

Business Operation Strategic Management Recovery Plan of the Tourism Providers vis-à-vis the Organizational Effectiveness in the National Capital Region: A Basis for a 360 Sustained Competitive Advantage Plan

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ABSTRACT

The impact and implications of COVID 19 on the Operational Efficacy of Tourism Providers in the National Capital Region will serve as a point of reference for organizations in determining the most effective management recovery plans.

Different tourism providers, such as airlines, and travel agencies, may play an important role in the process because they have been the most affected by the pandemic. In order for Tourism Providers to recover from the pandemic, its effect must be first assessed, in order to determine the business implications.

According to several related studies, the majority of the Tourism Providers ended up temporarily and / or permanently closing their operations due to quarantine protocols, travel restrictions, and people's inability to travel for safety and security reasons. As a result, the majority of Tourism and Hospitality workers have lost their jobs, and Tourism Providers have been unable to sustain their operations.

Tourism Providers can continuously contribute to the promotion of the Tourism Industry by developing the most effective management recovery plans.

CHAPTER I

THE PROBLEM AND ITS BACKGROUND

Introduction

The year 2020 is one of the most daunting years for people worldwide. Nations are emerging unexpectedly from a November 2019 pandemic known as COVID 19. It has forced economies all over the globe to rise slowly. For others, it was necessary to close down thousands of businesses briefly and permanently.

Workers have lost their jobs in general, the degree of poverty has increased, companies have suffered huge financial losses and difficulties, pulling their employees down, almost losing everything. Among the sectors that have been greatly affected by the COVID-19 pandemic, tourism providers are definitely among those.

All companies that sell customers tourism facilities and experiences when they travel and conduct tourism activities are referred to as "tourism providers." "In the 4th edition of Encyclopedia of Information Science and Technology, the IGI Global Publisher of Timely Knowledge adapted the definition of tourism providers, stating that, "Tourism providers are companies that include transport and hospitality companies, travel agents and tour operators and other tourism-related establishments directly involved in serving the needs of tourists."¹

However, as a result of the pandemic, most tourism providers in the National Capital Region are considering permanent closure due to massive losses caused by a lack of customers.



Illustration 1.0

The above example shows ² how the travel agency acts as one of the industry's tourism providers. Its correlation with airlines and other transport industries, hotels, food and beverage establishments, is clearly established.

The implications for tourism providers of the advent of COVID-19 are the inability to pay the wages and salaries of their employees who, one way or another, may be subject to separation payments, insufficient budgets for regular purchases of sanitizing goods and services, covering the costs of utilities and the maintenance of the workplace.

Some tourism provider owners do not consider loans to be the immediate solution to the recovery because this will just add up to their liabilities and will force them to pay it somehow shortly before they start earning revenue again.

According to Mr. Ritchie Tuano, the 2020 President of the Philippine Travel Agencies Association (PTAA), as reported on the PTAA's official website, tourism suppliers are still in poor shape at the moment.³

As estimated by the World Tourism Organization in 2020, more than 100 million jobs are at risk from the closing of borders, airports and hotels, as well as restrictions on mass gatherings, land transport and related services around the world.⁴

Nine months after the virus was first detected in China, there is still no evidence that the spread is slowing down. At the outset, the path to recovery can take longer than expected.

As specified in one of the publications of PWC (Price water house Coopers) in July 2020 entitled the "Impact of COVID-19 on the Philippine Tourism Industry" and as per the research made by the United Nations World Tourism Organization (UNWTO) in October 2020, "Impact Assessment of the COVID-

¹ <https://www.igi-global.com/book/encyclopedia-information-science-technology-fourth/173015#table-of-contents>

² <https://www.google.com/search?q=travel+agencies&>

³ <http://www.ptaa.org.ph/>

⁴ <https://www.wto.org/>

19 outbreak on International Tourism, “Eighty-eight percent (88%) of respondents anticipate losses of over 50 percent of their 2020 sales, considering the travel restrictions and closure of businesses. Sixty-three (63%) percent of respondents also state that within six months to over a year, they expect their companies to normalize. Furthermore, according the above studies, these results are troubling because in 2019, the tourism industry contributed 12.7% of the GDP of the country and created 5.71 million jobs in the same year.”⁵

Subsequently, the World Travel and Tourism Council as stated in its research about the “Economic Impact Reports”, predicted that the Tourism Industry could take up to ten (10) months to recover globally.⁶

As cited on the report of Reyna Tabbada in November 19, 2017, in Sunlife official website, the importance of existence of Tourism providers in the Philippines “makes sense, monetarily and morally, that is to support local Tourism”.

As published by EDP Science in 2014 authored by Cherry Pilapil-Anasco and Joy C. Lizada entitled, “*Philippine Tourism: Evolution towards Sustainability*”⁷, As one of the sectors of the tourism industry in the Philippines, tourism providers are very significant because they have been recognized as one of the powerful drivers of strong and sustained economic development. Therefore, to ensure its sustainability, the government at various levels has found tourism as one of its top growth priorities. Other than its significant contribution to the Philippine economy, it also has a broad and profound impact on social development since it is both labor and capital-intensive.

As one of the tourism providers, the travel agency sector has undergone major changes in the last two decades. Gone are the days when no official travel intermediaries were available to help travelers visit points of interest. Several travel barriers have prevented people from going far away. Because of their own interest, motivation and spending capacity, only a small few managed to fly.

This study will focus and emphasize the impact of COVID 19 on the operational efficiency of the local IATA and NON-IATA Accredited Travel Agencies in the National Capital Region, provided that the operations of tourism and travel agencies are considered to be one of the tourism providers also mentioned in the Encyclopedia of Information Science and Technology.

But what distinguishes the licensed travel agencies of IATA and NON-IATA from each other? In the article on the portal of the International Air Travel Association (IATA), entitled “*What are the advantages of being an accredited IATA agent?*”, the different advantages of being an IATA Approved Agent have been created.⁸ This includes access to approximately 250 members of IATA airlines, authorization to sell international and/or domestic tickets on behalf of airlines, recognition of the global travel industry via the IATA Numeric Code and confidence of the global consumer because of the IATA Travel Conference's industry standards. This is in view of the fact that since most airline bookings are made via the IATA portal, IATA is considered one of the most basic tools for a travel agent.

On the other hand, as cited in one of the articles on Travel and Technology and Solutions (TTS)⁹ official website entitled, “*How do Non-IATA Travel Agents work?*”, NON-IATA Approved travel providers have had an immense influence on the travel industry and their numbers have gradually risen over the years.

⁵ <https://www.pwc.com/ph/en/issues/covid-19-issues.html>

⁶ <https://wtcc.org/>

⁷ https://www.sunlife.com.ph/PH/Life+Goals/Grow+your+money/Why+Support+Local+Tourism?vgnLocale=en_CA

⁸ <https://www.iata.org/en/youandiata/travel-agents/>

⁹ https://portal.iata.org/faq/articles/en_US/FAQ/What-are-the-benefits-of-being-an-IATA-accreditedagent1415811095328/?l=en_US&fs=RelatedArticle

By accepting applications, sending applications, non-IATA travel agencies work efficiently in the traditional sense. Given that local and international flights have been banned, many travel restrictions have been made and most of the travel agencies have been closed in recent months due to COVID-19, the researcher will continue to seek knowledge of how tourism providers have handled their business operations since the pandemic emerged.

It was therefore proposed to establish a more productive recovery plan by recognizing the effects of COVID-19 on the efficiency of their business activities in order to provide assistance to tourism providers to recover from the pandemic.

Theoretical Framework

Many types of risk come with running a company. Some of these possible risks can kill a company, while others can cause significant harm that is time-consuming and expensive to fix. CEOs and risk management officers should predict and plan, regardless of the scale of their company, considering the risks involved in doing business.

If and when a risk becomes a reality, the effects on profits, lost time and productivity, and negative impact on clients can be reduced by a well-prepared organization. The ability to recognize risks is a vital aspect of strategic business planning for start-ups and existing companies. Risks are understood through a range of approaches. Strategies for recognizing these risks rely on a thorough review of the particular business activities of a company. Many businesses face preventable, competitive and external risks that can be addressed by acceptance, transition, mitigation or elimination.¹⁰

Before the twenty-first century, preventing business failure was a major concern for many issues that faced multinational corporations.¹¹ However, a large portion of the literature relied on two fundamental presumptions when discussing both business ills and cures: the growing primacy of markets, and that much could be assumed about the global business ecosystem. Although the latter was not immune to sporadic unanticipated downturns, difficulties took familiar shapes (such as recessions), and a small number of policy solutions, focusing on generous central bank interventions to support and sustain borrowing and relieve debt, seemed capable of reviving growth.

Recent events, such as the rise of right-wing populism in developed liberal markets, climate change, and most recently, the novel coronavirus (COVID-19) pandemic, have thrown doubt on these presumptions. The COVID-19 pandemic has had a more immediate impact on the global business ecosystem, despite the fact that climate change may have longer-term effects that are more severe.

In addition to the COVID-19 pandemic, which has caused more than 14 million cases and over 600,000 fatalities worldwide and has affected nations in Africa, the Americas, the Eastern Mediterranean, Europe, South-East Asia, and the Western Pacific¹², there have also been numerous cases of foreclosure, extremely high unemployment rates, car repossessions, and waves of business failures, including those at retailers, airlines, and health, fitness, and wellbeing centers, among other businesses.

¹⁰ <https://www.investopedia.com/articles/financial-theory/09/risk-management-business.asp>

¹¹ Alrawadieh, Z., Guttentag, D., Cifci, M. A., & Cetin, G. (2020). Budget and midrange hotel managers' perceptions of and responses to Airbnb. *International Journal of Contemporary Hospitality Management*.

¹² <https://www.oecd.org/coronavirus/policy-responses/tourism-policy-responses-to-the-coronavirus-covid-19-6466aa20/>
<https://www.nature.com/articles/s41599-020-00630-8>

For instance, the pandemic has exponentially increased the number of financially troubled businesses in European countries. About "half a million firms are at risk of collapse," according to estimates.¹³ Widespread economic hardship has resulted from this, with potential long-term effects on the world economy.

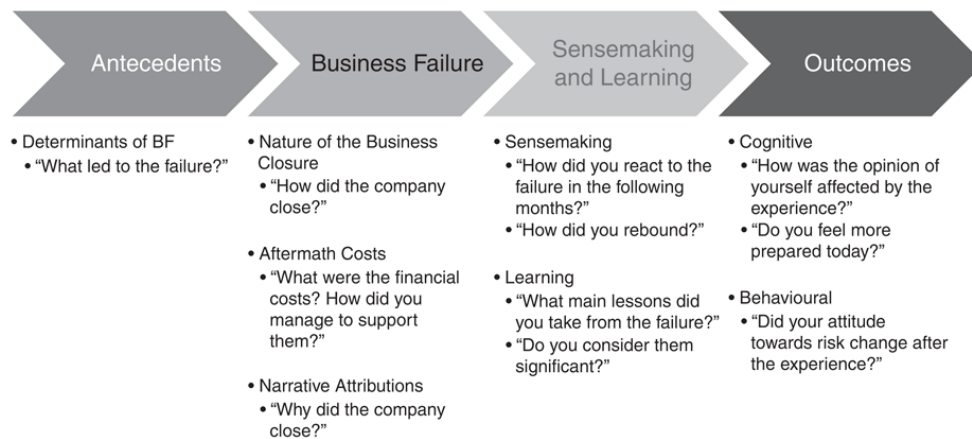


FIGURE 1– BUSINESS FAILURE MODEL

A significant event that is regarded as the "tipping point" of "failure" is usually immediately followed by a number of distinct phases that make up business failure (BF). Analysis of the circumstances and sequence of events that result in BF is part of the process. It also takes into account the aftermath of failure, concentrating on the negative effects of going through such a trying time.

Three main research streams can be made from the pertinent literature: Business Failure Prediction through Modeling; Determinants or Causes of Business Failure; and Business Failure Consequences.

A little more than half of the studies on BF analyze the causes of failure, with 39% attempting to forecast organizational failure using mathematical models. Only 17% of the studies examine the consequences and results of BF. Researchers are working to better understand the effects of BF.

In order to ascertain what each person goes through when they have a BF, many psychological theories, including Attribution Theory¹⁴ and grieving¹⁵, are drawn upon. Others examine specific aspects of BF that could influence how much the costs are felt, such as how personal bankruptcy law is applied in a particular area and the asset protection it offers¹⁶ and institutional theory-related variables. It was conceivable based on the work of Ucbasaran et al.¹⁷ To list the primary theoretical contributions that support this field of study, see Table 1).

Figure 1 depicts the theoretical framework for studying BF, in particular its effects, when the perspective is widened. As shown, BF is a continuous process with important turning points that call for more research. Given the cognitive, behavioral, and personality theories involved, the determinants of BF are intimately

¹³ Cook L., Barrett C. How Covid-19 is escalating problem debt. 2020. <https://www.ft.com/content/4062105a-afaf-4b28-bde6-ba71d5767ec0> Received 3-6-2020, from.

¹⁴ Mantere. Etal, 2013, Narrative attributions of entrepreneurial failure., Journal of Business Venturing

¹⁵ Bell E, Taylor S, 2011. Beyond letting go and moving on: New perspectives on organizational death, loss and grief., Scandinavian Journal of Management ,10.1016/j.scaman.2010.09.013

¹⁶ Wang, Y.-S. (2008). Assessing e-commerce systems success: A respecification and validation of the DeLone and McLean model of IS success. Information Systems Journal, 18(5), 529-557.

¹⁷ Ucbasaran et al (2008). Life After Business Failure: The Process and Consequences of Business Failure for Entrepreneurs. Vol 39, Journal of Management

related to the consequences and outcomes, as well as the psychological processes involved, and should not be separated from the individual. All of these factors lead up to a crucial stage: overcoming failure to achieve success.

The majority of studies on the consequences of failure focus on the individual. This could be justified by the fact that such people are either survivors of the failure or those who bear the brunt of the consequences. In this vein, it should come as no surprise that the majority of the research done in this field is based on psychological theories (e.g., Shepherd, Wiklund and Haynie, 2009).¹⁸

Failure is typically regarded as a traumatic event in this literature stream (Ucbasaran, Westhead, and Wright, 2009)¹⁹, with individuals associated with the failure incurring a series of costs and benefits over the subsequent period.

Researchers believe it is critical to comprehend the various stages that one goes through following a traumatic event, which can resemble, in many ways, the death of a family member.²⁰

Ucbasaran et al. (2013)²¹ categorize the consequences of BF into three major timeframes: the Aftermath - the immediate consequences that occur after the event; Sense-making and the learning process - an evolving process that begins and continues for a variable amount of time; and Time following the failure; and Outcomes - the long-term outcomes for the individual affected by the experience.

Ucbasaran et al. (2013)²² refer primarily to the costs in the first stage, Aftermath, which they categorize as financial, social, and psychological. Failure may result in the loss of a primary source of income, as well as the possibility of personal debt (Bruton, Khavul and Chavez, 2011)²³. Several factors could cause these costs to rise or fall.

Factors such as the entrepreneur's current investment portfolio or the ease with which they may be able to obtain new sources of income (Ucbasaran et al., 2013)²⁴. Another factor is personal asset protection in relation to bankruptcy laws in some regions, as Hasan and Wang point out.

(2008: 5) elaborate:

"Bankruptcy exemptions allow failed entrepreneurs to shield a portion of their assets, acting as a buffer against the negative consequences of business failure." This US personality trait The bankruptcy law system makes it very important for entrepreneurship."

When the social costs are considered, they can understandably be devastating to the individual, both personally and professionally (Ucbasaran et al., 2013)²⁵. The authors in this field argue that relationships, drawing on knowledge from Institutional Theory and Network Theory, suffer as a result of this process,

¹⁸ Shepherd D, Wiklund J, and Haynie J (2009). Moving forward: Balancing the financial and emotional costs of business failure. *Journal of Business Venturing*, 2009, vol. 24, issue 2, 134-148

¹⁹ Ucbasaran et al (2008). Life After Business Failure: The Process and Consequences of Business Failure for Entrepreneurs. Vol 39, *Journal of Management*

²⁰ Bell E, Taylor S, (2011). Beyond letting go and moving on: New perspectives on organizational death, loss and grief., *Scandinavian Journal of Management* 10.1016/j.scaman.2010.09.013

²¹ Ucbasaran et al (2008). Life After Business Failure: The Process and Consequences of Business Failure for Entrepreneurs. Vol 39, *Journal of Management*

²² Ucbasaran et al (2008). Life After Business Failure: The Process and Consequences of Business Failure for Entrepreneurs. Vol 39, *Journal of Management*

²³ Bruton G., Susanna K. (2011). Microlending in Emerging Economies: Building a New Line of Inquiry from the Ground Up. *Journal of International Business Studies*. 10.1057/jibs.2010.58

²⁴ Ucbasaran et al (2008). Life After Business Failure: The Process and Consequences of Business Failure for Entrepreneurs. Vol 39, *Journal of Management*

²⁵ Ucbasaran et al (2008). Life After Business Failure: The Process and Consequences of Business Failure for Entrepreneurs. Vol 39, *Journal of Management*

resulting in stigma and discrimination in future professional endeavors (Ucbasaran et al., 2013)²⁶. Kirkwood (2007: 20)²⁷ provides an example of a factor that raises the social cost of failure when he concludes that a culture with Tall Poppy Syndrome can be more unforgiving of high achievers who fail: "As a result, depending on whether the fall was considered an organizational failure or the entrepreneur's personal failure, there may be two types of reactions." Cases in which the entrepreneur was those who are perceived to be the 'cause' of the failure may be judged more harshly than others."

Additionally, BF is frequently blamed in the media on management errors (which vary by region), primarily due to the effects and side effects the failure has on the surrounding area. This contributes to a negative stigma (Cardon, Stevens and Potter, 2011).²⁸

In our dataset, there were 389 failure accounts, and 331 of them included statements about the failure's effects. The creation of a stigma surrounding entrepreneurs who had encountered failure was the impact of failure that was most frequently reported (125 accounts, 38%). One "Failure leads to exile and an abrupt end to one's career path," the account claimed.

The psychological costs are the other costs taken into account in this framework. These expenses may be psychological or emotional (Ucbasaran et al., 2013)²⁹. In fact, failure can cause extremely stressful emotions that are "inextricably linked to its complex social cost" (Cope, 2011: 611).³⁰ According to Cope (2011)'s³¹ empirical data, guilt and failed entrepreneurs experience embarrassment because of their fervent loyalty to the company's stakeholders. These negative emotions frequently lead to withdrawal, which ultimately leads to loneliness, and may have such a profound effect on the person that it interferes "with the individual's allocation of attention in the processing of information" (Shepherd, 2009: 320)³².

The individual's own personal life experience and early socialization processes are two examples of an intensifier of psychological costs that Cannon and Edmondson (2001)³³ present. The authors contend that schools reward students who make fewer mistakes while parents frequently protect their siblings from harm. This creates control-oriented behavior rather than learning-oriented behavior, which significantly lowers one's self-esteem when one concentrates on their own failure.

In the end, people choose to partake in activities that boost their self-esteem as opposed to those that could be harmful as a result of this (that is to say, riskier situations of failure).

Failure can also have a significant negative impact on motivation because it can make people feel helpless, which lowers their confidence in their ability to complete particular tasks successfully in the future and promotes rumination that impairs task performance (Ucbasaran et al., 2013: 179).³⁴

²⁶ Ibid

²⁷ Kirkwood, J. (2007), "Tall poppy syndrome: implications for entrepreneurship in New Zealand", *Journal of Management & Organization*, Vol. 13 No. 4, pp. 366-382.

²⁸ Cardon, Stevens and Potter, (2011). Misfortune or mistake? Cultural Sensemaking of Entrepreneurial Failure. *Journal of Business Venturing* 26(1):79-92 DOI:10.1016/j.jbusvent.2009.06.004

²⁹ Ucbasaran et al (2008). Life After Business Failure: The Process and Consequences of Business Failure for Entrepreneurs. Vol 39, *Journal of Management*

³⁰ Cope, J. (2011), "Entrepreneurial learning from failure – an interpretative phenomenological analysis", *Journal of Business Venturing*, Vol. 26 No. 6, pp. 604-623.

³¹ ibid

³² Shepherd, D.A., Wiklund, J. and Haynie, J.M. (2009), "Moving forward: balancing the financial and emotional costs of business failure", *Journal of Business Venturing*, Vol. 24 No. 2, pp. 134-148.

³³ Cannon, M.D. and Edmondson, A.C. (2001), "Confronting failure: antecedents and consequences of shared beliefs about failure in organizational work groups", *Journal of Organizational Behavior*, Vol. 22 No. 2, pp. 161-177.

³⁴ Ucbasaran et al (2008). Life After Business Failure: The Process and Consequences of Business Failure for Entrepreneurs. Vol 39, *Journal of Management*

However, it could also act as motivation for future endeavors as restitution for failing to meet a predetermined objective (Ucbasaran et al., 2013).³⁵

According to the findings of Ucbasaran, Westhead, Wright, and Flores (2010)³⁶, serial and portfolio business owners were less emotionally attached to their companies, less likely to exhibit an adjusted optimism bias, and more resilient to psychological costs. Ucbasaran and others (2013: 180)³⁷ add that businesspeople who exhibit "learned optimism" are more likely to interpret failure in a way that benefits them and inspires them to pursue new ventures:

"Persons who exhibit learned optimism are more likely to believe that a problem's root cause is temporary and has limited effects. As a result, optimists are more likely to approach challenges as opportunities, turn obstacles into learning opportunities, try to adapt and develop new skills, keep their confidence up, bounce back from failures quickly, and so on....."

The social-psychological process of failure is highlighted by the sensemaking and learning dimension, which may be framed by grief³⁸ and attribution theory³⁹, as well as the benefits of learning from.⁴⁰

The Attributions of business failure is important to consider here, as the authors attempt to reconstruct and define the determinants of failure through the attributions of different point of views related to a single situation, thereby analyzing how individuals make sense of reality. The study categorizes attributions into seven distinct categories using inductive analysis: catharsis, hubris, betrayal, mechanistic, zeitgeist, nemesis, and fate. Finally, the authors link these attributions to the process of making sense of and recovering from a loss, stating that these attributions are "driven by the cognitive and emotional needs of organizational stakeholders to maintain positive self-esteem and recover from the loss of the venture"⁴¹

According to Shepherd (2009)⁴² owners of unsuccessful businesses also exhibit the experiential nature of learning from one's mistakes:

"Learning from business failure occurs for the self-employed when they can use the available information about why the business failed (feedback information) to revise their existing knowledge of how to effectively manage their own business (self-employment knowledge) - that is, to revise assumptions about the consequences of previous assessments, decisions, actions, and inactions."

But the author also makes it abundantly clear that failing results in a grieving process, which makes it difficult to learn from the experience (Shepherd, 2009)⁴³. As it is "an interpretive process [that] requires people to assign meaning to occurrences... and involves ongoing interpretations in conjunction with

³⁵ Ibid

³⁶ Ucbasaran, Westhead, Wright, and Flores (2010), The nature of entrepreneurial experience, business failure and comparative optimism., *Journal of Business Venturing* 25(6):541-555

³⁷ Ibid

³⁸ Bell E, Taylor S, (2011). Beyond letting go and moving on: New perspectives on organizational death, loss and grief., *Scandinavian Journal of Management* 10.1016/j.scaman.2010.09.013

³⁹ Mantere. Etal, (2013). Narrative attributions of entrepreneurial failure., *Journal of Business Venturing*

⁴⁰ Cope, J. (2011), "Entrepreneurial learning from failure – an interpretative phenomenological analysis", *Journal of Business Venturing*, Vol. 26 No. 6, pp. 604-623.

⁴¹ Mantere. Etal, (2013). Narrative attributions of entrepreneurial failure., *Journal of Business Venturing*

⁴² Shepherd D, Wiklund J, and Haynie J (2009). Moving forward: Balancing the financial and emotional costs of business failure. *Journal of Business Venturing*, 2009, vol. 24, issue 2, 134-148

⁴³ Shepherd D, Wiklund J, and Haynie J (2009). Moving forward: Balancing the financial and emotional costs of business failure. *Journal of Business Venturing*, 2009, vol. 24, issue 2, 134-148

action... It [sensemaking] involves both the cognitive and emotional aspects of the human experience," it is related to the need to make sense of the situation.⁴⁴

Due to the experience the person had with the failure, its costs, and how he or she made sense of them, the final dimension is connected to the individual's long-term outcomes.⁴⁵ This includes the degree to which the person changed their business practices and the amount they learned.

"[...] the importance of failure lies in its capacity to disrupt established norms by highlighting previously unnoticed inconsistencies; fostering a "unfreezing" process in which outdated ways of seeing, thinking, and behaving are challenged and replaced with fresh approaches.

Significant behavioral changes, as seen in the subsequent businesses launched by unsuccessful entrepreneurs, are examples of the long-term effects. One can assume that these changes might improve performance due to the prior learning experience."

In their study, Politis and Gabrielsson (2009)⁴⁶ draw the conclusion that having experienced business closure is associated with more optimistic attitudes toward failure. They base this conclusion on cognitive and behavioral theories. According to the authors' argument, which is based on the experiential learning theory, "experience from closing a business seems to lead to a more positive attitude towards failure by rendering existing behaviors and routines inadequate, which in turn can trigger change in underlying values and assumptions" (Politis and Gabrielsson, 2009: 376).⁴⁷

Cardon et al. (2011)⁴⁸ conducted additional research on the effects of failure on the future career paths of entrepreneurs and discovered that some would rather carry on with their entrepreneurial endeavors while others would prefer to work for more reputable businesses.

Conceptual Framework

A conceptual framework includes one or more formal theories (in part or whole) as well as other concepts and empirical findings from the literature. It is used to show relationships among these ideas and how they relate to the research study.

⁴⁴ Ucbasaran et al (2008). Life After Business Failure: The Process and Consequences of Business Failure for Entrepreneurs. Vol 39, Journal of Management

⁴⁵ Ibid

⁴⁶ Politis D., & Gabrielsson J. (2009)., Entrepreneurs' attitudes towards failure: An experiential learning approach. International Journal of Entrepreneurial Behaviour & Research 15(4):364-383

⁴⁷ Politis D., & Gabrielsson J. (2009)., Entrepreneurs' attitudes towards failure: An experiential learning approach. International Journal of Entrepreneurial Behaviour & Research 15(4):364-383

⁴⁸ Cardon, Stevens and Potter, (2011). Misfortune or mistake? Cultural Sensemaking of Entrepreneurial Failure. Journal of Business Venturing 26(1):79-92 DOI:10.1016/j.jbusvent.2009.06.004

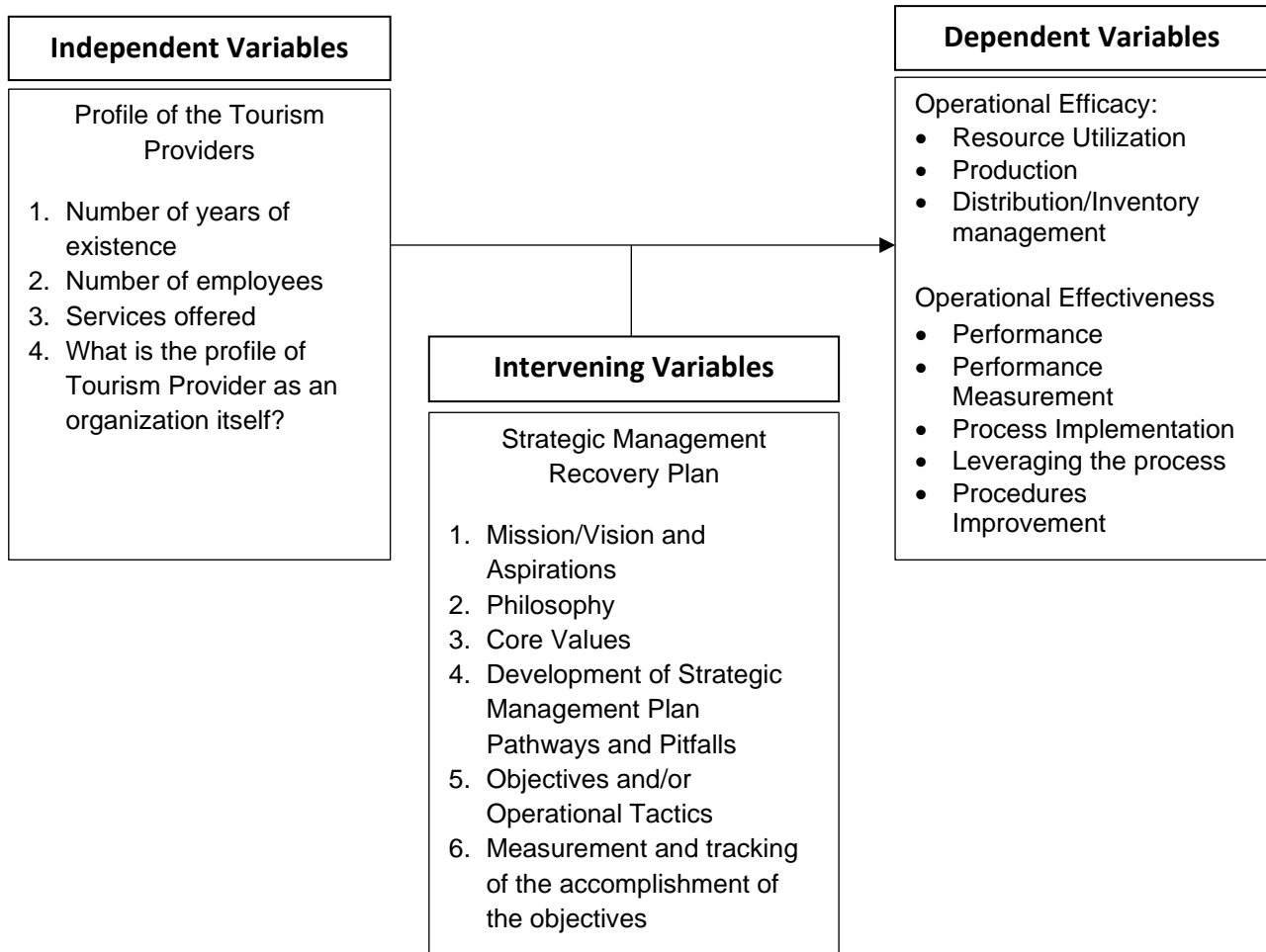


ILLUSTRATION 2

The Variable Dependency Model was used as a research paradigm in this study. The illustration above shows the relationship between the three major parts of the **research paradigm** namely the Independent variables, intervening variables, and dependent variables. The independent variables are the organization respondent’s demographic profile while the and level of operational efficacy and effectiveness are the dependent variables of the study. These inputs will be needed as variables to come up with the outputs. Intervening in the efficacy and effectiveness of operation are the intervening variables made up of the strategic management recovery plan of the tourism providers.

Statement of the Problem

This study aims to determine effects of COVID-19 on the Operational Efficacy of Tourism Providers in the National Capital Region, which will serve as a basis for a proposed management recovery plans to the affected sectors of the Tourism Industry.

Specifically, this study aims to answer the ff:

1. What is the profile of the Tourism Providers in terms of:
 - 1.1 Number of years of existence
 - 1.2 Number of employees
 - 1.3 Services offered

- 1.4 What is the profile of Tourism Provider as an organization itself?
2. What are the strategic management recovery plan in terms of:
 - 2.1 Mission/Vision and Aspirations
 - 2.2 Philosophy
 - 2.3 Core Values
 - 2.4 Development of Strategic Management Plan Pathways and Pitfalls
 - 2.5 Objectives and/or Operational Tactics
 - 2.6 Measurement and tracking of the accomplishment of the objectives
3. What are the indicators of Operational Efficacy in terms of:
 - 3.1 Resource Utilization
 - 3.2 Production
 - 3.3 Distribution/Inventory management
4. What is the Operational Effectiveness in terms of:
 - 4.1 Performance Measurement
 - 4.2 Process Implementation
 - 4.3 Leveraging the process
 - 4.4 Procedures Improvement
5. Is there a significant relationship between Strategic Management Recovery Plan and the Profile of the Tourism Providers?
6. Is there a significant relationship between Strategic Management Recovery plan and Operational Efficacy and Effectiveness?
7. Is there a significant relationship between Strategic Management Recovery plan and Operational Efficacy and Effectiveness?
8. Is there a significant relationship between the Profile of Tourism Providers and the Operational Effectiveness of the Providers?
9. Is there a significant relationship between the Profile of Tourism Providers and the Operational Efficacy of the Providers?
10. Is there a significant relationship between the Operational Effectiveness and profile of the Tourism Providers?
11. What are the differences in the responses of the respondents?
12. What is the proposed Sustained Competitive Advantage Plan?

Hypothesis of the Study

There is no significant difference in the assessment of the respondents in terms of the:

1. Relationship between Strategic Management Recovery Plan and the Profile of the Tourism Providers?
2. Relationship between Strategic Management Recovery plan and Operational Efficacy and Effectiveness?
3. Relationship between Strategic Management Recovery plan and Operational Efficacy and Effectiveness?
4. Relationship between the Profile of Tourism Providers and the Operational Effectiveness of the Providers?
5. Relationship between the Profile of Tourism Providers and the Operational Efficacy of the Providers?
6. Relationship between the Operational Effectiveness and profile of the Tourism Providers?

Significance of the Study

As the title proposes, the study aims to extend help and/or support to the different Tourism Providers in the National Capital Region through the development of a more productive recovery plan by recognizing the effects of COVID-19 on the efficacy of their business activities to recover from the pandemic.

As one of the tourism providers, the travel agency is one of the most important private tourism organizations that plays an important and crucial role in the whole process of developing and promoting tourism in the country or at a destination. It is a travel agency that bundles and processes all of a country's attractions, entry, facilities and ancillary services and introduces them to visitors. That is why a travel agency is regarded as a country's 'image maker'.

A prospective travel agency is a travel agency that arranges travel tickets (air, rail, road and sea); travel documents (passports, visas and other travel documents required); lodging, entertainment and other travel services offered by major travel providers. Travel insurance, foreign currency for people traveling, can also be covered.

The researcher found the study to be beneficial to the following Tourism Key Players.

Because of its position as a commercial activity that generates demand and development for other industries, the tourism industry is important for the benefits it brings. In addition to contributing to more economic activities, tourism also creates more jobs, more revenue and plays a major role in growth.

A clear and correlative relationship exists between the countries' national economy and the owners of business tourism. Since this sector will generally encourage national industry, develop communication networks and improve the quality of manpower in various sectors of the economy. For temporary and permanent employment, it is also considered a main driver. In addition to the associated facilities, the sector creates a significant number of permanent and temporary workers in the supply chain, organization and management of events.

As a result, business tourism and the tourism industry, especially hotels, tour operators, travel agencies and similar activities and their mutual impact, have a strong connection.

The tourism providers' customers are referred to as "tourists." Such travelers are referred to as tourists who visit different tourist places and destinations. They are the main contributors to the business operations of tourism providers.

Scope and Limitations of the Study

This study focuses on the research carried out on tourism suppliers in the National Capital Region, in particular to IATA and non-IATA travel agencies operating in different cities and municipalities in the region, their operations and the effect of COVID-19 on their financial, human resources and operational and management performance.

The researcher of this study should consider adopting a paradox lens, however, because the present and post-COVID-19 period is a fertile ground of recurrent and new paradoxes in tourism. For instance, the circumstances of COVID-19 (e.g. stay at home lockdowns, social distancing) have necessitated and intensified the use of technologies by both visitors (e.g. travel restriction information, online crisis communication, online COVID-19 warnings and hygiene measures) and businesses (e.g. online food delivery, virtual dining, virtual wine experiences, festivals/events, virtual visa, etc.).⁴⁹

⁴⁹ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7290228/>

Delimitation of the Study

The study will not focus on other non-National Capital Region travel agencies, other international airlines, sea-based hotels, other international transport industries, and other associated tourism industry institutions, also known as tourism providers.

Definitions of Terms

Covid-19 - is a disease that is caused by a new strain of coronavirus. 'CO' stands for Corona, 'VI' stands for Virus, and 'D' for Disease. The '2019 novel coronavirus' or '2019-nCoV' was previously referred to as this disease.¹²

Efficacy - The capacity to achieve a result that is desired or expected.

IATA – It means International Air Transport Association. It represents some 290 airlines, or 82% of total air traffic, and is the trade association for world airlines.¹⁴

IATA Accredited Travel Agency – It refers to Travel Agencies which have an access to approximately 250 members of IATA airlines, authorization to sell international and/or domestic tickets on behalf of airlines, recognition of the global travel industry via the IATA Numeric Code and confidence of the global consumer because of the IATA Travel Conference's industry standards.⁵⁰

¹²<https://www.cdc.gov/coronavirus/2019-ncov/cdcresponse/aboutCOVID19.html#:~:text=On%20February%2011%2C%202020%2C%20the,>

[and%20'D'%20for%20disease.](https://www.cdc.gov/coronavirus/2019-ncov/cdcresponse/aboutCOVID19.html#:~:text=On%20February%2011%2C%202020%2C%20the,)

¹³https://www.researchgate.net/post/What_is_the_difference_between_efficacy_and_effectiveness_with_respect_to_clinical_trials

¹⁴¹⁵<https://www.iata.org/en/about/>[https://en.wikipedia.org/wiki/Management#:~:text=Management%20\(or%20managing\)%20is%20the,profit%20organization%2C%20or%20government%20body.](https://en.wikipedia.org/wiki/Management#:~:text=Management%20(or%20managing)%20is%20the,profit%20organization%2C%20or%20government%20body.)

Management - is an organization's administration, whether it's a corporation, a non-profit organization, or a government entity. Management involves the tasks of developing an organization's strategy and organizing the actions of its staff (or volunteers) to achieve its goals, through the use of available resources, such as financial, natural, technical and human resources. The word "management" can also refer to those persons who are managers of an organization.⁵¹

National Capital Region - The seat of government and one of the three established metropolitan areas in the Philippines is the National Capital Region (NCR), or Metro Manila. It is made up of 16 towns: Manila, Quezon City, Caloocan, Las Piñas, Makati, Malabon, Mandaluyong, Marikina, Muntinlupa, Navotas, Parañaque, Pasay, Pasig, San Juan, Taguig, Valenzuela, and Pateros Municipality.⁵²

NON-IATA Accredited Travel Agency – It refers to Travel Agencies in which functions are only limited to accepting and sending applications and does not have the authority to sell international and/or domestic tickets on behalf of the airlines.⁵³

Operational – It refers to a corporation or organization's routine functioning and activities.⁵⁴

Operational Efficacy - Operational efficiency is primarily a metric that measures the efficiency of profit earned as a function of operating costs. The greater the operational efficiency, the more profitable a firm

⁵⁰ <https://www.investopedia.com/terms/o/operationalefficiency.asp>

⁵¹ https://en.wikipedia.org/wiki/Metro_Manila

⁵² <https://www.tts.com/blog/how-non-iata-travel-agents-operate/>

⁵³ Ibid

⁵⁴ <https://www.tts.com/blog/how-non-iata-travel-agents-operate/>

or investment is. This is because the entity is able to generate greater income or returns for the same or lower cost than an alternative. In financial markets, operational efficiency occurs when transaction costs and fees are reduced.²⁰

Recovery Plans - are the plans that operational teams use after an event that impacts their ability to work normally.

Travel Agency - travel agency is one of the most important private tourism organizations that plays an important and crucial role in the whole process of developing and promoting tourism in the country or at a destination. It is a travel agency that bundles and processes all of a country's attractions, entry, facilities and ancillary services and introduces them to visitors. That is why a travel agency is regarded as a country's 'image maker'.⁵⁵

Tourism Providers - All organizations that provide tourism services and experiences to customers as they fly and carry out tourism activities. These include transport firms, catering companies, tour operators and travel agents, and other tourism-related companies directly involved in meeting the needs of visitors.⁵⁶

CHAPTER II

REVIEW OF RELATED LITERATURE AND STUDIES

This chapter cites literature and studies both foreign and local. The aim of the paper is to critically review past and emerging literature to help both students, professionals, Industry practitioners, Tourism key players and researchers better understand, handle and value both the effects of COVID-19 to the operational efficacy of Tourism Providers in the National Capital Region as a basis for the development of management recovery plans.

Related Literature

To address these needs and gaps, this paper explores whether and how COVID-19 has an immense influence on the operations of tourism providers. Likewise, how to build successful management recovery strategies can be identified after recognizing the potential impacts.

The paper continues by discussing the major impacts, behaviors and experiences that the Tour providers and other three major tourism stakeholders (namely tourism demand, supply and destination management organizations and policy makers) are experiencing during three COVID-19 stages (response, recovery and reset). This analysis is useful because it provides an overview and understanding of the type and scale of the COVID-19 tourism impacts, while it also demonstrates that the way in which stakeholders and researchers understand, react and behave in each stage may form and set the next (new) normal in the post COVID-19 era.

The tourism industry was one of the largest markets in the world before COVID-19, a pandemic in the 21st century, struck the world. The findings show that global crises easily impact the tourism industry. With the spread of the press, it is almost the same day that travelers plan to cancel or postpone their journeys. Several subjects were contained in more in-depth analyses consisting of feedback on benefiting from travel insurance and compensation due to travel cancellations. Travel insurance has become a hot topic and by providing travel packages, including travel insurance services, can be a way of reviving the industry.

⁵⁵ <https://opentextbc.ca/introtourism/chapter/chapter-7-travel-services/>

⁵⁶ <https://www.igi-global.com/dictionary/social-media-as-a-channel-of-constructive-dialogue-for-tourism-businesses/60243>

If the road is free of disease, violence, and catastrophes, traveling is the most exciting way to encounter strangers and discover new locations. Most of the time, however the dangers can be reduced or mitigated with the right know-how, and the travel diaries fill up with unforgettable encounters. Epidemics and pandemics for passengers or planners are two of the most alarming reports. In such cases, preventing the disease can be difficult or impossible. In addition, during the trip, not only the travelers but also other individuals they contact are at risk. The movement of epidemics or pandemics between locations play a serious role for passengers.⁵⁷

One of the deciding factors in the course of travel decisions, is the individual travel motifs of prospective travelers.⁵⁸ However, due to modern tourism's almost infinite range of possible travel destinations, prospective travelers often make their choice of a destination, mostly based on the perception of feeling safe and comfortable at the chosen destination.⁵⁹

Tourism is distinguished by its high degree of networking with the world as an open framework. The numerous encounters with the different dimensions of the outside world impact not only the tourism system itself, but also the climate. It is possible to classify the world as a whole into technological, sociocultural, political, economic and ecological aspects. Tourism, with all its elements, is very sensitive to changes in all aspects of the ecosystem because of the many interrelationships.⁶⁰

Foreign Literature

COVID-19 tourism impacts will be uneven in space and time, and apart from the human tool, estimates show an enormous and international economic impact: international tourist arrivals are estimated to drop to 78% causing a loss of US\$ 1.2 trillion in export revenues from tourism and 120 million direct tourism job cuts representing seven times the impact of September 11, and the largest decline in the history.⁶¹ Being one of the most important global employer (1 in 10 jobs are directly related to tourism and the major GDP contributor for several countries, tourism and COVID-19 are the epicenter of all international discussions and economies.⁶²

Within the burgeoning industry discussions and research about tourism and COVID-19, there is an unanimous call to see and use the pandemic as a transformative opportunity (Mair, 2020)²⁹. Industry should not only recover but also reimagine and reform the next normal and economic order (McKinsey, 2020)³⁰, while researchers should not solely use COVID-19 as another context to replicate existing knowledge for measuring and predicting tourism impacts.⁶³ Although such studies are important for managing the pandemic, they do not advance knowledge and/or guide the industry to a step beyond. Moreover, because of the interlinked socio-cultural, economic, psychological and political impacts of COVID-19 of this magnitude, unforeseen trajectories instead of historical trends are expected and the

⁵⁷ Hollingsworth, Ferguson, & Anderson (2006). Will travel restrictions control the international spread of pandemic influenza?. Netmed

⁵⁸ https://www.researchgate.net/publication/36384121_Information_Sources_for_Travel_Decisions_Toward_a_Source_Process_Model

⁵⁹ Kuschel R., Schröder A. FIT-Verlag; Dresden: 2002. Tourismus und terrorismus: Interaktionen, auswirkungen und handlungsstrategien

⁶⁰ Haedrich G., Kaspar C., Klemm K., Kreilkamp E., (2010). Tourismus-management: Tourismus-marketing und fremdenverkehrsplanung. Walter de Gruyter.

⁶¹ <https://www.unwto.org/impact-assessment-of-the-covid-19-outbreak-on-international-tourism>

⁶² Ibid

⁶³ Gössling et al., 2020, Hall et al., (2020)

predictive power of ‘old’ explanatory models may not work. Moreover, there is enough evidence to claim that both the tourism industry and research have matured to a good extent providing sufficient knowledge about how to study and effectively: (1) design and implement crisis recovery and response strategies⁶⁴; (2) build resilience to address future crises (Hall, Prayag, & Amore, 2017)³². What is still lacking is knowledge about how crisis can foster industry change, how companies can convert this crisis disruption into transformative innovation and how to conduct research that can enable, inform and shape the rethinking and resetting of a next normal.

Crises can be a change trigger, but none crisis has been so far a significant transition event in tourism.⁶⁵ Crises have also been used as a political tool to stabilize existing structures and diminish the possibility of collective mobilization.⁶⁶

As change can be selective and/or optional for the tourism stakeholders (e.g. tourists, operators, destination organizations, policy makers, local communities, employees), the nature and degree of crises-led transformations depend on whether and how these stakeholders are affected by, respond to, recover and reflect on crises. Consequently, to better understand, predict but also inform and shape change, tourism COVID-19 research should provide a deeper examination and understanding of the tourism stakeholders’ (behavioural, cognitive, emotional, psychological and even ideological) drivers, actions and reactions to their COVID-19 impacts. Research should also examine and understand the stakeholders’ lived and perceived COVID-19 experiences as well as their consciousness, mindfulness, capabilities and willingness to understand and act (pro-actively and re-actively) to the pandemic, as all these can equally influence their attitudes, behaviours and change potential.

COVID-19 tourism research should also advance our knowledge for informing, fostering, shaping or even leading such crises-enabled transformations. Otherwise, we will simply experience one crisis after the other.⁶⁷ Responding to the mushrooming euphoria of COVID-19 tourism related research⁶⁸, also plead for transformative e-tourism research that can shape tourism futures by making value systems, institutional logics, scientific paradigms and technology notions visible and transformable.⁶⁹

To achieve scientific paradigm shifts, e-tourism research should embrace historicity, reflexivity, transparency, equity, plurality and creativity.⁷⁰ To avoid the bubble of the COVID-19 research orgasm and advance tourism research, others have also suggested to adopt interdisciplinary (Wen, Wang, Kozak, Liu, & Hou, 2020), multi-disciplinary (Gössling et al., 2020, Hall et al., 2020) or even anti-disciplinary (Sigala, 2018) research to enable out-of-the-box, creative and flexible thinking that challenges and goes beyond existing pre-assumptions and mindsets. Research investigating, measuring and predicting the COVID-19 tourism impacts is important in order to eliminate ‘casualties’, draft, monitor and improve response strategies (i.e. you cannot manage what you cannot measure).³⁶

⁶⁴ McKercher & Chon, (2004). The Over-Reaction to SARS and the Collapse of Asian Tourism. Published online 2004 May 25. doi: 10.1016/j.annals.2003.11.002

⁶⁵ Hall et al., (2020). Pandemics, transformations and tourism: be careful what you wish for. *Tourism Geographic*

⁶⁶ Masco J., (2017). The Crisis in Crisis. *Current Anthropology*. 10.1086/688695

⁶⁷ Lew, A., (2020). A framework of tourist attraction research. *Annals of tourism research*

⁶⁸ Gretzel et al. (2020). e-Tourism beyond COVID-19: a call for transformative research. *Information Technology & Tourism* 22(4).

⁶⁹ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7290228/>

⁷⁰ Gretzel et al. (2020). e-Tourism beyond COVID-19: a call for transformative research. *Information Technology & Tourism* 22(4).

Local Literature

Tourism is a big part of many national economies, and the broader economy is affected by the immediate and immense shock to the tourism sector resulting from the coronavirus pandemic. As drastic steps to combat the virus have been adopted by governments around the world, restrictions on travel, business activities and interactions between people have brought the tourism industry to a standstill. In battling the virus, several countries are now entering a new phase while handling the re-opening of the tourism industry at the same time. This is a dynamic and daunting job, and it is difficult to measure the effect on the tourist industry.

The situation continues to develop five months into the crisis and the outlook remains unclear. It is now projected that recovery will begin later and be slower than previously anticipated. Travel controls and containment measures are likely to be in effect for longer and are expected to be relaxed only gradually, if new waves arise, with the possibility of reversal. And when tourism supply chains start to work again, new health protocols mean that companies can operate at reduced capacity levels. Given the intertwined effects of the economic and health crises and the gradual removal of travel restrictions, the demand-side recovery will also take some time, while consumer trust and travel behaviour will be more profoundly affected the longer the pandemic continues. For many national economies, this would have knock-on consequences.

Revised scenarios suggest that, depending on the duration of the crisis and the pace at which travel and tourism recovers, the implied shock could amount to a 60-80 percent decline in the international tourism economy in 2020. Maintaining the baseline that tourism flows have remained severely limited until June, these projections are based on the revision of two previous scenarios for international tourism arrivals in the OECD region, supplemented by a third scenario that would effectively postpone any significant recovery by 2021:

- Scenario 1 (revised): In July, international tourist arrivals begin to rebound and steadily strengthen in the second half of the year but at a slower pace than previously expected (-60 percent).
- Scenario 2 (revised): In September, international tourist arrivals begin to rebound and then gradually improve in the final quarter of the year but at a slower pace than previously foreseen (-75 percent).
- Scenario 3 (new): International tourist arrivals begin to recover in December, based on a small recovery before the end of the year in international tourism (-80 percent).

In the near term, national tourism is expected to provide the key opportunity to drive recovery and boost the tourism industry. The domestic tourism economy is strong and accounts for about 75% of the total tourism economy of the OECD3 countries. Domestic tourism flows have also been severely impacted by restrictions on the movement of people, but once containment measures are removed, they are expected to recover more rapidly. Nevertheless, domestic tourism is unlikely to be able to offset the decline in international tourism flows, particularly in destinations heavily dependent on international markets. This will translate into major macro-economic impacts in nations, regions and cities where many workers and companies are funded by the industry.⁷¹

The pandemic has sparked a global economic crisis outside the tourist industry, and many countries are falling into recession. Early OECD macroeconomic estimates suggested that there will be a production loss equal to 2 percentage points in annual GDP growth for every month with strict containment measures in place. If the shutdown lasted for three months, annual GDP growth might be between 4-6

⁷¹ <https://www.oecd.org/coronavirus/policy-responses/tourism-policy-responses-to-the-coronavirus-covid-19-6466aa20/>

percentage points lower than it would otherwise have been, with no offsetting factors. With the outlook being gloomier, however, this would have consequences for the recovery of tourism in turn.

COVID-19's effect on global tourism was overwhelming and immediate. In addition, the sheer depth and breadth of COVID-19-related impacts on tourism and the broader economy, despite the industry's demonstrated resilience in response to previous crises, means that a rapid recovery is impossible. A special meeting of the G20 tourism ministers took place on 23 April, reflecting the urgency of the situation, with ministers issuing a statement welcoming national efforts to mitigate the economic and social impact of the pandemic, and working together to provide support for the sustainable and inclusive recovery of the tourism sector.

The truth is that even if the spread of the virus is brought under control in the coming months, global tourism will be hard-hit in 2020 and beyond.

Following the implementation of steps to combat the virus, tourism companies were among the first to be shut down, since tourism inevitably includes encounters between people and people and the movement of people traveling from their normal place of residence to destinations within their own country and to other countries. It is also possible that tourism operations will be among the last to resume, and on a gradual basis. Even if these firms do start up, in the absence of a vaccine, they will be exposed to new operating procedures. It is also possible that the pandemic would have an effect on tourist behavior, affecting the resumption and recovery of national and foreign tourism.

In 2008, when foreign arrivals declined by 3.9 percent, the last time the global tourism industry contracted was shortly after the financial crisis. This is in line with other organizations' recent estimates, which similarly suggest a major reversal from previous projections of growth. The latest UNWTO⁷² projections point to a 22 percent fall in international tourist arrivals in the first three months of the year while a decrease of between 58 percent and 78 percent is expected for 2020, suggesting a loss of tourism export revenues of between USD 910 billion and USD 1.2 trillion¹⁰.⁷³

On 24 April, meanwhile the World Travel and Tourism Council (WTTC) estimated that 100.8 million jobs worldwide are at risk¹¹. Tourism has been described by an ILO sectoral policy brief as one of the most vulnerable sectors that is highly likely to see a dramatic drop in employment as a result of the COVID-19 crisis.

The National level forecasts similarly reflect the scale of the expected impact on tourism in 2020, together with the challenges in making predictions in a fast-moving and uncertain situation.

Attempts to foresee the possible effect of the pandemic on the tourism industry were rapidly overtaken by the rate of evolution of the situation as the pandemic spread. However, expectations are increasing that it can take two years or more to return to pre-crisis levels. The International Air Travel Association (IATA) forecasts that by the beginning of 2021, airlines are unlikely to see a return to pre-crisis traffic levels, while the hospitality data reports that there will be no return to pre-crisis levels before 2022.⁷⁴

Domestic tourism is predicted, given the uncertain outlook for international travel, to play an important role in leading the initial recovery process.

Thus, countries where domestic tourism already accounts for a substantial share of the tourism economy are likely to experience a faster recovery in the sector than countries which are heavily dependent on international tourism flows. Many countries are moving to encourage domestic travel and cater to tourists

⁷² <https://www.unwto.org/impact-assessment-of-the-covid-19-outbreak-on-international-tourism>

⁷³ <https://www.unwto.org/international-tourism-growth-continues-to-outpace-the-economy>

⁷⁴ <https://www.iata.org/en/pressroom/pr/2020-07-28-02/>

from their own countries, as is the tourism industry.

COVID-19 has impacts on selected tourism industry branches particularly to Transport and other Tourism Providers. Airlines had to significantly reduce their fleets and, in some cases, ground them and stop their operations, with extreme effects on staff and dependent activities in the short term. As of 8 May the International Civil Aviation Organization (ICAO) projections indicate that the decrease in international scheduled passenger traffic during 2020 would result in a reduction in international passenger traffic of between 44% and 80%. IATA expects a lagging economic recovery from the recovery in air travel, with no uptick before 2021-23.⁷⁵

On the other hand, the double challenge of ensuring tourist and worker protection has been met by cruise ships, as some cruises have not been able to depart and repatriate passengers, and booking and revenue losses. A no-sail order was extended in the United States until July 26. As of 6 April, following a prolonged time in which a number of cruise ships remained at sea requesting permission to accommodate and disembark passengers.

As the movement of people is restricted or discouraged, railways are seeing major declines in revenues and passengers, even in countries that are relaxing restrictions.

Until further notice, tour operators decreased or suspended operations as the speed at which the situation unfolded increased operational uncertainty across institutional boundaries.

Globally, hotels have posted exceptionally low occupancy rates or have suffered large-scale closures. As a result, major hotel chains have seen their stock prices plunge. In the longer term, certain shared types of accommodation, such as hostels or camping, may be affected.

With reported decreases in apartment bookings, the virus outbreak has put shared accommodation platforms under pressure. Airbnb cut 25 percent of its employees in May.

Food and catering service providers were initially forced to increase social spacing in eating establishments, restrict their activity to distribution only in some instances, or fully shut down operations. Food-related practices are still restricted even as limits are being lifted.

Companies around the world have postponed or delayed business travel due to the coronavirus, often until 2021, in some cases. Events of all types, like the 2020 Olympic Games, have also been affected. By 20 March, the Global Organization of the Exhibition Industry had reported that more than 500 trade shows had been cancelled in the previous weeks, with an estimated loss in orders for exhibitors costing up to billions of pesos.

As facilities close down, museums and cultural event organizers face significant financial losses, and activities have been cancelled. The confusion surrounding the staging of other global events continues to increase, although many smaller, more local festivals and events that are important to local destinations have also been canceled.

Tour guides also work as freelancers and see drastic declines in their activities, putting significant limitations on their profits.

Because of the major downturn in transactions, global distribution networks, online travel agencies and online booking sites are also being affected by the crisis.

Impact of Covid-19 on Tourism Industry Tourism has become a major global industry with an annual average growth rate of 4-5%. It also creates 8% of the global GDP and 10% of employment (WTO, 2020)⁷⁶. Yet it is also very vulnerable to crises of different origin such as natural disasters, epidemics,

⁷⁵ <https://www.pwc.com/ph/en/publications/tourism-pwc-philippines/tourism-covid-19.html>

⁷⁶ <https://www.unwto.org/impact-assessment-of-the-covid-19-outbreak-on-international-tourism>

economic crises, political crises, and terror (Yozcu & Cetin, 2020).⁷⁷

Because tourism product (e.g. hotel beds, airline seats, restaurant tables, guide services) is perishable, unlike physical goods, they cannot be stored for future use. Past crises with few exceptions (e.g. 2008 Financial Crisis) had regional impacts and their global impact on tourism volume was limited. Yet, considering the speed and impact, Covid-19 is the most serious crises tourism industry has ever faced. This crisis is estimated to have a seven time larger impact on tourism than the 2008 Financial Crises. The effects of Covid-19 are expected to extend for eight months and result in a decrease of 39% in global tourism volume. Tourism industry is expected to recover to 2019 pre-crises levels not before 2023 (Tourism Economics, 2020).⁷⁸

Tourism is among the first and most severely affected industries from Covid-19. Closing borders and restricting human mobility was the first reaction to the pandemic. In addition, tourism demand is not based on physical need and can be delayed. The recovery is expected to begin with domestic tourism and continue with recovered destinations that were normally first impacted (e.g. Far East, Europe than Americas). The primary goal from September is likely to be the third age group, who are unemployed, have more leisure time and steady sales, provided that we have already missed the high season in Summer. It should also be considered, however, that these travelers also belong to the risk category for Covid-19. Sanitation and social distance in product design are also of primary concern.

The tourism sector may also face new international travel arrangements. For example, people can only be permitted to travel if they are under 25 years of age, proven resistant to Covid-19, or agree to spend 14 days under quarantine upon arrival.

Local Studies

The tourism industry is certainly among the industries which have been significantly affected by the COVID-19 pandemic. As reported by the World Tourism Organization, the closure of borders, airports and hotels as well as limits on mass meetings, land transport and related services around the world put around 100 to 120 million jobs at risk.

International tourist arrivals decreased by 22 percent in the first quarter of 2020, the time when travel restrictions and lockdowns began in most countries, resulting in an approximate loss of US\$80bn in global tourism receipts. In that time, 97 destinations closed their tourist borders in whole or in part, 65 destinations suspended their international flights in whole or in part, and 39 destinations closed their borders in part or in part (i.e., banning the arrivals from specific countries).⁷⁹

To help businesses and individuals mitigate the impact of COVID-19, the country's House of Representatives approved House Bill 6815 or the proposed Philippine Economic Stimulus Act (PESA) in June 2020. Once passed into law, an economic stimulus package amounting to PHP1.3 trillion will be provided in the next four years to fund the COVID-19 testing, wage subsidies, and assistance to MSMEs. Under the bill, PHP58bn will be appropriated to DOT-accredited tourism enterprises for the following programs:

1. Interest-free loans or issuance of loan guarantees with terms of up to five (5) years for maintenance and operating expenses
2. Credit facilities for upgrading, rehabilitation, or modernization of current establishments or facilities

⁷⁷ https://www.researchgate.net/publication/340940302_Impact_of_Covid-19_on_Tourism_Industry

⁷⁸ https://www.researchgate.net/publication/340940302_Impact_of_Covid-19_on_Tourism_Industry

⁷⁹ <https://www.pwc.com/ph/en/publications/tourism-pwc-philippines/tourism-covid-19.html>

- to be compliant with new health and safety standards
3. Marketing and product development promotions and programs
 4. Grants for education training, and advising of tourism stakeholders for new normal alternative livelihood programs
 5. Utilization of information technology
 6. Other relevant programs, including infrastructure to mitigate the economic effects of COVID-19 on the tourism industry

With the absence of revenues, majority of the respondents say that they can only sustain their operations for up to six months. Similarly, most of the respondents have a cash runway of up to six months.

The Philippines has beautiful islands that will once again attract the tourists after the pandemic. Nevertheless, the country should take this opportunity to rebuild the sector by helping the players upskill and digitalize, rethink the way they do business, and ensure compliance with safety and health standards. Promoting medical tourism and agri-tourism may be among the programs that the country can prioritize to help restart the sector.

While the Philippines is experiencing difficulties at this time, Filipinos should remember that through combined efforts and hard work in the past, the country was able to grow the tourism sector, and made it one of the top GDP contributors. With the country's renewed commitment, Filipinos can be confident that the tourism industry will achieve better success after this pandemic.

While tax incentives and removing barriers to financing are relevant, access to customers is the top need of the industry players. Apart from financing, majority consider access to customers as a vital component in keeping a sustainable business after the ECQ.

Top government interventions with companies may include tax-incentivized businesses, elimination of barriers to accessing financial support, credit grants, the development of an MSME promotion network, a loan guarantee scheme that generates modest value, the provision of a service-oriented program for entrepreneurs, the creation of a start-up program and a capacity building seminar.⁸⁰

Synthesis of the Related Literature and Studies

The coronavirus (COVID-19) pandemic has caused an unprecedented crisis in the tourism economy, given the immediate and immense shock to the sector, as reported in the OECD Policy Responses to Coronavirus (COVID-19), updated on June 2, 2020. Revised OECD COVID-19 impact projections point to a 60% fall in foreign tourism in 2020. If recovery is postponed until December, this could increase to 80 percent. International tourism is projected to recover first within particular geographic regions (e.g. in the European Union).

Domestic tourism, which accounts for about 75 percent of OECD countries' tourism economy, is projected to recover faster. It offers a key opportunity to drive recovery, especially in countries, regions and cities where many jobs and enterprises are supported by the sector.

The effect of the crisis is being felt in the entire tourism ecosystem and a joint strategy will be needed to reopen and restore destinations. Economy-wide stimulus programs favor tourism companies and staff, with several governments also adopting unique initiatives for tourism. The efforts of governments and industry are based on lifting travel restrictions and partnering with corporations to access liquidity aids, applying new healthy travel health guidelines, and helping to diversify their markets, restoring the

⁸⁰ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7578199/>

confidence of travelers and stimulate demand with new safe and clean labels for the industry, visitor information apps and promotion campaigns for domestic tourism and preparing detailed recovery plans for tourism, restore destinations, stimulate creativity and investment, and reinvent the tourism industry. These steps are crucial, but more needs to be done in a concerted manner in order to effectively reopen the tourism industry and get companies up and running, as tourism services are very interdependent. Governments and the travel and tourism industry should continue to improve their communication structures in order to accompany companies, particularly the smallest ones, and staff. The most sensitive/vulnerable destinations in the recovery process should also be given special consideration.

Looking ahead, tomorrow's tourism will be influenced by the steps put in place today. While keeping ahead of the digital curve, supporting the low carbon transition and fostering the systemic change required to create a stronger, more sustainable and resilient tourism economy, policymakers need to recognize the longer-term implications of the crisis. The crisis is an opportunity for the future to reconsider tourism.

Tourism will see a sharp and long-term fall in tourism spending, no matter the situation, as this pandemic will have economic ripple effects. Purchasing power will decrease substantially. The bulk of events have already been postponed (e.g. meetings, Olympics). As virtual meetings and online systems have begun to take over, business travel will also begin to shrink. To help business withstand these tough times, many governments have provided financial packages (e.g. tax holidays, credit facilities, job support).

However, this time can also be seen as an opportunity for the industry to address systemic problems related to sustainability, over-tourism, climate change and destination management.⁸¹

One might expect that capacity will decrease, quality will be more important than quantity, and tourist spending per person will increase. Mass tourism will also suffer, with more personalized and sustainable choices being replaced with all inclusive, open buffet systems. Individuals are therefore more likely to fly less but stay at a destination for more nights. Also evident is the importance of destination governance and organized response. This will strengthen the sense of DMOs. Robots and automated systems will be used more and control will also be obtained by ICT and digital systems. Room service will be more common, hygiene and sanitation standards will be improved, disposable materials will be more popular, and rooms will also be updated to include portable kitchens. The sharing economy will also suffer, before recruiting these units, people will only accept skilled service with established hygiene standards (Alrawadieh et al., 2020). Importance of creating loyal clients will be more crucial for tourism service providers as trust will play a major role in decision making process (Pektas & Hassan, 2020).⁸²

Tour operators will also be competent, hosting smaller groups. Tours based on nature will be more common, too. It will gain momentum with the disintermediation of brick-and-mortar travel agencies. Fewer people would be able to go to a travel agent for bookings. Online networks would therefore be much more important.⁸³ There will also be implications for professional tour guides⁸⁴, because the driver guide will be more common especially for travel agencies, because the group sizes will shrink.

⁸¹ Seraphin, H., Gowreesunkar, V. G., & Platania, M. (2019). Examining the Relationship between Residents' Level of Happiness and Supportiveness to Tourism Events: Winchester (UK) as a Case Study. *Journal of Tourismology*.

⁸² Pektas, S. Y., & Hassan, A. (2020). The Effect of Digital Content Marketing on Tourists' Purchase Intention. *Journal of Tourismology*.

⁸³ Tengilimoglu, E., & Hassan, A. (2020). Applying Flow Theory to the Online Booking Experience: The Role of Utilitarian and Hedonic Features. *Journal of Tourismology*.

⁸⁴ De la Harpe, M., & Sevenhuysen, K. (2020). New Technologies in the Field of Tourist Guiding: Threat or Tool?. *Journal of Tourismology*.

To conclude, both DMOs and stakeholders in the tourism industry should be prepared for the post-corona climate. There are various situations in which the industry will rebound, which will introduce new challenges and standards, which are more likely to fly, which will vanish and change goods and services. Therefore, for each scenario to be put into motion after recovery, the stakeholders should be able to establish various action plans. The picture of the destination must also be repositioned on the basis of protection, health and cleanliness. In order to strengthen their stability in the future, all stakeholders should also make sure they have a risk and crisis management strategy and a solid financial framework.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

This chapter provides an overview of the research approach, respondent selection, methodological procedures for analysis, including research methods and statistical treatments for interpreting findings. The study employs a quantitative research method focusing on objective measurements and statistical analysis of data collected through surveys, research questionnaires, and computational techniques applied to existing statistical data. Its primary objective is to assess the Operational Efficacy of Tourism Providers in the National Capital Region and their response to the impacts and implications of COVID-19.

Research Design

The study utilizes a descriptive research method to investigate emerging situations, ongoing processes, and evolving patterns, as described by Best (1981). This approach aims to establish factual foundations for informed professional judgment. Additionally, the research examines the pandemic's effects on management, operations, human resources, and financial aspects of selected tourism providers in the National Capital Region.

Research Locale

Conducted within the National Capital Region, the study focuses on tourism providers across its sixteen cities, including Manila, Caloocan, Las Piñas, Makati, Mandaluyong, Marikina, Paranaque, Muntinlupa, Pasay, Pasig, Quezon City, Valenzuela, Malabon, Navotas, Taguig/Pateros, and San Juan.

Respondents of the Study

Participants include selected local and international airlines, IATA and non-IATA accredited travel agencies, three to five-star hotels, triple A resorts, and travelers (clients of tourism providers). The study encompasses a diverse range of profiles and characteristics (e.g., capitalization, operational scope, age, gender, civil status, educational attainment, training history, and operational tenure).

Sample and Sampling Technique

The study employs random sampling to ensure representative responses from the entire population. The fishbowl technique is utilized to select samples from tourism providers based on city, while travelers and clients are identified through purposive random and snowball sampling methods.

Data Gathering Instrument

Data will be gathered from local IATA and non-IATA accredited travel agencies in the National Capital Region. The survey questionnaire, developed by the researcher, consists of two parts: Part I covers demographic profiles, while Part II assesses Strategic Management Recovery Plans, Operational Efficacy, and Operational Effectiveness, aligned with criteria from the Department of Tourism (DOT) and United Nations World Tourism Organization (UNWTO).

Data Gathering Procedure

Upon study approval, the researcher will obtain permission from local tourism providers to administer the

researcher-made questionnaires. Questionnaires will be distributed and explained to ensure accurate completion. Data gathered will be tabulated, classified, and analyzed to address specific research objectives.

Statistical Treatment of Data

Data analysis will focus on evaluating COVID-19's impact on management and operations using quality assessment criteria. All data and information gathered will be collated, tallied in tabular form, and analyzed using the following statistical tools:

- **Frequency Count and Percentage:**

$$\% = \frac{n}{N} \times 100\%$$

Where:

- % = Percentage
- n = Number of respondents
- N = Total number of respondents

- **Weighted Mean:**

$$X = \frac{\sum fx}{\sum f}$$

Where:

- X = Weighted mean
- fx = Sum of all the products of f and x
- f = Sum of respondents

- **One-way Analysis of Variance (ANOVA):**

$$SStrt = \sum Y_i^2 - \frac{(\sum Y_i)^2}{N}$$

Where:

- SStrt = Sum of squares for treatment
- $\sum Y_i^2$ = Sum of the squared total of each treatment
- N = Number of observations per treatment
- $(\sum Y_i)^2$ = Square of the sum of all observations

T-Test for Two Independent Variables:

This will be used to determine the direct effect of COVID-19 on the operational efficacy of Tourism Providers in the National Capital Region.

Likert Scale:

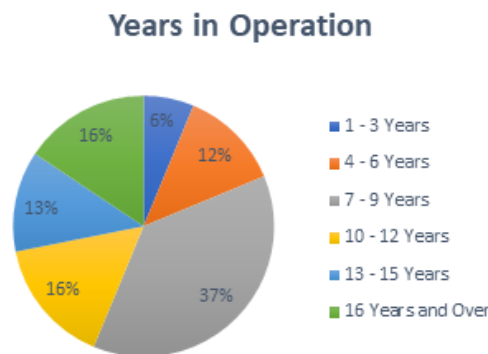
The researcher will use a five-point scale with corresponding verbal interpretations:

- 5: Very Important
- 4: Fairly Important
- 3: Important
- 2: Slightly Important
- 1: Not at all Important

**CHAPTER 4
DATA ANALYSIS, RESULTS AND DISCUSSIONS**

This chapter provides a comprehensive presentation and discussion of the data analysis and findings derived from the study. The results are organized into several key sections: demographic characteristics, strategic management recovery plan, operational efficacy, and operational effectiveness. A critical finding of the study is that the primary determinant of operational resilience among respondents in facing business disruptions was their recovery capability.

Demographic Characteristics of Respondents The study includes respondents who have been operational for numerous years. The distribution of operational years among respondents is detailed in the table and chart below.



| Years in operation | Count |
|--------------------|-------|
| 1 - 3 Years | 2 |
| 4 - 6 Years | 4 |
| 7 - 9 Years | 12 |
| 10 - 12 Years | 5 |
| 13 - 15 Years | 4 |
| 16 Years and Over | 5 |

As to employee count, 3 respondents replied to having over 3,000 employees, Philippines Airlines, Cebu Pacific and Air Asia. Another set of 3 respondents replied that they employ between 11-20. Table below describes their respondents:

| Employee Count | Count |
|-------------------|-------|
| 1 - 10 Employees | 26 |
| 11 - 20 Employees | 3 |
| 21 - 30 Employees | 0 |
| 31 or more | 3 |

Respondents offers several services such as Reservations and Ticketing for International and Domestic Air Travel; Reservations of Hotel, Car, Rail, Cruise, Travel Insurance; Client and Traveler Profile Management; Visa, Passport and Immigration Documents Assistance; Marine, offshore, Energy and Workforce Travel Sector; and Local and Foreign Tour Packages.

| Services Offered | Count |
|--|-------|
| Reservations and Ticketing For International and Domestic Air Travel | 29 |
| Client and Traveler Profile Management | 3 |

Respondents play role in the industry as Transportation; Accommodation; Food and Beverage; Entertainment; and Connected Industries. Respondents offered only two roles, 29 Tours & Travel and 3 Airlines.

An examination of the respondents Mission and Vision Statement revealed the presence of four elements; Value, Inspiration, Plausibility, and Specificity.

| Elements of Mission Vision | Respondent Count |
|----------------------------|------------------|
| Value | 17 |
| Inspiration | 12 |
| Plausibility | 13 |
| Specificity | 13 |

Value was the most common element found in the Mission Vision of the respondent. Only 3 respondents reflected all four elements and 16 had 2 of the elements present in the Mission Vision Statement.

| Element Present | Respondent Count |
|-----------------|------------------|
| 1 | 11 |
| 2 | 16 |
| 3 | 0 |
| 4 | 3 |

Each respondent stood by Philosophy for their operation. This is molded in three frameworks; States the beliefs, Concepts, and Principles. Of the respondents, principle was the most common answer, followed by concept and state of belief was least present.

| Philosophy Framework | Respondent Count |
|----------------------|------------------|
| State of belief | 3 |
| Concept | 13 |
| Principle | 16 |

Core values of the respondent highlights Loyalty, Trust, and being value centric.

| Core Value | Respondent Count |
|---------------|------------------|
| Loyalty | 10 |
| Trust | 9 |
| Value Centric | 13 |

Majority of the respondents were value centric. 13 respondents showed being valued centric followed by loyalty (10 respondents) and trust was the least of the responses. During the development of Strategic Management Plan each respondent replied being in the Goal-setting stage (24) and under Strategy implementation (8).

As far as objectives and/or operational tactics elements are present, three elements were found. Employee performance ratings was least found (2), Productivity measures (10), and Revenue goals (20).

| Element | Present |
|------------------------------|---------|
| Employee performance ratings | 2 |
| Productivity measures | 10 |
| Revenue goals | 20 |

Organizational tactics elements present in the replies of the respondent showed revenue goal as the most common (20). Productivity measures (10) and the least was employee performance rating (2).

| Element | Present |
|------------------------------|---------|
| Employee performance ratings | 2 |
| Productivity measures | 10 |
| Revenue goals | 20 |

Measuring performance objectives of the organization falls under revenue. All respondent focus on revenue quota as a measure of performance.

| Element | Present |
|--|---------|
| Company Equipment and network - PPS | 16 |
| Company Equipment and online presence - PPS | 13 |
| Company Equipment, online presence and network - PPS | 3 |

Operational efficacy is the use of three elements; Company Equipment; Online presence; and Network – PPS. Of the respondents, 3 declared that they used all three. 16 used company equipment and network – PPS while the rest (13) used company equipment and online presence – PPS.

| Element | Present |
|-----------------------------------|---------|
| Resource Utilization | 13 |
| Production | 21 |
| Distribution/Inventory management | 16 |

Operational efficiency was defined under four aspects: Performance Measurement, Process Implementation, Leveraging the process, and Procedures Improvement. Table below shows the profile of the respondents of their operational efficiency. Majority of the replies pointed towards none agreement to having all elements present in their operation.

| Element | 5 | 4 | 3 | 2 | 1 | Mean |
|----------------------------|---|----|----|---|---|------|
| Organizational Performance | 1 | 9 | 21 | 0 | 1 | 3.28 |
| Performance Measurement | 2 | 8 | 19 | 1 | 2 | 3.22 |
| Process Implementation | 1 | 18 | 11 | 1 | 1 | 3.53 |
| Leveraging the process | 1 | 18 | 12 | 1 | 0 | 3.59 |
| Procedures Improvement | 2 | 22 | 8 | 0 | 0 | 3.81 |
| Count | 7 | 75 | 71 | 3 | 4 | |

Respondents when asked if organizational performance was a primary source of operational efficiency said that they agree (3.28). Conducting performance measures agreed with a mean score of 3.22, while process implementation was scored at 3.53. Most agreed factor was procedure improvement that scored 3.81, interpreted as a high agree.

Using ANOVA, years in operation as a respondent profile shows significant relationship. Those that reached 7 years in operations scored a higher relations compared to those that are in the infancy of their operation. (Reject Null Hypothesis 1). Since $p\text{-value} < \alpha$, H_0 is rejected. Some of the groups' averages consider to be not equal. In other words, the difference between the averages of some groups is big enough to be statistically significant.

| Source | DF | Sum of Square | Mean Square | F Statistic | P-value |
|--------------------------------|----|---------------|-------------|-------------|----------|
| Groups (between groups) | 2 | 2412.0775 | 1206.0388 | 18.7637 | 1.43E-07 |
| Error (within groups) | 93 | 5977.5786 | 64.275 | | |
| Total | 95 | 8389.6561 | 88.3122 | | |

$p\text{-value}$ equals $1.42667e-7$, [$p(x \leq F) = 1$]. It means that the chance of type1 error (rejecting a correct H_0) is small: $1.427e-7$ (0.000014%). The smaller the $p\text{-value}$ the stronger it supports H_1 . The test statistic F equals 18.763719, which is not in the 95% region of acceptance: $[-\infty; 3.0943]$.

| Years in operation | Count | r |
|--------------------|-------|----|
| 1 - 3 Years | 2 | 2 |
| 4 - 6 Years | 4 | 3 |
| 7 - 9 Years | 12 | 21 |
| 10 - 12 Years | 5 | 10 |
| 13 - 15 Years | 4 | 11 |
| 16 Years and Over | 5 | 14 |

Null hypothesis 2 will likewise be rejected since there was no significant relationship between Strategic Management Recovery plan and Operational Efficacy and Effectiveness? Since $p\text{-value} < \alpha$, H_0 is rejected. Some of the groups' averages consider to be not equal. In other words, the difference between the averages of some groups is big enough to be statistically significant.

| Source | DF | Sum of Square | Mean Square | F Statistic | P-value |
|--------------------------------|----|---------------|-------------|-------------|---------|
| Groups (between groups) | 2 | 73.1556 | 36.5778 | 160.9647 | 0 |
| Error (within groups) | 93 | 21.1334 | 0.2272 | | |
| Total | 95 | 94.2891 | 0.9925 | | |

p-value equals 0, $[p(x \leq F) = 1]$. It means that the chance of type I error (rejecting a correct H_0) is small: 0 (0%) The smaller the p-value the stronger it support H_2 . The test statistic F equals 160.964691, which is not in the 95% region of acceptance: $[-\infty : 3.0943]$.

The observed effect size f is large (1.86). That indicates that the magnitude of the difference between the averages is large. The η^2 equals 0.78. It means that the group explains 77.6% of the variance from the average (similar to R^2 in the linear regression).

| Strategic Recovery Plan | Operational Efficacy | Operational Efficiency |
|-------------------------|----------------------|------------------------|
| High recovery plan | 39 | 67 |
| Average | 128 | 267 |
| Low | 92 | 224 |

When group according to their profile, operational effectiveness and efficiency showed no relationship thus hypothesis 3 is accepted.

| Years in operation | Count | r | Strategic score | Operational efficacy | Operational efficiency |
|--------------------|-------|----|-----------------|----------------------|------------------------|
| 1 - 3 Years | 2 | 2 | 2 | 16 | 30 |
| 4 - 6 Years | 4 | 3 | 3 | 26 | 71 |
| 7 - 9 Years | 12 | 21 | 21 | 87 | 199 |
| 10 - 12 Years | 5 | 10 | 10 | 55 | 87 |
| 13 - 15 Years | 4 | 11 | 5 | 20 | 71 |
| 16 Years and Over | 5 | 14 | 14 | 55 | 100 |

Responses varied without respect to profile of the respondents. Operational efficiency is found in the small sized respondent as well as the large ones such as the airlines.

CHAPTER 5

SUMMARY, FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents a summary of the findings, conclusions, and recommendations based on the data analyzed in the preceding chapters. It also discusses some identified limitations. The focus of this research was to assess the effectiveness of Business Operation Strategic Management Recovery Plans among tourism providers in the National Capital Region (NCR), and to explore their operational efficacy and effectiveness as they pertain to organizational resilience against disruptions, particularly in light of the COVID-19 pandemic. The study aimed to provide insights that could inform recovery plans for the affected sectors of the Tourism Industry.

The research painted a comprehensive picture of tourism providers in the NCR, examining their profiles, strategic responses, operational efficiency, and efficacy. The study sought answers to the following questions:

- What are the strategic management recovery plan evaluated through their:
 - Mission/Vision and Aspirations
 - Philosophy
 - Core Values
 - Development of Strategic Management Plan Pathways and Pitfalls
 - Objectives and/or Operational Tactics
 - Measurement and tracking of the accomplishment of the objectives
- What are the indicators of Operational Efficacy measured through:
 - Resource Utilization
 - Production
 - Distribution/Inventory management
- What is the Operational Effectiveness measured as a function of:
 - Performance Measurement
 - Process Implementation
 - Leveraging the process
 - Procedures Improvement

Objective 1: Evaluation of Strategic Management Recovery Plans

The findings revealed that a significant majority of respondents had implemented recovery plans to mitigate business disruptions. The mean average score for evaluation was 3.45, above the standard mean of 2.5. Notably, respondents placed particular emphasis on core values, with an average score of 4.09.

| Strategic Management Recovery Plan | Mean Scores |
|--|--------------------|
| Core Values | 4.09 |
| Philosophy | 3.90 |
| Mission/Vision and Aspirations | 3.50 |
| Objectives and/or Operational Tactics | 3.24 |
| Measurement and tracking of the accomplishment of the objectives | 3.02 |
| Development of Strategic Management Plan Pathways and Pitfalls | 2.31 |

Objective 2: Determination of Operational Efficacy

The findings indicated that a significant number of respondents perceived efficacy as lacking in their operations, with an average score of 2.03 serving as a quantitative reflection of this sentiment. This suggests a critical area for improvement among respondents.

| Operational Efficacy | Mean Score |
|-----------------------------------|-------------------|
| Resource Utilization | 2.97 |
| Production | 1.00 |
| Distribution/Inventory management | 2.13 |

| | |
|---------|------|
| Average | 2.03 |
|---------|------|

Objective 3: Assessment of Operational Effectiveness among Tourism Providers

The research highlighted that a majority of respondents viewed continuous procedures improvement (mean score of 3.81) as the most effective approach to achieving operational effectiveness. In contrast, performance management was considered the least effective contributor.

| Operational Effectiveness | Mean Score |
|----------------------------|------------|
| Procedures Improvement | 3.81 |
| Leveraging the process | 3.59 |
| Process Implementation | 3.53 |
| Organizational Performance | 3.28 |
| Performance Measurement | 3.22 |

Recommendations

Based on the statistical analysis, organizational culture emerged as the pivotal factor influencing resilience against business disruptions, surpassing organizational size. Therefore, the following strategic areas are recommended:

1. **Emphasize Culture as a Resilience Driver:** Focus on fostering a resilient organizational culture that supports adaptation and continuity during disruptions.
2. **Adopt a People-Centric Corporate Philosophy:** Shift towards a corporate philosophy that prioritizes the well-being and engagement of employees over rigid performance management metrics.
3. **Enhance Operational Procedures:** Invest in optimizing work procedures to enhance overall operational effectiveness, rather than solely relying on individual performance ratings.
4. **Explore Workforce Dynamics:** Conduct further research to explore the role of workforce dynamics in determining organizational resilience against disruptions.

Summary of Chapter 5

The study successfully achieved its objectives by examining the impact of COVID-19 on the operational efficacy and effectiveness of tourism providers in the National Capital Region. It uncovered significant factors, particularly the critical role of organizational culture in enabling businesses to withstand disruptions. This finding highlights that organizational resilience is not solely dependent on physical assets or financial resources, but fundamentally on the culture fostered within the organization. Moving forward, it is essential for organizations to prioritize cultural initiatives that promote adaptability and resilience in the face of unforeseen challenges.

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