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Research Article

The Need to be Prepared: Disaster Management in the Hospitality Industry

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Abstract

Although, hospitality firms face serious threats from disasters, few of these firms have engaged in planning for effective disaster management. Such planning entails both proactive and reactive planning so that the firm is able to take actions to minimize risk and damage prior to and during the disaster event and is then also able to resume operations as efficiently and effectively as possible following the event. Effective management planning incorporates internal input from the firms' most valuable asset, its employees, and external input from a variety of stakeholders in the community. Effective disaster management for hospitality firms entails the development of partnerships between the firm and external partners, such as government and non-governmental agencies, suppliers, and the media. However, the best of plans will not lead to effective disaster management if the plan is not correctly implemented by the firm's employees. The importance of employee involvement in the planning process and of the need for regular training of employees at all levels cannot be over-emphasized. Another critical factor in disaster management is the maintenance of communications. How communication channels might be maintained during a disaster when it is likely that most communication systems will be disrupted is a key consideration for disaster management planning. Other key factors that should be considered by hospitality firms in the development of their disaster management planning are identified and discussed. All hospitality firms, regardless of their size, are encouraged to prioritize the need for strategic and operational disaster management planning.

Keywords: Disaster management; Disaster management planning; Hospitality industry; Disaster planning

Introduction

Worldwide, the hospitality industry is facing increasing rates of disasters resulting from both naturally occurring disasters, such as the 2010 earthquake devastation in Haiti or the 2011 tsunami in Japan, and man-made disasters such as terrorist attacks such as the 2008 attack on the hotels in Mumbai, India and the September 11, 2001 terrorist attacks in the United States. British security personnel, as well as hospitality industry leaders, faced monumental security challenges in their successful efforts to avoid any major crisis situations or disasters during the 2012 Summer Olympics. While many disasters occur either locally or regionally, their impacts are

often felt over a much larger region than that in which the disaster occurred and may even be felt on a global scale; thus, magnifying the importance of the hospitality industry's ability to manage and recover from disaster situations. While many hospitality firms recognize that disaster planning is important, such planning is still too often a neglected part of a firm's management actions. As a result, many hospitality firms are still at a low level of disaster preparedness [1-3].

Crucial factors in organizations' survival in a time of disaster are effective and efficient preparation in advance of the disaster; a speedy response to the situation that occurs; and strategic recovery following the disaster. Today, as never before in the history of the hospitality industry, all industry organizations have an indisputable responsibility for the safety, health and welfare of their guests, as well as their employees. Thus, it is imperative that hospitality businesses are proactive in their approach to crisis and disaster management. Such organizations have written disaster management strategies and plans, along with a well-trained staff and persons in leadership roles who are knowledgeable about effective disaster management. While the importance of such preparedness is recognized throughout the hospitality industry, the need for guidance on the preparation and effective implementation of disaster management plans still remains. This article discusses factors to be considered in disaster management planning and identifies a number of content areas that firms should take into consideration when developing disaster management plans.

Defining A Crisis and A Disaster

The terms "crisis" and "disaster" are often used as though they were interchangeable in many reports about events which have impacted the hospitality industry in recent times. Although, the terms are related in many ways, they do describe different situations which hospitality firms might face.

A Crisis is any event that does, or is expected to, lead to an unstable and dangerous situation affecting an individual, group, community or whole society. Crises are deemed to be negative changes in the security, economic, political, societal or environmental affairs, especially when they occur abruptly, with little or no warning. More loosely, it is a term meaning 'a testing time' or an 'emergency event' [4]. Singh defines a crisis as: "as any action or failure to act that interferes with an organization's ongoing functions, the acceptable attainment of its objectives, its viability or survival, or that has a detrimental personal effect as perceived by the majority of its employees, clients or constituents in relation to the hospitality industry" [5].

A Disaster is a natural or man-made hazard that has come to fruition resulting in an event of substantial extent causing significant physical damage or destruction, loss of life, or drastic change to the environment. A disaster can be defined as any tragic event with great loss stemming from events such as earthquakes, floods, catastrophic accidents, fires, or explosions [4]. Prideaux et al. [6] note that disasters are unpredictable catastrophic change that can normally only be responded to after the event either by deploying contingency plans already in place or through reactive response. Essentially, the distinction between a crisis and a disaster is the extent to which the situation is attributable to the organization itself, or can be described

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as originating outside the organization [5]. For the purposes of this paper, the term "disaster" will be used to refer to all crisis or disaster situations which a hospitality firm might face.

Disaster Management Strategies

Disaster preparedness can be defined as "a state of corporate readiness to foresee and effectively address internal or exogenous adversary circumstances with the potential to inflict a multidimensional crisis, by consciously recognizing and proactively preparing for its inevitable occurrence" Sheaffer and Mano-Negrin [7], as quoted by Gruman et al. [1]. While various approaches to the structuring of disaster planning and management have been suggested, for example, Faulkner [8], Ritchie [9], and Racheria and Hu [2], it is generally agreed that there are several stages to the disaster planning and management process what must be addressed. Xu and Grunewald [10] group these stages into two categories, proactive and reactive, and point out that to achieve disaster preparedness, a combination of proactive and reactive strategies are needed. Proactive strategies include preparation activities such as the preparation of a disaster management plan, employee training, and where feasible, creating community and/or stakeholder awareness of the potential for a crisis or disaster (hurricane warnings and an awareness of the disaster potential, for example). Reactive strategies are focused on actions after the occurrence of the crisis or disaster. These strategies can be categorized as strategies for disaster communication, resources management, stakeholder collaboration, and resolution [10].

The importance of hospitality firms prioritizing planning for disaster management cannot be over-emphasized as there are many challenges faced by these firms if their disaster management is to be effective. For example, there is often a gap between what is anticipated to happen and what is planned for and what actually happens during a disaster situation. Even if the proactive strategies and plans are well developed and applicable to the disaster, people within the organization still often make poor decisions when actually faced with the disaster [2]. Factors which contribute to poor decision making are poor training in disaster management and poor communication among decision makers as to what is actually happing during the disaster or immediately after the disaster has occurred. Poor decision making sometimes happens because "organization memory" is hard to maintain under stress [11]. Generally, how well persons respond to any disaster event depends upon how well they were prepared and trained to deal with any given situation, again underscoring the need to prioritize the development of disaster management strategies and plans and regularly train personnel in disaster management.

A key lesson learned from the analyses of multiple disasters that have impacted the hospitality industry is that there is a need for an educated workforce that has the knowledge and tools for dealing with a crisis or disaster event in the work place. As frontline service providers, employees are essential for the day-to-day operations of any hospitality business. As such, they are an essential resource to be incorporated into effective crisis or disaster management. In times of disaster, employee turnover and/or absenteeism from work can increased markedly as a result of prohibitive personal losses, inability to get to work because of community infrastructure failures, mandatory evacuations, or from a decrease in workforce needs resulting from damage to the organization. To minimize the impact of employee "losses" to the organization, proactively, the organization should have employees involved at all stages in the development of crisis and disaster management strategies and plans [12]. This

involvement is necessary in order to incorporate the employees' operational knowledge into the planning process and to gain employee commitment to the developed strategies and plans. Once crisis and disaster management plans have been developed, it is then essential to have all organizational employees participate in regularly held training exercises to ensure that all personnel understand the plans and how to perform their respective roles in times of crisis or disaster. Finally, it is also necessary to cross-train employees in multiple job tasks and empower them to function with minimal direction so that, in time of limited staff availability, the organization is still able to provide services, even if on a more limited basis. The importance of maintaining an adequate number of trained employees during and following a disaster cannot be over-emphasized as a key factor in effective disaster management. Experience has shown that inadequate staffing is a frequent reason for a hospitality firm having to close its doors during and after a disaster. Hospitality firms in hazard prone geographic areas need to make investment in extensive employee training programs and consider innovative ways to keep employees on the job. Keeping employees available to work might often mean assisting them, and possibly their families, in obtaining basic needs and transportation [1,12].

As a hospitality firm exists within a complex environment, both internally and externally within the community, collaboration and communication with all stakeholders is an important component of effective crisis and disaster management. A critical area of collaboration is with government agencies or private firms that are responsible for community infrastructure, such as the provision of utilities including electrical power, gas, or water, road and highway maintenance, and the provision of public transportation. Without electrical power or water, a business, not otherwise damaged, may be forced to close until these utilities can be restored. If roads and highways are closed and public transportation is not available, a business, otherwise undamaged, may be forced to close for lack of employees even if what employees are available are cross-trained and able to fill multiple positions. Effective disaster management planning will have established open communication lines with government agencies and utility companies so that these community resources are aware of the hospitality organization's needs and the hospitality organization is provided with a time frame for operational recovery.

Other important stakeholders with whom hospitality firms should collaborate and establish strong lines of communication are the emergency service and first responder agencies within the community. These agencies' personnel often have experience in the management of disasters such as those which might impact the hospitality firm. During the proactive management stages, these agencies may be able to assist by providing input to planning strategies and by providing training for employees. It is especially important to have close working relationships with the local fire and police departments. This importance is underscored if the firm hosts events such as conferences or conventions which would be attended by large numbers of guests or if there are unusual hazards on the firm's premises, such as active construction sites or hazardous materials that may be associated with a conference or trade show exhibit.

Another area of external stakeholder collaboration and communication that is very important is with the local media. Not only can the media be an important source of information when a crisis or disaster occurs, but it is also the "window" to the outside world about what is happening in the disaster area. Collaboration

here is important during the disaster so that reports of the situation at the disaster scene are as accurate as possible. It is equally, or even more important during the disaster recovery phase when, once the firm has reopened for business, it is necessary to rebuild the image of the hospitality firm, and likely the image of the region impacted by the disaster, as well. Effective reactive disaster management strategies will incorporate a marketing plan that includes collaboration with the local media as a component of that plan.

Implementing Disaster Management Planning

Given the importance of disaster management planning for hospitality firms, it is pertinent to consider what constitutes effective disaster management planning. From the perspective of proactive planning, criteria for effective disaster planning might include: (a) a written disaster plan; (b) a functional approach to the disaster plan such that the plan includes preparedness, response, recovery, and mitigation of loss; (c) the written plan is property specific; (d) at least annual revision of the plan; (e) regular procedures in place for staff training; (f) staff participation in a disaster response exercise at least once per year; and (g) involvement of staff in the creation and implementation of the plan, including informal discussions during the development and revision of the plan [12]. From the reactive planning perspective, criteria might include: (a) an assessment of available and potential resources; (b) strategies for gaining media support for image "redevelopment"; and (c) a written marketing plan. A further aspect of reactive strategic planning for the hospitality organization might be to use "down time" or damage to systems or facilities as a result of a disaster to upgrade systems, such as their technology systems, or to complete renovations and/or upgrades of their facilities.

Because hospitality firms exist in a complex environment, disaster management planning must consider multiple factors, factors that are both internal and external to the firm. Some factors are obvious, such as the need for employee training as noted previously. However, many factors that should be considered in disaster management planning may be thought to be unimportant or may not even be factors that are considered at all. Here is a listing of suggested factors that firms may want to consider in their disaster management planning.

Direction and control/emergency command center

A disaster can strike any time, 24 hours a day. An emergency management group should be defined and assigned responsibility for managing resources, analyzing information, and making decisions. This decision making should include pre-authorization for making what expenditures might be needed both throughout the disaster event as well as immediately afterward. This emergency management group also acts as the liaison with the local and/or regional and national first responder teams. Apart from an emergency command center, a place where this group would be located and at least one alternative location should be designated in the planning process.

Record keeping during the disaster and immediately thereafter

A log of all actions taken during the disaster event, no matter how simply done, should be maintained. This documentation of what occurred, what decisions were made and by whom, will be important for many purposes, such as insurance claims and revising future disaster management plans. If any emergency expenditure is authorized by the emergency management group, records of these

expenditures and any available supporting documentation should be maintained.

Prior to the disaster event

Accurate documentation of all organizational assets is necessary. Then it is necessary to make provisions for secure protection of all of the firm's records such as the asset inventory, guest databases, employee databases, accounting and banking records, insurance coverage, building engineering plans and drawings, through a backup of all records at an offsite location or some other alternative.

Security

Plans should be in place for isolating a disaster scene, as soon as possible. Provisions for the use of trained security personnel and limiting access to only persons directly involved in the event should be in place.

Coordination with external responders

Plans for coordination and communication with external responders, such as the fire department or ambulance services, should be defined. Protocols for turning control of a situation over to an external responder should be defined. Periodic meetings should be held with such responders to ensure that plans are current as personnel and procedures change, both within the hospitality firm and the responders' organizations.

Communication systems

Communications planning is essential. A communications failure at any level and with any stakeholder can lead to exacerbation of the disaster situation. Because many communications systems, today, entail sophisticated technology, communications planning should include consideration of a complete failure of a firm's communication system with a determination of how communications, including warning of impending disaster, will take place under systems' failure conditions. Communications and warnings to guests about any impending emergency are a central consideration for communications planning. Planning should also include investigation of what back-up communications systems might be feasible for use in a disaster scenario. Communications planning should not just consider internal communications needs, but should also consider the need for communications with outside stakeholders such as employees' families, vendors, external responder agencies, local government agencies, the local police, utility firms, company headquarters if the business is not locally owned, or the National Weather Service.

Warnings

Although warnings are essentially a component of communications planning, any warning system should be obvious to employees, guests, contractors, visitors, or anyone on or approaching the hospitality firm's premises. An effective warning system and planning for disaster warning are essential if the firm is to minimize exposure to risk that may result from injury or death to any persons.

Life safety

Life safety for all persons potentially on the hospitality firm's premises should be the item of highest priority in any disaster management planning and in the implementation of such plans.

Site evacuation

The disaster management plan should include policies and

procedures for the conditions under which an evacuation would be required. A part of evacuation planning should include evacuation routes, exits to be used, emergency lighting for evacuation routes, assembly areas for evacuated persons, and a method for accounting for all persons that may have been on the firm's premises, including employees, guests, vendors, and visitors, as well as any other persons that may have been there for whatever reason. A factor that is often overlooked, but which must be considered when developing site evacuation plans, is the evacuation of handicapped guests who may be unable to use exit stairs or other designated exit routes. These persons are guests for whom special evacuation planning is required.

A further consideration associated with site evacuation is planning for the shutdown of the firm's facilities, should evacuation become necessary. A disorganized shutdown that is improperly done can result in confusion, possible injury to persons, and potential for property damage. Planning for a shutdown of the facilities should include procedures for actions such as when and how to shut off utilities and all equipment, even if the only action is turning off a switch, and activating alarm systems, along with who is responsible for completing these actions. Other key considerations to be included in planning for a complete shutdown include the identification of conditions that would necessitate a shutdown and who would have the authority to order a shutdown, and how much time would be required to complete a shutdown in an organized manner and to later restart the facility. In some cases, only a partial shutdown may be needed. The disaster management plan needs to consider the impact of a partial shutdown on the remaining facility operations and provide direction for continuing operation of the other operations, as appropriate.

Shelter

The plan needs to indicate where appropriate shelters might be located, either within the facilities of the hospitality firm or in a location(s) away from the firm's premises for various types of possible disasters that may occur. Shelter planning should first focus on the immediate situation, that is how people can be protected "right now" and what resources are necessary for that protection. Planning must then consider more "long range" planning for a time frame generally considered to be 72 hours by most disaster planners. The acquisition and storage of materials (i.e. water, food, blankets, etc.) and equipment (i.e. batteries, flashlights, generators, battery-operated radio, critical equipment repair parts, etc.) should be planned to cover both potential immediate and long range needs. Plans also need to include procedures for issuing materials and equipment during and following a disaster so that the inventory of these items is controlled and allocated in the best possible manner for the benefit of all persons involved.

Training

Employee training is critical and multiple aspects of training should be incorporated into the disaster management plan. A training program should provide for periodic training sessions during which employees are trained in evacuation, shelter, and general safety procedures. During the training, employees should be provided with tools, such as checklists and evacuation maps, copies of which should be posted strategically throughout the firm's facilities. Employees also need training in skills required to keep the property safe. Training sessions should include skills such as fighting fires, closing or barricading doors and windows, shutting down equipment or backing up critical computer data. Finally, another aspect of

employee training is training that will help employees prepare their families for disaster emergencies. If employees' families are prepared at home, the probability of their being safe and able to cope with the emergency increases. Knowing their families are safe is a key factor in keeping employees on the job throughout the disaster period. [1,13,14]

While it is very important to develop plans that will help a hospitality firm to limit the impact of any disaster as much as possible, it is just as important for the firm to develop plans that will facilitate resumption of the firm's operations after the disaster. In order to minimize any losses that may have occurred as a result of the disaster, a priority would be to resume all or at least a part of the firm's operations as soon as it was safe and feasible, to do so. There are a number of factors that a firm might consider when planning for resumption of their operations post-disaster.

Continuity of management: Planning should assume that not every key person will be available to help resume operations after a disaster. When making disaster management plans, consult with legal counsel and the firm's by-laws regarding continuity of management. Then establish procedures for assuring the chain of command and maintaining lines of succession for key positions

Safety and security considerations: Planning must consider the possibility that the firm's facilities were shut down and identify procedures for determining if the facilities are safe for occupancy. The members of a recovery team should be identified, and priorities set for resuming operations if it is necessary to resume operations in stages.

Insurance considerations: Insurance information, such as name of insurance company or companies, policy numbers, and contact telephone numbers for making claims should be retrieved from safe storage, in accord with storage procedures. Responsibility for contacting the insurance company should be identified, and procedures should indicate under what conditions the firm's facilities may or may not be occupied prior to an insurance company making an estimate of damages and/or damage repairs being made, even if as temporary repairs. General business resumption policies should be established in the planning process.

Relocation to alternative facilities: In some cases, if the firm's facilities are damaged to such an extent that operations cannot be quickly resumed in those facilities, relocating to alternate facilities might be possible. Conditions under which such relocation would be done and who would make the relocation decision should be considered in the planning process. Factors to consider when planning for possible relation include considerations such as the need to be able to notify guest and suppliers about the relocation and whether adequate resources, such as inventories, transportation - for employees, guests, suppliers - communications, financial resources, etc. are available for the firm to resume operations. Other considerations to be addressed in the planning process would be the need for possible duplication of communication and networking systems, the availability of personnel with the skills required to resume operations, how readily backup data and files might be retrieved, what new or additional hardware, software, and other support systems equipment might be required; and the time frame to establish an alternative site for resuming operations relative to the time frame required to restore operations at the original site.

Employee support: Resumption of operations will not be

possible without the most valuable asset of any firm, its employees. Planning for post-disaster resumption of operations needs to consider the incorporation of employee services that extend beyond the "usual" employee services. Examples of such services that might be considered are counseling for potential psychological trauma or stress counseling, arranging for cash advances, modification of work hours, provision of day care services, provision of basic medical services for employees and their families, provision of overtime pay for extended work hours, and provision of meeting places for employees and their families when employees are working extended hours with few, if any, days off from work.

Financing operations: Contingency funding may be a critical factor when attempting to resume operations after a disaster. Banks and other financial institutions may be closed as a result of damage, lack of power, or other reasons. Plans need to be made for the acquisition of contingency funding from sources such as special funding authorities established for the disaster event if the firm is unable to access their financial assets as usual. Planning for the financing of operations following a disaster might also include establishing pre-approved purchase orders or requisitions for basic supplies and items, such as repair parts [1,13,14].

Conclusion

Despite the increasing possibility of hospitality firms being impacted by a disaster, there are still only a limited number of firms that have engaged in disaster management planning and are prepared to handle the impact of a disaster. Yet, the need for hospitality firms to prioritize the development of a disaster management strategy and engage in an ongoing process of planning and training for the management of a disaster has been shown in the reviews of disasters that have impacted hospitality firms, worldwide. Hospitality firms exist in a complex internal and external environment; thus, while the firm needs to take the lead in its disaster management planning efforts, effective disaster management planning is a public-private effort in which the hospitality firm works internally with its employees at all operational levels and collaboratively with external entities such as government agencies, non-government emergency support agencies, transportation and financial service firms, and suppliers of materials and equipment. Indeed, communication with all stakeholders in

the firm's operations is crucial before, during, and after a disaster. It is hoped that the factors indicted in this article as factors which hospitality firms might consider when working on the development of disaster management plan might serve as an incentive for these firms to prioritize engaging in strategic and operational planning for disaster management.

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