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# **DOWNSIZING PROCESSES OF HOTEL MANAGERMENTS DURING 2016 TURKEY TOURISM CRISIS**

## **PROCESSO DE REDUÇÃO DA GESTÃO DOS HOTÉIS DURANTE A CRISE DO TURISMO NA TURQUIA EM 2016**

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### ABSTRACT

This paper examines the downsizing processes of hospitality managements in Turkey during 2016 Turkey tourism crisis. 11 hotels, including 5 from city hotels and 6 from coastal hotels, are included to the research because the main purpose of the research is to evaluate the downsizing practices of hospitality managements which is affected by the political crisis in Turkey directly and to provide a comparative whole-process-models. Therefore, both city and coastal hotels are interviewed to get comparative information because city and coastal hotels have totally different customer profile with different visiting reasons. As a result, two different model have been created and similarities and differences between these two types of hotels are discovered and explained. The research is the only one comparatively reviewing the downsizing proces as a whole including reasons, decisions and affects of downsizing.

**Keywords:** Downsizing, Layoff, Restructuring, 2016 Turkey Tourism Crisis

### RESUMO

Este artigo examina os processos de redução da gestão de hospitalidade na Turquia durante a crise do turismo na Turquia em 2016. 11 hotéis incluindo 5 hotéis da cidade e 6 hotéis do litoral, estão incluídos na pesquisa porque a proposta principal da pesquisa está em avaliar as praticas de redução da gestão de hospitalidade, as quais estão sendo afetadas diretamente pela crise politixa na Turquia e providenciar um modelo comparativo de todo o processo. Assim, ambos hotéis da cidade e do litoral serão entrevistados para obter informações comparativas, porque os hotéis da cidade e do litoral possuem clientes totalmente diferentes com motivos diferentes para visita. Como resultado, dois modelos diferentes foram criados e as diferenças e semelhanças entre estes dois tipos de hotéis são descobertas e explicadas. A pesquisa é a única a analisar comparativamente o processo de redução com um todo incluindo motivos, decisões e efeitos da redução.

**Palavras-chave:** Redução, Redução de Pesssoal, Reestruturação, Crise do Turismo na Turquia em 2016

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## INTRODUCTION

Tourism as a social phenomenon is affected from and affects its environment directly. Increasing number of crises, including terrorist attacks, political instability, economic recession, biosecurity threats and natural disasters, affects the tourism industry directly (Faulkner, 2001). Similarly, tourism demand is sensitive to security as seen in the examples of September 11, 2001, Bali Bomb attack and Turkey tourism crisis in 2016. Downsizing is one of the first and immediate tactics used in unprepared crisis.

Organizational comfort and downsizing, which causes change in business culture and habits, is primarily aimed at reducing business resources and improving self-efficacy so that an operator has more success in crisis times (Petkovic and Miric, 2009). The downsizing has become one of the issues that attract attention from the academic point of view, as businesses are more interested in downsizing depending upon simplification and cost reduction (Freeman and Cameron 1993; Cameron, Freeman, and Mishra, 1993; Gandolfi 2005, 2007; Gandolfi and Hansson 2010). This process causes hierarchy and number of employees to decrease. Depending on the strength of the situation encountered or the nature of the decision, it is hard to adapt because it causes radical changes in the business structure or in the business culture, and therefore it is a process that needs to be managed well.

In Turkey, experiencing a tourism crisis in 2016, there has been no study on the whole process of downsizing tendency of tourism enterprises on this crisis. In terms of filling this gap in the literature, the factors affecting the hospitality enterprises during Turkey 2016 tourism crisis have been evaluated by hospitality

managers, and the process was examined as a whole.

## CONCEPTUAL FRAMEWORK

### Crises

Selbst defines crisis as “any action or failure to act that interferes with an organisation’s ongoing functions, the acceptable attainment of its objectives, its viability or survival, or that has a detrimental personal effect as perceived by the majority of its employees, clients or constituents,” (as cited in Faulkner 2001: 136). Crises can range, according to Coombs (1999), from small-scale organisational issues ranging from illness, staff challenges/breakdowns, malevolence and organisational misdeeds to external factors such as natural disasters (earthquakes, floods and fires) and terrorist incidents.

Factors of a crisis affecting tourism (Can, 1997; Dinçer, 1998) are examined as external factors including economic system, technological developments, social and cultural factors, legal and political factors, international environmental factors, natural factors; and internal factors arising from organizational structure and management. In addition, scandalous campaigns carried out for countries and/or businesses are also factors that can cause crises in the tourism sector where image is very important. Similarly, tourism in Turkey has been affected negatively from the problems, as factors damaging security, experienced during 2015-2016 period. Totally 24 explosions by the end of 2015 and in August of 2016, 15-July coup attempt, the political crises with neighboring countries gave rise to a major crisis in tourism of Turkey. As a result of this crisis, Turkey's tourism decreased by 32.7% in 2016 compared to 2015 (tuik.gov.tr). Due to the political problems experienced, the visits of Russians, who visit the Mediterranean and

Aegean coasts mostly, decreased by 76% (tursab.org.tr).

### Downsizing

Many different definitions have been made in the academic studies, the concept has been subjected to classification in terms of elimination of meaning differences. Accordingly, downsizing is generally seen as shrinkage and simplification of operating activities due to internal and external factors, layoffs or radical changes in the policies and practices of managements.

Downsizing is a program involving radical organizational changes that are undertaken to increase effectiveness, efficiency and competitive conditions of the management (Cameron, Freeman, and Mishra, 1993: 24).

Cameron, Freeman, and Mishra, (1993: 25) identifies downsizing by emphasizing four distinctive tendencies:

1. reduction is a designed activity,
2. downsizing involves labor reduction,
3. downsizing is done with the intention of increasing efficiency,
4. downsizing impacts processes.

While the first studies on downsizing generally examine why businesses are downsizing, the subsequent studies have focused on the application of downsizing and its effect on those who leave work and continue to work. As a result of the literature search on downsizing, it has been concluded that the subject has been worked intensively since the 90's and the topics have been determined as seen in Table 1.

	Year	Authors	Subject
Downsizing decisions, affects and results of decisions	1994	Meuse, Vanderheiden and Bergmann	Affects of downsizing on survivors, laid-off employees and decision makers
	1995	O'Neill and Lenn	
	1996	Kets de Vries and Balazs	
	1999	Robbins	
	2000	Kivimaki, Vahtera, Pentti and Ferrie	
	2003	Makawatsakul and Kleiner	
	2009	Kets de Vries and Balazs	Affects of downsizing policies on jobseekers
	2006	Kammeyer-Mueller and Liao	
	2012	Blau, Petrucci and McClendon	
	2002	Schaik and Groot	Macroeconomic affects
		DeWitt 1993; Meuse, Vanderheiden and Bergmann 1994; Feldman 1995; Shaw Barrett Power, 1997; Lewin and Johnston 2000; Reynolds Fisher and White 2000; Kammeyer-Mueller, Liao and Arvey: 2001; Gandolfi 2008	Organizational affects and results of downsizing
	2012	Ngirande and Nel	Results of downsizing
	2002	Kernan and Hanges	Affects to downsizing

		Cox 1996; Elvira and Zatzick 2002, Cross and Travaglione, 2004; Chhinzer 2007; Dwyer and Arbelo 2012	Downsizing decisions
	2011	Gandolfi and Hansson	Cause and results of downsizing
Ethic in downsizing		Brockner 1994; Perreault 1997; Meuse, Vanderheiden and Bergmann, 1994	Operating the process more equitable and ethical
		Larkey 1993; Meuse, Vanderheiden and Bergmann, 1994	Discrimination perception in downsizing
		Anwar 2009; Wälde and Weiß 2007; Beladi and Chao 2010	Downsizing and income inequity
Downsizing process	1997	Hutchingson, Murrman and Murrman	Planning and application stages
	1993	Freeman and Cameron	Theoretical frame of effective downsizing process
	1993	Cascio	Downsizing and feedback
	1994	Smeltzer and Zener	
	1994	Meuse, Vanderheiden and Bergmann	
	2008	Gandolfi	
Strategic downsizing	1994	Cameron	Strategic downsizing
	1998	Cameron	
	1993	Mathys and Burack	
	1993	Labib and Appelbaum	
	1997	Parker, Chmiel and Wall	
	1995	Band and Tustin	
	2003	Griggs and Hyland	
	1996	Bruton, Keels and Shook	
	1998	Blumberg	
	1999	Appelbaum, Everard and Hung	
	1994	Drew	
	2005	Gandolfi	Classification of downsizing strategies

Table 1. Downsizing Literature

Studies on the downsizing practices in crisis are generally on the attitudes and perceptions of the dismissed staff or survivors, the causes and effects of the downsizing decisions or conceptual papers.

### Downsizing Strategies

Numerous studies have been carried out from the 1980s to the day-time for the classification of downsizing strategies (Cameron, Freeman, and Mishra 1991, 1993; Cameron 1994, 189-211;

Feldheim, Liou, 1999, 55-67; Appelbaum, Everard and Hung 1999, 541-542; Bourgeois 1991; Hoskisson; Hitt, 1994). In this research, downsizing strategies are accepted as layoffs, restructuring and systematic strategy which have been determined by Cameron, Freeman and Mishra (1991, 1993).

Regarding downsizing strategies, Legatski (1997) created a downsizing typology. According to this, the main objectives of the enterprises in strategic downsizing are to improve profitability and financial health of the company by

increasing productivity and efficiency. From this point of view, the strategic downsizing initiatives are based on the main objective of the enterprises; it would not be wrong to say that they are adapting themselves to the environment and the process in order to fulfill the basic purpose of management in the capitalist system in which rapid changes are experienced. Öztürk and Tengilimoğlu (2006) have classified their downsizing strategies according to their characteristics in their studies.

Strategy Variation	Feature	Duration	Focal Point	Examples
Labor Reduction	Aiming to reduce general accounting levels	Short Term	Labor reduction	Directly layoffs Transfers Early retirement
Restructuring	Aiming organizational change	Medium Term	Work reduction	Function elimination Exportation Elimination gradual levels and products
Systematic Strategy	Aiming cultural change	Long Term	Organizational Culture, System, Employee attitude	Changing responsibilities, Attaching all employees to the process

Table 2. Downsizing Strategies

## METHODOLOGY

This study is a case study based on the problem of "downsizing processes of tourism enterprises during crisis periods". The main purpose of the study is to evaluate the downsizing practices of hospitality managements which is affected by the political crisis directly. Situations affecting enterprises in case of emerging crisis, the responses of the enterprises, the applications of the downsizing, the effects of the applications and the feedback process are examined comparatively for coastal and city hotels. Related the literature has been searched via Web of Science, Scopus and Google Academic between August 2016 and January 2018; no study was seen to evaluate the 2016

Turkey Tourism Crisis as a whole with managerial practices and downsizing processes. This is the first study to address the comparative downsizing practices of hospitality managements surviving in the 2016 tourism crisis in Turkey.

The scope of the study was determined to include factors that influence the decision process of downsizing. The selected downsizing strategy, the results obtained with the implementation process, and the feedback process were considered separately according to each downsizing decision; thus it is aimed to examine the process as a whole. Within the scope of the survey, interviews were made with 11 hotels; 6 in cities and 5 in coasts. The selected

city hotels serves for 12 months in a year and the coastal hotels for a minimum of 6 months; those, who do not provide the service whole year, pay staff fees for 12 months. Interviews were had in the month of October, 2016 and continued about 50-60 minutes.

The results of this research are valid for enterprises included in the search.

In qualitative studies, each event can be evaluated within itself and constitutes its own social phenomena within the system to which it relates (Denzin and Lincoln, 2005: 3). However, it is also possible to make generalizations on behalf of similar managements if the different variables among managements are not in question.

The main objective of the research is to determine the strategies preferred by the hotel managers that preferred downsize in the course of 2016 tourism crisis. Sub-problems identified in this context as follows;

- Internal and external factors that cause the business to downsize,
- Which strategy has been selected for which reason,
- Determining the sub-causes and objectives of the selected strategy,
- Determining whether the selected strategy differs according to the business type,
- Determining satisfaction of expectations of managers,
- Evaluation of feedback activities

This is a case study because it is examining the downsizing process of the survivor hotels in this crisis. The selection of different types of enterprises within the same sector is based on the question of "What are the most effective downsizing practice or what are the differences between the enterprises implementing

downsizing and the ones not implementing" (Cameron, 1994).

The semi-structured interview method has been used to extract detailed information and expand the scope of the question during the conversation in accordance with the answers given. This method is often used in exploratory research (Daymon and Hooloway, 2005: 171). Interviews were had face to face to be able to get all the details about the questions. The content of the interview questions were formed by considering the strategic thinking and decision making dimensions.

The questions in the semi-structured form are grouped into three main parts, including before, after and during downsizing. In the first part, internal and external factors affecting the businesses mostly, including strategies and their results, are examined together to be taken as action-response and cause-effect. This section also contains an additional question for "causes of downsizing" in order to reinforce the internal and external factors affecting the operation. The questions examining the downsizing strategies are important as they emphasize the importance of research. In this context, the questions of this section have been elaborated and explanatory sub-questions have been directed to managers within the options of layoff, restructuring and system change. Here is the aim to ensure that the factors affecting the strategy decision are revealed. The final sub-heading in the chapter is the assessment of the positive and negative consequences. Sub-questions were included in the evaluation of the results in order to determine the nature of the decision. The final question in this stage is to compare the results with the expectations. In the second section, the reactions of the managers to the positive and



negative consequences of the downsizing have been examined.

After the questions were formed, expert opinions were taken and the questions were reassessed in the light of these views. The questions were grouped in terms of being able to obtain systematic data; the order of the questions was decided to lighten the whole process. Care has been taken to make the questions easy to understand, sub-questions have been also included in some sections in order to be descriptive and to obtain details at the desired level. In qualitative research, detailed questions should be included in order to obtain reliable descriptions and explanations of researches. In this context, the research questions are detailed.

## FINDINGS

Models for coastal hotels and city hotels are first handled separately, on the next step models are combined to show downsizing process of in 2016 tourism crisis.

The city hotels included in the survey was selected from the ones that provided services for 12 months and served for at least 10 years. The bed capacity of the hotels is stated as minimum 100 and maximum 740. The decrease in the number of customers shared by businesses is around 30% compared to the summer of 2015. All of the hotels are not directly involved employees to management but they are in direct contact with department managers.

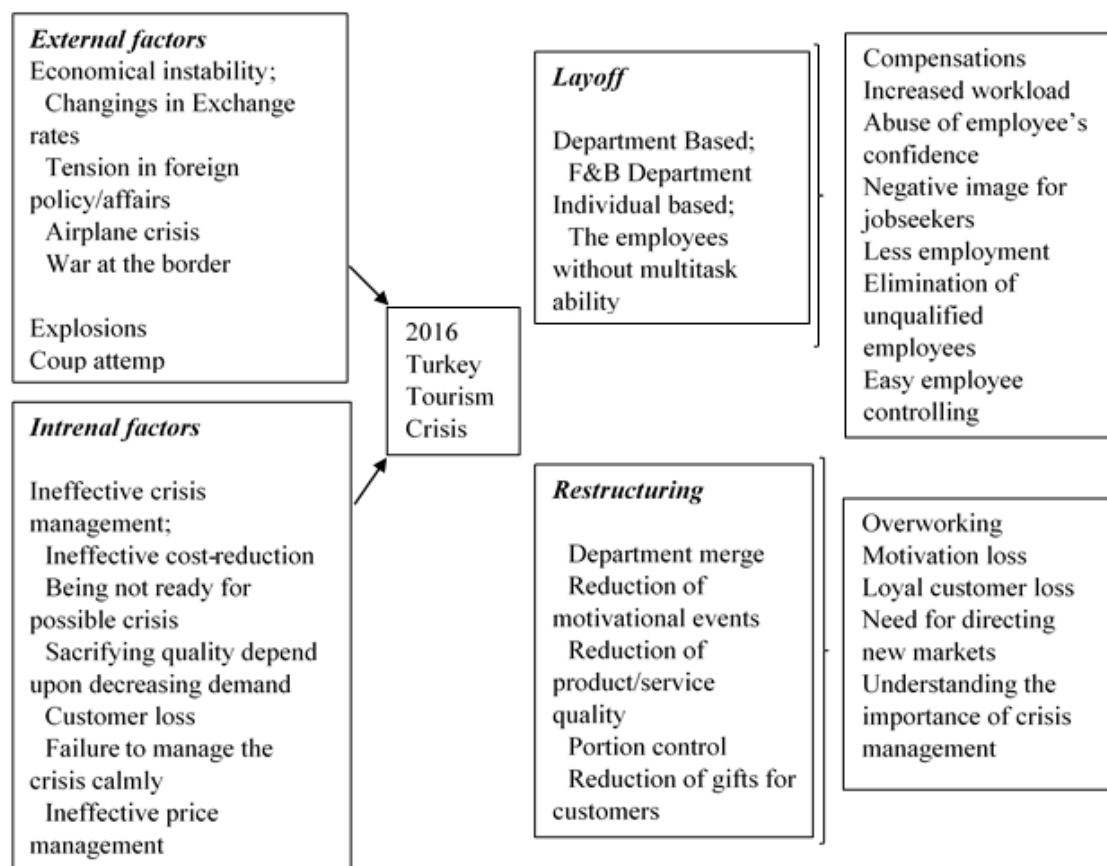


Figure 1. Downsizing Process of City Hotels During 2016 Turkey Tourism Crisis



If the process is to be evaluated in terms of city hotels, Foreign Policy related causes, explosions, coup attempts and foreign exchange changes arising in 2016 spring and summer period constitute the external causes of the Tourism Crisis.

The Aircraft Crisis with Russia, the war that started at the border of Turkey are considered under the title of Foreign Policy / Relations. These reasons affect image of Turkey negatively and create fear in tourists who come from abroad for business or leisure purposes.

Hotel D, located far away from the explosions, described the effects of explosions and the coup attempt on them as follows; "After the explosion in the Kızılay Square, tourists who had preferred hotels around Kızılay started to prefer our hotels and we used the advantage of being away from the center. However, this latest coup attempt totally affected everything, and my foreign groups had cancellations, we tried to calm them down. Now, we don't have any foreign groups." In addition to the problems that have been experienced recently, it has been stated as a general problem that because the hotel supply in Turkey, especially in the capital Ankara and Istanbul, are more than current demand, it affects the prices negatively. Hotel D talked about demand-supply gap that "economical, political and social factors always affect tourism industry, however even if there weren't any explosions, tourism in Ankara would be affected because there are so many supply in the city. The war at the border affect tourism; actually war affect economy, and Ankara hotels, working for business tourism, are directly affected by the situation." It is also stated that because alcohol isn't sold in the hotels due to the high fees, hotels lost their loyal costumers.

Hotel E explains exchange rate affect as follows; "We would make renovation, but we had to postpone. We would start the renovation 15 days later than explosion at the train station; however after explosion, dollar rate increased and it was hard for us to see the future. It caused us to postpone our renovation attemption."

Internal causes of city hotels about the crisis can be grouped as not to have an effective crisis management and not to make planning for determining target market and directing them.

All the hotel managers mentioned a lack of measures against the crisis, they stated not to carry out any work on what to do in case of a possible crisis. They link ineffective cost reduction, compromise of quality, inefficient price management, the loss of customers to not having any precautions for a possible crisis.

All of the internal and external causes listed above have been seen as the reasons for the 2016 Turkish Tourism Crisis. As a result of this crisis, it is possible to examine the downsizing methods applied by city hotels under two headings; layoff and restructuring. Layoffs are applied as department based and employee based. As department based layoffs, personnel from food and beverage department are laid off or noone is employeeed for F&B deparments for high tourism season. As employee based layoffs, managers take multitask ability of employees into account for layoff decisions; in other words, the ones who can be employed in multiple works have not been laid-off. Hotel B stated the situation directly that "it was taken care that people who could be assigned more than one work were left to work". In a similar way, Hotel C stated that "it was decided to allocate work for those who stayed, so we wanted to have people who could handle it". This tactic has had positive and negative consequences for the hotels. The

termination of the employment has obliged to pay compensation, and this has been a major cost factor for the hotels. Additively, Hotel C said these about the situation; "When we laid off our 2-year-employee, we had to pay compensations. In addition, now, when we want to fill the place, we have difficulty in finding a qualified staff due to lack of trust."

Hotel D emphasized that it is dangerous for businesses to go downsizing through redundancy during these and similar crises. Instead of downsizing, it is necessary to head other applications to spend the time efficiently. Supporting these views, she continued as, "unplanned redundancies and price cuts have been made for business, and these applications have brought greater costs and risks to businesses over the long term."

Another way of downsizing is the restructuring. The restructuring activities of the city hotels have been through departmental mergers and on motivational activities handled for the staff. Departments that are in communication with each other are unified on a cost-cutting basis and the workload is increased. In addition to this; the regularly organized motivational events for employees have been canceled.

According to the managers, this situation has also brought positive and negative results. Looking at the positive results, it means that the same job can be done with fewer employees and the same job can be done with less cost. Hotel C expressed this situation as follows; "It's easier to control less staff. Even if it is for short term, we reduced our cost. 'Rotten staff' is elected during this period. Survivors started to work harder not to lose their job." On the other hand, Hotel B mentioned that service quality and customer

satisfaction decreased due to the workload of employees. Hotel E mentioned that because they changed their production and service quality, they couldn't offer the service expected from them the due to their international image.

The contributions of these troublesome business operations to hotel operations in future periods can be listed as learning and applying cost management, understanding necessity of taking the "break even point" in the crisis period, awareness of training need for the service quality and behavior patterns in crisis periods in order to create loyal customers. For the Hotel D, it is mentioned that it is necessary to be prepared for crisis periods and that the deterioration in operation during these periods will bring about bigger problems. Manager of Hotel D also touched on the difficulties of loyal customer acquisition while Hotel E mentioned the importance of break even point during crisis process.

### **Downsizing Process of Coastal Hotels**

The coastal hotels interviewed are those that provide services for a minimum of 6 months and a maximum of 9 months. Hotels provide service for 6 month generally do not pay their employees for the rest 6 months; while the ones provide for 8 or 9 month pay employees for 12 months. The bed capacity of the hotels varies between 40 and 2092. The 40-bed business speaks of a 10% loss of customers compared to the summer of 2015; The company with 700 bed capacity has 20%; and those with bed capacity 350, 1011, 2092 have experienced a loss of 30% and above. Administrative decisions are taken together with department managers in all the hotels.

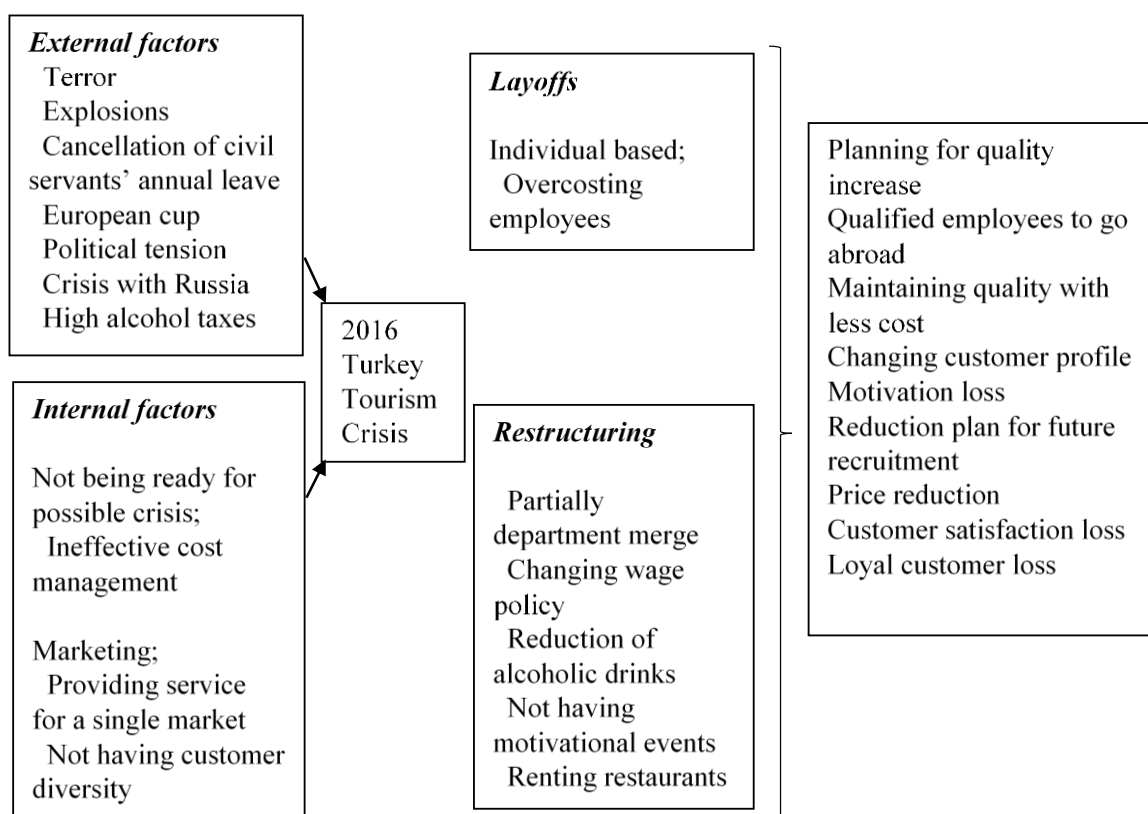


Figure 2. Downsizing Process of Coastal Hotels During 2016 Turkey Tourism Crisis

In terms of the coastal hotels, the factors causing the 2016 Turkish tourism crisis are divided into internal and external factors. Examining external factors, managers of coastal hotels mentioned that terrorism, explosions, The European Cup, political tensions had hindered the arrival of foreign tourists. They also stated that high taxes on alcohol forced them to make changings in the products and services they offered. Hotel L said these on the subject; "Terrorist attacks affected us mostly on regional basis. Preventing Russian tourists from coming to Turkey after the airplane crisis, the European Cup, the cancellation of the civil servants' annual leave also the factors reduced our reservations." Hotel M explained the situation similarly as "We have been affected by external factors due to political relations of the country.

The state of emergency, activities of terrorist organizations cause foreign visitors to be scared; we have gotten %52 loss." Hotel S said these about image of the country; "terrorist incidents, explosions cause foreign people to think that the country is not safe. How you do not plan a trip to Iraq or Syria for now, European tourist do not prefer Turkey for this summer.

The crisis with Russia have spiced up." Hotel G mentioned that Airplane crisis with Russia affected them deeply and added these; "because of the airplane crisis we had to turn our %70 Russian and %30 European customer profile to %70 European and %30 Russian, we had to cancel so many reservations." In brief, coastal hotels talk about political tensions, terrorist incidents, European Cup as external factors

affecting their efficiency and they add high taxes on alcohol also negatively affect on their budget.

Looking internal factors affecting coastal hotels can be classified as; not being ready for the crisis and working for only single market. Hotel G summed this situation as “marketing failings have forced us more during the crisis. We noticed that we had to enter new markets and our greatest mistake was not to have customer diversity.”

Coastal hotels downsize via layoffs and restructuring. Layoffs are handled as not employing new ones for summer season and direct layoffs. Managements laying off employees follow different downsizing strategies. For example, Hotel M “lays off overcosting employees”; so they reduced the number of chefs in the hotel. In addition to this, Hotel M serving for 6 months mentioned that they reduced number of their seasonal employees. On the other hand Hotel S evaluated their own process as “We laid off, we laid generally F&B employees off. Instead of them, we accept trainees from Kyrgyzstan and work with 200 personnel less this summer. For some departments, we employ less than how many we employ for our past summer seasons”. Similarly Hotel L mentioned to go simplification and try to increase efficiency with their current employees.

Restructuring strategies of managements, not preferring to lay off, can be listed as limitations on personnel payments, renting restaurants out, limitations to motivational activities and kitchen costs.

Hotel M, partially a boutique hotel, explained their restructuring process as “we reduced the number of 12-month-salaried-personnells. Normally, we paid 20 personells for 12 months, now we only pay for 12.” Hotel G similarly explained that they only paid their personells for

8 months, the months they opened. Hotel G also added that they rented their restaurant out to get extra income during 2016 summer. Hotel S, on the other hand, cancelled motivational events for personells instead of merging departments.

Coastal hotels generally described the results of the downsizing as a whole while they mentioned the results of each downsizing strategy. Accordingly, downsizing provided positive and negative returns to the coastal hotels. It is interpreted that politics, political tension, terrorist activities caused profiles of tourists preferring Turkey to change; Hotel M said contrary to managers saying they lost their Russian visitors that “We changed our customer profile by %100. Northern Europe was big-board market for us; but now countries speaking Russian are taking that part”. On the other hand, all of the managements agreed that they learnt how to provide quality with less cost. Even Hotel L mentioned “We didn’t sacrifice quality; we tried to serve more quality breakfasts and stepped to satisfy our customers and serve richer breakfasts.” Manager continued that they experienced tribulation affecting tourism deeply; however they luckily eluded by not sacrificing quality.

Negative affects of this process can be summed as reduction in prices, personnel motivation, customer satisfaction, loss of loyal customer and qualified personnel leaving the country. Hotel L mentioned they could not reach the target even they were going well in contrast with their rivals; “Numbers show us we couldn’t reach our targets. Because of that, our personnel, especially from management group, has demotivated. Hotel M summed their future as “We sacrificed product quality to provide cost-income balance and service quality due to the increase in workload; thus we got negative

feedbacks from customers. In future we will have to work much more and reduce our prices to get our customers back.” It is said by all managers except for Hotel L that they lose loyal customer and are directly affected by the crisis. Hotel M explained as “We couldn’t satisfy our guests, provide the service they expected from us; thus we got negative feedbacks. If we continue similarly in the future, we will have to reduce our prices and create new customer profile.” Hotel G mentioned that crisis process would make it difficult to keep qualified personnel in Turkey; “Unemployment has increased throughout the country and qualified tourism employees started to go abroad; we will have difficulty to find qualified personnel to employ in the coming periods. This summer showed the sensitivity of tourism and scared the workers.”

Tourism crisis has brought some contribution to the functioning of the coastal hotels. Managers mentioned they would continue with

downsizing strategies in coming tourism seasons and make plans and applications to manage with minimum cost and increase the quality. Contrary to the rest of the coastal hotel managers, Hotel S explained their situation as “We will be content with what we have for now, uncertainty for the future prevent us to make plans.”

### Comparison of City and Coastal Hotels

Tourism as a social phenomenon is affected by not only economic climate, but also social, political and cultural environment of the countries. Tourism managements had to change their structures and personnel numbers in Turkey. Even city and coastal hotels, of which customer profile are totally different, have been affected by the crisis differently, they tended towards to take similar precautions to reduce the costs and overcome the crisis with minimum loss.

	City Hotels	Coastal Hotels
External factors	Terrorist attacks contuning during summer (explosions, coup attempt)	Terror
	Economic Instability	European Cup
	Foreign Affairs, Russia Airplane Crisis, War at the border	Political Tension
	Alcohol Taxes	Alcohol Taxes
	Changings in Exchange Rate	
	Demand-Supply Gap	
Internal Factors	Ineffective Crisis Management; <ul style="list-style-type: none"> <li>• Ineffective cost reduction,</li> <li>• Being not ready for crisis,</li> <li>• Sacrifying Quality Depend on demand decrease,</li> <li>• Customer Loss,</li> <li>• Ineffective Price Management</li> <li>• Changings in Exchange Rates</li> </ul>	Not being ready for possible crisis; Ineffective cost management
	Marketing; Not having any effort to reach target market	Marketing; Providing service for a single market Not having customer diversity
		Marketing; Not being able to provide customer diversity

Table 3. Reasons of the Crisis

Main reasons of the 2016 Turkey Tourism Crisis in the direction of answers of hotels listed as external factors including terrorist attacks, airplane crisis with Russia, war at the border. In addition to this main ones, increasing alcohol taxes is counted as the reason making managements get into jams. In addition to the reasons affecting servings and environment of trust, changings in exchange rates and economical fluctiations prevent managements to foresee and are count among factors causing crisis become deeper. City hotel managers mentioned that explosions created negative affect on Turkey's image. They added that this affect caused foreign managements cancel their

business travels; therefore primarily business travels were renounced due to economical fluctuations. The other point for city hotels during this period was said to be supply-demand gap; because of this gap, only hotels with good image and loyal customers could survive. On the other hand, city hotel managers cited that European Cup was the other important reason why Turkey wasn't preferred by foreign tourists.

Both city and coastal hotels agreed that not being ready for crisis, not having efficient crisis management, not having extensive customer diversity were the most substantial factors affecting them during crisis period.

City hotels		Coastal hotels
Layoff	Department and Individual Based	Department and Individual Based
Department Based	F&B	F&B
Individual based	employees without multitask ability	Overcosting employees
Restructuring		Department merging
Reducing motivational events		reducing motivational events
Product changings;		Products changings;
Portion control		Alcohol quantity reduction,
changing gifts given		Kitchen cost reduction,
		Changing personnel payment;
		Limitations on off-season payments
		Renting restaurants out

Table 4. Downsizing Applications and Results

Layoff are classified as department based and individual based. Department based layoffs are generally handled in F&B department, while individual based layoffs are handled by eliminating multi-tasker employees. Restructuring activities of city hotels are the result of a natural process merging depending

upon layoffs. Merging departments, reduction of motivational events for personnel, changings on size and quality of products are seen in both city and coastal hotels. Regarding the changing on serving products, city hotels preferred to give cheaper gifts and control portion sizes; while coastal hotels reduced the number of alcohol

drink and kitchen costs. In addition to this, some of the coastal hotels rented their restaurants out during summer season and preferred not to pay during low season, due to customer rarity. Within these changings, it can be said that

organizational culture of hotels have been changed by the 2016 summer in Turkey. In other words, changings have been handled in the hotels cause systematical changings in return.

	City hotels	Coastal Hotels
Positive results	Eliminating rotten staff, Control easiness	Quality Study
	Quality-Cost Control and planning	Quality-Cost Control and planning
	Crisis Management Planning	
		Changings in Customer Profile
Negative Results	Less Employment	Qualified Personnel to go abroad
		Management group to lose motivation
	Need for directing new markets	Price reduction
	Need For Loyal Customer	Reduction in Customer Satisfaction, Loyal Customer Loss

Table 5. Results and Feedbacks

Downsizing, hotels handled to survive, causes positive and negative results. Firstly, layoffs and department mergings have increased workload of survivors; thereupon not budgeting motivational events caused personnels to lose their motivation. Besides, cost-cutting measures reflected production quality, motivation reduction of personnels and workload reflected service quality; these brought customer dissatisfaction together. For coastal hotels, required alcohol limitation is another factor affecting customers negatively. Depending upon these results, all the managers thought in the same way about that they would have difficulty in finding customers in coming seasons and have to direct to new customer groups.

On the other hand, they mentioned that they found the ways to serve equal quality with less cost because they had to learn crisis behaviour compulsorily. Besides, quality personnel showed themselves during crisis process and inefficient

ones were eliminated. Both city and coastal hotels cited that they would need to reach new customer groups and create new loyal customers because they had lost their existing ones. It is foreseen as substantial crisis results that tourism will employ less and qualified personnel will go abroad as of 2016.

Feedback of tourism crisis for hotels are generally about learning cost-cutting behaviours and understanding the importance of crisis management. Behavioural affects crisis left on hotels are similar. Distinctly city hotels cited that they would provide training about service quality, crisis periods and what to do in crisis periods to increase the quality, competitiveness and be ready for the possible crisis.

## RESULTS AND SUGGESTIONS

In this research, downsizing applications handled by hotels of Turkey tourism got into jam due to political problems and terrorist attacks



are examined. In this regard, layoffs, restructuring and changings in operation led hotels downsize systematically on some points. Hotels not to be ready caused the crisis deepen while unplanned layoffs brought hotels extra costs even if they tried to reduce cost. Unplanned department and work mergings increased the workload; in addition to this, ending the motivational events are all seen as root causes of reducing motivation, product-service quality. F&B personnel was found to be sacrificed primarily during the crisis.

Contrary to unplanned applications, downsizing should apply under simplification within suitable plannings and should be adopted as management policy. If not, even if it brings profit in short term, it can bring unrecoverable results such as motivation loss, qualified personnel loss, negative image for jobseekers, customer dissatisfaction, loyal customer loss in long term. Hospitality managements can be said to understand the importance of crisis management, planning and application methods. These are the significant results that strong hotels, in real meaning, could survive, the surviving ones has sacrificed much to overcome and had to be simplified during 2016 Turkey tourism crisis. Examined crisis has shown that not only educated, shipshape, qualified managers, but also the peaceful atmosphere of the countries are essential for tourism. Therefore, The only thing to do for restoring tourism in Turkey is to provide peace environment and sustain it; if not, applied strategies can not be seen to answer in the affirmative.

The research is the only one examining hotel managements whole downsizing processes during 2016 Turkey Tourism Crisis with related notions. It is essential to understand the problem deeply to able to solve it indeed. Hence, the

research is important because showing the process with reasons, applications and results clearly and creating a basic interview form to analyse the process deeply from the viewpoint of managers.

Findings can be good advisors for Ministry of Labor and Social Security, controlling work life, providing security and minimum welfare level for workers from all sectors (Ministry of Labor and Social Security, 2017: 6). Working and layoff conditions during crisis periods can be indicators for the Ministry aiming at extending employment to 12 months, increasing the employment rates and providing a standardized welfare level for workers.

As a result of the research, managements can be said not to be ready for any crisis and most of them didn't have any crisis management policy. About this result, Ministry of Culture and Tourism can start to show a visionary approach because managers are all taken unawares for a potential crisis and can benefit from managers' answers, applications and all research results to prevent the future crisis.

For hotel managers, because reasons of the deep tourism crisis and common application failures are revealed clearly, they can develop their current and future applications more efficiently. The research also lay an emphasis on the importance of long term planning and crisis management policy for hotel managements.

For future, researchers can examine the other different types of hotel managements and create an model for all tourism industry in Turkey to be able to see the main and real problems, applications and choices in the industry. Thus, an acceptable model and an entirely new or developed way for the sector can be created. In addition to this, an international comparative

research can be held; similarities and differentiations can be modelled transparently

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