
FACTOR ANALYSIS OF POST-WAR HOTEL CRISIS IN TUNISIA

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Abstract: This paper discusses the crisis phenomenon in hotel enterprises as a natural consequence of war conflict. The subject of discussion – crisis management of hotels enterprises, is referred to Tunisia, whose national economy is in a recovery post-war period. The purpose of the paper is to identify the factors that influence the operation of hotel business in Tunisia, in crisis and post-crisis conditions. The methodological apparatus used in this research entails a number of scientific methods, each of which has its purpose and value. Some of the employed research methods are induction and deduction, content analysis, historical method, system method, functional and structural method, economic, comparative and statistical analysis, sociological research and more. The information basis is compiled from reports of the World Tourism and Travel Council, Ministry of Education, Tunisia tourism statistics, Tunisian government reports, statistical group data of Tunisia Central Bureau of Statistics, publications in the specialized press, data from the official websites of hotel enterprises, etc.

Some of the major results are related to the outline and systematization of factors affecting the operation and development of hotel enterprises in Tunisia as well as the basic opportunities and threats which should be considered in the anti-crisis hotel management strategy.

At the moment, the total number of surviving hotels is 289, while in Tunisia before the war 585 hotels were operating, i.e. only 49% of hotels are still functioning and ready to receive tourists. More than 50% of the hotels in the provinces of Hammamet, Sousse and Cartagena were damaged during the war and are not functioning, in the sub-desert only 48% of the hotels were damaged and around the Sahara Desert - 2%. The hotel potential of the territory of the capital Tunis remains practically at the pre-war level. Simultaneously, the employment of hotel enterprises decreases to 49%, which negatively affects the functioning of hotel enterprises.

Anti-crisis management can be considered as a complete management system of the hotel enterprise, which is aimed at preventing and eliminating the adverse consequences of the crisis using the full potential of modern management, including the development and implementation of a crisis stabilization program to overcome temporary difficulties and maintain market positions relying on own resources.

Keywords: factor analysis, crisis management, hotel industry, Tunisia

1. INTRODUCTION

In the contemporary conditions of turbulence in which the world economic system functions, the impulses of instability are transmitted to the national economies, providing a significant influence on the conditions for the development of the sectoral and territorial economic complexes that form countries' economic potential. Particularly negative factors affect countries located at the epicenter of complex geopolitical events, which undoubtedly include Tunisia, which is at a post-war stage of national economic recovery.

For a post-war crisis situation, the economic potential for all sectors of the Tunisian economy, including the hospitality sector, has largely been lost. In these conditions, it is necessary to apply the tools of anti-crisis management allowing to attract business entities in a stable condition and to ensure their further development. The use of individual tools for anti-crisis management cannot give a lasting economic effect because problems may arise at different stages of the operation of the hotel enterprise, which requires complex solutions related to other industries. Such an integrated approach guarantees the development of a strategy for anti-crisis management of hotel enterprises based on constant diagnosis and assessment of their opportunities and prospects for development.

Despite the severe consequences in the economic and humanitarian crisis in Tunisia, namely tourism and hospitality, the business can become an engine for the development of the entire economic complex of the country and the hospitality business can become the most attractive for investment. Currently, despite the existing difficulties, Tunisia's economic potential is gradually recovering, which gives a signal to internal and external actors to exercise a more active investment policy. In addition, the interest of foreign investors in the country is growing, which sets tasks for the economic authorities to develop favorable conditions and mechanisms for attracting investments in various sectors of the economy, including the hotel industry. In this regard, the development of strategic approaches to combat the crisis and the management of hotel enterprises becomes an extremely important theoretical and methodological basis for the formation of a favorable investment climate and attractive financial conditions for the development of the hotel sectors of the Tunisian economy.

Despite the significant amount of scientific research on the nature and tools of anti-crisis management, as well as a constant increase in the practical importance of this problem, it still remains unexplored, in particular, the issues of

forming a system for effective anti-crisis management of hotel enterprises in conditions of instability caused by global geopolitical conflicts and local wars.

The current paper has the objective to outline the consequences of the postwar crisis in the field of the hotel industry in Tunisia and simultaneously to analyze the factors affecting the operation and development of hotel enterprises that are important for taking measures and future initiatives to cope with the crisis and post-crisis reality. To that end, it is necessary that the hotel business in Tunisia develop and implement a strategy for anti-crisis management.

2. MATERIALS AND METHODS

The information basis is compiled from reports of the World Tourism and Travel Council, Ministry of Education, Tunisia tourism statistics, Tunisian government reports, statistical group data of Tunisia Central Bureau of Statistics, publications in the specialized press, data from the official websites of hotel enterprises, etc.

The methodological apparatus used in this research entails a number of scientific methods, each of which has its purpose and value. Some of the employed research methods are induction and deduction, content analysis, historical method, system method, functional and structural method, economic, comparative and statistical analysis, sociological research and more.

Based on the deduction approach, the general principles of crisis management were applied, and based on the method of induction, i.e. through examples of hotels in a state of post-war crisis, conclusions were drawn about the state of the hospitality industry on a national scale.

The content analysis was used to research the information, on which conclusions and inferences were drawn regarding the state of hospitality in post-war Tunisia. The implementation of the content analysis involved determining the topic, objectives and hypothesis of the study. The research hypothesis is that in the modern crisis conditions caused by the ongoing military actions, it is necessary to develop a management strategy for hotel enterprises considering the factors affecting their operation, which will allow them to overcome the consequences of the crisis and bring them on the trajectory of stable development.

The historical method was employed to focus on the origins and evolution of crisis management and was set in a chronology of pre-, ongoing and post-war situation.

In the system method, crisis management was considered as a set of elements forming a system of measures and initiatives to deal with the crisis. Following the functional and structural method, the research of hotel enterprises was done according to their functions and values of financial indicators.

The comparative analysis was used to analyze and evaluate the measures to deal with the crisis in different hotels with respect to the criterion of compatibility of the compared data.

3. RESULTS

The present study managed to provide several significant results being a scientific novelty in the field:

- The nature of anti-crisis hotel management within post-war conditions was explained;
- The basic factors affecting the operation and developments of hotel enterprises in Tunisia were outlined and systemized;
- Some key opportunities and threats which should be considered in the anti-crisis hotel management strategy were revealed;
- Recommendations for the formation of state anti-crisis programs for the hotel enterprises development in Tunisia were made.

4. DISCUSSIONS

There are many definitions for the term “crisis management” in scientific literature but they all have one thing in common and this is the key crisis-related association of instability. The evolution of crisis management, as delineated by various scholars throughout the years, depicts it as a methodical and strategic organizational process. Lewis (1959) set the groundwork by stressing the intricate nature of crisis management, encompassing the prevention of damage, preserving the organizational image, and providing essential information. Building upon this foundation, Barton (1969) characterized crisis management as the organizational response to unforeseen events posing a threat, requiring a comprehensive approach. Fink (1986) contributed by defining crisis management as a compilation of strategies intended to counter crises and minimize tangible damage.

Pearson, Roux-Dufort & Clair (2007) emphasized systematic endeavors to forestall and effectively manage crises, underscoring the necessity for a comprehensive and anticipatory crisis management approach. A managerial viewpoint was offered by Pauchant and Mitroff (1992) regarding crisis management as the establishment of systems and an organizational ethos capable of navigating unforeseeable and potentially menacing futures.

Barton (2001) supported the system approach and viewed the crisis management as systematic actions of organization members and external stakeholders aimed at avoiding a crisis and developing the ability to manage emerging crises. Crisis management was seen by Seeger, Sellnow & Ulmer (2003) as a strategic organizational process involving preparation, response, and recovery from crises. Mitroff and Anagnos (2001) underscored the disruptive and unexpected nature of crises, defining crisis management as a proactive organizational process indispensable for addressing such events. Coombs (2007) reiterated the significance of a strategic approach in crisis management to alleviate harm to the organization and its stakeholders. Cumulatively, these definitions illustrate crisis management as a dynamic and developing function, intrinsic to organizational resilience amidst unforeseen challenges, necessitating strategic foresight and proficient response mechanisms.

After the discussion on the nature and manifestations of crisis management in general, it is necessary to go further with the explanation of internal and external factors affecting the operation and development of the hotel enterprises and eventually leading to crises (Asaf, 2018). External factors are a combination of external conditions that are not related to the operation of the hotel enterprise. The most significant factors of external influence are political and legal, economic, socio-demographic, cultural, etc. Currently in Tunisia, political-legal factors play an important role. They include the level of political stability in the country, the state of the legal sphere, the presence of state programs for the development of tourism and hospitality, business balanced with the interests of enterprises, etc. Economic factors of influence include the level of economic stability in the country, the state of the labor market and employment, the level of income of the population, etc. Socio-demographic factors include population size and dynamics of its change, age and gender composition of the population, the number of families, including families with children, the level of education of the population, etc. In a multi-ethnic and multi-confessional country like Tunisia, cultural factors are important, including local cultural traditions, intercultural interaction, attitudes to traditional values, etc.

Internal factors are a combination of internal conditions directly related to the operation of a particular hotel. All internal factors can also be divided into basic - factors that determine the results of the organization's work and non-basic - factors that determine the work of the team but are not directly related to a certain indicator of the hospitality industry. At the same time, the specifics of the operation of hotel enterprises in Tunisia require a special approach to the formation of the set of factors that mainly affect their activity. They can be natural and climatic, social, demographic, consumer, attractiveness, economic, safety. Natural and climatic factors affecting the operation of hotels include atmospheric conditions - this is the average annual temperature, air humidity, hydrological, geological conditions, biological resources. Security and peace are the most important factors for the development of tourism and hospitality. As for the socio-demographic factors that affect the operation of hotel enterprises, they include the ethnic, gender and age composition of the guests, which affects the needs, mentality and cultural traditions.

The tourism attractiveness of Tunisia, even with the consequences of the military conflict, remains sufficiently high. Tunisia is called a natural museum, on the territory of which there are many archaeological monuments, which include historical UNESCO monuments, such as Cartagena. The territory of Tunisia is attractive in terms of the development of recreation and medical tourism as there are hundreds of mineral springs. The healing mineral springs are included in the list of most priority investments such as the creation of health centers.

In the pre-war period, tourism was widely developed in Tunisia. Infrastructure includes 585 hotels, 2573 restaurants, 510 campsites, 242 travel agencies offering various tourist routes in the country. Currently, the tourist infrastructure is partially destroyed but its significant potential has been preserved and is the basis for the recovery and development of tourism and hospitality in the country. In this regard, it is necessary to highlight the factors affecting the development of Tunisia's tourism potential.

Regarding the level of safety, tourists from all over the world believe that vacationing in Tunisia is not safe. This is confirmed by the ratings of many indices, for example, according to the Global Peace Index, Tunisia is in the 163rd place among countries in the world. An assessment of the peacefulness of the country and its level of safety is carried out using 23 indicators, including the Global Peace Index, taking into account internal and external military conflicts.

By 2019, the pace of war in Tunisia (especially explosions and internal conflicts) had decreased and security and stability had been gradually returning to most Tunisian areas, as noted by local citizens, especially in areas that experienced instability during the war. The remaining provinces, even during the war years, enjoyed a high degree of stability and security.

The factors influencing the development of the tourism potential of Tunisia are many: the development of prospective types of tourism (pilgrimage, beach, leisure, cultural, safari, business tourism), prospects for the development of a tourist destination (infrastructure, image, reputation), state tourism policy (tax preferences, lending privileges, programs (subsidies, preferences), Tunisia advertising campaign, provision for hotels of installments for

payment of obligations (e.g. electricity installment plan). These concessions are created for the tourism business that suffers from the consequences of war and more time is needed to achieve stability and security.

Regarding the socio-demographic factors that influence the operation of hotel enterprises, they include the ethnic and age and gender composition of the guests influencing the needs, mentality and cultural traditions. According to the local statistical institute, the number of guests arriving from European countries, America and Asia (respectively 16%, 3% and 10%) is significantly lower compared to the number of guests arriving from Arab countries (27%). According to analysts from the Tunisian Ministry of Tourism, many foreign nationals point out that Tunisia cannot be an attractive tourist destination even after the end of hostilities because there is always the possibility of a terrorist attack. They note that vacationing in Tunisia is not safe. The second reason why foreign tourists do not want to visit Tunisia is called the destruction of cultural and historical sites.

An increase in the share of guests from Arab countries and the growth of domestic tourism (respectively 27% and 29%) are due to several reasons. Beach holidays are not developed in Lebanon, accommodation in existing hotels is quite expensive. For this reason, middle-income Lebanese prefer to vacation in Tunisia. There are many advantages for residents of Arab countries in Tunisia: lack of language and cultural barriers, loyalty to vacationers, including no ban on drinking alcohol, no other prohibitions characteristic of other Arab countries based on religion. The population of Tunisia, for the most part, will not have a vacation in foreign countries in the near future, due to the refusal or difficulty in obtaining a visa for Arab countries. Thus, tourists will choose a place to rest in the country. The standard of living of Tunisians after the hostilities has decreased, i.e. the incomes of the population are directed above all to the acquisition of priority products and goods. Some citizens are rebuilding their homes, their health, their businesses. Vacation and travel expenses are not provided for in all Tunisian families. Hotel companies in the country report that more than 54% of guests are Tunisian and Arab, so the entertainment, drinks and food are right in line with their culture.

The economic factors influencing the activity of hotel enterprises include high inflation, bad investments, climate, weak tax, credit, tariff policy, saturation of the market of hotel services, the level of development of the tourist potential, territories, tourist and hotel infrastructure, staff and others.

There is another group of factors affecting the operation and development of hotel enterprises in Tunisia, which are considered in the framework of anti-crisis management and deserve attention, as they are particularly significant in the conditions of the hotel business in modern Tunisia. First of all, these are the technological capabilities of hotel enterprises. Hotels from the coastal areas of Tunisia with a high level of comfort and expensive vacation costs are associated with a number of inconveniences, ill-considered use of building materials in the decoration. For example, often in many hotels, a large area is used for glazing surfaces, which leads to overheating of the buildings, increasing the cost of cooling the internal rooms of the hotels. In the current situation in Tunisia, more modern technologies and designs should be used, as this will save money for the owners of hotel complexes, and also partially free them for further restoration of sites and attracting tourists.

Another important factor is the functionality of hotel enterprises. Most of the existing hotels along the Tunisian coast are not adapted to the requirements of modern vacationers. To improve hotel comfort, the main goal is the organization of rest and accommodation of tourists, as well as catering. Budget hotels in Tunisia offer tourists only accommodation. Modern tourists do not only plan to visit attractions but also focus on other countries, they want to receive all possible additional services (sports, outdoor recreation, health improvement, free time). All this requires zoning the functional sectors of the hotel complex and increasing the level of comfort and safety of the guests.

Next, we should highlight engineering communications and recreation infrastructure as an essential factor for tourist satisfaction. Currently, in Tunisia, most hotels are located in the coastal area, which meets the needs of the tourist flow. In the historical parts of Tunisia, the engineering communications of hotel enterprises are disrupted (water supply, room cooling systems). To attract tourists to this sector will require more than the restoration of communications but also the restoration of political stability in the country.

Another group of factors affecting the hotel business after the war are political and social, including the need to emphasize the stability in society and the political situation in the country. In order to increase the number of tourists and restore the hotel infrastructure, attention should first be paid precisely to the search for opportunities to overlap the influence of these factors, i.e. it is necessary to rely on factors that positively affect the development of tourism in Tunisia (for example, climatic or tourism attractiveness) and with their help to gradually eliminate the negative influence of other factors.

As a result of the aforesaid, it can be concluded that the considered factors can affect the enterprises of the hotel industry in Tunisia negatively, as in the case of external political or communication factors, and positively (natural-climatic, touristic, investment). But any negative influence of these factors can be turned into a positive one if all opportunities available to hotel enterprises are competently used.

The systematization and grouping of the factors allow a good assessment of the directions for the recovery and development of hotel enterprises in order to develop a program for the rehabilitation and development of the hotel sector in Tunisia. Above all, these are enterprises in well-known tourist areas and cities with high business activity, including in areas where valuable tourist sites are located. It should also be emphasized that the grouping of factors influencing the activity of hotel enterprises allows defining the objective of the crisis management strategy for the further development of the Tunisian hotel sector.

Table 1. A Systematization of Factors Affecting Hotel Enterprises along with Some Faced Opportunities and Threats

FACTORS	OPPORTUNITIES	THREATS
CONSUMER (TOURIST)	<ul style="list-style-type: none"> • High popularity of tourism region in Tunisia; • Wide tourism specialization (alternative types of tourism); • Wealth and diversity of tourism resources; • Existence of popular tourism sites (including UNESCO sites). 	<ul style="list-style-type: none"> • Instable geopolitical situation; • Destruction of part of tourism equipment and infrastructure; • Low and partly negative tourism demand.
SAFETY	<ul style="list-style-type: none"> • Partial stabilization of considerable part of Tunisia territory including the war and political support from European countries and Russia. 	<ul style="list-style-type: none"> • Weak system of security and lack of civil peace in some regions of Tunisia.
POLITICAL AND LEGAL	<ul style="list-style-type: none"> • Stabilization of the public administration system in Tunisia; • Creation of state programs for the development of the tourism industry in Tunisia. 	<ul style="list-style-type: none"> • Political instability in some regions of Tunisia; • Lack of state control in some regions of Tunisia.
ECONOMIC	<ul style="list-style-type: none"> • Increase of investors' interest in some sectors of Tunisia's economic complex; • Revival and start of the operation of the hotel complex in Tunisia. 	<ul style="list-style-type: none"> • Economic instability; • High inflation; • High financial risks.
SOCIO-DEMOGRAPHIC	<ul style="list-style-type: none"> • Reverse migration flows (gradual return of the Tunisian population to their places of residence). 	<ul style="list-style-type: none"> • Public instability; • Partial destruction of the education and professional training system; • Lack of qualified staff.
CLIMATIC	<ul style="list-style-type: none"> • Favorable climate; • Diversity of natural and cultural landscape. 	<ul style="list-style-type: none"> • Human-made ecologic threats and natural dangers.

Source: author's development

5. CONCLUSION

The factors affecting the operation and development of the hotel complex in Tunisia are substantiated together with the opportunities and threats that need to be taken into account when developing an anti-crisis management strategy for hotel enterprises in Tunisia. Based on the factors affecting the operation and development of the hotel complex in Tunisia (consumer, security, political and legal, economic, socio-demographic and natural-climatic), it is possible to identify the main threats and opportunities, the consideration of which will allow the formation of a strategy for anti-crisis management and post-crisis development of the hotel complex in Tunisia. The present research has revealed that the successful operation of the Tunisia hotel complex in a crisis situation depends on the comprehensive consideration of factors, including the analysis of opportunities and threats, which will allow the development of an anti-crisis strategy for hotel enterprises management.

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