

# THE IMPORTANCE OF HUMAN RESOURCES FOR EFFECTIVE IMPLEMENTATION OF CRISIS MANAGEMENT TOOLS IN TOURISM AND HOSPITALITY INDUSTRY

Branka Drašković<sup>1</sup> 

Marija Džunić<sup>2</sup> 

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**Abstract:** *The objective of this paper is to foreground the connection between human resources and crisis management in the tourism and hospitality industry, particularly in the implementation of various management tools for successful crisis strategy. One of the most significant sources of competitive advantage in organizations is allocated in human resources, their knowledge and skills, and the way they are used. Modern business conditions have created a dynamic environment that imposes the need to accept the changes flexibly. Whether it is a matter of sudden or gradual changes, as well as whether they are of a positive or negative character, each of them has implications that can result in a crisis. Therefore, the need to understand the crisis and the role of crisis management in the process of crisis prevention, management and overcoming, becomes a necessary element of any business system. Tourism represents one of the fastest-growing sectors in the world, but since it is vulnerable to various risks and crisis, developing an effective crisis management response, consisting of highly skilled people and the use of adequate crisis management tools, can significantly lower the negative impacts on this industry.*

**Keywords:** *Human resources, Crisis management, Leadership, Crisis management tools, Tourism and hospitality.*

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## 1. INTRODUCTION

The incentive of this paper is to raise awareness of crisis management, which is of great importance at all levels and is present in all branches of business, and especially in the tourism and hospitality industry. Also, there is a strong emphasis on proactive action as fundamental for successful crisis management, and the use of various crisis management tools and techniques. It is pointed out that different situations require different solutions, but with a well-prepared crisis management team, leadership and skilled employees, it is much easier to overcome any crisis. Therefore, the key role and importance of human resources is essential for a well-planned and successfully implemented crisis management strategy.

The objective is to:

- a) determine the connection between human resources and crisis management in the tourism and hospitality industry,
- b) illustrate and propose a set of various management tools for successful crisis strategy.

**H1:** Human resources significantly contribute to effectiveness of crisis management strategy;

**H2:** The knowledge and competences of human resources about crisis management tools increase the success of their implementation.

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<sup>1</sup> Metropolitan University, FEFA Faculty, Zorana Djindjica 44, Belgrade, Serbia

<sup>2</sup> Metropolitan University, FEFA Faculty, Zorana Djindjica 44, Belgrade, Serbia

## 2. HUMAN RESOURCES AND HUMAN RESOURCE MANAGEMENT

One of the most significant sources of competitive advantage of a company lays in human resources, their knowledge and skills, and the way they are used. Global business trends, shaped by demographic change, the existing talent crisis and high rates of technological development, have a strong impact on organizational models and impose the need to change the requirements for human resource management.

Traditional sources of competitiveness such as production capacity, financial resources, raw materials, distribution channels, etc., are considered necessary but not sufficient for organizational success. Human resources, their knowledge, skills and competencies, as well as their synergy, have become a new source of wealth and a key factor of competitive advantage. As we live in a world where knowledge, rather than physical capital, is becoming increasingly important, we need competent and ambitious people who can achieve great things - increase productivity, create new products and services - faster (O'Reilly and Pfeffer, 2000, pp. 1). In a world where intellectual capital is critical to economic success, human resource management, which deals with recruiting, developing and retaining the best people, must show the ability to attract and retain talent and turn it into a competitive advantage.

As much as the society in the past period mainly relied on the exploitation of natural resources and physical work of human resources, the decades ahead will show that it will be based exclusively on the exploitation of the intellectual abilities of employees. In developed economies, jobs that require less skill will be automated or dislocated where they can be done at a lower cost through the hiring of inexpensive labor (Froy, 2009, p. 24). At the level of the European Union, it is widely accepted that in order to achieve higher rates of economic growth and competitiveness, compared to developed industrial nations, it is essential to improve the skills of the workforce. As the first step towards solving the problem of missing skills and knowledge, we emphasize the need to define those skills and knowledge that are needed to achieve business goals - competencies. These are the abilities of an individual to do the job in an appropriate way, which, in addition to professional knowledge and skills, also implies personal characteristics, abilities and attitudes. The model of enterprise development based on competencies is based on determining the knowledge and skills that directly contribute to the realization of the organizational goals of the company. Based on this model of competencies, it is possible to define the necessary training programs and a system for measuring staff development and general goals of the company.

Human resource management at the organizational level ensures the presence of competent workers who enable the company to build its competitiveness, employee motivation, development, etc. It follows that, in companies that want to successfully manage human capital and achieve competitiveness through people, the starting point is in the activities of the human resources department. Therefore, companies must invest in all phases of human resource management, but also constantly strive to improve human resource practices. This is important because it enables the management of major challenges faced by companies - personnel crisis issues with the necessary knowledge and skills, the impact of the crisis on employee involvement and human resource management issues of the so-called millennial generation. In an extremely challenging economic environment, organizations must put a lot of effort into nurturing and developing a younger workforce, because only this way will they be able to provide the missing talents that drive innovation, organizational effectiveness and competitiveness.

## **2.a. The importance of human resources in tourism and hospitality industry**

A systematic approach to human resource development at the national level is extremely important, given the growing demographic changes and projections of labor shortages in some countries and redundancies in others. Education and investment in skills development are more than ever critical points of a nation's competitiveness. The development and effective use of human skills and knowledge contribute to the wealth of a nation and are necessary for social and economic progress. The twenty-first century has opened a new chapter in human history where the future belongs to those societies that can organize to learn and apply acquired knowledge (Marshal & Tucker, 1992) and where workforce development through education and training becomes „key to competitiveness”. (Ashton & Geen, 1996, p. 1).

In the last few years, a significant amount of researches has emerged, that have considered the relationship between the use and development of human resources and skills at the organizational level and the economic performance of organizations and the economy, more broadly. Starting from the adopted understanding that people are the main source of competitive advantage of an organization, it follows that the quality of human resources determines organizational performance. The research that dealt with this relationship had different perspectives of observation, emphasizing the role of human resource management, the role of managers, and especially the managerial staff. One of the important topics is certainly the connection between leadership and organizational performance, with a focus on the leadership roles of executives. Their knowledge and skills are an important moment in the management of increasingly complex organizational processes.

Macroeconomic evidence suggests a positive link between human capital and economic growth (Krueger and Lindhal, 2003; Wilson and Briscoe, 2004). The impact of investment in education and further training is more significantly measurable at the level of the company or industry sector (Wilson and Briscoe, 2004). In the context of assessing the competitiveness of a country, according to the report of the World Economic Forum and the importance of human capital for competitiveness, it is important to define human capital indicators. According to a Cedefop report, human capital is broadly defined to include knowledge, skills, competencies and similar attributes (Westphalen, 2001), (Sabadie and Johansen, 2010).

Human potential is one of the elements that determine the value of a business in tourism and hospitality. When it comes to values and success, most would first think of financial indicators and profits, but the value of the company is increasingly seen through a new dimension, and that is the quality of employees and their comprehensive contribution. It encompasses and emphasizes the importance of people and their knowledge as a creative potential for business success, business organization, business innovation and customer relations.

Namely, in order to be able to compete, a company must have at least one more competitive advantage than other companies. Today, most companies have access to the same technologies, so technology alone is not enough to set one company apart from others. The management system and employees are usually a factor that can make a difference (Dessler, 2007). Given that employees are the part of the company that can give a competitive advantage over other companies, human resource management has a responsibility to acquire, select, motivate, educate and develop, reward and retain its employees. This first reflects the importance of human resources, and thus the importance and weight of their management and direction in the long run. It is important to note that people are the only intelligent, thinking resource in the organization, and

this is exactly what distinguishes the management of human resources in relation to other functions of the company (Čerović, 2011). People are, as already stated and supported by facts, a key business resource that requires more knowledge and skills in management than managing other resources, and is extremely important for organizational success. To ensure the optimal functioning of hotel companies, human resources are a key factor on which the quality of services depends. That is why the success of the company depends not only on investing in technological modernization but also on investing in human resources education. Only educated and professional staff can be a factor of competitive advantage (Stefanović, Blagojević, 2009).

In order to maintain and increase the value of intellectual capital and the overall quality of products and services, hotel companies invest in education, employ quality staff, establish a system of evaluating staff and performance, reward and improve staff quality. Nevertheless, the complex and heterogeneous structure of the hotel product requires the engagement of staff of different professional profiles, and therefore the hotel staff is characterized by a wide range of levels of education. (Kosar, 2008, p. 36).

Management in tourism and hospitality is a profound activity where human work occupies the most important place, and it will remain so in the future. The quality of services depends on the ability of employees, and thus the satisfaction of clients and their loyalty (Vlahović, 2007). The role of human resource management is reflected in the proper organization of the activities, which is then reflected in the engagement of the right person in the right place, so that employees have the opportunity to improve and progress, to be motivated and rewarded, properly coordinate all activities and achieve the best results (Djordjevic Boljanovic, 2009). Proper here means the best possible coordination for a given company, relying on the knowledge of the company's employees and extracting the maximum ability and potential for the most efficient and productive achievement of business results and goals. Human resource management in the tourism industry is a dynamic process; equal employees are in the first place, and guests are in the second place. The quality of services that will be provided to guests depends on human resources, which will lead to their satisfaction and the desired business results of the company (Vlahović, 2008). Human resource management is the key to the successful business of organizations and it is believed that in the future it will develop even more, and more will be invested in it.

In regards to practical implications for HRM in hospitality and tourism, research review by Hroust and Mohamed (2014) points to two important issues: the accomplishment of organizational objectives and human resources capability training. It shows that these issues are related to external factors (technological change, legislation and regulation, national culture, globalization) as well as to internal factors (size, industry, sector, organizational structure, strategy and established HRM practice). The analysis which was focused primarily on Malaysian tourism and hospitality industry behavior of the employees and front-line staff in particular, recommends provision of opportunities for capability building and establishment of working environment which promotes productivity, and points to the significance of organizational culture, internal relations in the organization, attitudes of employees, financial assets.

Tahiri et.al. (2020) performed research that analyses the successfulness of hotel management and tourist satisfaction from the perspective of management and employees. The survey which was conducted on the sample of 21 managers, 100 employees and 200 tourists in the highest ranked four hotels in Kosovo over 2-month period, determined the positive impact of the professional and well selected management in the hotelier sector and climate created by the workers

on their performance, satisfaction and motivation, and furthermore on higher satisfaction of the tourists with the services provided.

Thus, human resources are a crucial success factor in the tourism and hospitality sector. Human resource management must direct all its activities towards supporting and monitoring the business strategy in order to achieve the company's goals and gain a competitive position in the market. Human resource management combines jobs and tasks related to people - recruitment, selection, education and other activities to ensure and develop employees. They create products and services, control quality, market services, manage the financial resources of the company and determine the goals of the organization, as well as the strategy for achieving them. Without properly educated, trained and effective employees, a tourist organization would find it difficult to successfully achieve all its set goals. That is why the role of managers in hospitality and tourism is very complex and requires a lot of effort and knowledge in order to unite all the functions related to the successful operation of the hotel.

The daily all-day engagement of the management is important for the quality and functioning of tourist organizations since insufficient and poor communication with subordinates and making wrong decisions leads to failure. That is why the manager, with his highly developed ability of the organization, must influence the employees, in order to achieve positive changes. Fast decision-making is essential for success, and in order to maintain their position in the market for a longer period, managers must be able to meet the needs of touristic service users. The dominant position will be occupied by employees who are ready to learn continuously and to apply their knowledge in practice. Only with such human resources, organization can expect good business results and take a good position in the market.

## **2.b. Challenges of human resource management in crisis**

One of the biggest problems in human resource management at the organizational level and a pronounced global trend of human capital is the issue of personnel crisis with the necessary knowledge and skills. A survey by consulting firm PricewaterhouseCoopers (2012) indicates that 78% of CEOs plan to change their talent management strategy in response to a changed global business environment, and only 30% of CEOs are confident that they will find the talent they need in the near future. Respondents believe that limitations in terms of missing talents have already hampered innovation in the organization.

What further deepens the problem is the fact that as a result of the crisis, we have an increasing percentage of companies at the global level that turn to experienced staff, reducing the need to recruit young labor. This strategy had effects in the short term, but it further deepened the problem of hiring the necessary talents.

An important problem in human resource management at the organizational level is the problem of the impact of the crisis on employee engagement. Employees who were affected by the reduction of the labor force with the beginning of the world economic crisis became disappointed and excluded. This particularly affects the generation of young people who do not see enough chances to find jobs and develop a planned career path, further blocked by the elderly who can no longer afford the planned retirement. In addition, employees who are not fully involved in the activities are not sufficiently productive and committed to customers, resulting in higher employee turnover ratios and increased employment and training costs for employers.

If we reflect on the challenges imposed by the Covid-19 crisis, it is evident that the sector which has been significantly affected by the outbreak of the corona pandemic virus is certainly tourism. The tourism industry, together with related activities, is one of the most important in the whole of Europe - at the EU level it participates in the generation of as much as 10% of GDP. The World Travel and Tourism Council projects a global loss of 75 million jobs and \$2.1 trillion in revenue if the pandemic continues for several more months. Many predictions state that the tourism industry will not recover from the corona virus for years, especially due to smaller visits from China. In 2018 alone, the Chinese traveled abroad 150 million times, spending more than 277 billion dollars, according to the World Trade Organization ([www.wto.org](http://www.wto.org))

After the spread of the corona virus, the travel industry is in the greatest crisis. Airline ticket prices have fallen as companies have advised employees to avoid travel that is not necessary, conferences have been canceled, and people are avoiding both domestic and foreign vacation travel. Thousands of flights have been canceled around the world as airlines try to cope with falling demand due to the corona virus outbreak. Hotels are closing and downsizing becomes more frequent HR policy.

The recent reports by UN World Tourism Organization (2020) indicate that COVID-19 has caused undoubtable crisis for the tourism industry. International tourist arrivals are projected to plunge by 60 to 80 percent in 2020, and tourism spending is not likely to return to pre-crisis levels until 2024. Research by McKinsey & Company (2020) emphasizes the governmental role during the crisis and proposes that governments take the opportunity to rethink their role within tourism, potentially both assisting in the sector's recovery and strengthening it in the long term. McKinsey's research suggests few ways of involving governments more profoundly in the tourism sector in the context of COVID-19, through larger agility and closer interface between public and private entities, installing new financial mechanisms and innovative financial measures, higher transparency in communication, digital transformation in the tourism sector, etc.

### 3. CRISIS MANAGEMENT FRAMEWORK

The discipline of crisis management, with scientific and theoretical principles, is beginning to take on an increasing role in practice from the second half of the twentieth century. The actions of crisis management in history have been recognized even before the introduction of the term crisis management in the literature.

Table 1 gives insight into the literature published on the topics of crisis management in tourism in the period 1993 – 2016.

**Table 1.** Literature on Crisis Management in Tourism

Araña and León, 2008	Short-term impacts of a crisis
Blake and Sinclair, 2003	Role of the government in crisis management
Durocher, 1994	Importance of equal stakeholder integration
Ghaderi, et al.2014	Relevance of knowledge and organizational learning
Glaesser, 2003	Holistic approach for crisis management in tourism
Gundel, 2005	Classification of different types of crises
Hass, 2009	Importance of media and communication
Hayes and Patton, 2001	Significance of pro-active crisis management
Hystad and Keller, 2008	Distinction into three stages of crisis management
Joras et al., 2011	Importance of equal stakeholder integration and knowledge
Keown-McMullan, 1997	Importance of media and communication

Laws and Prideaux, 2005	Overview of literature about crisis management in tourism
Mair, et al. 2016	Focus on post-crisis recovery
Mathes, et al. 1993	Emphasis on the importance of effective communication
Neumayer, 2004	Focus on the impact of political crises
Reisinger and Mayondo, 2005	Impact of a crisis on tourist's risk perception
Ritchie, 2004	Distinction into seven stages of crisis management
Sausmarez, 2007a	Focus on post-crisis recovery
Sausmarez, 2007b	Focus on post-crisis recovery
Sausmarez, 2013	Distinction into three stages of crisis management
Scherler, 1996	Emphasis on the importance of effective communication
Scott, Laws and Prideaux, 2008	Literature review on crisis management in tourism
Sönmez and Graefe, 1998	Impact of a crisis on tourist's risk perception
Waller, Lei and Pratten, 2014	Importance of communication and task assignment
Wintersteiner et al., 2014	The role of tourists in crisis management and peace promotion
Xu and Grunewald, 2009	Distinction into three stages of crisis management

Source: Martens et al 2016, p.94

From the aspect of the organization, crises have been and remain an unavoidable phenomenon, while the role of managers is today considered an indispensable part of the process of crisis preparation and management, with the aim of ensuring the greatest possible readiness for change and minimizing possible consequences. Simply put, there are crises that we manage and those others that manage us. If managers plan and act proactively, it is very likely that the crisis situation will be controlled and overcome, on the contrary, any lack of attention and awareness of the crisis, usually leads to its escalation into serious business dangers. Crisis management occupies a special place in the field of management, as a type of applied management that follows the theory in practice in both for-profit and non-profit sectors from a wide range of areas. There are a number of variations when it comes to definitions of crisis management. One of them is that "crisis management can be defined as a set of functions or processes that aim to identify, study and anticipate possible crises and establish special ways that will enable organizations to prevent or cope with and overcome the crisis, while minimizing its consequences and returning to normal as soon as possible" (Kešetović, 2008, p. 75).

In the conditions of modern business, a large number of possible risks stand out, and the characteristic that the way of their manifestation changes, creates the need for different approaches in their identification and solution. The fact that crises as a phenomenon cannot be a permanently excluded category further emphasizes the need and importance of the existence of crisis management as a concept and function. Active crisis management is aimed at proactively predicting a future crisis, developing and implementing prevention measures and preparing an action plan for accurate steps in case of a crisis (Waller, Lei and Pratten, 2014).

### 3.a. Effective crisis management in tourism and hospitality

Crisis events require organizations to be managed efficiently, with a high degree of coordination and control of the system, respecting the timeliness and adequacy of such procedures. Under the influence of numerous factors from the environment in which the business takes place, the impulse given by the system itself and the constant instability threatened by the crisis, a great challenge is posed to the actors of crisis management. Certain principles have been recognized as an imperative for the effective operation of crisis management, which will be presented below: (Kešetović, 2008, p. 123)

- Facing reality,
- Fast and decisive action,

- Protection of people as an absolute priority,
- The presence of a leader at the scene,
- Open communication.

The effects of any crisis to any organization and industry can be stated in financial outcomes, corporate image, or reputation, which is specifically important in tourism since “every crisis receives the attention of the media and as a result draws the interest of the public, specifically from possible tourists” (Barton, 2003). This indicates the need for people’s awareness of the crisis and their responsibilities in dealing with crisis outcomes. Many people need to be conscious of the responsibilities and roles in times of crisis. Proactive philosophy concludes all organizations affected by the crisis, pointing out that it is essentially not enough just to provide crisis response, but it is necessary to establish a way to manage crises.

The crisis in the hospitality and tourism industry should be managed with specific care since most of the companies in that industry depend on the discretionary spending of their consumers (Bitner et al, 1990). This emphasizes the vulnerability of the organizations within the industry, since the product or service is not vitally essential for the end-clients and they can choose an alternative or cease making an effort to purchase touristic product/service. Tourism is not just the travel of tourists to destinations around the world, but it is a multiple economic activities that is an integral part of sustainable economic development. The crisis management process refers to the planning, organization and implementation of activities aimed at effective risk management, design and develops strategies for the destination or organization to maximize the potential for continued normal operations. Risks in tourism cannot be avoided, instead there exists the need to manage risks effectively and provide:

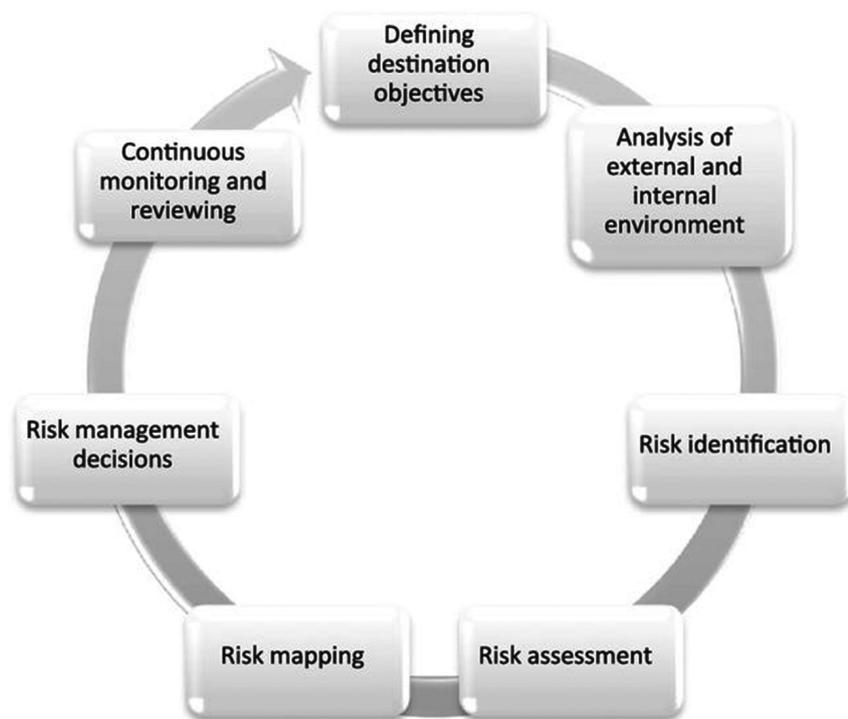
- Security for visitors, tourists and employees in tourism,
- Secure communication systems with all persons in the facility and within the destination,
- Provision of facilities, plants and equipment,
- Contribution of trained staff,
- Procedures for returning to normal business activities. (Regester, M., Larkin, J., 1998).

There are various significant attempts to propose a general framework for successful crisis analysis and responses in the hospitality and tourism industry. In this section, we highlight an integrated approach to the risk management model (illustrated in Figure 1) which provides a conceptual view of the risks a destination is exposed to and entitles managers to evaluate correlations between certain types of risks more effectively (Mikulic,et al, 2016).

Heath (1998, from Ritchie 2009) proposes the 4 R’s framework - reduction (risk management), readiness, response and recovery. Hystad and Keller (2006, from Ritchie 2009) offer a 4-stage concept which includes pre-disaster, disaster, post disaster and resolution. Hosie (Hosie, Phor 2009) presents theories on types of crises stating that 60% of crises can be identified before they reach large scale proportions and become out of control. He contends that effective crisis management requires integration into corporate cultures.

**Tourism Risk and Crisis Management Frameworks** Crises are periods of intense uncertainty characterized by unpredictability and loss of control over key functions of systems (Moreira, 2007). Generally, a crisis affecting tourism manifests as an event or set of circumstances that compromise or damage the market potential and reputation of a tourism business or an entire region (PATA, 2011). Crisis management consists of the “strategies, processes and measures

which are planned and put into force to prevent and cope with crisis” (UNWTO, 2011). Risk and crisis management is an integral component of overall tourism and hospitality management, practiced at the destination level by public sector agencies and communities, larger enterprises and by individual businesses. Effective risk management can prevent an issue from becoming a crisis. Poor understanding and management of risks can lead to a crisis. Risk management involves assessing the probability of negative events that may lead to the tourism sector being unable to operate normally. Six functions of risk management are identified by PATA (2011): 1. Identify: Identify risks or hazards before they become realities. 2. Analyze: Evaluate the probabilities, time-frames and potential impacts of each risk and then classify and prioritize them. 3. Plan: Formulate contingency action plans for mitigating the potential impact of each risk. 4. Track: Monitor the likely effectiveness of these plans by reviewing evolving risks. 5. Control: Revise the plans according to data from the monitoring stage. 6. Communicate: Ensure stakeholder buy-in and support in monitoring changes in the risk environment.



**Figure 1.** IRM framework

Source: Mikulic et.al, 2016

Faulkner (2001) proposed a six-phase framework for understanding the stages of a crisis and the responses necessary from stakeholders. This framework is often referred to as ‘Faulkner’s Tourism Disaster Management Framework’ which covers both natural disasters and human-induced crises:

1. Contingency planning,
2. Initiation of contingency plan,
3. Protective actions during the crisis,
4. Short-term needs addressed, clear communication strategy in place,
5. Restoring infrastructure, facilities, and tourist attractions, coordinated and sustained marketing response,
6. Review of actions taken to feed into further contingency plans.

### 3.b. Crisis management tools

One of the more referent sources on this issue, which we analyze in this section is the longitudinal research of the consulting company Bain, which has been conveying the thoughts of executives globally since 1993, regarding the tools they use. Particularly important are the researches in the period from 2008, which represent how the crisis has affected the changes in business priorities, and thus the tools that are employed in organizational management.

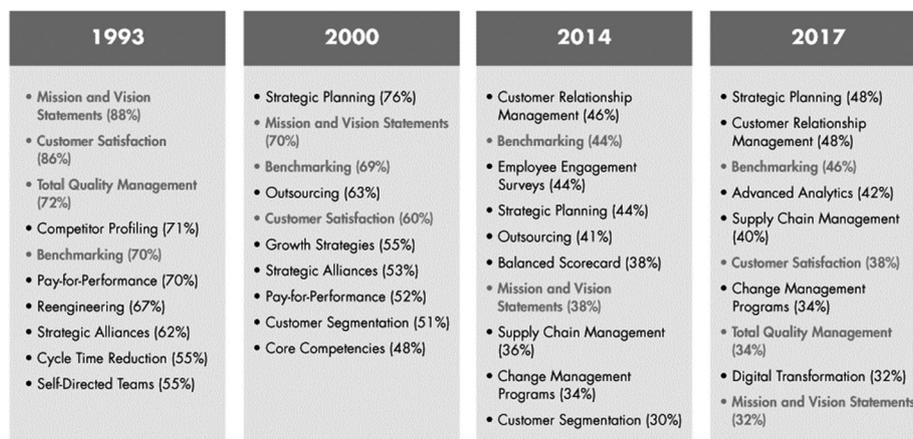
Table 2 provides an overview of the most popular management tools for the period from 2000 to 2012, according to research by Bain & Company (2013 from Masic, Dzunic, Nesic 2014)

**Table 2.** Overview of the most popular management tools for the period from 2000 to 2012

2000	2006	2008	2010	2012
Strategic planning	Strategic planning	Benchmarking	Benchmarking	Strategic planning
Mission and vision statement	CRM	Strategic planning	Strategic planning	CRM
Benchmarking	Customer segmentation	Mission and vision statement	Mission and vision statement	Employee engagement
Outsourcing	Benchmarking	CRM	CRM	Benchmarking
Customer satisfaction	Mission and vision statement	Outsourcing	Outsourcing	Balanced Scorecard
Growth strategies	Core competence	Balanced Scorecard	Balanced Scorecard	Core competence
Strategic alliances	Outsourcing	Customer segmentation	Change management programs	Outsourcing
Performance rewarding programs	Business process reengineering	Business process reengineering	M&A	Change management programs
Customer segmentation	Scenario and contingency planning	Core competence	Strategic alliances	Supply chain management
Core competence	Knowledge Management	M&A	Customer segmentation	Mission and vision statement

Source: Bain survey 2013, from Masic et.al 2014, p.237

The more recent Bain survey on management tools and trends compares the results from few years (1993, 2000, 2014, 2017) and indicates the popularity and usage of tools, as well as satisfaction from management and organizations in the implementation of the various tools. Figure 2 represents these findings.



**Figure 2.** Overview of the most popular management tools and percentage of their usage (1993, 2000, 2014, 2017)

Source: Bain Management Tools and Trends Survey (available at <https://www.bain.com/insights/management-tools-and-trends-2017> accessed October 29, 2020)

If we look at the picture of the wider use of management tools in times of crisis, taking into account the 25 most popular tools, an overview would be as follows in table 3 (the tools in the table are presented by alphabetical order of their names in English). We take into account the reports for 2013 and 2017 in order to look more objectively, from a somewhat significant distance look at the reactions of company executives at the global level, and to understand the reasons for the emergence of new management tools and the popularity of certain tools. The conditions of the crisis gained significance.

**Table 3.** The most popular management tools (2013 vs.2017)

1. Balanced Scorecard	1.Advanced analytics
2. Benchmarking	2.Agile management
3. Big data analytics	3.Balanced Scorecard
4. Business process reengineering	4.Benchmarking
5. Change management programs	5.Business process reengineering
6. Complexity reduction	6.Change management programs
7. Core competences	7.Complexity reduction
8. CRM	8.Core competences
9. Customer segmentation	9.Customer journey analysis
10. Tools for good decision making	10.CRM
11. Downsizing	11.Customer satisfaction systems
12. Employee engagement surveys	12.Customer segmentation
13. Mission and vision statements	13.Digital transformation
14. Mergers and acquisitions	14.Employee engagement systems
15. Open innovation	15.Internet of things
16. Outsourcing	16. Mergers and acquisitions
17. Price optimization models	17.Mission and vision statement
18. Managing satisfaction and loyalty	18.Organizational time management
19. TQM	19.Price optimization model
20. Scenario and contingency planning	20.Scenario and contingency planning
21. Social media programs	21. Strategic alliances
22. Strategic alliances	22.Strategic planning
23. Strategic planning	23.Supply chain management
24. Supply chain management	24.TQM
25. Zero based budgeting	25.Zero based budgeting

**Source:** Bain Management Tools and Trends Survey, 2013 and 2017 (from Masic et.al 2014, and <https://www.bain.com/insights/management-tools-and-trends-2017> accessed October 29, 2020)

We can remark that in times of crisis; with organizational goals and priorities changed, management of the organizations uses different tools than in harmonious times. The general impression is that in conditions of increased uncertainty, lack of necessary financial resources and other problems brought by the crisis, organizations are focusing on successfully resolving short-term financial pressures. In this context, executive decisions are motivated by short-term goals in terms of reducing operating costs, and the use of tools aimed at achieving these goals, such as benchmarking and outsourcing, has found its place among the top ten most commonly used crisis management tools. The research from 2013 emphasized the need to strengthen good relations with customers but through greater engagement of employees in the company, which is directly related to customer satisfaction and loyalty. Hence the great popularity of the management tool called Employee Engagement Surveys, which stands out as an equally used and important tool, as well as Strategic Planning and Customer Relationship Management. Also, the need to strengthen good relations with employees, especially members of the so-called millennial generations, requires a shift in organizational culture and process. The context of the increased use of social media programs, the need for adequate optimization and management of data obtained by companies, brought the popularity of a management tool called Big Data

Analytics. When we look at the data from the 2017 survey, it is evident that new approaches to business challenges have evolved, some using artificial intelligence and machine learning (Bain survey, 2017). Customer Satisfaction Systems, designed to improve retention of customers, employees and investors, and Digital Transformation, which integrates digital technologies into an organization's strategy and operations, hold considerable popularity (Bain survey, 2017).

If we consider not only the popularity of the usage of certain management tools but also the satisfaction and efficiency in their use, comparing the data from surveys 2013 and 2017, we can conclude that organizations show the greatest satisfaction with the use of approved management tools, which are a priority in all economic climates, such as Benchmarking, Strategic Planning, Mission Statement and vision, CRM, Balanced Scorecard, etc. The tools which are expected to continue increasing in usage and satisfaction of their usage, particularly in the field of organizational crisis strategies and responses, are Complexity Reduction and Scenario and Contingency Planning. In general, organizations are gradually or fundamentally changing responses to various business challenges, and focusing on a) reducing complexity and hierarchy, b) using digital technologies, c) strengthening corporate culture, and d) focusing on customers.

#### **4. FUTURE RESEARCH DIRECTIONS**

This paper combines:

- theoretical research about human resources and crisis management in tourism and hospitality with the aim to advance knowledge about the importance of human resources for tourist organizations in developing effective crisis strategy, and
- applied research which tackles the problem of implementation of crisis management tools in tourism with emphasis on proactive and professional management and leadership, and skilled and highly motivated employees.

The methodology used is descriptive, qualitative, critical and comparative. The role of crisis management is becoming an indispensable element in countering and overcoming crisis situations for people and organizations across industries; therefore, in tourism and hospitality should be integrated in a successful organizational strategy. The authors do not propose a single model or framework for crisis management in tourism and do not consolidate crisis management tools that are most effective for the tourism and hospitality industry. Moreover, it is suggested that instead of a universal approach to preparing for crisis and general solutions for overcoming the crisis, organizations prepare adequate crisis management strategies which rely on their competencies, internal corporate culture and climate, with the use of various business tools, techniques, scenarios and benchmarks.

The intention of the authors, within a broader empirical multi-industry study (tourism and hospitality involved) of management practices and industrial performances in Serbia, is to run a survey to investigate the familiarity of management and employees in organizations in Serbia with specific crisis management tools, to which extent and in which order they are applied, as well as satisfaction and estimated effectiveness in usage of these tools.<sup>3</sup>

The regional comparative analysis of the use of crisis management tools in tourism can also be of special importance.

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<sup>3</sup> The empirical study has been affected by Covid-19 situation, with extensive data collecting for sample segmentation analysis

Finally, the authors single out clusters as a specific form of development of tourism entities, enabling connections with research and educational institutions that can significantly contribute to strengthening the competencies of people and their ability to apply crisis management tools in tourism.

## 5. CONCLUSION

The role of human resources in the modern tourism world has changed significantly to adapt to different needs and developments in the workplace. Involving human resources in crisis management is one such event, which means that HR services must take an active role in planning and training. HR provides the skills and knowledge necessary for employees to contribute to the sustainability of the organization by participating in the crisis management process. The role of human resources in crisis management is becoming extremely important for any tourism organization that wants to maintain brand reputation, trust and customer loyalty. Human resources significantly contribute to the effectiveness of crisis management strategy. Good selection and management of human resources is considered key to the success of any organization, and human resources are the most important part of the organization. Investing in human resources is more profitable than investing in any other resource. Managing employee careers and investing in employees is a significant motivating factor. We could say that only an employee who is satisfied with his job, working conditions and position in the organization and who is, at the same time, appreciated and respected in his work environment, is motivated to perform his job responsibly and in a quality and professional way. As a result, it is considered that such an employee certainly contributes to the achievement of the goals of the organization. This largely suggests that awareness of the importance and value of human resources must certainly grow, acknowledging technological advances and innovations.

Crisis management is critically important for all tourism and hospitality industry organizations. An adequate way of management in the period when the system is not in its usual state dictates the speed with which the business will return to the state of normal functioning, with the least possible consequences. Crisis management measures and approaches are sometimes crucial, not only for preserving business but also for the issue of survival.

When it comes to the approach in model and application of crisis management tools related to tourism and hospitality, we consider a flexible crisis management process, that will respond in accordance with the given situation and needs when the crisis periods occur. Simulating the effects of the crisis periodically makes tourist organizations more volatile to implement effective crisis management. Crisis management tools are most effectively applied when organizations have enough time to ensure the preservation of core values that could be significantly disturbed during the crisis. The major shifts in organizational executive strategies worldwide are focused on digital technologies and transformation, innovative corporate culture development and improved customer experiences. In the tourism and hospitality industry, such changes are favorable for the usage of specific management tools to increase the readiness for crisis preparation, response and organizational renewal (e.g. Agile Management and Digital Transformation, Balanced Scorecard, CRM and Customer Satisfaction Systems, Employee Engagement and Core Competences). The knowledge and competencies of human resources about crisis management tools increase the success of their implementation.

The general conclusion is that people must be with appropriate knowledge and motivated, in order to realize their potential and act effectively in response to the crisis. Tourist organizations should continuously invest in the knowledge and skills of the employees, their motivation and behavior, as well as to maintain an appropriate structure and number of employees.

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