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# **Impacts, Sustainability, and Resilience on the Egyptian Tourism and Hospitality Industry after the Russian Airplane crash in 2015.**

Said EL ATIEK<sup>1</sup> and Stéphane GOUTTE<sup>2</sup>

## **Abstract**

The Russian airplane crash in 2015 has severely affected the tourism industry in Egypt. The present article is focused on the impacts of economic, political, and social impacts on Egyptian tourism after this crisis. The present study aimed at dealing with the crisis to mitigate the consequences and allow the companies to make the best use of it to restore their business. The present article has also discussed the crisis impacts on the financial situation of company A which is one of the top five hospitality companies in Egypt. Crisis management and investments in human resources were the most effective strategies to overcome the harsh consequences of the crisis on tourism sector. The present study data is based on the Egyptian ministry of tourism figures, internet, articles, and international channels reports aimed to explain how the political, social, and economic events had a negative impact on the hotel industry in Egypt.

## **Keywords**

Egypt, Russian air plane, Sharm El-Sheikh, Tourism crisis, Economic impact, Political impact, social impact

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## **1. Introduction and literature review**

From political unrest to economic turbulences, violent extremism and terrorism, Egyptian Tourism and Hospitality industry encountered several crises during the past decades. These crises affected the political, economic and social sectors in Egypt. As a consequence, it has negatively impacted the fragile tourism and hospitality industry in Egypt. One of the most recent crises is the Russian airplane crash in 2015 where several local hotels had to close their hotels on the worst-case scenarios while others were enforced to layoff employees and budget cuts policies. Hotel occupancy decreased and reservations were canceled, which led to the complete cessation of some tourism activities. Several international chains halted their expansion plans and started to reduce their presences in the Egyptian market. Only hotel chains with clear crisis management practices during and in the aftermath of crisis have survived the crisis. This article will focus on the impacts of the Russian plane crash on the tourism industry in Egypt and how the tourism sector managed to survive the crisis.

The Egyptian tourism and hospitality sector generate approximately 11.4% of Egyptian GDP and provides about 12.6% of direct and indirect job opportunities for the Egyptian workforce. It represents 20% of the foreign exchange revenue to the national income which is the most important source among all sources. Despite its importance, the tourism industry is extremely vulnerable to terrorism, financial crises, natural disasters, and political instability (Mohammad et al. 2p). The number of tourists who visited Egypt in 2016 was 5.3 million compared to 9.9 million in 2014 resulting in 46.6% decrease. Tourists booked 94 million nights in 2014 compared to 33.5 million nights in 2016; the decrease rate reached 64.4% Russian tourists constituted 31% of the total tourists to Egypt with an average between 100,000 and 250,000 tourists monthly. Russia ranked first in the list of countries exporting tourism to Egypt, followed by The United Kingdom. (The number of Russian citizens visited Egypt with the aim of tourism in 2014 reached about 3.16 million while in 2016 the number has dropped to around 53.8 thousand with over 98% decrease. The Russian airplane disaster could be the worst crises that faced the Egyptian tourism in the last

two decades with around 2.2 billion Egyptian Pounds loss per month (283 million dollars).

Relative to the crisis, the present article has some questions to be answered:

- 1- How the Egyptian tourism was economically, politically, and socially negatively impacted after the Russian airplane crisis?
- 2- How did the hotels survive after the crisis?
- 3- How did the Egyptian Ministry of Tourism manage to motivate the employees and promote the touristic activities during the crisis?

The tourism and hospitality sector in Egypt faced several problems since the last century. Aziz (1995), in her study "Understanding Attacks on Tourists in Egypt", the researcher aimed at analyzing the relationship between tourism and the terrorist attacks that were perpetrated by extreme Muslim groups in Egypt. Aziz examined the relationship between Islam, hospitality and the concept of tourism. She discussed the crisis from a political point of view and concluded that Islam does not reject tourism itself. However, its subjective capacity is the nature of tourism development in Egypt. Tohamy and Swinscoe (2000) in their study "The economic impact of tourism in Egypt" explained a comprehensive approach to assess the impacts on the Egyptian economy. Results showed that the impact of foreign tourists around 1% on the Country GDP. 1.2 million. Jobs directly supported the employment through foreign tourists to Egypt. Mohamed *et. al.*, (2011) in their study "The Impact of the Egyptian Political Events during 2011 on Hotel Occupancy in Cairo" discussed the situation in the Hotel Occupancy in Cairo and how the Egyptian economy was negatively impacted. Results showed that the hotel industry in Egypt was severely hit by the political events of 2011 in hotel occupancy and revenues. He explained the important role of hotel managers to cover any crises. Nasser (2012) in his study "Political Unrest Costs Egyptian Tourism Dearly: An Ethnographical Study" discussed the impacts of political situation in Egypt on the tourism industry. He differentiated some important terms such as 'political violence' and 'instability' in his study. Results showed that Political stability and security are key components for both local and international tourism. Tourism is very important sector and plays a great role in international relations as it involves the flow of foreigners from one country to

another. Abdou and Saazou (2013) in their study “The Egyptian revolution and post socio – economic impact” discussed the situation of the tourism sector after Egyptian revolution in 2011. Egyptian revolution caused several challenges such as low foreign direct investments in 2010/11. Results showed that the Egyptian revolution was an alarm for all other countries that adopted authoritarian systems and ignored social factors as well as the functions exercised by state. Helmy (2014) in her study “Political Uncertainty Challenge to Egyptian Tourism Policy” discussed the extent to which Egyptian tourism policies and strategies have been able to cope with the shifting in international trends. Results showed that promoting tourism development to assist resolution of the country and economic problems.

## **2. The Russian plane crash in Egypt 2015 and its impacts.**

The Airbus A321, operated by the Russian airline Kogalymavia, took off from Sharm el-Sheikh airport at 05:58 (03:58 GMT) on 31 October 2015. At 06:14 Egyptian time (04:14 GMT), the plane failed to make scheduled contact with air traffic control based in Larnaca, Cyprus. The plane disappeared from radar screens six minutes later while flying over central Sinai. Egyptian authorities said no SOS calls were received by air traffic controllers”. (BBC, 2015), reported that the Russian airplane was crashed and all passengers in addition to the crew is dead with a total of 224 people aboard. Russian state media reported that many of the 217 passengers on Kogalymavia Flight 9268 were Russians returning from vacation. The victims included 17 children. “A homemade bomb brought down the Metrojet airliner over Egypt’s Sinai desert a month before”. The Kremlin has confirmed for the first time that the plane was destroyed by a terrorist act. The Russian president, Vladimir Putin, vowed to find and punish those responsible and ordered an increase in airstrikes on Syria as “inevitable retribution” for the attack that killed all 224 people on board, mainly returning Russian holidaymakers”. (Russia, 2015), A Russian airliner crashed in Egypt's central Sinai Saturday, killing all 217 passengers and seven crew members, with the reasons behind the crash yet to be determined. The plane, whose passengers were mainly Russian tourists, lost contact with radar at 6.20 am CLT (Cairo local time), less than half an hour after takeoff. It was flying at an altitude of 30,000 feet. Reuters quoted an anonymous officer on the scene as saying that "the plane split into two, a small part on the tail end that burned and a larger part that crashed into a rock

face. An aviation team has retrieved the black boxes of the plane in order to determine the reason behind the crash of the Airbus A-321, which was heading from the Red Sea resort of Sharm El-Sheikh to Russia's St Petersburg". ([Ahram Online, 2015](#)).

## **2.1 Events after the Russian plane crash in Egypt 2015**

With 224 persons on board, all of them were killed due to a terrorist act which made Russia and a number of foreign countries to suspend their tourist flights to Egyptian destinations, which made the situation in these vital strategic areas of the Egyptian economy unstable. Since then, tourism companies in Egypt have been suffering from the impacts of this accident, which severely affected more than 160 hotels. Doors had been closed due to the recession that dominated the sector. ([Abdelhadi 2016](#); Salman et al., 2017). The number of tourists who visited Egypt in 2016 was 5.3 million compared to 9.9 million in 2014 resulting in 46.6% decrease. Tourists booked 94 million nights in 2014 compared to 33.5 million nights in 2016, with a decrease rate that reached 64.4% ([Eid, 2016](#); Salman et al., 2017). Russian tourists constituted 31% of the total tourists to Egypt with an average between 100,000 and 250,000 tourists every month. It was a severe setback to the Egyptian economy, after the crashed plane accident, the issuance of a decree of Russian President Vladimir Putin to impose a temporary ban on the travel of Russian citizens to Egypt, then the situation got worse after the Russian "Rosaviatsiya" organization for air transport announced the ban on Egypt Air flights to Russia, due to their lack of confidence in security measures inside Egyptian airports, then the disastrous presidential decree came to cancel all flights of Russian companies, and this resulted in the cancellation of 90% of upcoming Christmas holidays bookings ([Abdelhadi, 2016](#)). The Egyptian Minister of Tourism, Hisham Zaazou mentioned that the losses of the tourism sector since the accident of the Russian plane crash is the largest loss in tourism sector in Egypt that has ever happened for 20 years, with an average of 2.2 billion Egyptian pounds loss per month (283 million dollars) ([Aljournhouria, 2015](#); Timothy, 2019).

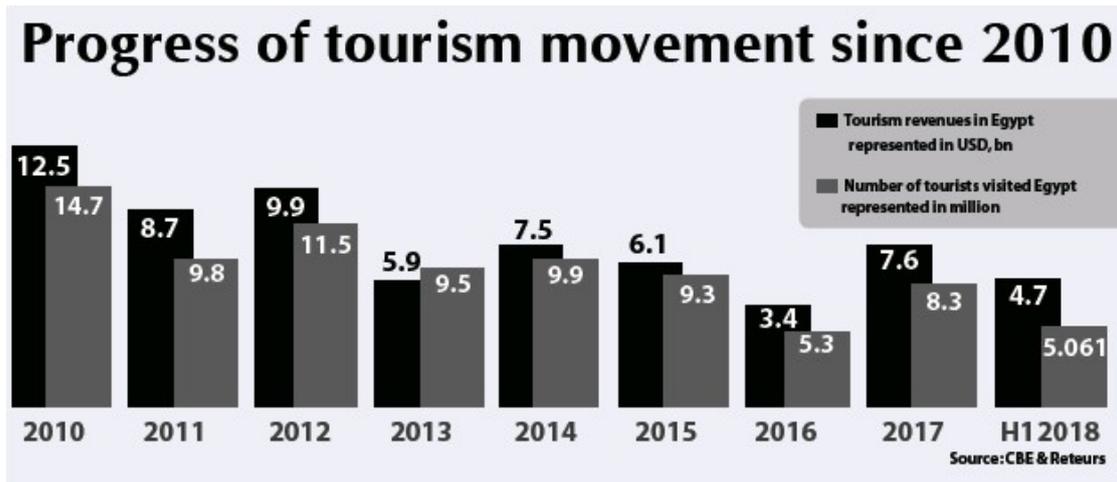
## **2.2 Impact of economic, political, and social after the Russian plane crash**

The crisis has caused the displacement of thousands of workers and a large wave of negative psychological conditions of depression and sadness for the lack of work. Tourism industry workers have passed through a very difficult time especially the crisis continued a year after the crash and the tourism sector kept instability and

insecurity. It was never expected that the crash will lead the international city to face a state of recession. Fear and anxiety have dominated the scene and lights became dark and smiles have disappeared from the faces of the workers. Although South Sinai has faced several crises like this before but this was the worst as Hundreds of hotels, shops, and bazaars closed their business in order to cut the continuous losses. The city that used to be full of tourists has become a ghost city with almost no tourists with no hope of return. Government's efforts through the domestic tourism initiative have not succeeded in balancing the losses but only initiatives have helped in operating hotels. The losses of the tourism sector have reached 3 billion dollars per year. (El-Masry, 2016). Since 2011 the sharp decline in tourism revenues casted a shadow over the social conditions in Egypt, since this sector has accommodated about 1.8 million workers as direct employment in addition to about 2.8 million workers from indirect employment or about 16% of the total workforce in Egypt before the revolution. Most of the tourism companies have laid off large numbers of their workers, as have hotels and other tourist facilities, in addition to the emigration of 70% of the trained tourist workforce. Other related sectors such as the services accompanying travel and tourism, as well as the production and service sectors have been deeply affected as several shops, cafes, restaurants and other services have shut down their business. Many workers had to work in sectors far from their specialties even at lower salaries in the light of the deterioration in the economic conditions in general and the high rate of unemployment among young people to more than 27.3 % (Abdel Alim, 2017). Regarding the social and labor situation after the Russian airplane accident and as the former consultant of the Chamber of Tourism Establishments Dr. Heba Zahran revealed that more than 50 thousand tourism workers in South Sinai were affected without any governmental treatment, noting that all workers that did not exceed three months were laid off as for every other worker with expired contract. Tourism sources in Sharm El-Sheikh said that more than 10 thousand workers who left tourism were working in South Sinai resorts. Around 85 hotels were cordially closed with no official announcements as it will cancel hotel licenses and permits (Sada Elbald news). The years 2015 and 2016 will remain the worst in the memory of tourism employment in Egypt where competent workers abandoned hotels and tourist resorts, tourism forever after the difficult years since the outbreak of the revolution in January 25<sup>th</sup>, 2011 until the end of 2015. (El Masry, 2016).

The World Travel and Tourism Council reported that tourism activity in Egypt was the most deteriorating among the main tourist destinations in the world in 2016, followed by Turkey, while the most developed regions was in Asia. In 2016, tourism receipts fell by more than 45% to less than 30 billion Egyptian pounds (1.6 billion dollars), compared to more than 140 billion pounds in 2010. Number of tourists declined during that period from 14 million tourists annually to only about five million and the share has also declined from gross domestic product to 3.2 percent compared to 9 percent in 2007. According to the Tourism Council, tourism in Egypt has declined since 2010 by up to 80 % as a result of political instability and terrorism ([Sky News Arabia 2017](#)). Minister of Tourism Yahya Rashid stated that the number of tourists who visited Egypt during 2016 reached 5.3 million, with a decrease of 40% compared to 2015 in which 9.3 million tourists visited the country, referring this decrease to the Russian plane accident ([Rashid, 2017](#)). On the other hand, the Egyptian Central Bank Governor Tariq Amer stated that the country foreign exchange earnings from tourism sector decreased to 3.4 \$ billion in 2016, which is 44.3 % lower than the 2015 earnings. In the same context, Ministry of Tourism stated that the tourism sector was severely affected after the deaths of the Mexican tourists in the oasis in September, followed by the warnings from some countries against traveling through Sinai and ended by the crash of the Russian plane in October where the tourism revenue has reached 6.1\$ billion in 2015 ([Elhamy 2017](#)).

According to the world Bank, number of tourists who visited Egypt has varied greatly before 2011 revolution and hereafter where the lowest was around 8 million in 2006 with an annual increase to reach the highest number of 14.7 million in 2010 but the sharp decline to reach around 5 million tourists was only detected after the Russian airplane crash in 2015 which deeply affected the Egyptian Economy where the revenue has decreased from 12.5 bn US\$ in 2010 to 3.4 bn US\$ in 2016 which in return had severe social and economic effects on the tourism industry workforce in Egypt (Fig. 1)



Source: The daily News Egypt (2019)

### 3. Key strategies adopted by the Ministry of Tourism and hotels to restore tourism in Egypt

After the Russian plane crash in 2015, the Egyptian Ministry of Tourism has developed a comprehensive strategy of restoring tourism and produced a plan for Egyptian tourist destinations according to specific priorities that provides secure and stable climate for tourists and investment and linking tourism growth to economic and social development. The strategy included the development of tourist destinations to stimulate other productive and service activities to serve tourism, and created an integrated international campaign to communicate, promote the destinations and products of Egyptian tourism.

#### 3.1 Initiatives and campaigns

Medical tourism campaign and project is a promising sector of the Egyptian tourism. Egyptian Ministry of Tourism launched a campaign called “Tour n’ Cure” in February 2017 to attract patients of Hepatitis C to get medication in Egypt (Khanduri, 2022). In the same year, Egypt was ranked 28<sup>th</sup> globally according to Medical Tourism Index (North Africa Health). The Egyptian Government initiated several procedures to promote this sector and to increase the capabilities to compete with the other countries like Malaysia, Thailand and Turkey that are considered as the top in the world. The Egyptian Government signed agreement with some countries to present the medical services to their citizens. In addition used the services of professional companies in

the field of marketing for medical tourism. It also developed plans for training and qualifying the facilities. Finally, it established a data base to follow and monitor the development in this sector that increase steadily by 25% yearly to total of about 27 billion US dollars in 2017 in Middle East and Arabian countries (Ahmed, 2018).

- Promotion campaign in the Italian market through the tourism promotion authority
- Egypt Air also launched a campaign called “Your Vacation in Egypt” coordinating with number of hotels in Sharm El-Sheikh, Hurghada, Luxor and Aswan to offer packages that attracts local tourists. The program included 4 days and 3 nights stay for 990 L.E. in 3 stars hotels, 1095 L.E. in 4 stars hotels and 1395 L.E. in 5 stars hotels (Hamza, 2016). Early reports showed that 8,000 thousand Egyptians booked hotels through the campaign in the first 10 days. (Abdel Nasser, 2016). In press conference release, the minister of tourism Yehia Rashed announced that campaigns will start in Italy during November of 2016 (Middle East News, 2016).

### **3.2 Participation in international tourism and travel exhibitions**

- Egypt was guest of honor at the first meeting of the Arab tourism meeting.
- Egypt participated with a delegation from the government and private tourism sector headed by Hisham Zaazou, in the activities of 36<sup>th</sup> edition of the International Exhibition for Tourism and Travel “FITURE which is one of the most important international forums in the field of tourism and travel.
- Egypt participated in the activities of the TTG INCONTRI exhibition that was held in Rimini, Italy.
- Egypt participated in the activities of the international tourism exhibition WTM, which is the second largest international stock exchange after ITB exhibition in Germany, with a delegation headed by Minister of Tourism Yahya Rashid from the government and private tourism sector.
- A delegation from Egypt Air participated in the activities of the International Exhibition of the Berlin Stock Exchange 2016 (ITB), and cooperation with the Tourism Promotion Authority. This exhibition is the largest meeting place for major tourism companies and agents in the world, with the presence of more than 180 countries and ten thousand exhibitors.

Egyptian Ministry of Tourism was very active during that period and participated in many more events to promote the Egyptian tourism.

### **3.3 Art and sport festivals**

- Egypt hosted the old aircraft rally, which included a group of pilots who fly old aircrafts that were manufactured in the twenties and thirties of the last century and followed the British company "Vintage Airlines".
- The Tourism Promotion Authority sponsored an artistic concert for the international musician "Michael Bolton" on 10/21/2016.
- The activities of the motorbike rally started on 7/23/2016 to support tourism in the Red Sea, as the governor of the Red Sea launched the activities of the motorbike rally.
- Held a festival for chefs in Sharm El-Sheikh to revitalize Egyptian tourism in October 2016.
- The Tourism Promotion Authority participated in many events and artistic events in the pyramids during the month of May 2016 in order to stimulate tourism including the concert of Magda El Roumi at the Sound and Light area within the premises of the Pyramids to mark the beginning of the summer tourist season and the concert of the English singer Chris de Berg and the international singer Angelbert Humbardnck in a major hotel in Cairo.
- The Tourism Promotion Authority sponsored El Gouna International Men's Squash Championship in its fifth consecutive session in El Gouna, Egypt.
- Under the auspices and support of the Tourism Promotion Authority, the World Beauty contest was held in Egypt...

### **3.4 Conferences**

- Opened the activities of the 104<sup>th</sup> session of the World Tourism Organization in Luxor in the presence of a number of tourism ministers from the countries participating in the conference.
- The activities of the Fifth World Summit on Urban Tourism kicked off in Luxor with 11 foreign tourism ministers and 170 tourist personalities.
- The opening of the third Euro-Mediterranean Conference for tourism in the Alexandria Chamber of Commerce, which is organized in cooperation between the Ministry of International Cooperation and the European Union within the framework of the investment development program in the Mediterranean Sea, which aimed to support and stimulate tourism. (Abd Allah, 2017).

#### **4. Data collections, Investigations and Results.**

To achieve the aims of the present study, data was collected to draw a conclusion about certain questions on the company level showing the overall trends along the five years span for the whole group. Data was collected on a monthly basis from 2015 and for the next five years to 2019. Data collected including room nights for different markets and agencies, gross revenue, selling rate, top countries (number of rooms), quality data, induction training, on job training, off job training, and turnover.

Company A is one of the major local chains in Egypt with over 100 million Euros revenue every year. After the Russian Airplane crash in 2015, the company has suffered on all levels as figure 2 showing the sharp abrupt decrease in the revenue and even for the number of employees that started at the last quarter and lasted for the next quarters. Change occurred to the top countries in 2015 and 2019 and during that period is presented in figures 2-5. The Company had to take radical measures to deal with the crisis.

The company had to take several radical measures including:

- 1- Price promotions and reduction for local markets, negotiate new contracts with the travel agencies for the opened markets such as Arabic market, Ukrainian market, etc.
- 2- Increase marketing budget to promote the company in new markets.
- 3- Communicate with loyal customers to offer them exclusive offers.
- 4- Use positive feedback from all our customers on all social media platforms to promote the hotels.
- 5- Attend all tourism fairs to promote the company.
- 6- Open hotel buildings according to occupancy.
- 7- Open hotel restaurants according to hotel occupancy.
- 8- Work on hotel renovations projects.
- 9- Started the maintenance work of all assets.
- 10- Investment in the hotel to add more facilities to the hotels for added value to the guests.

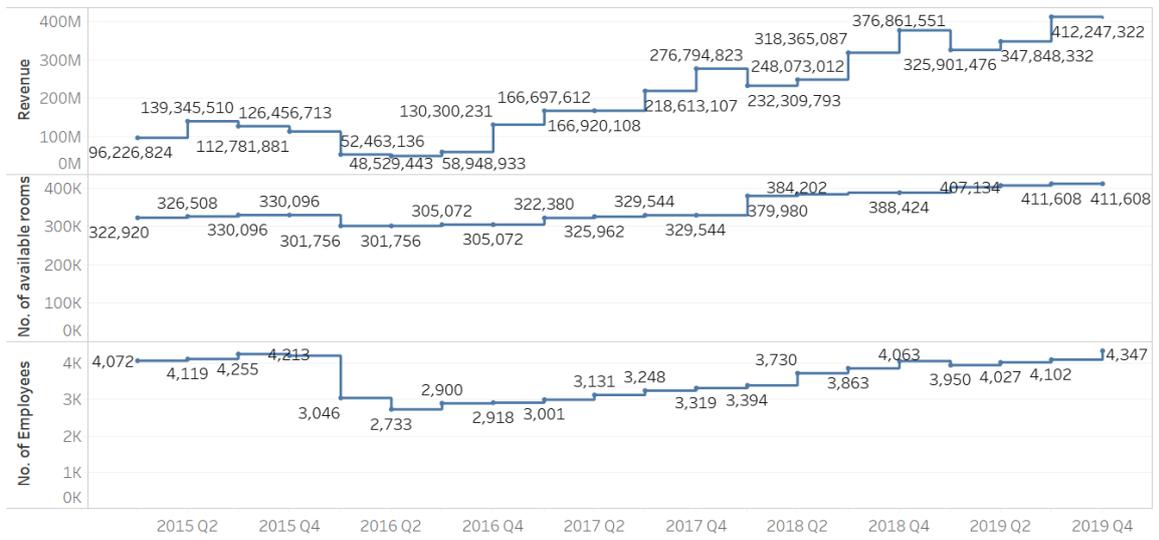


Fig. 2. Quartile data of Company A Gross Revenue (Sum), number of available rooms(nights) (Sum) and number of employees (Maximum) for the period from

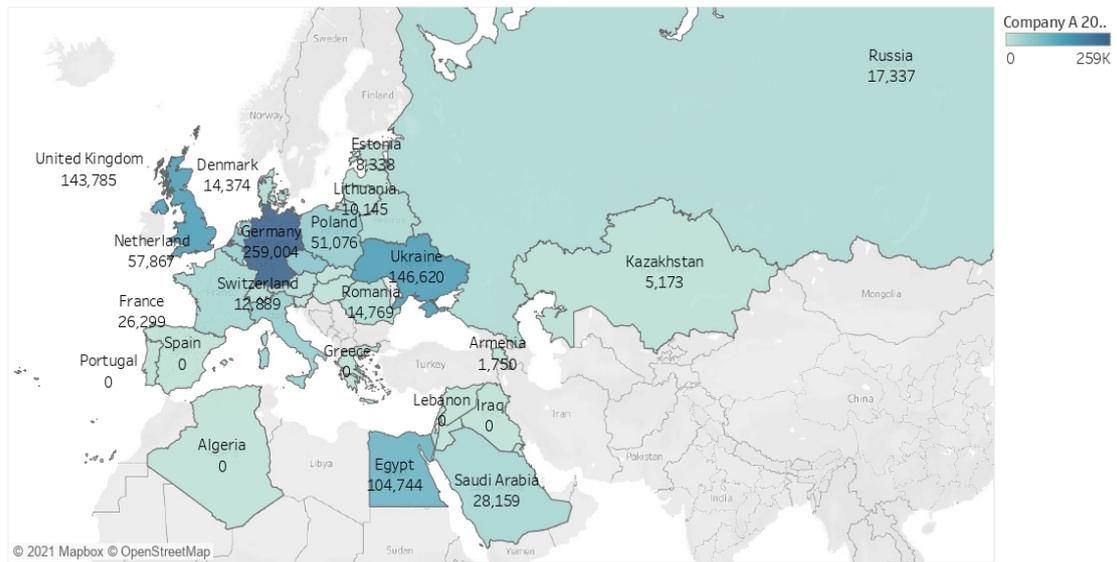
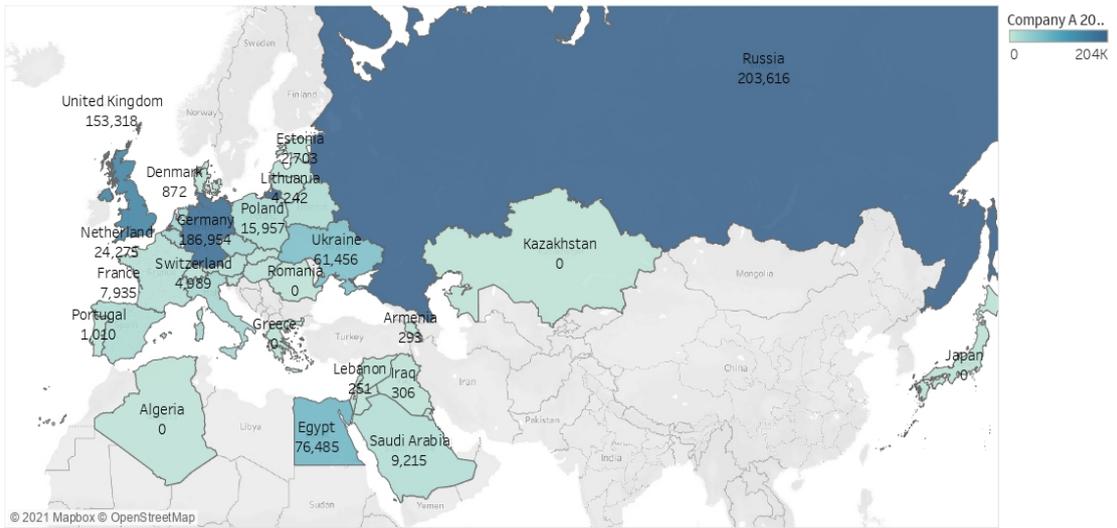


Fig. 3. Company A Top countries in 2015 and 2019

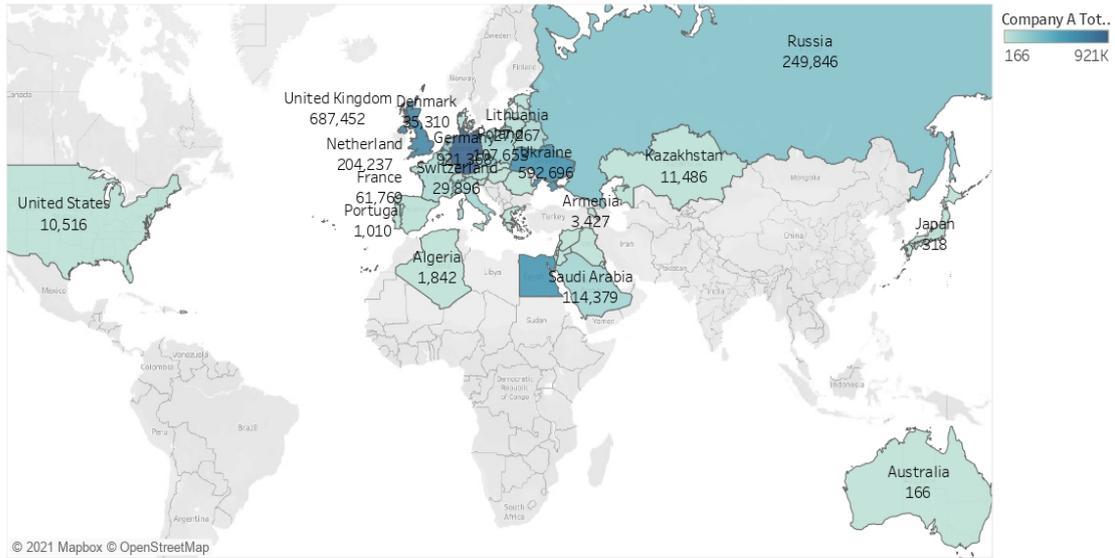


Fig. 4. Top countries revenue in 2015, 2019, and total revenue from 2015 to 2019 for Company A. Color intensity represents the highest revenue countries.

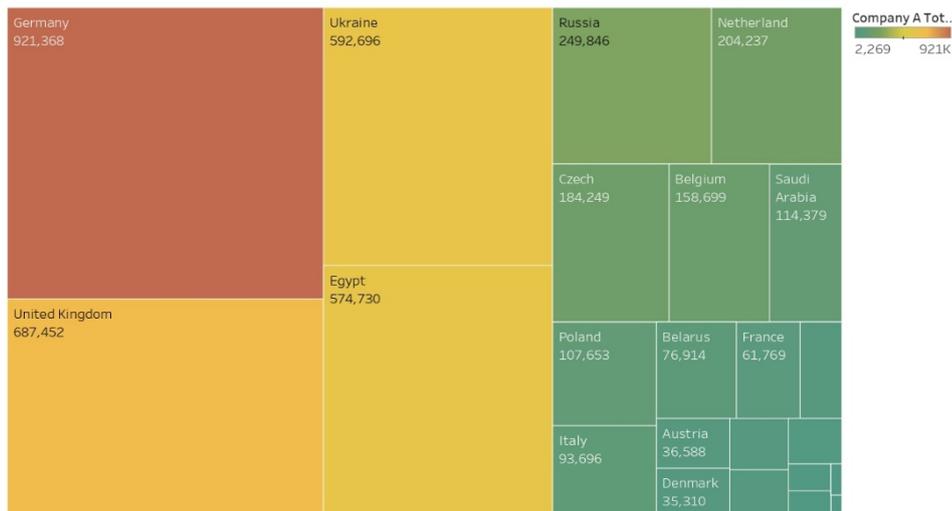


Fig. 5. Company A total revenues of the top countries during the period from 2015 to 2019. Color intensity and size of the box represents markets share in relation to each other.

#### 4.1 The main characteristics of the global sector in hospitality industry in Sharm El Shiekh

The devastating effect of the Russian Plan Crisis is related to the nature of the tourism in the Sharm El Shiekh region (Figs. 3 and 4). To understand this relationship, it is important to analyze the main characteristics of the global sectors in the Egyptian hospitality industry and patterns of their changes in the time period before the incident. The study tracked the evolution of monthly changes to understand marketing

plans during the normal and crisis times. The analysis revealed the reasons for devastating impact of Russian Plane Crisis on the hospitality industry in Sharm El Shiekh. It indicated that tourism of the Sharm El Shiekh basically includes leisure programs and marine activities in warm climate for most of the year. The distribution pattern of the tourists from different countries indicates low numbers of eastern Asian (e.g. Japan and China) and southern European (e.g. Spain, Italy and Greece) countries because most of these countries have or near to similar warm beaches with rich marine life and it is hard to offer more competitive prices. Other countries like Arabian Gulf Countries with high income, prefer European and southern Asian destinations. Only the countries in vicinity to Egypt like Algeria, Saudi Arabia, Palestine, Israel, Jordan, Syria and domestic Egyptians contributed significant numbers of tourists to Sharm El Shiekh. The leisure programs of tourism in the Sharm El Shiekh are most convenient to the North American (United States of America) north and eastern European countries (e.g. Germany, England, Poland, Switzerland, Denmark, Belgium, Czech, Moldavia, Romania, Ukraine, Russia, Kazakhstan and Belarus). These countries are the essential markets of tourism in Sharm El Shiekh especially the Ukrainian and Russian where tourists seek the warm beaches with affordable costs. After the Russian Plane incident, only Ukrainian market remained as main contributor in the region. The distribution pattern exposes a central problem in the marketing strategy that resulted from the nature of the tourism in Sharm El Shiekh that depend only on leisure programs directed basically to cold countries. This makes the hospitality industry extremely vulnerable to great losses if any shaking in the economy happens in these countries (e.g. Russian – Ukrainian War). The analysis revealed the need to diversify markets as well as to offer more options including visiting other areas in Egypt (e.g. Luxor) beside the principal leisure programs. However, even these procedures would not reduce the impact of the Russian Plane Crisis at the time because the panic of traveling to Egypt spread to countries other than Russia and even affected other areas in Egypt and not only Sharm El Shiekh. However, it will reduce the damage that could accompany the Russian – Ukrainian war for example.

## 4.2 Financial results

Company A had faced difficult situation as per the whole hospitality industry where the total hotel revenue dropped from 71 million Euros in 2015 to 26 million in 2016. Number of customers has also decreased dramatically to reach 77 thousand in 2016 after 2 million guests in 2015 and number of rooms sold has gone from 950 thousand in 2015 to 655 thousand in 2016 while the occupancy reached 50% in 2016 in comparison to 67 % in 2015. All financial figures are presented in figure 6 and showing the sharp decrease between 2015 and 2016, the recovery due to the application of the crisis management and the measures taken by Company A to cope with the crisis. Different markets have been also affected by the crisis but applying protective measures as of finding new markets and contracts have caused a relatively speed recovery. Figure 7 is showing the variation during the period from 2015 to 2019 for the West, East, CIS, UK, local and online markets.

	2015	2016	2017	2018	2019
<b>Hotel Revenue</b>	€ 71,596,005.76	€ 26,223,781.38	€ 46,176,195.32	€ 71,597,325.92	€ 104,921,605.01
<b>Occupancy%</b>	66.91%	49.67%	56.16%	68.55%	75.74%
<b>No. of Sold rooms</b>	952,210.00	655,024.00	809,966.00	971,866.00	1,212,654.00

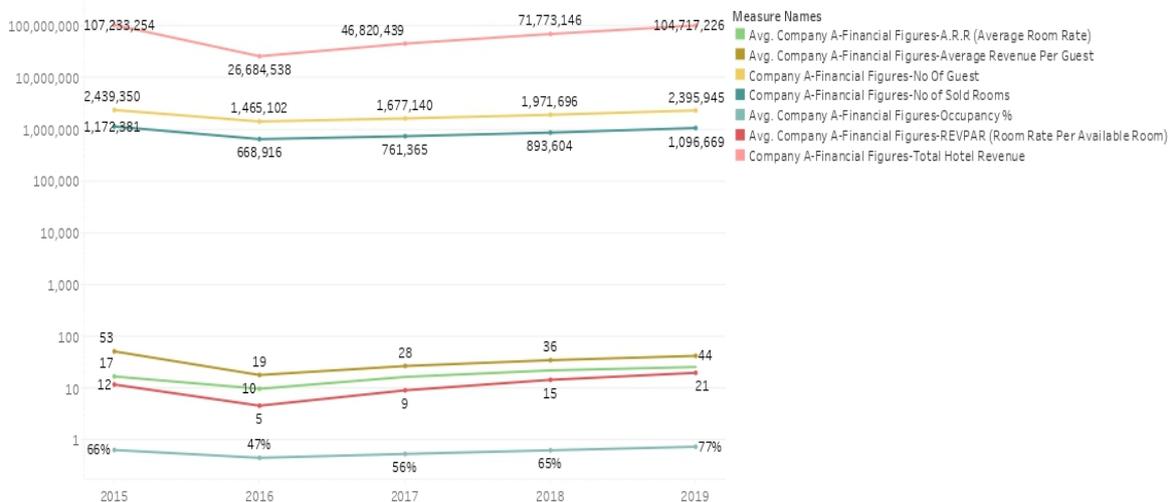


Fig. 6. Company A Financial figures during the period from 2015 to 2019. Data was plotted on a logarithmic Y axes to show all financial figures on the same graph.

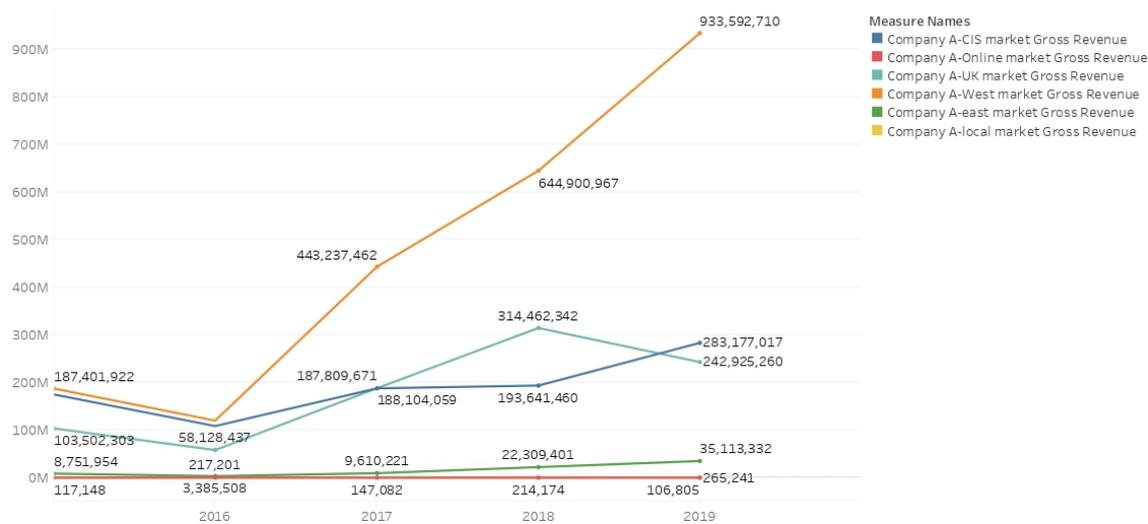


Fig. 7. Variation among Company A different markets revenue during the period from January 2015 to December 2019.

## 4.2 Human resources and hardware development

For many years, human capital has been noted as vital for the efficient functioning of an organization because of its contribution to improve productivity, business performance, economic growth and value (Schultz, 1961, qtd: Ahammad, 2013). One of management’s most important responsibilities is to make sure that every employee knows what to do, how to do it and whether it was done correctly or not. This can only be accomplished through training. (Al Dabbas, 2007, 65p). “Training, in the most simplistic definition, is an activity that changes people’s behavior” (Michelle, 2002.7p). Human resources development consists of various activities such as recruitment, selection and compensation, the training is one of the important tools of human resources activities. The role of the human resources department is to improve the organizations effectiveness by providing employees knowledge, skills and attitudes that will improve their current or future job performance. (Ahammad, 2013, 8p). Measures that Company A has done include:

- 1- Conduct thorough induction sessions for new employees to ensure they are ready for their new tasks.
- 2- Conduct off job training session for basic skills such as guest handling and treatment and soft skills such as leadership and supervisory skills.

- 3- Conduct on job training session to ensure the best services delivery.
- 4- Stop hiring supervisory and managerial positions from outside the company and depend on the company competent employees.
- 5- Using the balance score cards system to set targets and evaluate people according to it.
- 6- Introduction of company awards for the best departments in the company.

Company A made all steps in developing a training programs to the staff during crisis regarding to company training programs such as soft skills, technical skills, service culture, orientation trainings, induction training, company mission, vision, and values, organizational structure and language training. This training helped to reduce employee turnover rates and stabilize the workforce. Figure 8 shows the increase in the total hours of on job, off job training and induction training where the numbers have increased at least by 10 folds for single training.

During the crisis, it was highly important to increase employees self-confidence and improve their performance and productivity. Company A has supported the employees and provided them with a comfortable work atmosphere and motivated them to be creative, innovative, appreciated their work and how it contributed to the success of the entire business. Company A has maintained low turnover after the Russian Airplane Crash in short time as the number have reached 9.8 in 2015 and went down employee's to reach 6.5 in 2016 and 4.9 in 2019. Cost per employee on the other side has increased to reach 40,990 in 2019 after 26.767 in 2015. Company A culture and policies tend to retain its employees through raising their cost which is used on variety of activities for the employees such as food, beverage, outings, outsource training and etc.

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>No of Employees</b>	<b>3461</b>	<b>2858</b>	<b>3499</b>	<b>4405</b>	<b>4708</b>
<b>Employees Turnover</b>	<b>9.76%</b>	<b>6.49%</b>	<b>6.62%</b>	<b>6.79%</b>	<b>4.87%</b>
<b>Cost Per Employee</b>	<b>26,767.8</b>	<b>27,626.18</b>	<b>30,554.74</b>	<b>38,953.06</b>	<b>40,990.3</b>
	<b>8</b>				<b>3</b>

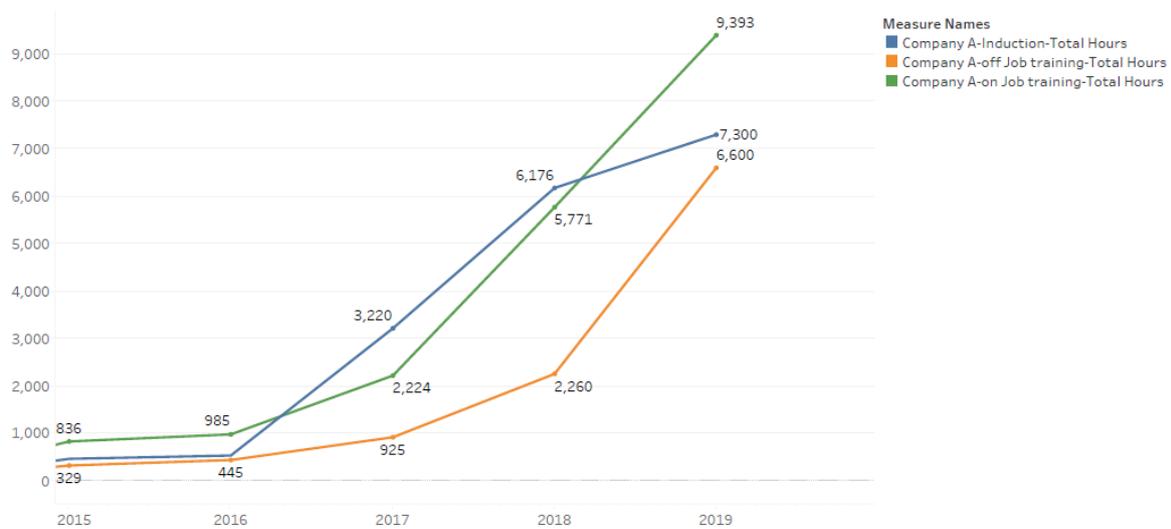


Fig. 8. Company A total hours of on Job, off Job and Induction training during the period from January 2015 to December 2019.

### 4.3 Customer feedback and quality of guest service.

Guest relation is an extremely important function of any resort for obvious reasons. The most successful resorts are those with a great and high percentage of repeat guests. Building guest loyalty highly depends on large measures upon the relationships. Thus, guest relation is the most important department in resorts and it should be the responsibility of every department and employee. While mailers and information handouts are important in establishing a good first impression of the resort, they are a small part of guest relations. The hospitality and service provided by all employees of the resort is the most important during the guest stay (Al Dabbas, 2007. 138:140p) After the Russian plane crash in 2015, there were a lot of anger among some guests during their stay in hotels. Many experienced anxieties due to the bad news and the uncertainty of their situation and their departure after the crisis. Hotel occupancy decreased and reservations were canceled. The smile has disappeared from the faces of the guests. Company A had to carry out all necessary actions in order to survive and guarantee the quickest recovery by offering a lot of promotions in order to regain business rapidly. Company A considered making all steps in developing the quality and established Guest Experience Department. This is to ensure that all guests are very satisfied during the crisis regarding the quality programs such as review arrival

lists to welcome guests, attend to special guests (VIP), answer their inquiries, answer internet reviews, resolve guests' complaints, follow up with guests to ensure their requests have been met to their satisfaction, guest survey, coordinate and manage communication between guests and staff, promote all amenities and escalate to guest quality manager when needed, record information in the logbook daily and ensure compliance with health and quality standards etc. Company A has taken several measures to deal with the crisis including:

- 1- Providing the best quality for the current guests.
- 2- Communication with repeated guests to ensure positive feedback.
- 3- Using the company self-auditing system to make sure that all services are delivered as per the company standards.
- 4- Using analysis website to monitor the guest feedback and act on them.
- 5- Implementing the ISO 9001 and 22000 system to improve quality and food safety for guests.
- 6- Made a contract with E-Cristal Company for undertaking security check audit to obtain an evidence of the resorts and cruises safety measures for tourists.

Figures 9 and 10 showing the yearly average evaluation of all aspects of Company A during the period from 2015 to 2019 and how it was improved even at the crisis time.

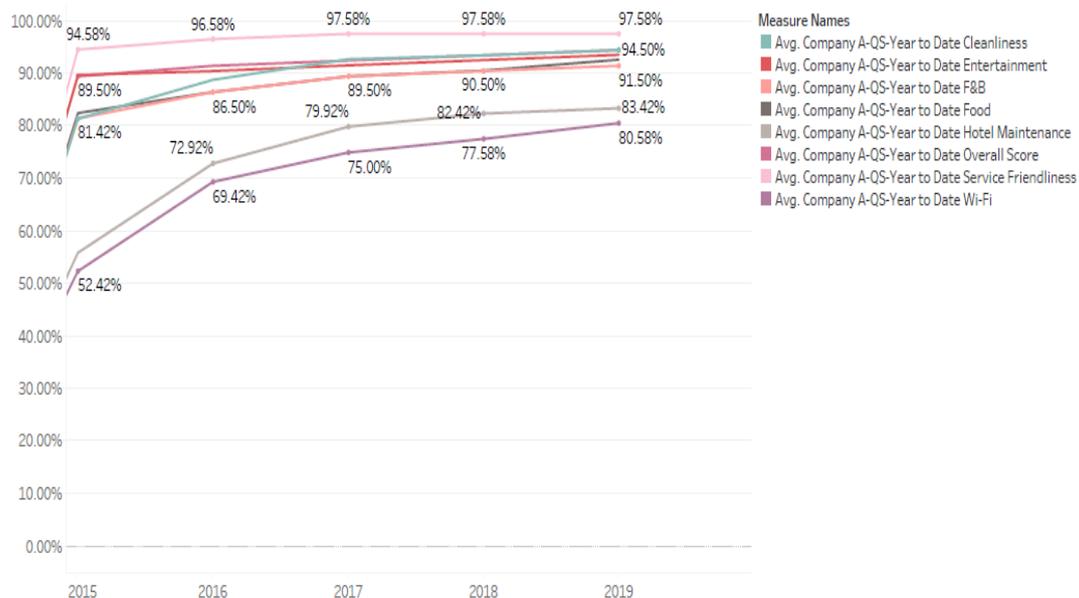


Fig. 9. Company A QS evaluation during the period from January 2015 to December 2019.

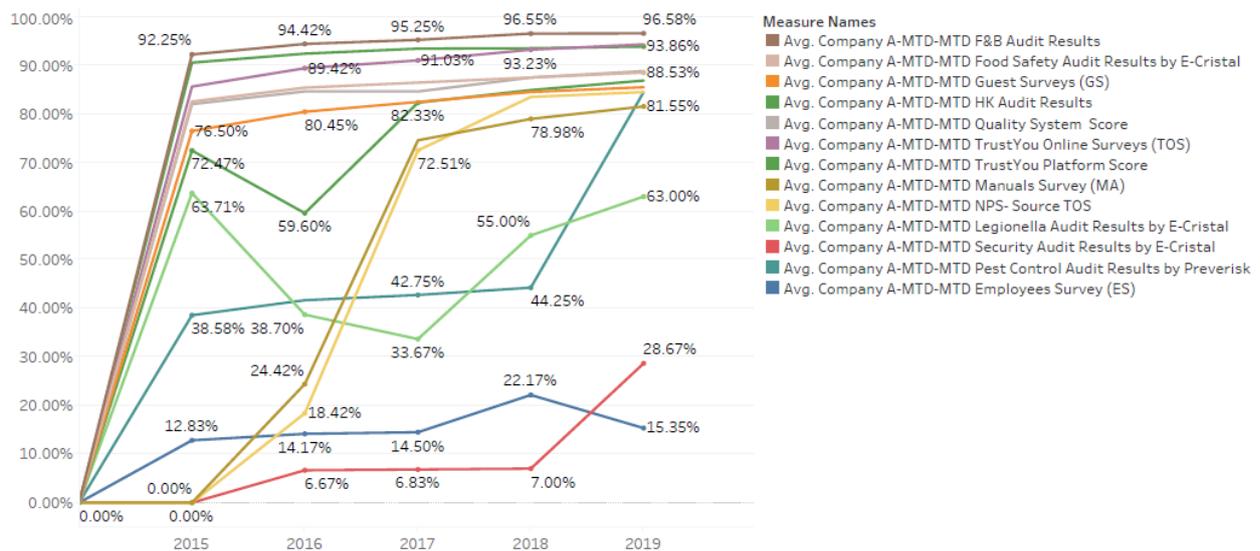


Fig. 10. Company A MTD evaluation during the period from January 2015 to December 2019.

### 5. Application of the suggested crisis management practices in other hotel facilities and in other crisis

The Russian Plane Crash caused a devastating impact on the tourism in Sharm El Shiekh and the same scenario can be repeated in in other coutries in the Middle East regions. The continous political and economic instability represents best conditions for terrorism.The governments of the Middle East countries managed to fight the terrosrim and to dry its sources for the current time. Many countries in the Middle East coordinate among themselves and with the countries concerned in security issues to prevent any similar future incendents. The practices conducted by Company A as suggested in this study can be applied directly in other hotels in Sharm El Shiekh. Although there are some local differences in the application of the practices that are based on the vision of the managers, these practices are convinent to be performed in the Middel East in general and Egypt in particular. The hotels in the Middle East region will benefit from these the practices in the form of standard scheme that can be perforemed immediately when the crisis happens and in the folloing recovery period. This scheme has a grat propability to success because of the similar working conditios, similar targeted customers and similar worker mentality throughout the Middel East. The scheme is also can be applied in case of crises with different nature

like these of COVID-19 epidemic and Russian – Ukrainian War (Elsayed et al., 2021; Wut et al., 2021). Despite the great similarity in the impact of these crises on the tourism in Sharm El Shiekh, however, the region did not lose its competitive capabilities in favor of other regions. The practices scheme suggested in the present study was applied to reduce the effect of both COVID-19 epidemic and Russian – Ukrainian War crises with additional modifications. The additional modifications include hygiene procedures to ensure that the infection is not spread among the visitors in the case of the COVID-19 epidemic. Seeking the diversification of markets would remain the most important practice during the Russian – Ukrainian War.

## **6. Conclusion**

Crisis causes huge economic, social losses and damages on Egyptian tourism, crisis management in any organization has become vital to minimize these losses, damages and learn from the crisis to survive through it then become even a stronger organization. It requires business, cultural awareness and advanced knowledge of decision making. Companies and institutions which have professional management and vision to the future were able to deal with the crisis and minimize the losses, damages, keep the human factor and promising talents are the companies which have a strategy to deal with these circumstances as each type of crisis has its style and tactics that suits event. Regarding the results of this study, Egyptian tourism lost 40% revenue in 2016 compared to the previous year of 2015 due to the airplane crash and suffered huge drop in tourist's numbers from 9.9 million in 2015 to 5.3 million in 2016. The human factor was also affected by this crisis as 70% of the trained workers left the sector for other jobs with less salary and the total percentage of unemployment in Egypt increased during the crisis. Hotels started to depend more and more on the local market as a source of revenue to keep operating the hotels and started reducing their hiring plans in order to cut their expenses. The ministry of tourism on the other hand had to make great efforts to promote the country and its safety to the foreign visitors and started awareness campaigns to motivate the employees in the tourism sector. After hard-few years following the Russian Plane crash 2015, there was refreshed hope for Egypt's tourism sector, with growth to the industry in 2017. Confidence is back and the authorities are boldly predicting that the sector can reclaim its place as one of the leading engines of economic expansion. Before the collapse of tourism in 2015, there were some positive signs for it in 2013 and 2014,

the currency floatation in November in 2016 has the Egyptian markets more competitive. The Egyptian tourism has suffered a lot during the Russian plane crisis, but it made the sector stronger and ready for more future crises such as the bankruptcy of Thomas cook and the more recent Corona virus pandemic. The management practices suggested in the present study can be used a standby scheme to be applied immediately in case of crisis outbreak whether of a similar nature or of different nature like COVID-19 epidemic or Russian – Ukrainian War in Egypt and Middle East with some modifications.

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