is more important than ever before for a company to show transparency because customers become more aware about products and services they buy. Therefore corporate social responsibility is developed. It articulates in form of a report the responsibility a company has towards employees, stakeholders, the environment they are located in, and the vision of it.

The Commission of the European Countries (2011) defines corporate social responsibility as follows:

- "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."

According to this definition, corporate social responsibility is a statement of companies where they specify their approach towards a better environment. The environment can be the working environment as well as the natural environment or the relation between the business and its stakeholders. The statement is informative to customers about offered products and services but also about acting within the company. It also means that there is no exploitation of any resource so that it would harm anyone or anything.

In times of crises each company faces an economic downturn. Corporate social responsibility contributes to crisis management in the way that the companies acting are visible and can be seen from customers, stakeholders and authorities. It strengthens the relationship between those and establishes the position of the company inside the local community. The European Commission (2011) stresses out that corporate social responsibility "help(s) to build (and rebuild) trust in businesses, which is vital for the health of Europe's social market economy."

Anyhow, prerequisite is that the company is willing to be honest and to show and present themselves. That means also to be honest in times when it seems quite hard for the company.

2.3.4 Contingency Plan

A contingency plan, or often called manual, is a necessary plan of a hotel to focus on in case a crisis happens. It helps responding when a crisis occurs and helps resolving (Ritchie 2003, 7). Furthermore, it is the result of several steps which were mentioned before in this chapter; those are: the crisis management process, knowledge

management, legal compliances, and corporate social responsibility. The content of the previous chapters is bundled into one all-encompassing plan – the contingency plan.

In this context it means that a contingency plan is the actual approach to resolve the issue which has arised and it is of uppermost priority to be handed out to each member of the crisis management team of the business. Despite, the manual explains various kinds of crises and describes the best possible way of acting according to it, staff needs to know how to handle the contingency plan and needs to be trained for those situations (Security Officer 27.04.2011). Although a contingency plan does not cover all needed information because of the unpredictability of an event and its unforeseeable dimensions, it does include actions which have to be done and provides all relevant information such as names and phone numbers of stakeholders, relevant government contacts, etc. Besides, roles for each member of the crisis management team are articulated and defined with specific tasks (Evans and Elphick 2005, 137-148).

After handling the crisis in the best possible manner and with all affordable assets and resources, the members of the crisis management team need to meet again as already mentioned before in the stage of the *next three years* (Lynch 2004, 9-20). Feedback of how the crisis was handled should be required and collected from employees, stakeholders and governmental contacts. The team than evaluates the feedback to find out what could have done in a better way, and what aspects need correction. The best possible time to do the evaluation for a new contingency plan is direct after one crisis has ended. Firstly, because the event is still present in everyone's head and secondly, after the crisis is before the crisis and it is uncertain when the next crisis hits the hotel (Fink 1986, 7).

2.4   World Travel and Tourism Council's Security Action Plan

The World Travel and Tourism Council (2003, 2-12) has launched for the first time since their existing a security action plan which can be used from all kinds of businesses in the travel and tourism sector. It is rather an approach of how to face terrorism and respond to it than a solution of how to eliminate it.

Center in the report is how to avoid grievance of different groups such as terrorists themselves and locals which live in the same community. The World Travel and Tourism Council suggest that with avoiding the grievance, terrorism becomes a smaller threat. Though, a twin track approach was developed with the help of leading experts in security issues to promote a coherent strategy of how to reduce vulnerability of the industry, and displays that travel and tourism is able to co-exist with terrorism.

The action plan itself consists out of four steps which advocate the twin track approach. Those are: (1) coordinate all policy, actions and communications, (2) secure operating environments, (3) aim to deny terrorists freedom of action, and (4) access and work with the best intelligence. Explanations what each step means is examined in the following subsection.

1. *Coordinating all policy, actions and communications* consists of reconciling obstacles which may occur with complex and unnecessary long policies to employees, locals, and authorities. It is aimed to convey a better understanding of security amongst employees, so they can articulate it better to all various groups of stakeholders they are confronted with. This can be reached when an organization ensures close contact to employees, appreciates their acting and opinions, and rewards them. Appropriate channels need to be developed though there is an easy access to the provided information.

2. *Secure operating environments* means that all environments an organization is operating in should be ideally measured to identify possible threats. Governmental help would be a useful tool to identify possible threats in a certain area. Besides, special ranges need a detailed look at to evaluate what would be best for the health of the organization.

3. *Aim to deny terrorists freedom of action* stands for engagement in the local community to get first signs of an occurring grievance. Despite a company shows the goodwill to participate actively in a local community but does not in reality, prevailing of grievance is failed.

4. *Access and work with the best intelligence* can be described that all relevant data is gathered and processed in usable information. As there is after each crisis that

has globally occurred new information available, this process is continuing steadily and should never come to a still stand.

To sum up the security action plan of the World Travel and Tourism Council gives a deep insight into the actions a hotel can do to establish security in the environment it is acting in although the plan aims more towards travel and tourism businesses which are located in regions with higher likelihood of terrorism, since this is the overall subject.

3 Methodology

The following chapter delivers all information about the empirical part of this research paper. The method chosen for this research paper is explained and the way the data is collected, analyzed and handled. Additionally it is justified why the specific methods have been chosen. Correspondingly, the way of ensuring validity, reliability, and objectivity is appraised and limitations and ethical considerations are mentioned.

3.1 Chosen method and materials

For this research paper the used material in the theoretical framework was collected from existent literature of numerous books, journals, articles and websites. Various authors have examined the topic of crisis management in tourism and travel industry (Evans, N. and Elphick, S. 2005; Cushnahan, G. 2003; Timothy, D.-J. 2006; Tse, T.-S.-M. 2006; Lynch, M. 2004) but also in the field of tourism and hospitality management researches were done (Malhotra, R. and Venkatesh, U. 2009; Racherla, P. and Clark, H. 2009; Ribarić, R. 2010). Most researches, however, were made for the tourism sector itself and not for especially the hotel industry. That is why literature had to be adapted from the author to the hotel industry.

Based on this literature, which has been analyzed, the theoretical framework describes all relevant steps when considering crisis management and developing a crisis management plan.

The collected data has been collected with the qualitative approach since this is the only way to collect reliable data according to the topic of this research. A semi-structured in-depth interview was firstly held with a professional security officer to gain basic information about security management in Finland in general and more specific about crisis management in the Finnish hotel industry. This interview underpins the theoretical framework and builds the foundation for further in-depth interviews with hotel managers in charge of crisis management. Five semi structured in-depth interviews were held with hotel managers of hotels of the Helsinki region to gain

information about the handling of crisis management within the businesses. These interviews show the practical approach of hoteliers and the awareness of crises within the industry.

The gathered data of the interviews with the hotel manager is presented in form of a discussion in chapter 4. This enhances the gained information and leads finally to the approach of answering the research questions.

3.2 Justification of the Methods used in this research

The aim of this research paper is it to proof the awareness of hotels towards crisis management and deliver information for hotel managers when it comes to evaluating an existent crisis management plan or developing a new one. Therefore it is necessary to explore all the various steps, shown in the theoretical framework, one must go through to reach that aim. The present literature let this research paper derive this information and creates in symbiosis to it a new approach unified for the hotel industry.

The qualitative research approach was chosen due to the consistence of rich value although the results cannot be shown in tables or figures and less participants are conducting in the research, the information gained out of a qualitative research deliver deep insights into a certain field and especially in tourism and hospitality this method is widely used (Veal, A.-J. 2006, 193).

3.3 Research Procedure

For conducting the research all interview attendants were contacted firstly by e-mail. The interviewed security officer was contacted through Laurea University of Applied Sciences and the interview took place before the questionnaire for the hotel manager was completely written.

After conducting the interview with the security officer the theoretical framework was approached to the findings of the interview, and the questionnaire for the interviews with hotel managers was completed.

Getting in contact with hotel managers was more challenging due to the time of the year which is usually busy in hotels (Easter and 1st of May). Fifty two hotels exist in Helsinki and out of fifteen e-mails send to several hotels, three replied but did not want to participate in the research. After calling some of the twelve lingering hotels and asking personally for the participation in others, interviews were held with five hotel managers. Two conducted interviews could not be held personally and were answered via e-mail. The range of the participating hotels varies from small hotels with more than 50 rooms to big hotels with more than 280 rooms, from urban hotels to rural hotels and from chain hotels to independent led hotels.

3.4   Research analysis

Presenting the data will be in form of a discussion and the final analysis of the data will be compared with the findings of the theoretical framework.

Some criteria might be i.e. if hotels consider the main issues of crisis management (Interview with security officer, question 8, 27.04.2011), or how a crisis management plan is successful implemented to a business (Interview with security officer, question 11, 27.04.2011).

But despite those criteria, the most appropriate way to analyze the findings will be the discussion of the five conducted interviews with hotel managers. Results of the interviews are compared to each other and deliver the most valuable information to approaching the research questions.

3.5   Validity, Reliability, and Objectivity

The empirical data of this research study was analyzed to gain the results out of it. In the following continuation is the detailed information accordingly to the validity, reliability, and objectivity of this research.

Beginning with the internal validity, an explanation of the meaning is given by Yin (2009, 40) as the causal relationship of conditions which lead to another and separate

spurious relationships. Referring to the meaning of internal validity sources from literature as well as from websites has been viewed multiple times to make sure they are valid. All interviewed participants of this study are professionals in their field and are also familiar with the field of studies and therefore the information given by them should be valid. Nevertheless, it may be possible that the interpretation of the researcher was incorrect which would lead to incredibility of the information.

The external validity, however, is to find out the generalizability of the research. It may be at risk when the researcher generalizes the findings of the research. In this research it has been avoided from the researcher to make general statements due to the specified topic and the areal limitation.

The purpose of reliability is to assure that researchers who conduct a research in the same field with the same procedure and the same aim, will come to the same finding and conclusion (Yin 2009, 45). Consequently, the method and findings have been compared with previous made researches and were checked if those are contradicting or acceptable. And indeed, this research does not contradict with the results of previous researches. After all, there has not been done a research within the same field for the same region as it was done in this research and therefore some of the findings are new and were not mentioned yet.

The objectivity of this research is based on scientific facts and proof and not on the personal perception of the researcher. That means that during interviews the researcher neither had any prejudices nor personal feelings, and during the analysis of the findings only concentrate on facts.

3.6   Limitations and Ethical considerations

This research is limited to the Helsinki region because it is conducted in the Helsinki region and is therefore not communicable with the same approaches to hotels outside of Finland. It might be used as a helping tool to develop a crisis management plan in other countries than Finland but needs optimization according to the political situation, geography, and legal regulations of the specific country. Besides, some

criteria must be also changes and adapted from hotels within Finland but outside the Helsinki region, since the Helsinki region indicates the highest population rate and also a high frequency of tourists and this might be different in other cities, towns, and regions within Finland.

To avoid judging of the participating hotels and not to harm or damage the reputation of them, there are no names, neither of hotels nor from participants of interviews mentioned. The same is valid for the security officer who has worked for two years within a hotel and information provided were based on experiences, observations, and habits of the hotel.

4   Research and Results

Continuously, the empirical data of this research is being discussed, analyzed, and a conclusion of the data is created. The discussion is based on the results of the interviews with the Hotel Managers. These interviews are the only source whose are used for the subsection of the discussion. Three of the interviews were held personally with the researcher and two answered the same questions in written form. Room numbers, location, and status of the hotels vary. The smallest Hotel in the interviews has 55 rooms and the biggest one 289 rooms. Three Hotels are located in Helsinki and two hotels are located outside the area of Helsinki in more rural regions. As well three of the hotels, belonging to a chain and two of the hotels are independent led and owned. This mix is good to see the differences between big hotels and small ones, chain hotels and independent ones, and urban hotels and rural ones.

The analysis of the findings is about the deeper information the researcher has gathered from the hotel managers during the interviews. Those findings are compared with the theoretical framework and deliver in this way the essential information accordingly to the topic of this research.

4.1   Discussion

Based on the reviewed literature and the interview with the security manager each hotel manager answered the same question which will be here discussed. To make it easier to read, and to keep the anonimity of the managers, the researcher gave every manager a completely fictitious letter to call them e.g. Mr. X or Mrs. Y.

4.1.1   Premises Security

Beginning with the first question of the interview, it was important to find out what hotels already do, to secure guests and staff a safe stay. Four out of five hotel managers agreed and pointed out the restrictions and guidelines of the Finnish law. Mr. P. manager of an independent rural hotel with 96 rooms describes it very well and in more detail, "The Finnish law is very strict and gives many restrictions for fire alarm

systems, fire stair cases, etc. Those needs to be there in each building before opening, if not it cannot be operated in that building. In each room are Emergency plans and information papers for the guests to explain what needs to be done in case of an emergency incident." Mr. P. told afterwards, "We have a very special locking system. It assures our guests a safe stay. For the Wellness department we have a different system that guests can keep around their wrists." Continuously, he referred to the safety for staff, "Whenever we get new employees, they get a manual handed out which they have to read and to which they should commit. Twice a year we have training, to teach our staff what to do in case of e.g. a fire occurs. They also get training in how to handle fire distinguisher. And also we give courses in which our staff learns to handle complicated and difficult customers." Mrs. N., manager of a chain-hotel located in the city with 289 rooms, answered similar, "When we require new staff everyone has to go through a programme which trains and asks about correct acting in emergency cases. Twice a year we have a "real training" together with authorities such as fire departments." Another insight gives Mrs. U. manager of a 109 room big chain hotel outside of Helsinki, "We get an internal security plan delivered from our headquarter." Mr. J. manager of an independent owned, 55 room city hotel pointed out the security issues they consider, "We plan to renew our reception desk so that it is harder to get behind the desk and e.g. rob the hotel", continuously he said, "we want to place the security camera control in the new desk, that the receptionist can see it from there." Despite these changes which are coming soon in the hotel he explains a special window mechanic system, "Our guests cannot open them completely. We installed them after a cat fell down. It woke us up and showed us how easy it is to drop out." Mr. O. manager of a 122 room city chain hotel gave another good idea, "All the material used in our hotel is fire tested and approved."

4.1.2 Awareness

Seeing the standards of the hotels and the security issues whose are already considered, the next question asked was to find out the awareness of the hotel managers towards worldwide happenings e.g. natural catastrophes, diseases or terrorist attacks, and how those influence the acting within the hotel. Two of the managers, Mrs. N. and Mrs. U, both manager of a chain hotel said, "we get many information and alerts from our

headquarter," and continue that also the manager needs to read newspaper and watch the news. Mr. O. as well manager of a chain hotel thinks that, "Everybody is aware about what is happening in the world," and generalizes the knowledge about worldwide happenings to everyone, which can be seen critical especially in hotel businesses where people come to relax and leave the world behind. A very good example of how much attention is paid to those happenings gave Mr. P., "We inform ourselves about the current situation of the customers we host in our hotel, especially when it is a group. In our board meeting (once a week) we talk about it to see if we need some optimization, more security, etc. It is also questioned if enough staff is there, if enough resources are available etc." He describes his point of view further and the habit of the hotel how to react to worldwide happenings, "What happens in Russia, New York or anywhere else does not necessarily need to have an effect on businesses here in Finland. We can cut down some pieces and consider some but it is not recommendable to change strategies completely." This opinion shares also Mr. J. but considers also a third opinion to the risk possibility, "the police says that the risk for terrorism is very low in Finland." Mr. J. also points out a dangerous habit of humans, "people forget about bad happenings and they are at one point not present anymore."

4.1.3 Affects of crises

The next question during the interviews was to clarify what affect those worldwide happenings and crisis has to the individual businesses and if they feel consequences in real. All managers had one event very present in their heads and it was the ash cloud of the Icelandic volcano, Eyjafjallajökull, in March 2010. Mr. P. refers to this latest big crisis, and states, " The ash cloud for instance affected our business in the way that Europe was blocked through the air traffic and most of our clients cancelled meetings and stays." He continues and told about the business during that time, "Our business went down drastically for almost 2 weeks. But luckily most clients booked meetings for other dates and came back to another time." Mr. O. also remembers the situation, "Yes, it does affect us like the Iceland volcano has affected everyone in the travel industry." Within the independent city hotel, the effects have been felt, too. Mr. J. answered, "When there was the ash cloud many people who booked did never arrive here but on the other hand, those who have stayed here could not leave. It showed

how this world works and what impact those "little" things have to everyone." Mrs. N. generalized more and did not just look on one event, "Since we have a lot international hotel guests and most guests arrive by airplane we feel immediately when something happens at the airports." Mrs. U. stresses the vulnerability of the business and confirmed that effects are being felt. Those effects end mostly in an economic downturn as Mr. J. added "Altogether we had a losses of about € 6000."

4.1.4 Prophecy

The fourth question asked was than to find out what the managers think are the most common threats and crises that could happen to their business. "We here in Finland do not have any life threatening crises," was first the answer of Mrs. N. but after a moment of silence she added, "The worst case is fire, or robbery. But also mentally unstable people that come to our hotel can be a threat to other hotel guests. We also faced economic downturns to the hotel business a couple of years ago." Mr. O. e.g. focussed more on the current situation and said that there are "No direct threats at the moment" and that the "world economy situation is the worst." This point of view can Mrs. U not share and gave a diversity of the most common threats in Finland, "Strikes, fire, accidents, and robbery." Mr. J. embodied Mrs. N and Mrs. U. and thinks that robbery is one of the biggest threats but added also another point which can end disastrous, "Bedbugs can always come. Most of the times people have brought them." Mr. P in the rural hotel is being bothered from a different kind of threat than those already mentioned but nevertheless it is not to underestimate, "Our power line worries us sometimes in winter because it is not underneath the street. When the winter starts the storms get heavier and occur more often."
Afterwards the question asked was, what the worst crisis was that happened to the hotel. This question delivers the background for the next upcoming questions and is not to unmask or expose the hotels. Mr. J. narrates, "We had once bedbugs but we have found at the end only one single bedbug." Mrs. N. states, "We had once a fire in our house and also a power cut which lasts for 14 hours." Mrs. U. experienced as last crisis "the Icelandic volcano ash cloud" and Mr. P mentions "The power cut we had was one, and the ash cloud affected our business quite heavy."

4.1.5 Learning from the past

After getting to know what crises had happened already in different businesses, the focus in the next question is on how the situation was solved and handled by the managers. Mr. J who had once bedbugs in his independent run city hotel explained, "We organised that all those who felt uncomfortable in the room, could go in "class rooms" which we organised to fitted out with beds. We made that immediately so that they did not had to go to another hotel in the middle of the night. About 20 people slept in these rooms. We put the entire luggage for three hours in the sauna because bedbugs die when it's warmer than 55 degrees. A specialist came and was looking for the bedbugs but it was only one found. The rooms had to be renovated and were out of order for 6 weeks." The other crisis Mr. J. had to manage was the ash cloud of the volcano in Iceland, "We gave our guest free internet access and the latest news from the airport, when flights start, where those go to and so on." Rather different it was for Mrs. U. in her chain hotel when the ash cloud appeared, "We got orders from our headquarter what to do." That makes life easier for the present hotel manager but it is not the best way to rely only on information of people whose are not at the spot. Mrs. N. also manager for a chain hotel but within the city experienced fire, a power cut, and the ash cloud as crises. The fire was the worst crisis and she describes the handling of the situation as follows, "The fire was in the early morning. One person ran up to the fire and looked for people, if there was anyone. Up there was such an heat that windows broke and glass fell down on the street. And because our sauna department, where the fire was, is in a high floor it was very dangerous for people on the street. As soon as the fire department had arrived we gave up the control and they told us what steps would be undertaken next." In case of the power cut she reports, "It was hard to handle this situation because it was a bigger area in Helsinki without power. There was only emergency light in the hall ways and the lobby. We gave our guests flash lights and partly also a monetary refund." The economic downturn which was following after the ash cloud, "Was handled firstly that we were looking on the costs and how we can save money," depicted Mrs. N. She portrayed the situation further, "In my opinion especially in this time a hotel needs more marketing to show that business is still going on. But many times this is the department where headquarters save up their money." In the quite area outside the city of Helsinki where Mr. P. manages an independent

hotel the worst crisis was the ash cloud; he describes the acting within the hotel after the ash cloud appeared, "We called our clients and asked for the reason of cancellation and made new appointments. Business came back quite quickly with opening the airports again. We couldn't do that much – just making sure that we do not lose the bookings."

4.1.6   Knowledge

To see not only the way of acting during the crises but also if managers have changed something after the crisis had occurred in their hotel the next question asked was what consequences were gained out of it. Mr. P. and Mrs. U. who mentioned the ash cloud as crisis, answered that there is not much that can be done to prevent a crisis like this. "But strengthen the relationship we have with customers is the best strategy to bring back business," added Mr. P. This opinion shares also Mr. J. and commented the way of acting in his hotel, "Definitely we keep on with the information flow because we got a good reputation for that. It makes life easier for our guests." In case of the bedbugs in his hotel premises he said, "I honestly think that we have acted 100 per cent right. The difference was that it was not a single independent traveller but a group of 120 people. We actually get phone calls from partners and they said that we have acted very well." Whereas the crisis in Mrs. N. hotel was a different one, she stresses another important point, "Whenever, whatever happens we discuss it in team meetings: what happened, why did it happened, could we have prevented it, what did we learn out of it, what can we do differently in our way of avoiding it and solving it," she continued than more precisely to the fire crisis, "We were very lucky that nobody was injured or harmed but it needs a lot sensibility and care of the manager."

4.1.7   Yes or No

After getting to know a few crises that have already occurred in hotel businesses in Finland, the next question, if hotels have a crisis management plan, is simple but important. It gives the possibility to see if hotels and managers are prepared for such events and if they can use it as guidelines if something happens. Three out of five managers, Mrs. U, Mrs. N., and Mr. O., answered that they have a crisis management plan and two of those three, Mr. J. and Mr. P. said that the crisis management plan is

integrated in the security plan required by the authorities. One manager, Mr. O., said that they have a rescue plan (which is in this case similar to a crisis management plan but has a different name because of the chain affiliation), Mr. P., admitted that they do not have such a plan. Although "some important points are mentioned in the security plan," Mr. P. thinks that it cannot seen as a "certain crisis management plan". Mr. J. who said also that the crisis management plan is within the security plan replenished, added "After the bedbug incident I have developed a plan which gives guidelines in general. They can be adapted to many crises easily, but it is not a definite crisis plan." And Mrs. N. completed, "The chain our hotel is belonging to, has created a crisis and security plan."

4.1.8 Details

However, this question has shown that each hotel manager has expounded himself/herself with the subject of crises. The authorities require a security plan which involves also to considering crises such as fire. But when and how was it implemented, when replaced, and what key issues are included? Mrs. N., Mr. J., and Mr. P. explained that it is necessary to have the security plan from the beginning on of operations and even before hand to show it to authorities. Mr. P. puts also emphasis on the fact that, "All our staff has such a plan within the manual and needs to get familiar with it." Whereas Mrs. U. said that the plans come from the headquarter and that is taken care by them. She continues, "Updating is done and supervised automatically twice a year." In the hotel of Mr. U. the plans are, "updated once a year and when needed." The situation in Mrs. N. hotel is as follows, "We have crisis management group in our management level. And each one has a position. This group comes together after something had happened and we discuss what we can do differently and what parts we have to renew." This point of view shares also Mr. J., "We renew it as soon as we think there must things change," and Mr. P., "In our weekly meetings we talk about changes as well and if we think we have found a better way to operate certain things than they get adapted to the plan." An overview of the topics included in the crisis management plan gave Mrs. U., "All the issues that include fire security, customer security, and employer security." Mr. O. was more detailed and gave an idea of topics included in the rescue plan made by the chain of his hotel, "Fire, bomb threat, natural disasters,

nuclear accident, chemical accident, robbery, violence etc." Mr. P. answered, "Emergency plans, phone numbers, where to find fire distinguisher, where to find fire blankets, information about security system and locking system, etc." Mrs. N. demonstrates how the hotel decides what topics coming into the crisis management plan, "We do a kind of a risk analysis. What risks have the highest risk to happen in our hotel? What are the impacts of it? We do a prevention and action plan what we can do when this situation occurs," afterwards she continues and tells what is also stated within the plans, "And then it comes back to the crisis management group, each one gets a position what needs to be done e.g. who is handling the media, who is taking care of guests etc." Mr. J. sets another priority and defines it, "Of course acting, that is very important, and to recognize the level of the crisis. It is quite hard to do that but for that you need experience. And if you have a plan it is so much easier to react."

4.1.9 Necessity

The following question was only to answer when a hotel does not have a crisis management plan. The purpose was to find out if manager have the intention of developing such a plan. Only Mr. P. answered this question because he is the only one who said the security plan cannot be seen as a crisis management plan. His answer was, "We definitely consider a crisis management plan but the problem at the moment is that it is too time consuming to create one," and faces a well-known problem especially for independent run hotels.

Further, the researcher wanted to know if the hotel managers consider help from external companies whose are specialized in the field of security. Three out of five managers answered this question with yes, one denied, and one manager did not want to answer at all. The one denying, Mrs. U., said, "that it is taken care by the headquarter." The three managers, Mr. P., Mr. J., and Mr. O., who would consider help from external companies would do that because they think that it is better to have some specialist with knowledge and experience.

4.2   Analysis of the findings

In the subsection of *Discussion* many information were found. Now, this chapter is to compare this information with the theoretical framework. That is necessary to see how theory fits with reality and to come to a successful conclusion.

The questionnaire to the hotel managers was created by the researcher to get beyond the presentation of the hotel to the guests. The focus lies on the awareness of the hotel managers and how they feel about a crisis management plan, what they do to secure guests a safe stay, and what the key issues in their crisis management plan are, if existing.

4.2.1   Regulations and Restrictions

Every Hotel Manager knows about the law and the restrictions that are given from the state of Finland to secure a premise when it is build, far earlier before opening. But by asking for details the answers are not similar anymore. Some do know what the law is demanding for but others know the restrictions only blurry because they are not present anymore. All know that there are regulations for fire distinguishers, water sprinklers, stair cases, etc but none of the hotel managers talked about security staff that supervises and protects the premise especially during the night. One reason might be that most hotels hire staff from outsourced companies and therefore do not have directly contact with the law given for security officers. In addition small hotels have security staff that watches the hotel at night time but do not have a particular security officer from the hotel that corresponds with the hired people.

4.2.2   Different opinions

Another interesting aspect was that managers have put emphasis to a various of things to secure premise, guests, and staff. One said it is important for staff that they get a manual and the training for e.g. a fire emergency or difficult customers. For another one it was more important to have a proper locking system within the hotel to minimize the risk of robbery or another one uses only proved material in the hotel building that it cannot harm guests or be a disadvantage in an emergency. Each of the

mentioned issues is important and can save lives in case of an emergency. Putting all this opinions together it arises a result with a big amount of topics which could be considered from all equally and could be used as a guideline for general improvement in the hotel. That leads to the mentioned Knowledge Management in chapter 2.3.1. It is very useful to all hotels to build a network where hotel managers can exchange their experiences, their knowledge, and maybe also their fears for the hotel industry. Especially this example shows how many different opinions there are to secure a premise and that a hotel manager could gain a big advantage out of the knowledge of others. The same way this network would work in a crisis. It might be that one hotel is hit by a crisis and another one had already a similar one, than the hotel could learn out of these experiences. Additionally, such a network would deepen the knowledge of how to act in a difficult situation already beforehand and strengthen also the relationships with other hotels. A comparable network might exist in chain hotels, and it is anyways easier for them to get in contact with other hotels of the same chain and to exchange experiences. This underpins the importance for such a network for independent hotels.

4.2.3   Finland is calm

A big issue is also that no manager sees a big danger for their hotel or for their guests. They all said that Finland is a quiet and calm country which does not have any enemies and that they therefore do not have to fear any crisis that is made by one or more persons. This opinion is quite optimistic, although it is correct that Finland does not have any tensions with another country. Still, nobody has thought that a bombing in Stockholm was possible. And it was caused by a swede who was dissatisfied with the state. That shows that danger does not have to come from outside Finland but it can also arise from within the country. To be more aware does not mean to see in each customer and in each headline of the news a possible danger, but especially the news should be assessed and discussed within the team in the hotel. In particular big hotels, it does not matter if chain hotel or not, which host guests from all over the world need to be more aware to worldwide happenings than small ones which might host more tourists of Finland. The interviewed hotel mangers do talk in team meetings about current happenings which shows a high awareness of world wide happenings.

4.2.4   Good communication

Very good was that each hotel manager is informed about worldwide happenings. Especially this topic is an advantage for chain hotels because they get also information and ideas for changes from the headquarters. But one big independent hotel from the rural area, has also shown that news and world wide happenings are discussed in team meetings and possible changes were introduced in such, too. It can be said that this depends on the enthusiasm of the manager then in charge and how team members can be integrated into that topic but also from the size of the hotel. If a hotel has more departments than housekeeping and reception it is more logic that team meetings take place to keep colleagues from other departments up-to-date about the present situation in the hotel and so on. In chain hotels it is also a routine to held team meetings due to a systematic manager hierarchy. Nevertheless, the communication happens also in small hotels due to less staff and more contact to all team members. But it is not said that important topics are mentioned and discussed in the same manner than in a team meeting. One manager said that everybody is aware of worldwide happenings. It is true that probably many people know what happens in the world due to newspapers and internet but that does not necessary mean that they are also aware of what that could mean to a business. For this reason team meetings should be held in each hotel. Even if the meeting is just twice a month for an half an hour; it is better to keep it short and regular than irregular and too time consuming. The more information is spread, the more ideas were gained for solutions and changes.

4.2.5   The right behaviour

In case of a crisis it can be seen that managers without a crisis management plan act intuitive. That might be correct and lead to the desired solving of the crisis for that moment, but it can also lead to far more catastrophic situations than they were before or to more chaos. This behavior is reactive and does not consider the long term rehabilitation of the business. It is very recommendable to establish a list what to do in such cases and rely on it. Again, it is an advantage for chain hotels because headquarters send out crisis management plans as soon as the hotel belongs to the chain. One hotel manager of an independent run hotel stated that during the crisis everything turned out good but that he afterwards has written a short but not

professional list for similar crises. That was an excellent idea because he is actually confronting himself again with the situation and what he might have done better or different. However, establishing a crisis management plan does not mean to act precisely like the plan is written but when reading the list frequently or even writing it itself, it is more easy to acquire the things that should be considered during a crisis and the steps are not forgotten quickly. Despite, possible changes can be adapted to the list or corrections can be made. The keyword for such behavior is proactive and does also include the long term solution of crises. Impressive was that all the managers who have a crisis management plan, renew it once or twice a year and whenever needed. That is necessary because some things can change dramatically, technical wise or procedure wise. Generally it is very good to see that four out of five hotels have a crisis management plan, or in one hotel called risk management plan. Although one plan was made by an independent hotel without professional support, the main importance is to deal with the topic of crises and see the possibility of occuring.

4.2.6 Assistance tools

A very helpful tool, presented earlier in chapter 2.3 is the risk classification. It might be time consuming when establishing it the first time but afterwards changes can be done quickly. The risk classification shows on one glance what kind of crisis can appear in the area and influence the hotel business and how strong the effect would be felt if a particular crisis hits the business. Only one hotel manager said that this tool is be used. Although she is working in a hotel chain it is not usual because others from chains do not work with it. However, it should be used from each hotel does not matter the size nor the affiliation to a chain or not. Furthermore, the risk classification delivers the basics for the content of the crisis management plan which is the likelihood of several crises. Due to this, a hotel manager knows what kind of crises can be rather expected than others which means also to develop rather a plan for a crisis which is more likely than another one. The result is a well prepared hotel with also well prepared staff and manager.

4.2.7 The right content

The content of a crisis management plan should include first of all what will be done to solve the crisis, with focus on short term and long term solutions. That is the most important that a list exists with steps of what to do and how to do it. Furthermore, tasks of managers are described and relevant phone numbers of authorities, stakeholder, etc. should be written in the crisis management plan, as well as information about help, where to find help and people that might know how to deal with the situation. Three managers gave some ideas about the topics of their crisis management plan and said that they have a prepared plan with all steps mentioned of what to undertake to solve the crisis. Only one mentioned also that each team member has a certain task and function which are mentioned in the plan.

4.2.8 External help

Establishing a crisis management plan for a hotel is a time consuming procedure. Many things need to be considered, tools need to be developed, and information need to be gathered. Two manager from independent hotels, said that they would consider help from an external company to develop such a plan. Two others did not answer due to the already existing crisis management plan. Anyhow, one manager from a chain hotel has an established crisis management plan and said if needed they would consider help from an external company because they try to be good in hospitality and cannot be experts in everything.

4.3 Summary of the Analysis

Summarizing the findings of the questinnaire and to see the differences between the hotels it can be said that chain hotels are better prepared than independent ones. Although the approach of independent hotels is existing, the informtion flow and the awareness guaranteed, there is the big advantage for chain hotels that head quarters take care about developing and up-dating crisis management plans. Head quarters have also better possibilities to gather knowledge and information from other hotels of the chain and leading them on to others. Another difference can be seen between big and small hotels. That difference lies in the team meetings. As already mentioned, due to

the various departments team meetings are more important for big hotels to inform colleagues about current happenings or to lead on information. However, it was not possible to see a difference due to the location of the hotel. Rural located chain hotels have the same approach than urban located chain hotels.

5   Conclusion and Suggestions

In this chapter the conclusion is written after the research is completed and the analysis is being made. It describes the possibility to generalize the statements of the discussion and especially the knowledge about crises with the influence of the literature, to all Finnish Hotels. As well suggestions for improvement of this research and suggestions for further researches are being made.

5.1   Conclusion

At the beginning of this research were three questions which needed to be answered. Firstly, what kind of approach Finnish hoteliers have towards crisis management. Secondly, if a hotel has a crisis management plan, what key issues included are, and thirdly, what hoteliers do to improve security for guests within the hotel property.

For the theoretical framework, material accordingly the topic was collected and presented in the manner a crisis management plan should be written. All aspects which should be considered are mentioned, beginning from hotel management itself, to the general picture of crisis management, to the details of the crisis management process which includes knowledge management, legal compliances, corporate social responsibility, and of course the final product, the contingency plan. Despite, a security action plan of the World Travel and Tourism Council is presented.

In the Discussion and the Analysis the interviews with hotel managers of different hotels and the out of those resulted findings were presented. The results were satisfying and have supplied good insights and answers to the questions of this research. Most interviewed hotel managers were prepared to various of crises and all five hotel manager are aware to world wide happenings. Therefore the approach and awareness of Finnish hoteliers towards crisis management is positive. Although independent led hotels do not have a crisis management plan itself the approach and the attitude is towards such a plan. The awareness and the information are collected and dicussed in team meetings which is in most cases easier for chain belonging hotels.

The answer to the question of the research is that Finnish hoteliers are highly aware of wolrd wide happenings and that they are consciuos of what those would mean to their business. All hotel managers have different approaches to secure their premise although the first step is similar which is the installing of amenities to be than allowed to open the hotel.

Key issues in existing crisis management plans considering crises of various backgrounds and their attempt of solution. As well responsibilities and tasks of staff are described so that everybody knows what to do in a crisis, and important phone numbers are noticed.

The improvement for guests within the hotel property has different approaches which were already mentioned. Those vary because the focus lies from manager to manager on different topics. The overall main importance is that staff is tought and introduced to all procedures within the hotel. That they know about the manual, and know what to do in case of an emergency.

5.2   Suggestions for Improvement

At the beginning of this research was the main question what kind of approach Finnish hoteliers have towards crisis management. The importance why this topic should be researched is explained and the question could be answered during this research due to the literature review which has delivered important information and the conducted interviews with the hotel managers. Furthermore in the theoretical framework it could gain an insight into hotel management and crisis management with knowledge management, legal compliances, corporate social responsibility, and a contingency plan. Afterwards the methodology was introduced and then the examined research with all its results presented.

During this whole process some issues arised which are introduced in this chapter as suggestions for improvement. Those came into being in the chapters of theoretical framework, methodology and the research itself.

Although this research is conducted with the qualitative method approach, and a qualitative research does not conduct interviews with as much people as a quantitative research, there should have been more interviews with hotel managers so a generalization could be easier and a better overview of the Finnish Hotel Industry could have been delivered.

Furthermore, the findings in the chapter of legal compliances could have been described in more detail. Many laws and restrictions are translated in the english language from the government. Unfortunately, not all laws and restrictions were translated and due to this language barriers the researcher could not read as much as possible about the law regulations and present it in this thesis.

Although the researcher described the meanings of 'crisis management plan', 'security plan' and 'risk management plan' during the interview, it might be that the meanings have led to confusion by some managers. Despite, those who were answering the questionnaire via e-mail did not answer all questions. It would have been better to interview the manger from face to face.

The last suggestion for improvement is that there should have been one more question in the quastionnaire to get more details about the key issues from the existing crisis management plan. Most managers answered with the different crisis that are mentioned in their plan but not with other details e.g. the approach for long term solutions.

5.3   Suggestions for further researches

During the research process to answer the questions of how aware Finnish hoteliers are towards crisis management, some issues have arised which to explain in this research paper would be to ramble on and would mislead the focus of the research question of this research paper. These issues can be researched for themselves and are suggestions for further researches.

Possible topics could be to examine more precisely the likelihood of crises, threats, and disaster within Finland and find reasons of precise causes of occurring or not occurring. Furthermore, risk classification tools which should be used by the management to prevent crises or rather minimizing the damage after happenings. There are numerous of tools that assist the management and those could be studied and compared to each other.

Another possibility could be a case study for one hotel to find out if the provided training of staff for safety and security issues is sufficient enough or if the training should be improved. As well it could be examined if the hotel has the right devices, the correct attitude, and a well-established crisis management plan.

 Moreover it could be found out if the vocational guard school for security officer is sufficient enough or if there should be a necessity for further qualifications. In addition, the legal compliances could be studied in more detail to find out several directives a hotel does face and if there should be more directives according crisis management itself.

Another idea for a research could be to interview managers from hotels that have had already a big crisis, for instance the Taj Mahal in Mumbai. That means also to interview managers from outside Finland which would lead to a different approch of research. That could be of high value for big organisations that act in more than one country e.g. the World Travel and Tourism Council. It could be studied if it is necessary to have more directives, guidelines and assistance to hotels in the global market.

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Attachments

Appendix 1:

Interview with Security Officer 27th of April 2011

1. **What are the key issues in security management?**
    a. Introdcution of the topic to all employees is very important. In case something happens people know what to do, where they can find assistance, and that they know how to handle the manual.
    b. Training of all employees is a big issue due to a high rate of changing perosnnel. During the time I worked in a hotel as Security Officer we had every week a training for new employees to introduce safety and security issues from the hotel.
    c. Manuals (contingency plan) need to be written. For the manuals it is necessary to go through many scenarios and assess threats that could possibly occur.
    d. The interrealtion of all departments needs to be considered and security management takes place in each department – it does not matter what kind of business it is.
    e. Continuity management needs to make sure that security management is taken serious and a steady development is ensured.

2. **How important is security management in a hotel?**

    How important security management within a hotel is depends on some factors which are:
    a. On the level of the hotel – luxury or budget
    b. On the number of hotels – independent or chain
    c. On the willingness of the management

3. **What kind of training is included in the Vocational Guard Qualification provided by the Ministry of the Interior?**
    a. the legislation is explained and the the rights a security officer has are articulated e.g. when one has to interfere in actions, what one can do for self defence, and what attitude one should ave in this business

      b. he Government provides also different kind of schools thode are:
- i. the Qualification as Security Guard
- ii. the Qualification as "bouncer"
- iii. the Qualification as Security Officer through vocational school

4. Do you think this is sufficient enough?

The education aims to an understanding of how one is able to ensure safety and security but from my point of view needs more emphasis towards customer service skills and behaviour skills. Since the action itself is only about 10 per cent and the contact with customers about 90 per cent.

5. How can a hotel improve security aspects?

The Hotel needs to decide which tasks need to take care about. It also has to identify the risks that can threaten the hotel with the help of risk assesment tools. And last but not least recruitment of personnel, introduction of safety and security aspects in the business, regular training, manuals, and control of the actions taking place are the key words.

6. What are the main tasks as Security Officer inside a hotel?
- a. customer service
- b. guarding, patrolling, control personnel / customer
- c. being visible to personnel / customers

7. How often are you confronted with crisis management in security management?

During the two years I have worked in a hotel as Security Officer I was 2-3 times confronted with crisis management.

8. What are the main important issues in crisis management?

It is pretty much the same than in security management in general.
- a. preparing and training of employees
- b. developing/ evaluating manuals and going through scenarios
- c. internal and external communication

d. invisible actions to customers, media, and own personnel, of course depending on the type of crisis

9. **Do you think it is necessary for the Finnish hotel industry to consider a crisis management plan?**

Definitely!

10. **How can a hotel implement a crisis management plan successful?**
    a. management commitment is very important because if the General Manager does not see the necessity of crisis/security management in the business none of the employees does either.
    b. Knowledge of possible threats and close work with authorities.
    c. Case training with staff on a regular basis
    d. Further development of manuals (crisis management plans) and observations of the neighbourhood and political changes

11. **What key factors should be included when developing a crisis management plan for the hotel industry?**

The same factors that are necessary to implement a crisis management plan succesfully.

12. **Are there interferences from the European Union according crisis management?**

No. The European Union gives advices but no directives.

13. **What are in your opinion and based on your knowledge of security management the most common threats the Finnish hotel industry does face?**
    a. Fire
    b. Privacy of customers, especially VIP
    c. Protect the reoutation of the hotel

14. **How strong is the likelihood of those threats you mentioned?**

Approximately once in 3-5 years it is possible that a fire occurs and hotel gustes need to be evacuated. VIP's are more likely to be present, also depending on the type and class of the hotel. In those cases of VIP's it might be that simultaniously bomb threats come to the hotel.

15. What kind of impact would they have in case they are occurring?

It varies but in worst case there could people die. And in any case there is a business interruption which can lead to loss of customers and loss of good reputation.

16. How can a hotel be more aware of those threats?

It starts already by the recruitment of staff, than introduction of safety and security issues of the hotel, regular training, handling manuals, and controlling.

Appendix 2:

Questionnaire to Hotel Manager

1. How do you assure security for your customers and staff within your premises?
2. How aware are you to world wide happenings e.g. natural catastrophes, deseases, or terrorist attacks within your hotel?
3. Do those crises have an effect on your business?
4. What kind of crisis / threats does your hotel face?
5. What was the worst crisis / threat happen to your business?
6. How did you handle the situation?
7. What consequences did you gained out of it?
8. Do you have a crisis management plan for your hotel?
   a. When and how did you implement it?
   b. Did you ever replaced it?
   c. What key issues does it include?
9. If you do not have a crisis management plan, did you ever before consider to develop one?
10. Would you consider help from external companies whose are specialised in the field of security?