

## **Resilience and Hospitality in a Pandemic: A Polar-Type Study on Hotels in the Discovery Hospitality Group in the Philippines**

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### **Abstract**

This study compares the best and worst-performing hotels from Discovery Hospitality Corporation (DHC), a Philippine hotel group, based on their crisis responses during the COVID-19 pandemic. This study employs a polar-type multiple case study research design using qualitative data gathered through semi-structured, in-depth interviews with semi-closed questions. The data was analyzed to assess the viability of key indicators that compose organizational resilience. Proactive consideration of external conditions is imperative for a hotel to be resilient and to survive in a pandemic. The external conditions that were found to be important in this study are: (1) location of the hotel, (2) population in the geographical location, (3) access points, and (4) government regulations. The authors propose that organizational resilience in the pandemic context relies on the following insights: (1) the interdependence of adaptive capacity, planning, and proactive consideration of external conditions; (2) clarity and discipline in serving a concrete target market; and (3) partnerships across private and public sectors. The research findings and key outcomes are interpreted as theoretical insights in the context of the operating environment of the case. This study also suggests that moral actions do not necessarily go against the need to manage internal resources efficiently – both can lead to resilience.

**Keywords:** organizational resilience, hotel resilience, adaptive capacity, planning, Philippine hospitality industry, polar-type case study

## Introduction

No one expected the world to come to a complete halt, in isolation due to a highly contagious virus. The COVID-19 pandemic stagnated non-essential services, including travel and tourism, and negatively impacted the functioning of economies and industries. According to the United Nations World Tourism Organization (UNWTO) (2021), international tourist arrivals were estimated to be down 85% in the first quarter of 2021, and anticipated losses were between US\$30 to \$50 billion (UNWTO, 2020). These declines significantly impacted developing countries in the Asia-Pacific region, where tourism accounted for more than 10% of their global Gross Domestic Product (GDP), and thus affected the hospitality industries severely (Babii & Nadeem, 2021). In the Philippine context, in 2019, the total revenue of the Philippine hotel industry was US\$1.585 billion, which went down to US\$803 million in 2020, a 49.4% decline in total industry revenue (Statista, 2022). Moreover, contributions to the Philippine economy also declined during the pandemic, with the 2020 Tourism Direct Gross Value Added (TDGVA) being the lowest in 20 years (Tirona, 2021). In addition, a 1.7% decline in employment in the local hospitality industry from 2019 to 2020 was observed, which amounted to an approximate decrease of 1.04 million hospitality jobs (Tirona, 2021). These figures illustrate the important role of the tourism and hospitality industry in the health of the Philippine economy.

Brown, Rovins, Feldmann-Jensen, Orchiston, & Johnston (2017) referred to this sector's vulnerabilities as multifaceted, leaving it extremely sensitive to adverse events that can cripple its resilience, and may reflect on its performance. As such, this paper adopted the definition of organizational resilience as the awareness of an organization's operating environment, recognition of keystone vulnerabilities, and a culture of flexibility and adaptability as essential traits to deal with these vulnerabilities (Ivkov et al., 2019; McManus, , & Brunsdon, 2008). This definition was further tested and refined by Lee, Vargo, and Seville (2013), which created the two-pronged model of organizational resilience that serves as the framework for this research. This thesis aims to address the lack of organizational resilience studies in the Philippine, as observed from current databases (Prayag, 2020). Firstly, there is an absence of literature that identifies the key indicators of organizational resilience based on crisis responses. Secondly, existing studies did not use comparative approaches toward assessing crisis responses for organizational resilience in the Philippine hospitality industry. As such, the expected outcome

from this study was to provide insights into building and improving the conceptual framework through an assessment of the viability of the components of organizational resilience.

DHC is an award-winning hospitality group in the Philippines, with revenues of ₱259.7 million in 2020 (Reyes Tacandong & Co, 2021). It is also acknowledged that the variety in DHC's hotels is well-rounded enough to sufficiently represent the hospitality industry in the Philippines; from Discovery Primea as a hotel-residence, Discovery Suites Manila as a city hotel, Club Paradise Palawan as a destination hotel, Discovery Shores Boracay as a beach hotel, and the upcoming Kip&Kin El Nido as a budget hotel. As such, DHC was a viable resource for assessing organizational resilience locally. Specifically, this research analyzed organizational resilience through the responses of DHC's best and worst-performing locations amidst the COVID-19 pandemic in a polar-type case study. The researchers did not strive to determine which hotel was resilient, as this was already evident in its polar outcomes. Instead, this study aimed to compare and understand the processes employed by the hotels towards resilience under the guidance of the study's conceptual framework. For these reasons, the researchers hoped to address the following research questions:

- A. Based on the data collected from the DHC respondents, what are the viable key indicators that affect a hotel's organizational resilience?
  - RQ1:* Which key indicators from adaptive capacity and planning were present in the hotels?
  - RQ2:* Which key indicators from adaptive capacity and planning were absent in the hotels?
- B. Based on the crisis responses from the best and worst DHC hotels, what key similarities and/or differences affected their organizational resilience?
  - RQ3:* What critical insights and recommendations can members of the hospitality industry apply towards organizational resilience based on the experiences of DHC hotels?

### **Literature Review**

In assessing the organizational resilience of DHC, the New Model of Organization Resilience (Lee et al., 2013) was used. This model identifies two critical dimensions of organizational resilience. Firstly, adaptive capacity covers the culture and dynamics required in organizations to make good decisions, both during regular operations and crisis situations (Lee et al., 2013). Secondly, planning covers an organization's foresight and crisis preparedness abilities. Each dimension has multiple key indicators used to assess whether a specific entity successfully

embodies adaptive capacity and planning through the fulfillment of its corresponding key indicators. This study assessed a total of 13 key indicators, of which adaptive capacity has eight, including internal resources, leadership, and more, while planning has five key indicators, such as planning strategies, recovery priorities, and more (Lee et al., 2013).

### **Conceptual Framework**

The conceptual framework used in this study is modeled after the New Model of Organizational Resilience proposed by Lee et al. (2013). Based on this model, specific key indicators can be inferred as components of organizational resilience upon evaluating their viability. This framework was chosen because it provides a concrete tool to comparatively assess organizational resilience. The successful embodiment of organizational resilience through critical dimensions, however, may vary from case to case. The impossibility of having a universal framework for resilience was acknowledged due to its multidimensional and subjective nature (Brown et al., 2017). Subsequently, Xiao and Cao (2017) provided a multidimensional definition of resilience which states that resilient organizations are made up of resilient teams, and resilient teams are composed of resilient individuals. Thus, adaptive capacity and planning were analyzed based on the managers' responses in the case interview.

From their study, Lee et al. (2013) rationalized their conclusion that adaptive capacity and planning are critical dimensions of organizational resilience as these are based on the notions of anticipation and adaptation. As such, both dimensions necessarily comprise organizational resilience. On the one hand, adaptive capacity is concerned with internal management areas, such as the ability of a hotel to mobilize resources to ensure that they are able to operate despite crises (Lee et al., 2013). On the other hand, planning focuses on an organization's ability to anticipate crises. An example would be the preparedness and participation of employees in simulated crisis scenarios, such as fire drills and contingency plans. Lee et al. (2013) deduced that both indicators are viable dimensions that constitute organizational resilience. In evaluating the usability of this framework in the local hospitality industry and the viability of the key indicators, their presence or absence in the polar case were assessed. The key indicators that show high presence in the best-performing hotel should be absent in the worst-performing hotel. The identification of viable key indicators is vital to organizations as this provides a guide on identifying the resilience indicators they can leverage for future crises (Lee et al., 2013).

## Methodology

### *Research Design*

Based on the nature of the study, a polar-type multiple case study design was employed where the similarities and differences between two cases are analyzed to provide unique findings (Baxter & Jack, 2008; Yin, 2003). A polar-type case study design was chosen because it provides a more perceptible analysis through analyzing identical and different processes (Mills et al., 2010). In addition, polar types are responsive to the dynamics of a few cases. It also has the ability to narrow the extent of theoretical insights with an emphasis on providing generalizations to theory and not to populations, which is parallel to this thesis' direction. As a result, polar-type case studies are valuable tools in addressing the absence of a comparative approach to assessing organizational resilience (Mills, Durepos, & Wiebe, 2010). Thus, a polar-type case study paired with the conceptual framework comprise the research design for analyzing DHC's organizational resilience. The two polar cases were delimited, with Discovery Primea identified as the best-performing and Club Paradise Palawan as the worst-performing hotel of DHC. This selection was a judgment call by this study's key informant, DHC's Senior Vice President (SVP) of Sales and Operations, based on each hotel's financial performance. It is acknowledged that Club Paradise Palawan is at a disadvantage due to its geographic location.

### *Data Collection*

The study used a combination of primary and secondary qualitative data to analyze the polar cases. The primary data source is interviews with the managers of Discovery Primea and Club Paradise Palawan who were the key respondents. The selection criteria are detailed in Table 1 below.

Table 1: Selection Criteria for Key Respondents

Inclusion Criteria	Exclusion Criteria
<i>The interview respondents must be:</i>	<i>The interview respondents cannot be:</i>
An individual who reports to top management and manages middle to	

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low-level management of the specific hotel, and is well-versed in the operations of the specific hotel.

An individual who was operating the hotel pre-pandemic (at least fourth quarter of 2019), the onset of the pandemic (first quarter of 2020), and during the pandemic (at least until year-end of 2020).

An individual who was not present during the pandemic.

An individual that operates either in the best performing or the worst performing hotel.

An individual who is operating in other hotel locations that are not Discovery Primea and Club Paradise Palawan.

The designated individual nominated only by the key informant. This is due to confidentiality, availability, and feasibility concerns.

Low-level employees or individuals who are neither in direct contact with top management nor are involved in main decision-making activities (i.e., housekeeping, concierge, receptionist, etc.).

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Source: Authors' own

All interviews were uniformly conducted, with the same questionnaire, format, and platform used across both sets of respondents to ensure consistency of coverage. Moreover, it is important to note that while the data collection process touched on planning aspects and pre-pandemic decisions, this study ultimately focused on the performance of both locations during the pandemic, with the primary data being triangulated with field notes and online archival data. The details of the data sources employed in this study and their corresponding uses are described in Table 2 below.

Table 2: Data Sources and Use in Analysis

Data Source	Type of Data <sup>1</sup>	Use in Analysis
Archival Data	<i>Firm-related Documents:</i> industry and marketing reports, DHC business reports and statements	To map out the relevant local and global political, economic, and social circumstances that impacted crisis responses in the Philippine hospitality industry.
	<i>Phenomena-related Documents:</i> local multimedia reports, public, government, and institutional reports and announcements, global and local scholarly publications	To record and relate the relevant government and institutional data to the case context in the crisis.  To understand the organizational context of DHC and the specific polar cases in relation to the crisis.
Semi-structured, In-depth Interviews	One round of semi-structured, in-depth interviews with the managers of Discovery Primea and Club Paradise Palawan, each lasting 60 to 90 minutes	To understand the experiences of the key respondents throughout the crisis.  To gather information on crisis responses, resilience strategies, and the corresponding outcomes in the respective operations.  To uncover the thinking and learning processes behind the crisis responses and strategies of the key respondents in addressing the crisis and its organizational impacts.

<sup>1</sup> All data is sourced through online means, readily accessible to the public.

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To categorize insights under key indicators they correspond to, which enables the assessment of its presence or absence within the organization's operations and initiatives.

To integrate the use of archival, online, and observational data to triangulate the understanding of the key respondents' experiences along with the researchers' inferences.

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Observations and Interview Notes	Field notes taken during the interviews with the key respondents.	To record the qualitative components of the interview for gaining insights in order to understand and contextualize the interview responses.
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Online Data	Online chats with the thesis' key informant through Viber for coordination, discussion, and sense-making purposes.	To supplement any interpretations and aid in the sense-making of any inference and analysis related to the polar case study.
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Source: Authors' own

### ***Interview Protocol***

The case interviews were conducted in one round of semi-structured, in-depth interviews with semi-closed questions, with each lasting approximately 60 to 90 minutes. The interview questionnaire was adapted from the New Model of Organizational Resilience (Lee et al., 2013), where the details of each key indicator were accounted for. All interview questions elicited a yes-no response and a subsequent in-depth explanation. This format was used to produce both concrete and rich data for a comparative analysis using the qualitative matrix. Specifically, this thesis explored the processes that led to the polar outcomes from two hotels that shared the same vision geared towards achieving organizational resilience during the COVID-19 pandemic. In



addition, the exploration of external factors was of interest to the study, with respect to its potential impact on the polar outcomes in cases where crisis responses of both respondents were similar.

### ***Data Analysis Method***

Following the completion of the interviews, the qualitative data collected was analyzed following the New Model of Organizational Resilience developed by Lee et al. (2013). Firstly, there was a thorough review of the interview transcripts to gather statements related with each key indicator. Secondly, the comparative qualitative matrix was created. Here, the gathered data was arranged according to the key indicators that it corresponded to. Thirdly, the presence or absence of the key indicator was determined in both of the polar cases. This was fulfilled by the interview questionnaire design, wherein at least three questions were asked for each key indicator. Due to the semi-closed format of the questions, it had to answered with a ‘yes’ or ‘no’ first, and then the respondents elaborated on their answers. Given this specification, the researchers determined whether or not a key indicator was present, based on the majority poll of the yes-no responses gathered per indicator. For example, for the five specific questions under the key indicator Leadership, if the respondent answered three yeses and two noes, then it was deduced that Leadership is a key indicator that is present in that specific hotel. Lastly, the researchers highlighted and discussed key indicators that were simultaneously present in the best-performing hotel and absent in the worst-performing hotel, and deemed these as the most viable components of organizational resilience. The results from this analysis were incorporated in a comparative viability matrix. This analytical method illustrated which specific indicators were the viable components of organizational resilience amongst hotels in the Philippine context. This was also the basis of critical insights and recommendations that may be useful to the local industry. As such, it is imperative to note that the outcomes of this thesis are not to be interpreted as absolute results, but as theoretical insights solely based on DHC’s experience.

## **Data Results and Analysis**

### ***Club Paradise Palawan: Worst-Performing Hotel***

Club Paradise Palawan’s self-styled ‘*captain of the ship*’, Joegil Escobar is the hotel manager, whose role encompasses general operations, regardless of location; from overseeing reservations in Manila to supervising his ground staff in Palawan. Escobar was transparent about the

challenges faced by the hotel, *“It has affected us a lot, in terms of finances [..], maintaining the workforce, especially the regular employees”* (J. Escobar, personal communication, April 19, 2022). He also highlighted the significance of values in his understanding of organizational resilience. *“It’s not just keeping the business afloat, but also the values of the company, and injecting those values in the workforce”* (J. Escobar, personal communication, April 19, 2022). However, Escobar defended his hotel’s weak performance as a result of the travel restrictions and the government’s COVID-19 regulations, with the disadvantage of being located on an island where borders were closed and commercial flights were non-operational. This resulted in the resort’s eight-month temporary closure from 2020 to 2021, and also served as the basis for its weak performance as determined by the study’s key informant (C. Nepomuceno, personal communication, December 24, 2021). But even then, he and a handful of staff stayed on the island during the temporary closure to gear it up should it open its doors once more.

Escobar is a proud believer in the cross exposure of staff in various roles to encourage teamwork and camaraderie; a distaste for silo mentality, *“We want people to be comfortable with their work. It’s a part of growth, it’s part of their career move”* (J. Escobar, personal communication, April 19, 2022). Escobar also shared that Club Paradise Palawan heavily relies on DHC’s business continuity plan (BCP), discussing how it is essentially a guidebook for hotel operations. He also mentioned how having a lean organization allowed the employees to have easy access to resources and information whenever needed. Escobar’s leadership focuses on engagement amongst his staff, *“I always try to inject a sense of responsibility within my team, because if they don’t realize that their future depends on the resort, they will never have that sense of responsibility”* (J. Escobar, personal communication, April 19, 2022). He wanted to instill the principle that the success of the resort translates into the personal success of the staff. He also encouraged his workforce to be collaborative, stating that, *“It should not be a one-man army, it requires support of the whole team. I cannot do it on my own, everyone has to be ready”* (J. Escobar, personal communication, April 19, 2022). With Club Paradise Palawan being situated on a small island in Palawan, Escobar shared that they were forced to be creative and innovative in how they utilized resources, *“I always say it’s not deliver as expected, but deliver beyond expectations”* (J. Escobar, personal communication, April 19, 2022).

Moreover, Escobar shared that guest feedback, whether positive or negative, set off self-evaluation towards improvement, *“The reviews and the opinions of guests are very well*

*noted, and these are taken seriously. [...] There might be some loopholes in the process that can be improved”* (J. Escobar, personal communication, April 19, 2022). Although, in challenging cases, Escobar routinely referred to the BCP, but emphasized that, *“It serves as your guide, but then again it's up to the property on how to deal with it in the best manner possible. [...] It should be tailor-fit, based on the necessity of the situation”* (J. Escobar, personal communication, April 19, 2022). However, both the resort and DHC never strategically planned for a global health crisis. Escobar noted that past crises will ultimately help them with future challenges, *“You were already able to do that in the past, it's just a matter of applying it again if it happens”* (J. Escobar, personal communication, April 19, 2022). This is supplemented by training, drills, and seminars to ensure every employee is prepared to respond in various crisis situations.

### ***Discovery Primea: Best-Performing Hotel***

Discovery Primea's Director of Sales and Marketing, Angela Soriano has proclaimed her department as the *‘heart of the hotel’*. She supervises everything that encompasses sales, marketing, revenues, reservations, events, and communications of the hotel. But her current role focuses on how to pivot in the COVID-19 pandemic. *“We had to be very resourceful and creative as well. We should try to know what's going on in the market. So when borders closed, we tried to understand what's going to be the business we can get”* (A. Soriano, personal communication, April 25, 2022). However, it should be noted that Soriano's roles only encompass the hotel area of Discovery Primea; she does not handle the affairs of the property's residential area. Soriano also detailed how agile, resourceful, and creative the hotel has become in dealing with the challenges brought about by the pandemic, sharing that understanding the market and identifying how to pivot from business barriers were key factors of their performance. Upon seeing the demand for quarantine facilities, Discovery Primea grabbed the opportunity to collaborate with the respective government agencies [i.e. Bureau of Quarantine (BoQ), Department of Tourism (DoT), Bureau of Immigration, Department of Foreign Affairs (DFA), Philippine Coast Guards] to be granted the license to operate as a quarantine hotel. *“We applied for that. We are accredited and certified”*, Soriano said proudly (A. Soriano, personal communication, April 25, 2022). Discovery Primea also partnered with the only operating airline in the country, Philippine Airlines, during the onset of the pandemic and became one of the recommended quarantine hotels. However, she shared, *“During my 24 years of experience in the hospitality industry, I*

*thought I've already experienced the worst in my career"* (A. Soriano, personal communication, April 25, 2022), but the pandemic has proven that it is impossible to be completely prepared, and there will always be practices to improve on. Hence, resilience, in her terms, stemmed from witnessing how her team swiftly adapted to the pandemic's unprecedented changes.

Soriano emphasized the importance of collaborating with people internally and externally, and shared how Discovery Primea effectively adapted and maintained hotel operations through its efficient use of internal resources despite a sales decline. She also shared that their staff were trained and empowered to be engaged with the experience of their guests, as this directly impacts the performance of the hotel. Moreover, Soriano believed that one of the main factors that contributed to their continuous success is how knowledge was shared amongst the hotel staff and DHC properties, *"It's good also that we are a group of local hotels, because we share best practices. [...] Even the Discovery Shores property in Boracay, what will be their best practices"* (A. Soriano, personal communication, April 25, 2022). Additionally, Soriano emphasized the hands-on experience the hotel staff have gained from remaining open throughout the pandemic. This opportunity to practice and understand the inner workings of hospitality amidst the COVID-19 crisis had left her and her team well-trained; that they can now handle similar situations *"with closed eyes"* This confidence in the staff's abilities manifested itself through positive feedback from guests who verbally favored Discovery Primea's service in the pandemic as Soriano recounted how *"we've been getting feedback with the type of profile guest that we have, that we have handled their situations very well"* (A. Soriano, personal communication, April 25, 2022).

As a leader, Soriano believes that remaining ahead of current thinking and trends is always the goal, and she achieved this by paying attention to best practices both inside and outside the organization. *"We try to learn from things, [...] we try to also get the best practices of others, not just from the property or in our sister companies but also with the other hotels"* (A. Soriano, personal communication, April 25, 2022). However, Soriano also notes how dynamic the hotel industry is, explaining that it's never a routine job, and that in itself is a challenge. The hotel staff creatively tried to ensure they met the guests' every request, no matter how strange, even if it meant running to the grocery for halal food. *"We do that extra mile for them"* (A. Soriano, personal communication, April 25, 2022). Assessing changes in the hotel industry nationally and globally also became a norm, sharing that she interviewed the attachés of the DoT

in Los Angeles and New York to brief the ever-changing hotel protocols for inbound guests. It is an established practice that whenever a unique circumstance transpires, the hotel dutifully investigates occurrences that are possible causes, proving the hotel's agility.

While Soriano affirmed that the BCP is sufficient in emergencies, she admitted that there was no planning done for a global pandemic, especially of this scale. As such, this highlights the urgency of updating these documents with new protocols and demands. Soriano also touched on how the hotel constantly tried to be proactive in addressing changes in both internal and external environments. Their tight relationship with all internal stakeholders allowed everyone to understand the interconnectedness of events towards the hotel's success, while partnering with external organizations aided them during unexpected changes. Ultimately, Soriano highlighted that the top priority of Discovery Primea will always be the well-being of their guests and staff; the revenues and operations are all secondary. This is a significant illustration of how the hotel's positive performance during the pandemic was heavily supported by relationships built within and partnerships fostered outside the hotel.

**The Key Difference: Destination vs. Accommodation.** While both hotels admittedly lacked planning for a global health crisis, there is no doubt that the differentiating factors between the performances of the polar cases were situational and geographical. Upon mentioning to Soriano that the worst-performing hotel was Club Paradise Palawan, she immediately responded with, *“Because, it's a destination”* (A. Soriano, personal communication, April 25, 2022). This led to contextualizing the restrictions on domestic travel, the vulnerable hospitality industry, and the private sector's yearning to stabilize during the onset of the pandemic in March 2020. To provide context, Club Paradise Palawan is a destination resort, meaning the hotel is the reason for travelers to visit the country/area, compared to Discovery Primea, which is located in the Makati Central Business District, and mainly used for accommodation purposes by individuals who usually travel with business purposes.

In March 2020, the country went through 'severe damages' due to strict lockdowns, especially in Luzon, where domestic and international, inbound and outbound leisurely travels were restricted (Dela Peña, 2022). The DoT reported only 1.4 million travelers in 2020, an 82.05% drop from 2019 (8.2 million travelers), where 61% of tourism-related businesses temporarily closed due to COVID-19 restrictions and lack of demand (Dela Peña, 2022). This

contextualized the weak performance of Club Paradise Palawan, being a destination hotel situated on an island. It was “*Because of the travel restrictions on travel basically*” (J. Escobar, personal communication, April 19, 2022). Escobar explicitly stated that the main, if not only cause for Club Paradise Palawan’s weak performance and temporary closure, was the travel bans. Based on DHC’s annual reports, the resort’s revenue stream had been relatively stable before the pandemic, with the 2018 revenue amounting to ₱241.5 million and the 2019 revenue to ₱258.8 million (Discovery World Corporation, 2018; Discovery World Corporation, 2019). Its financial performance saw a sudden slump upon its temporary closure in 2020, with the revenue that year amounting to ₱68.5 million, a decline of around 73.5% from the previous year (Discovery World Corporation, 2020). As such, this reinforces the observation that Club Paradise Palawan’s geographical location posed a major disadvantage as opposed to Discovery Primea, where the pivoting from the pandemic was easier to execute.

Soriano stated that in March 2020, Discovery Primea made agile changes to the hotel’s business model which allowed them to continue operations, and subsequently, their revenue streams even during the height of the pandemic. As such, the hotel was approved as one of the country’s official alternative isolation sites. Based on a study of 229 infected households by Spanish medical professionals, a community-supervised facility, such as a quarantine hotel, became a more tenable choice for non-transmission and avoiding the potential overcrowding in domicile-isolated individuals (López et al., 2021). With that, Discovery Primea acted quickly by partnering with the Cardinal Santos Medical Center (CSMC) to launch Safe Care, a program where patients can use DHC city hotels to meet with CSMC doctors to minimize exposure to the virus (ABS-CBN, 2020). Such initiatives and opportunities were feasible in Discovery Primea, but was impossible for Club Paradise Palawan. This caused the wide disparity between both hotels’ performance and efforts to pivot in the pandemic. Soriano stated that these experiences left the hotel’s staff confident in their abilities to deal with future crises. “*We are experts already*” (A. Soriano, personal communication, April 25, 2022), she said with a chuckle while being asked about their responses to crises.

### **Discussions, Conclusion, Recommendations**

**The Interdependence of Adaptive Capacity and Planning.** While the COVID-19 pandemic exposed the limitations of the application of the framework from Lee et al. (2013), the case

interviews reinforce the vital role of planning in successfully dealing with a crisis. Both managers admitted that it was impossible to anticipate a pandemic of this scale. This established a common issue between the polar cases—insufficient planning. Both hotels embodied adaptive capacity throughout the pandemic, yet the strength in foresight seemed to have a limited impact without the proper pre-planned protocols. This led to the critical insight that adaptive capacity and planning coexist interdependently; the presence and proper execution of both being essential to organizational resilience. Adaptive capacity provides organizations with the proper mindset, culture, and information to deal with change, but planning guides the execution and application of the aforementioned. As such, adaptive capacity or planning alone is not sufficient to be a singular component of organizational resilience; the presence of both is required.

**The Advantage of Choosing Your Target Market.** A key theme that was repeated in Discovery Primea was their capacity to strategically adjust and target the clientele that would reap them the most benefits, despite the disadvantages in the wake of the pandemic. While other hotels, even direct competitors, started lowering their rates to cater to the lower-end market and repatriated overseas Filipino workers (OFWs), Discovery Primea was able to maintain a premium price point by ‘getting to choose their target market’ and shifted their focus on higher-end clients, from foreigners who had to visit the country to C-level executives who had to travel and be quarantined upon arrival. Soriano specifically shared that at the height of the pandemic, city hotels had an average rate of ₱2,800 per room, while Primea was able to maintain a ₱7,500 average price point. This insight highlighted particular traits of Discovery Primea’s management that potentially contributed to their performance, not against other DHC properties, but in comparison to direct competitors who share similar locations and target demographics, *“Shangri-La The Fort, their rates pre-pandemic were around ₱10,000 a night, then it dropped to around ₱5,500,”* (A. Soriano, personal communication, April 25, 2022).

**COVID-19 Management Necessity: Partnerships.** Capitalism has indirectly sowed discord between organizations, based on the assumption that ‘every man is for himself.’ However, a critical insight that can be drawn from the effects of COVID-19 on global economies, societies, and industries is the need for collaboration and partnerships. Slowly but surely, it is now a key driver of the new normal in businesses that seek not just to survive, but to thrive amidst crisis. Especially evident in Discovery Primea, Soriano was keen on stating that they have established several diverse partnerships with external organizations, from healthcare to

government institutions. Soriano stated that although the hotel and DHC's BCP did not have the foresight to plan for a crisis of this scale, the partnerships they have made were integral, given their limited means of survival. While external partnerships have proven to be successful in pivoting in the pandemic, internal partnerships should not be disregarded. Soriano stated that a constant flow of communication and knowledge sharing between the DHC hotels were the foundational aspects in molding the organization's best practices and resilience strategies. Soriano also shared that their best practice sharing extends to other hotels, even among DHC's competitors, as a mutually beneficial means to a shared end goal — the enjoyment of guests through professional and hospitable care.

The openness to collaboration and partnerships have introduced clarity and reorient the purpose of businesses. It is now a misconception to perceive businesses as merely established for profit; that they are a mere means to an end. Inaugurated in multiple global constitutions, businesses are supposed to serve society through the provision of safe, high-quality products and services that enhance the well-being of society, without wearing away the ecological elements and community sustenance methods. While it is understood that the shift is a difficult feat to institutionalize in some firms, the acknowledgment and exertion of efforts would enlighten businesses to make a positive contribution to society. The pandemic has indirectly taught society to redesign and assimilate an integrally sustainable and trustworthy business model. In hindsight, the pandemic has brought unity to the forefront from a background of chaos.

### **Conclusion**

In a recurring theme of unpredictability, the effects of COVID-19 on the polar outcomes of the DHC hotels were heavily tied to their need to tread uncharted waters. With economic instability and volatile government regulations, there is no denying the losses of non-essential industries in the Philippines (Talavera, 2020). Examining the processes through which DHC properties gained resilience offered unique insights into their recovery strategies, especially in comparing polar outcomes that share the same goal. According to the New Model of Organizational Resilience (Lee et al., 2013), there are two critical dimensions of organizational resilience; adaptive capacity and planning, which consist of a total of 13 key indicators. In this study, the viability of each key indicator as a component of organizational resilience was assessed through the COVID-19 crisis responses of Discovery Primea and Club Paradise Palawan. However, through



the analysis and triangulation of data, the results yielded zero viable key indicators that affected both hotels' organizational resilience during the COVID-19 pandemic.

Through the comparative, qualitative viability matrix, this study's first and second research questions were answered. All key indicators were found to be present in both hotels, which produce no viable key indicators that compose organizational resilience. The hotels' application of each key indicator is shown in Table 3 below, as summarized from the direct quotes made by the key respondents. This unique result is aligned with the impossibility of having a universal framework for resilience due to its multidimensional and subjective nature (Brown et al., 2017). In this case, the external factors attributed to Club Paradise Palawan as a destination hotel proved to be the overarching cause of its weak performance. On the flipside, Discovery Primea's accessibility to travelers and its nature as a hotel residence proved to be the driver for its continuous feasible innovations, which led to its positive performance. As such, this further supports the notion that resilience must be tailored to an entity's specific situations and limitations, as evidenced by the circumstantial differences in each property.

**Table 3: Qualitative Viability Matrix**

<b>Key Indicator</b>	<b>Best-Performing Hotel (Discovery Primea)</b>	<b>Worst-Performing Hotel (Club Paradise Palawan)</b>
Minimization of Silos	Senior managers train employees with the necessary skills under various departments, even if these may be outside the direct responsibility of the employees.	The hotel manager encourages staff to move across different departments in order for the employees to discover their personal strengths and work preferences.
Internal Resources	Resources are maximized without sacrificing guest and employee interests; there is quick communication between pertinent members, without the disadvantages of bureaucracy. These actions can be	The BCP includes directives on looking for resources. The organization is lean, with their own finance officers, bank accounts, and ledgers.

<b>Key Indicator</b>	<b>Best-Performing Hotel (Discovery Primea)</b>	<b>Worst-Performing Hotel (Club Paradise Palawan)</b>
	viewed as moral, which demonstrates that moral goals and internal resources can both lead to resilience.	
Staff Engagement and Involvement	Accountability is instilled in the staff, guided by the notion that hospitality entails always being accessible and available. The well-being and satisfaction of guests is a driver for staff engagement.	Staff are aware that the success of the hotel impacts their own future. Problem solving is a continuous learning process that instills a sense of responsibility. Marketability, competitiveness, and revenue streams are drivers of staff engagement.
Information and Knowledge	All levels of management are easily accessible to the staff. Sharing information is recognized as valuable, especially when it comes to best practices. Communication platforms are paramount to interconnectivity.	Various levels of management are accessible to help staff, and the BCP is the knowledge base for responding to problems. Bureaucracy is minimized to increase access to vital information.
Leadership	Hands-on pandemic experience increased staff confidence in their abilities, while key decision-makers preferred consulting their teams. Workloads are monitored by higher management. Learning industry best practices helps in staying ahead of the curve.	The pandemic closure left staff less experienced and confident in their crisis management abilities. Staff are responsible for monitoring their workloads. While out-of-the-box thinking was mentioned to be a key to staying ahead of the curve, this was not realized due to the resort's temporary closure.
Innovation	Members are encouraged to make	A ₱800 food & beverage voucher is

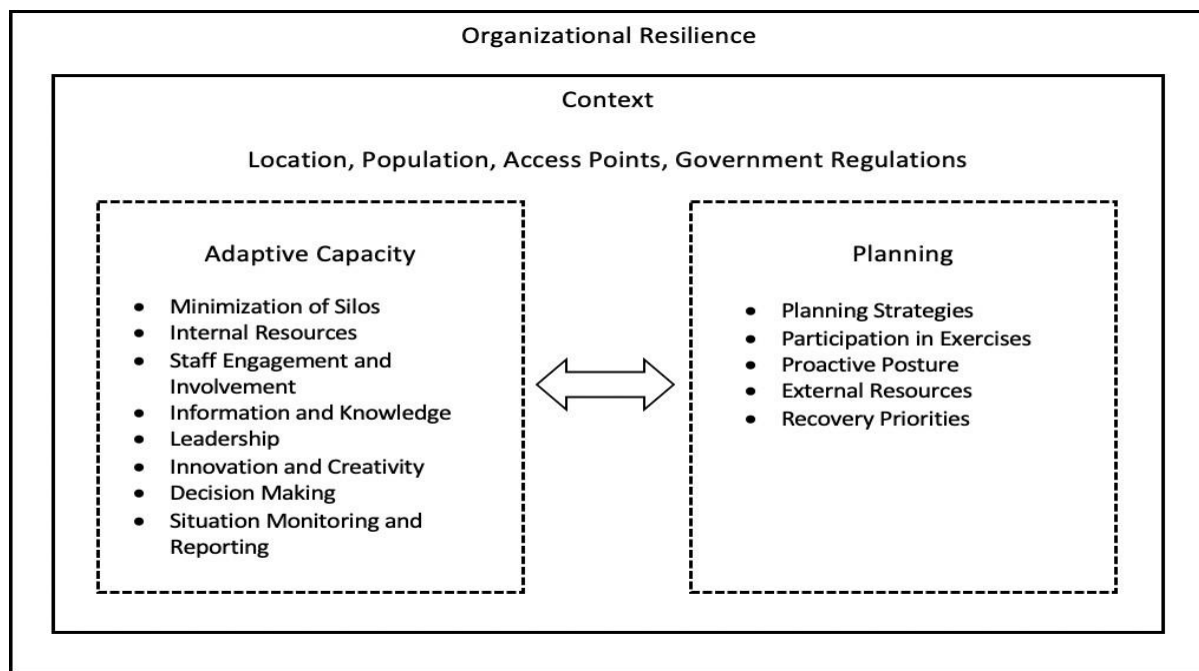
<b>Key Indicator</b>	<b>Best-Performing Hotel (Discovery Primea)</b>	<b>Worst-Performing Hotel (Club Paradise Palawan)</b>
and Creativity	decisions as long as it leads to win-win situations, where efforts are recognized in town hall meetings together with reviews by the guests.	rewarded for outstanding performance in guest services. However, due to the resort's closure during the pandemic and the absence of guests, no creative action was done by the staff .
Decision Making	Quick and agile decision making became a standard practice in operating during the pandemic. Staff are also trained and trusted to make small decisions on their own.	There were no concrete examples of staff exercising swift decision making during the resort's closure due to the pandemic.
Situation Monitoring and Reporting	Vigilance is embodied in monitoring both internal and external conditions. Management is keen on learning from past mistakes and experiences within the hotel, while also exerting efforts in monitoring industry affairs.	Guest feedback was used to improve the quality of service, learning from mistakes, and rewarding excellent performance. The resort relies on the corporate office for situations and trends outside the island.
Planning Strategies	Plans are in place for the common challenges faced by the industry. The hotel also has access to the BCP, but emphasizes on the need for these existing plans to be constantly revisited, as crises are always evolving.	Management considers the BCP as their 'bible' for the resort's planning strategies. Challenges and crises are dealt with, based primarily on the guidelines provided by the BCP.
Participation in Exercises	Some issues are documented and the insights applied to future problems where communication is encouraged.	The hotel members apply best practices from the past in solving current and potential issues. Employees are

<b>Key Indicator</b>	<b>Best-Performing Hotel (Discovery Primea)</b>	<b>Worst-Performing Hotel (Club Paradise Palawan)</b>
	The hotel partners with various local government units and agencies for staff training.	continuously trained and a sense of ownership instilled, with the BCP serving as a manual.
Proactive Posture	A team for monitoring national and global trends was organized, with frequent communication with DHC owners, which included monthly alignment meetings. Contingency plans are available alongside knowledge sharing within the local industry.	The unexpected is considered as part of the business where the BCP is a manual. The staff are trained to handle emergencies and their errors are corrected immediately with mistakes used as learning opportunities.
External Resources	There is a presence of multiple partnerships across different industries and fields of work, be it government agencies or the private sector. The hotel has working ties with organizations such as the BoQ and CSMC.	External partnerships with agencies like the Bureau of Fire Protection are present. However, the resort primarily relies on the affiliations of the DHCs corporate headquarters; which feeds the resort information such as economic trends and new government regulations.
Recovery Priorities	Priority is given to guests and staff. There was training for staff during the pandemic, and creation of an action plan, which included matters like which government agencies to contact for which issues.	People come first in emergencies, following physical properties. A benchmark was established for necessary resources when the resort cannot serve guests.

Source: Authors' own

The Model of Organizational Resilience (2022) uses the framework from Lee et al. (2013) as its reference while retaining the essence of its theory on organizational resilience. The critical dimensions of adaptive capacity and planning, and all 13 key indicators are still included as critical components of organizational resilience. However, from the findings, it is evident that the consideration of external conditions is imperative in the study and application of organizational resilience. The external conditions that were found important in this study are: (1) location, (2) population, (3) access points, and (4) government regulations. As such, the original framework was revised to include the external factors that impacted the local hospitality industry's ability to be resilient during crises. This addition encompasses both critical dimensions as they should factor in the context. Moreover, the boundary lines that encompass both dimensions are dashed to denote that their fulfillment is dependent on the context, while the bidirectional arrow denotes their interdependence when striving to successfully achieve organizational resilience. The modified framework seeks to provide tailored guidance and holistic preparation so that hotels can be less vulnerable to threats and future crises.

**Figure 1: Model of Organizational Resilience**



Source: Authors' own

### ***Recommendations for Future Studies***

Due to the uncontrollable limitations set forth by the COVID-19 pandemic in conducting research and analyzing data remotely, the research design has been limited to only two polar cases from one hospitality chain in a polar-type case study.

A more comprehensive methodology can be employed in future studies. The researchers have identified specific changes that can be made, based on their experience in conducting the study. These changes include but are not limited to: (1) include surveys, if feasible, and/or interviews with more respondents from various levels of management from a single concern as one case, and to produce the same amount and density of collected data in other cases. This aids in gathering data that can provide new perspectives and insights while supporting and/or challenging claims made by the principal respondents, and present a more accurate and richer representation and collection of data. (2) set narrower inclusion and exclusion criteria for data collection to avoid any discrepancies in the participants' responses based on their management position. This also aims to provide a fairer foundation for data analysis that is based on consistent responses (e.g. both principal respondents should be general managers). (3) account for external factors (e.g. geographical), especially in polar-type case studies, that may disrupt the assumed similar starting point of both cases in the categorizing or choosing of respondents. This is to gain a fairer assessment and analysis during the execution of the study (e.g. city hotels versus city hotels, island resorts versus island resorts).

We suggest the development of frameworks that explicitly account for pandemics. While the framework proposed by Lee et al. (2013) is centered on organizational resilience, it was introduced before the occurrence of such a large-scale pandemic with far-reaching effects. Moreover, the researchers identified the lack of consideration about uncertainties and the volatility of changes as gaps in this framework's application in a COVID-19 setting— examples of which involved the sudden impositions of lockdowns and various alert levels by the local government. Additionally, the framework's lack of inclusion for external factors, such as government policies and location was exposed. This proved to be an impactful element as the effect of location was particularly observed in this study.

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