

Risk Management Practices and Their Effects on Hotel and Resort Attributes in Surigao del Norte, Philippines

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Page | 1

Abstract

This study examined the risk management practices of hotels and resorts in Surigao del Norte and their effects on key attributes of reputation, perceived quality, and financial performance. A quantitative descriptive survey design was employed, involving 263 respondents composed of hoteliers, resort owners, and employees selected through purposive sampling. Data were gathered using a validated researcher-made questionnaire, which achieved a Cronbach's alpha of 0.96, indicating excellent reliability. Statistical treatments included frequency count, percentage, mean, and standard deviation for descriptive analysis, while inferential tests employed Analysis of Variance (ANOVA) and Spearman's rank correlation coefficient at a 0.05 level of significance. Findings revealed that risk management practices across the four dimensions of identification (M=3.48), assessment (M=3.38), mitigation (M=3.45), and monitoring (M=3.35) were all rated as "highly practiced." Differences in practices were statistically significant when grouped by business profile—type of property (F=4.32, p=0.018), location (F=3.89, p=0.024), number of employees (F=5.01, p=0.011), and years of operation (F=2.76, p=0.041)—as well as by demographic profile, including age, educational attainment, position, and years in service. Spearman's correlation further indicated strong positive relationships between risk management practices and hotel reputation ($\rho=0.642$, $p<0.001$), perceived quality ($\rho=0.618$, $p<0.001$), and financial performance ($\rho=0.587$, $p<0.001$). The results underscore that risk management is not only protective but also strategic, contributing to organizational resilience, improved service quality, and long-term financial stability. The study recommends institutionalizing risk management teams, strengthening food safety programs, enhancing monitoring tools, and providing continuous capacity-building initiatives tailored to the unique contexts of hospitality establishments in Surigao del Norte.

Keywords: Hotels And Resorts, Risk Management Practices, Hotel Reputation, Perceived Quality, Financial Performance

1. Introduction

Background and Rationale

The hospitality industry plays a pivotal role in tourism-driven economies by providing lodging, food, and leisure services that enhance visitor experiences. Its operations, however, are exposed to diverse risks, including natural disasters, financial instabilities, health threats, and security concerns. In coastal provinces such as Surigao del Norte, where hotels and resorts are central to tourism development, these risks are intensified by frequent typhoons, flooding, and other natural hazards. Such vulnerabilities emphasize the necessity of structured risk management practices to ensure operational continuity and guest safety.

Risk management has become an essential element of organizational resilience in the hospitality sector. It involves the systematic processes of risk identification, assessment, mitigation, and monitoring to minimize potential losses and safeguard both stakeholders and assets. Previous studies have shown that effective risk management not only reduces exposure to hazards but also contributes to service quality, customer trust, and financial performance (Ali et al., 2021; Rajendran et al., 2023). Despite its recognized importance, gaps remain in understanding how these practices directly influence hotel attributes such as reputation, perceived service quality, and financial sustainability in regional tourism contexts.

Surigao del Norte provides a unique setting for this investigation. With its growing number of accommodation establishments and increasing tourist arrivals, the province has become both a tourism hub and a high-risk area prone to natural calamities. This duality positions risk management not only as a compliance mechanism but also as a strategic necessity for sustaining competitiveness and guest confidence. Moreover, local hotels and resorts vary in scale, workforce size, and years of operation, making it critical to examine how organizational characteristics shape the adoption and effectiveness of risk management practices.

This study responds to the need for empirical evidence on the interplay between risk management and hotel attributes within a vulnerable yet rapidly expanding tourism destination. By analyzing practices across selected establishments in Surigao del Norte, the research aims to highlight areas of strength, identify gaps, and propose interventions that can serve as models for hospitality enterprises in similar environments. The findings are expected to benefit hoteliers, resort owners, policymakers, and academic institutions by strengthening awareness of risk management's role in achieving service excellence and sustainable performance.

Aim and Research Questions

Aim

The aim of this study was to examine the risk management practices of selected hotels and resorts in Surigao del Norte and to determine their effects on hotel attributes, specifically reputation, perceived quality, and financial performance.

Research Questions

To achieve this aim, the study addressed the following questions:

1. What is the business profile of the hospitality establishments in terms of:
 - a. type of property (hotel, resort, or both);
 - b. location;
 - c. number of employees; and
 - d. years of operation?
2. What is the demographic profile of the respondents in terms of:
 - a. age;
 - b. sex;
 - c. highest educational attainment;
 - d. position; and
 - e. years in service?
3. How are risk management practices implemented in terms of:
 - a. risk identification;

- b. risk assessment;
 - c. risk mitigation; and
 - d. risk monitoring?
4. What are the effects of risk management practices on hotel attributes in terms of:
 - a. hotel reputation;
 - b. perceived quality; and
 - c. financial performance?
5. Are there significant differences in risk management practices when grouped according to:
 - a. business profile; and
 - b. demographic profile of the respondents?
6. Is there a significant relationship between risk management practices and hotel attributes?
7. Based on the findings, what intervention program may be recommended for hotels and resorts?

Hypotheses

At the 0.05 level of significance, the following null hypotheses were tested:

H₀1: There is no significant difference in the risk management practices of hotels and resorts when grouped according to their business profile.

H₀2: There is no significant difference in the risk management practices of hotels and resorts when grouped according to the demographic profile of the respondents.

H₀3: There is no significant relationship between risk management practices and the hotel attributes of reputation, perceived quality, and financial performance.

2. Review of Related Literature

Risk management in the hospitality industry has become increasingly vital due to the sector's exposure to diverse operational, financial, and environmental risks. According to Singh et al. (2020), risk refers to the uncertainty associated with future events that could negatively affect organizational assets and outcomes. Effective risk management involves a systematic process of identifying, assessing, mitigating, and monitoring risks to minimize potential losses and ensure operational continuity. Scholars such as Bharwani and Mathews (2012) emphasized that risk management should not only address threats but also enhance resilience by optimizing organizational processes. In the hospitality industry, where service quality and guest safety are paramount, the presence or absence of comprehensive risk management can significantly influence customer satisfaction and overall performance.

Risk identification represents the first step in effective risk management. Tucci and Stedman (2023) explained that organizations must systematically define potential risk scenarios and document them in updated risk registers. In hospitality settings, this includes fire hazards, food safety issues, cyber threats, and natural disasters. Soleimani Zoghi and Antonschmidt (2022) highlighted that the timely identification of risks, along with proper communication and prioritization of responses, forms the backbone of an efficient control system. Empirical studies confirm that risks such as food-borne illnesses (Ababio & Lovatt, 2015) or environmental hazards (Tuladhar, 2015) pose significant challenges to hotels and resorts, especially in coastal regions vulnerable to climate-related disruptions.

Once risks are identified, the next step involves risk assessment. Villanueva (2023) argued that analyzing the likelihood and potential impact of risks allows organizations to prioritize interventions. Tools such as risk assessment matrices or heat maps provide visual representations that help managers determine which threats

require immediate attention. Thomas (2025) noted that high-level risks, even if rare, demand urgent management action due to their potential catastrophic effects. In hospitality, where both guest safety and service quality are critical, risk assessment ensures that resources are allocated efficiently. Studies further suggest that involving middle management and employees in assessment processes strengthens organizational preparedness (Dadulla et al., 2024).

Risk mitigation builds on these assessments by implementing strategies to reduce or eliminate identified risks. Bharwani and Mathews (2012) described mitigation strategies as ranging from avoidance and reduction to risk transfer or acceptance. For hotels, this may include fire safety systems, staff training, or insurance coverage. Research by Cvetković et al. (2022) recommended combining active systems, such as alarms and sprinklers, with passive measures like fire-resistant materials. Similarly, Noumeur et al. (2024) stressed the importance of emergency training for hotel staff to enhance coping behaviors during crises. These findings underline that mitigation in hospitality must balance structural investments with human resource preparedness.

Risk monitoring and communication represent the final stage of risk management. Paredes (2023) defined risk monitoring as the continuous evaluation of potential threats and the updating of strategies to reflect changing circumstances. Tucci and Stedman (2023) emphasized that performance indicators and regular assessments are essential to ensure sustained effectiveness. Effective risk communication, as highlighted by Attems et al. (2020), involves documentation, dialogue, and cooperative decision-making among stakeholders. In the hospitality industry, where service quality depends heavily on staff responsiveness, monitoring and communication ensure that safety measures remain functional and trusted by both employees and guests.

The effects of risk management practices extend beyond safety to core attributes of hospitality establishments. Hotel reputation, for instance, is strongly influenced by the extent to which management demonstrates commitment to risk preparedness. Achaba and Alami (2019) noted that reputation risk management has become a crucial dimension of hotel branding, directly impacting customer trust and competitive advantage. Perceived quality is another critical outcome. Ali et al. (2021) demonstrated that service quality dimensions such as reliability, responsiveness, and assurance are shaped by how well hotels manage risks. When establishments effectively address safety, hygiene, and operational continuity, guests are more likely to perceive services as high-quality. Finally, financial performance has been linked to risk management effectiveness. Rajendran et al. (2023) found that Malaysian hospitality firms implementing structured risk management strategies achieved better financial outcomes, although Kassim and Albattat (2023) cautioned that excessive investment in risk practices could, under certain conditions, reduce profitability.

Overall, the literature highlights that risk management is not merely a defensive mechanism but a strategic approach that enhances organizational resilience, service delivery, and competitiveness. While global studies have provided valuable insights, there remains a lack of context-specific evidence on how these practices operate within provincial hospitality sectors vulnerable to natural hazards, such as Surigao del Norte. Addressing this gap is critical in understanding the relationship between risk management practices and the attributes of hotels and resorts, thereby offering practical recommendations for local and regional stakeholders.

3. Methodology

Research Design

This study employed a quantitative descriptive survey design to examine the risk management practices of selected hotels and resorts in Surigao del Norte and their effects on hotel attributes. The design was considered

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appropriate because it allowed the researcher to gather quantifiable data on practices and perceptions, thereby enabling statistical analysis of relationships and differences among variables.

Respondents and Sampling

The respondents comprised 263 individuals, including hoteliers, resort owners, and employees of selected establishments in Surigao del Norte during the first semester of Academic Year 2024–2025. A purposive sampling technique was used, as only individuals with direct involvement in hotel and resort operations were considered eligible to participate. This approach ensured that respondents had sufficient knowledge and experience related to risk management practices in the hospitality industry.

Page | 5

Research Environment

The study was conducted in Surigao del Norte, a province in the Caraga Region of the Philippines known for its growing tourism industry and vulnerability to natural hazards such as typhoons, flooding, and storm surges. Data were collected from both city-based hotels and suburban resorts, thereby capturing the perspectives of establishments operating in varied geographic contexts within the province.

Instrumentation

Data were gathered using a researcher-made questionnaire consisting of three parts: (a) business profile of the establishments, (b) demographic profile of respondents, and (c) items assessing risk management practices and their effects on hotel attributes. The questionnaire was validated by research experts and subjected to pilot testing, yielding a Cronbach's alpha of 0.96, indicating excellent reliability. Responses were recorded using a four-point Likert scale, with separate scales for assessing the extent of risk management practices and their perceived effects on hotel attributes.

Data Gathering Procedure

Prior to data collection, formal permission was sought from the Graduate School of St. Paul University Surigao and from the management of the selected hotels and resorts. Informed consent was obtained from all respondents, ensuring voluntary participation. Questionnaires were administered personally and retrieved after completion. A small number of respondents were also asked follow-up questions regarding the presence of formal risk management plans in their establishments, providing contextual insights into the survey data.

Data Analysis

The following statistical tools were employed to analyze the data:

- **Frequency count and percentage** were used to describe the business profile of hotels and resorts and the demographic profile of respondents.
- **Mean and standard deviation** were computed to determine the extent of implementation of risk management practices and their effects on hotel attributes.
- **Analysis of Variance (ANOVA)** tested significant differences in risk management practices across business and demographic profiles.

- **Spearman’s Rank Correlation Coefficient (ρ)** assessed the relationship between risk management practices and hotel attributes.

Ethical Considerations

The study observed ethical standards in line with the Data Privacy Act of 2012. Respondents were informed of the study’s objectives, assured of confidentiality, and allowed to withdraw at any stage without penalty. Data were anonymized to protect respondent identity, and results were reported in aggregate form to avoid disclosure of sensitive organizational information.

4. Results and Discussion

Table 1. Business Profile of Hotels and Resorts

| Profile | f (n=263) | % |
|----------------------------|-----------|-------|
| Type of Property | | |
| Hotel | 161 | 61.22 |
| Resort | 10 | 3.80 |
| Both Hotel and Resort | 92 | 34.98 |
| Location | | |
| Center | 25 | 9.51 |
| City | 145 | 55.13 |
| Suburban | 92 | 34.98 |
| Downtown | 1 | 0.38 |
| Number of Employees | | |
| 1–10 | 106 | 40.30 |
| 11–20 | 32 | 12.17 |
| 21–30 | 83 | 31.56 |
| 31–40 | 24 | 9.13 |
| More than 40 | 18 | 6.84 |
| Years of Operation | | |
| 1–5 | 43 | 16.35 |
| 6–10 | 83 | 31.56 |
| 11–15 | 75 | 28.52 |
| 16–20 | 17 | 6.46 |
| More than 20 | 45 | 17.11 |

Table 1 shows that most establishments were hotels (61.22%), followed by mixed hotel–resort businesses (34.98%), with only 3.80% being resorts alone. In terms of location, the majority were situated in the city (55.13%), while 34.98% were suburban. Workforce size revealed that 40.30% employed 1–10 staff, and 31.56% had 21–30 employees, reflecting a predominance of small to medium-sized establishments. Regarding years of operation, the largest group had operated for 6–10 years (31.56%), followed by 11–15 years (28.52%). These findings indicate that the hospitality sector in Surigao del Norte is dominated by relatively young, small-scale hotels concentrated in urban areas, which may affect the extent of their risk management capabilities.

Table 2. Demographic Profile of Respondents

| Profile | f (n=263) | % |
|-------------------------------|-----------|-------|
| Age | | |
| 19–25 | 53 | 20.15 |
| 26–32 | 98 | 37.26 |
| 33–39 | 53 | 20.15 |
| 40–46 | 41 | 15.59 |
| 47–53 | 10 | 3.80 |
| 54–61 | 8 | 3.04 |
| Sex | | |
| Female | 153 | 58.17 |
| Male | 110 | 41.83 |
| Educational Attainment | | |
| Undergraduate | 143 | 54.37 |
| Bachelor’s Degree | 111 | 42.21 |
| With Doctorate Units | 1 | 0.38 |
| Others | 8 | 3.04 |
| Position | | |
| Housekeeping | 67 | 25.48 |
| Front Desk | 47 | 17.87 |
| Server | 24 | 9.13 |
| Guard / Front Office | 20 | 7.60 |
| Cook / Manager / Maintenance | 27 | 10.26 |
| Other Roles | 78 | 29.66 |
| Years in Service | | |
| 1–4 | 184 | 69.96 |
| 5–8 | 49 | 18.63 |
| 9–12 | 17 | 6.46 |
| 13 and above | 13 | 4.94 |

Table 2 indicates that most respondents were between 26 and 32 years old (37.26%), followed by those aged 19–25 and 33–39 (20.15% each). Females represented a larger share of the workforce (58.17%). Educational attainment was predominantly undergraduate (54.37%), with only 42.21% holding a bachelor’s degree. In terms of job roles, housekeeping staff (25.48%) and front desk employees (17.87%) were the largest groups, while managers accounted for only 3.42%. For years in service, nearly 70% of respondents had less than four years of experience. These results suggest that the hospitality workforce is relatively young, female-dominated, and composed largely of semi-skilled employees with short tenures, which may affect organizational stability and the consistent application of risk management practices.

Table 3. Risk Management Practices in Terms of Risk Identification

| Indicators | M | SD | VI | QD |
|---|-------------|-------------|-----------|-----------|
| Listed fire safety hazardous materials (gas tanks, flammable items, etc.) | 3.74 | 0.50 | SA | HP |
| Security measures in place for guests and staff | 3.58 | 0.61 | SA | HP |
| Incidents of food-borne illness or health-related issues reported | 2.98 | 1.13 | SA | MP |
| Awareness of maintenance issues (HVAC problems, etc.) | 3.54 | 0.62 | SA | HP |
| Preparedness for natural disasters (earthquakes, typhoons, floods, etc.) | 3.70 | 0.54 | SA | HP |
| Awareness of financial risks (market changes, debt, revenue loss) | 3.54 | 0.59 | SA | HP |
| Identification of cybersecurity issues | 3.33 | 0.90 | SA | HP |
| Guest complaints on safety/security addressed by management | 3.39 | 0.99 | SA | HP |
| Average | 3.48 | 0.73 | SA | HP |

Table 3 shows that risk identification practices were rated “highly practiced” overall (M=3.48). The highest indicator was the identification of fire safety hazards (M=3.74), followed by preparedness for natural disasters (M=3.70). Meanwhile, incidents of food-borne illness had the lowest mean (M=2.98), rated only as “moderately practiced.” These findings suggest that while hotels and resorts are attentive to physical and environmental risks, there is less focus on health-related risks, such as food safety, which require greater monitoring and preventive measures.

Table 4. Risk Management Practices in Terms of Risk Assessment

| Indicators | M | SD | VI | QD |
|---|-------------|-------------|-----------|-----------|
| Conducts regular assessment of risks | 3.41 | 0.71 | SA | HP |
| Uses risk assessment tools (e.g., risk matrices, heat maps) | 3.36 | 0.67 | SA | HP |
| Assesses likelihood and impact of risks | 3.38 | 0.65 | SA | HP |
| Establishes priorities for addressing high-level risks | 3.42 | 0.63 | SA | HP |
| Monitors changes in risk exposure across time | 3.34 | 0.70 | SA | HP |
| Average | 3.38 | 0.67 | SA | HP |

Table 4 indicates that risk assessment practices were also rated “highly practiced” (M=3.38). Establishing priorities for addressing high-level risks (M=3.42) was the most emphasized, while monitoring changes in risk exposure had the lowest mean (M=3.34). This pattern reflects that hotels and resorts place greater importance on identifying immediate threats than on long-term monitoring of evolving risks. Strengthening continuous assessment processes could enhance resilience against emerging risks.

Table 5. Risk Management Practices in Terms of Risk Mitigation

| Indicators | M | SD | VI | QD |
|---|-------------|-------------|-----------|-----------|
| Implements safety equipment and protective devices | 3.47 | 0.61 | SA | HP |
| Provides staff training on emergency response and hazard prevention | 3.52 | 0.59 | SA | HP |
| Maintains fire protection systems (e.g., alarms, extinguishers) | 3.44 | 0.66 | SA | HP |
| Uses financial strategies to minimize potential losses | 3.39 | 0.64 | SA | HP |
| Coordinates with experts/agencies for risk reduction | 3.41 | 0.62 | SA | HP |
| Average | 3.45 | 0.62 | SA | HP |

Table 5 shows that risk mitigation practices were rated “highly practiced” (M=3.45). Staff training on emergency response had the highest mean (M=3.52), indicating strong emphasis on building human resource preparedness. Financial strategies scored slightly lower (M=3.39), suggesting that establishments invest more in physical and operational measures than in financial risk management. These findings highlight the sector’s prioritization of safety training and equipment, though financial and partnership-based mitigation strategies require further reinforcement.

Table 6. Risk Management Practices in Terms of Risk Monitoring

| Indicators | M | SD | VI | QD |
|--|-------------|-------------|-----------|-----------|
| Reviews and updates risk management plans regularly | 3.40 | 0.65 | SA | HP |
| Conducts periodic inspections and audits | 3.36 | 0.66 | SA | HP |
| Communicates risks to stakeholders effectively | 3.34 | 0.70 | SA | HP |
| Uses performance indicators to evaluate risk management effectiveness | 3.31 | 0.72 | SA | HP |
| Updates strategies based on emerging threats and environmental changes | 3.33 | 0.68 | SA | HP |
| Average | 3.35 | 0.68 | SA | HP |

Table 6 reveals that risk monitoring practices were also “highly practiced” (M=3.35), though they registered the lowest overall mean among the four dimensions of risk management. Regular plan reviews (M=3.40) were the most observed practice, while using performance indicators (M=3.31) was the least. This suggests that while hotels and resorts routinely review and communicate risk plans, systematic measurement tools for evaluating effectiveness are less emphasized. Continuous adoption of performance metrics could improve evidence-based monitoring and decision-making.

Table 7. Effects of Risk Management Practices on Hotel Reputation

| Indicators | M | SD | VI | QD |
|---|-------------|-------------|-----------|-----------|
| Builds positive brand image and credibility | 3.55 | 0.60 | SA | HE |
| Enhances guest trust and loyalty | 3.53 | 0.62 | SA | HE |
| Improves competitive advantage in the market | 3.47 | 0.64 | SA | HE |
| Protects establishment from reputation damage during crises | 3.50 | 0.59 | SA | HE |
| Average | 3.51 | 0.61 | SA | HE |

Table 7 shows that the effects of risk management on hotel reputation were rated “highly effective” (M=3.51). Building brand image and credibility (M=3.55) and strengthening guest trust (M=3.53) were the strongest indicators. This confirms earlier studies emphasizing that effective risk practices enhance reputation and customer confidence (Achaba & Alami, 2019). Hotels and resorts that prioritize safety and preparedness gain a reputation advantage, which contributes to sustained competitiveness.

Table 8. Effects of Risk Management Practices on Perceived Quality

| Indicators | M | SD | VI | QD |
|---|-------------|-------------|-----------|-----------|
| Improves overall guest satisfaction | 3.49 | 0.63 | SA | HE |
| Increases perception of service reliability | 3.46 | 0.65 | SA | HE |
| Enhances cleanliness, safety, and physical environment | 3.50 | 0.60 | SA | HE |
| Provides assurance of consistent and high-quality service | 3.47 | 0.62 | SA | HE |
| Average | 3.48 | 0.63 | SA | HE |

Table 8 reveals that perceived quality was also rated “highly effective” (M=3.48). Enhancing cleanliness, safety, and environment (M=3.50) and guest satisfaction (M=3.49) were the most emphasized factors. These findings align with Ali et al. (2021), who found that effective risk management strengthens dimensions of service quality such as reliability, assurance, and responsiveness. Thus, risk management contributes directly to the perceived quality of guest experiences.

Table 9. Effects of Risk Management Practices on Financial Performance

| Indicators | M | SD | VI | QD |
|---|-------------|-------------|-----------|-----------|
| Improves revenue stability and profitability | 3.42 | 0.67 | SA | HE |
| Reduces losses from operational disruptions | 3.45 | 0.63 | SA | HE |
| Enhances long-term financial sustainability | 3.40 | 0.65 | SA | HE |
| Strengthens investor and stakeholder confidence | 3.44 | 0.66 | SA | HE |
| Average | 3.43 | 0.65 | SA | HE |

Table 9 shows that risk management practices were perceived as “highly effective” in improving financial performance (M=3.43). Reducing operational losses (M=3.45) was the strongest indicator, highlighting the economic benefits of preparedness. These findings are consistent with Rajendran et al. (2023), who emphasized that risk management contributes to financial stability and sustainability in hospitality organizations.

Table 10. Significant Differences in Risk Management Practices by Business Profile

| Business Profile Factor | F-value | p-value | Decision |
|-------------------------|---------|---------|-------------|
| Type of Property | 4.32 | 0.018 | Significant |
| Location | 3.89 | 0.024 | Significant |
| Number of Employees | 5.01 | 0.011 | Significant |
| Years of Operation | 2.76 | 0.041 | Significant |

Table 10 shows significant differences in risk management practices when grouped by business profile. The differences were observed across type of property, location, number of employees, and years of operation, with all p-values less than 0.05. This implies that organizational characteristics influence how risk practices are implemented. Larger and more established businesses tend to adopt more systematic practices, while smaller or newer establishments may have less structured approaches.

Table 11. Significant Differences in Risk Management Practices by Demographic Profile

| Demographic Factor | F-value | p-value | Decision |
|------------------------|---------|---------|-----------------|
| Age | 1.94 | 0.047 | Significant |
| Sex | 0.85 | 0.362 | Not Significant |
| Educational Attainment | 2.33 | 0.039 | Significant |
| Position | 4.21 | 0.015 | Significant |
| Years in Service | 3.02 | 0.028 | Significant |

Table 11 reveals that age, educational attainment, position, and years in service were associated with significant differences in perceptions of risk management practices. However, sex did not yield significant differences (p=0.362). This suggests that risk management awareness and practice are shaped more by experience and organizational role than by gender.

Table 12. Correlation Between Risk Management Practices and Hotel Attributes

| Hotel Attribute | ρ (Spearman's) | p-value | Decision |
|-----------------------|---------------------|---------|-------------|
| Hotel Reputation | 0.642 | 0.000 | Significant |
| Perceived Quality | 0.618 | 0.000 | Significant |
| Financial Performance | 0.587 | 0.000 | Significant |

Table 12 shows significant positive relationships between risk management practices and all three hotel attributes: reputation ($\rho=0.642$), perceived quality ($\rho=0.618$), and financial performance ($\rho=0.587$). These results indicate that establishments with stronger risk practices are more likely to achieve favorable outcomes in terms of image, service quality, and financial sustainability. The findings reinforce the view that risk management is not merely protective but also strategic, contributing to long-term organizational success.

6. Summary of Findings

The study investigated the risk management practices of selected hotels and resorts in Surigao del Norte and their effects on hotel attributes. Results indicated that most establishments were hotels located in urban centers, generally operating with fewer than 30 employees and between 6–15 years in business. Respondents were predominantly young, female, and undergraduate employees, with a majority serving less than four years in their establishments.

Risk management practices across four dimensions—identification, assessment, mitigation, and monitoring—were rated as “highly practiced.” Fire safety preparedness, natural disaster readiness, and staff emergency training were consistently emphasized, while food safety and the use of performance indicators in monitoring were less practiced.

In terms of effects, risk management was found to be “highly effective” in improving hotel reputation, perceived quality, and financial performance. Guests’ trust and satisfaction, as well as reductions in operational losses, were among the strongest indicators. Significant differences were observed in risk practices when grouped by business profile factors (type of property, location, workforce size, and years of operation) and demographic profile factors (age, educational attainment, position, and years in service). No significant differences were found with respect to sex. Furthermore, strong positive correlations were established between risk management practices and hotel reputation, perceived quality, and financial performance.

7. Conclusion and Recommendations

Conclusion

The findings suggest that the hospitality industry in Surigao del Norte has integrated risk management into its operations, with varying levels of depth depending on organizational characteristics. Larger and more established hotels generally demonstrated stronger practices compared to smaller or newer establishments. Employees’ roles, experience, and education also shaped their perceptions of risk management. The study concludes that risk management practices are not only protective measures but also strategic tools that enhance organizational performance. Effective implementation strengthens reputation, improves perceived service quality, and contributes to financial sustainability. The positive correlations between risk practices and hotel attributes affirm that proactive risk management is essential for competitiveness in a tourism-dependent region exposed to natural hazards.

Recommendations

The study recommends that hotels and resorts in Surigao del Norte institutionalize formal risk management teams to ensure systematic identification, assessment, mitigation, and monitoring of risks. Establishing designated teams would strengthen accountability and create a culture of preparedness within organizations, thereby enhancing both safety and operational continuity.

Page | 12

Greater attention must also be directed toward food safety programs, as this dimension was found to be less emphasized compared to other risk practices. Regular training on hygiene, sanitation, and the adoption of Hazard Analysis and Critical Control Points (HACCP) systems should be prioritized to minimize food-borne health risks. This would not only protect guests but also reinforce consumer trust in service quality.

Risk monitoring tools require further enhancement, particularly through the adoption of measurable performance indicators and digital systems that can track and evaluate the effectiveness of existing practices. Systematic monitoring enables evidence-based decision-making, ensuring that establishments remain responsive to evolving threats and environmental changes.

Capacity-building initiatives are likewise crucial. Regular seminars, workshops, and continuous professional training should be conducted for employees at all levels. Such programs will enhance staff knowledge and skills, reduce workforce turnover impacts, and ensure consistency in the application of risk management practices across departments.

Finally, the development of tailored intervention programs should be encouraged to address the unique needs of both urban and suburban establishments. Local government units, tourism offices, and academic institutions should collaborate with the hospitality sector to integrate research-based practices into policy frameworks and educational curricula. This partnership would align industry needs with academic training while promoting sustainable, risk-resilient tourism development.

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