MEASURING THE ORGANIZATIONAL RESILIENCE OF HOTELS IN THE ECONOMIC CRISIS IN SRI LANKA

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Abstract

The tourism industry deals with facing different alterations as a response to the socio-economic circumstances such as Covid-19, economic crises and terrorist attacks due to the industrial complexity. Therefore, it causes a significant effect on every branch of the sector including hotel industry. In this context, the current economic crisis also has an impact on the tourism fields and the hotel sector. Therefore, this survey study aims to measure organizational resilience through predictors of resilience, i.e. strategy and change, and to assess how organizational resilience contributes to the performance of hotels in the Western and Sothern provinces of Sri Lanka in the economic turbulence. Data was collected via questionnaire from the hotel managers of 36 above 3-star hotels. And, convenience sampling was used and data was analyzed using SPSS software. To identify the relationships between predictors, correlation and regression analysis were used and to test the hypotheses, hypothesis testing was used. Findings emphasize that the resilience predictors have a considerable effect on hotel resilience and resilience positively influences the hotel performance in the economic crisis in Sri Lanka. This study extends to providing a framework to identify organizational resilience and its effect on hotel performance in the economic crisis in Sri Lanka, giving hotel managers better idea of how to be adapted to environmental changes. Also, the study is valuable to the knowledge of how hotels should be managed in a period of economic crisis.

Keywords: Organizational Resilience, Hotel, Economic Crisis, Performance

Introduction

Background of the Study

The tourism industry faces different types of changes from time to time such as climate changes, economic crises, health crises (e.g., Pandemics), terrorist attacks, technological malfunctions, disruptions and political changes. The tourism industry is the first industry affected by a crisis while indicating the other industries (Glaesser, 2006). The COVID-19 pandemic is the most recent challenge as a crisis that affected the tourism industry directly. This study has been designed to focus on the economic crisis in Sri Lanka. In a period of economic crisis, the economy of the country faces difficulties for a long time. It is a dramatic fall in the economic performance of the country. Consequently, it leads to a decrease in production and demand, high inflation, increased unemployment and bankruptcy of the business. A period of economic crisis may lead to influence the tourism industry harmfully and it negatively affects international tourist arrivals in the country (Naidoo et al., 2010). The hospitality industry is facing many risks and challenges caused by the economic crisis and the industry shows a higher business failure rate due to economic downturns (Radwan, 2017). The demand for hotels declined and changed consumer behaviors, increasing unemployment and loss the income. It is difficult to manage the declining demand due to the crisis. This has occurred as a result of customers and firms reducing their traveling expenditures (Youn & Gu, 2009). On the other hand, it affected the community that relies on hotels. At high risk in a crisis, a hotel should

ensure its stakeholders' security (guests, staff, management, etc.) and continuity of the daily operations as well as the profitability of the hotel.

Because of unexpected situations such as disaster period, pandemic situations, and economic crises, hotels must be able to manage all unexpected situations and survive in the context of uncertainty. Therefore, they always attempt to develop their resilience capacity to adapt and face effectively to these unexpected circumstances (Lengnick-Hall et al., 2011). In this context, they need to develop their organizational resilience accordingly. Organizational resilience can be defined as "an organization's capacity to continuously develop resources and identify opportunities to increase competitive advantage after a crisis occurs" (Setiaji, 2022).

Research Problem

The tourism and hospitality industry is operating with uncertainties due to socio-economic shocks such as economic volatility, political instability, terrorism and pandemic (Oaten et al., 2015). Recently, it has been evidenced in Sri Lanka by the Easter Sunday attack and Covid-19 Pandemic, which has reduced tourist arrivals and affected the industry directly. (Sathiamoorthy et al., 2020 and Suresh et al., 2020). At the end of the Civil war in 2009, the Sri Lanka tourism industry had grown rapidly. That rapid growth was interrupted due to the Easter Sunday Attack in 2019 and the industry suffered a loss of huge tourism revenue. Again the recent COVID-19 outbreak proved to us how vulnerable the situation can arise in the tourism and hospitality industry.

Presently, Sri Lanka is facing an economic crisis due to the current foreign exchange crisis and price hikes coupled with the scarcity of essential items such as gas and fuel (SLTDA, 2022). Foreign debt, foreign exchange crisis and economic mismanagement have caused a high inflation rate and contributed to the current economic crisis in Sri Lanka. The Central Bank of Sri Lanka (CBSL) shows the inflation rate increased from 3.58% (2019) to 6.15% for 2020. Sri Lanka's inflation ultimately hits 14% in December 2021 and it is getting 57.2% in December 2022. (economynext, 2022; CBSL,2022). Now it is getting a higher rate in comparison to recent years. According to Roshana et al. (2020), there is a vast effect on the Sri Lankan economy due to COVID-19 affection. And this pandemic situation directly affected the tourism industry. The annual report of the Sri Lanka Tourism Development Authority (2019) shows over 1.9 million tourist arrivals in Sri Lanka. The economic crisis in a country is one of the significant factors affecting the tourism industry (Kapiki, 2012). Now the economic crisis is severely affecting the tourism industry in Sri Lanka in many fields including hotels. The tourist arrivals have been reduced drastically in 2020 and 2021 recording approximately 570,000 and 194,495 respectively because of the pandemic situation. In 2022, there have been dramatically reduced tourist arrivals compared to previous years mainly due to the progressing economic crisis. Due to this fluctuations of the tourist arrivals, tourism industry should implement resilience mechanisms to minimize and/or overcome the impact of the economic crisis. Hence, this research focuses to identify organizational resilience of hotels through the predictors of resilience and how organization resilience contribute to performance in hotels during the economic crisis in Sri Lanka.

2. Literature Review

Organizational Resilience

In the studies of organizational resilience, many studies have been conducted in this area. When considering organizations, resilience can be viewed as an organization's capacity to respond to external events and as the capability to anticipate such events actively and develop new strategies for responding (Gilly et al., 2014). Seville et al. (2008) define organizational resilience as the ability of an organization to "survive and potentially even thrive, in times of crisis". Recently organizations are more focused on their ability to react to crises. However, organizations always try to maintain and allocate resources to build resilience within the organization (Stephenson

et al., 2010). Dalziell and McManus (2004) have argued organizational resilience is important because organizational resilience and community resilience are interdependent. Further, Lee et al. (2013) explain community depends on the employment of organizations. Therefore, there is a link between community resilience and organizational resilience. According to McManus et al. (2008), organizational resilience directly contributes to the success of community recovery in a crisis or disaster situation.

Organizational resilience has become a critical factor over the decades. The hotel sector is very vulnerable due to industrial complexity and uncertainty. Therefore, hotel organizations have to respond to worldwide changes (Brown et al., 2019). Many authors have discussed organizational resilience within the hotel sector from different perspectives. Njuguna (2021) has examined organizational resilience in Kenyan hotels by assessing the role of recruitment and employee training. The study findings have emphasized these human resource practices had a significant role in developing hotels' organizational resilience. Moreover, the relationship between organizational resilience and work engagement of hotel employees by Unguren and Kacmaz (2022). They found that the work engagement of hotel employees exposed organizational resilience. Another study on Australian hotel organizations and their organizational resilience during the Covid-19 pandemic investigated the level of organizational resilience of the hotels and resulted in a strong level of acceptance of and desire for risk management practices of crisis management. (Pittello, 2021). On the other hand, the measures of disaster resilience within the hotel sector in a quantitative approach by Brown et al. (2019) and identify positive attributes of disaster resilience within the hotel sector in New Zealand by capital investigation including economic, social, human, physical, natural and cultural. Finally, they provided a clear understanding of disaster resilience within hotels and identified lack of resources leads to breaking the hotel resilience due to disasters. The study of Lvkov et al. (2019) on natural disaster versus hotel resilience, found previous experiences have a positive effect on hotel resilience. Moreover, they emphasize that hotels must anticipate and respond to disasters to ensure hotel's resilience with business sustainability. Cellini and Cuccia (2015) interpret the resilience of the tourism industry to the economic crisis. However, they specifically focused on only the economic resilience of the industry with addressing the hotel sector. As above, there are several types of research conducted on human resources, natural disasters, and health danger perspectives on organizational resilience within the hotel sector.

Predictors of Resilience

Melián-Alzola et al. (2020) identified predictors of resilience from the review of resilience literature. As a result, the model of predictors of hotel resilience has consisted of two factors "Strategy" and "Change". "Strategy" is referred to the hotel's behaviors planned or aimed in accordance with its past, current and future context. In this regard, strategic planning can be identified as a characteristic of resilient organizations that allows the adaption to environmental circumstances (Oliveira, 2013). And, Brown et al. (2019) interpret past experiences on previous crises to help to learn and better decision-making and improve organizational resilience. Therefore, Patriarca et al. (2018) state past experiences of failures and successes are helpful to learn and important for organizational resilience. Moreover, they have mentioned that learning improves creative knowledge and directs the management of unexpected situations. Another key determinant of organizational resilience is stakeholder cooperation found by Brown et al. (2019) and Orchiston et al. (2016). In this regard, emphasizing that building collaboration among partners, group panning and genuine information sharing is important as well as encouraging collaboration with an external agent is also important for resilience success. As above statement empirically demonstrates the strategy of organizational resilience.

"Change" refers to describing new ways to move forward and be competitive in an uncertain situation that an organization is faced with. In this regard, different actions were suggested by the authors. Sabahi and Parast (2020) state that an innovative climate enhances organizational resilience, as well as creativity, and also has a positive role in organizational resilience to disruptions because innovations and creativities have capable of risk management.

Moreover, Marwa and Milner (2013) identified that creativity contributes to organizational resilience positively. Quality management solutions help organizational resilience in the face of disruptive occurrences such as an economic crisis (Marwa, 2012). As a result, the organization should stimulate and encourage the staff member to feel confident in suggesting and testing new ideas and creative solutions. Therefore, organizational resilience needs employees to adapt to innovation and creative solutions. On other hand, resilience is one of the components of learning. Organizations should invest in learning to improve their resilience capabilities (Marwa, 2012). Thus, organizations need to be concerned regarding learning in an uncertain setting. According to Ma et al. (2018), the capability to change is a key factor in developing organizational resilience in unexpected events.

Hotel Performance

Zahari et al. (2021) conducted the study based on a 120-questionnaire survey on the relationship between organizational resilience and organizational performance. They found that organizational resilience significantly contributes to organizational performance. Moreover, organizational resilience is continuously affecting the performance of the business during a crisis situation (Lee et al., 2013). Prayag et al. (2018) examined how planned resilience and adaptive resilience affect the financial performance of tourism business firms. According to them, when planned resilience and adaptive resilience are independently muddled, adaptive resilience significantly affects financial performance. Also, De Carvalho et al. (2016) state in terms of financial performance, innovative organizations are resilient and capable to survive in a crisis situation. This is measured by using economic indicators such as return on assets and return on equity. According to Chowdhury et al. (2019), resilient organizations build the capabilities and resources needed to make decisions in an uncertain situation. Therefore, they emphasize organizational resilience improves organizational performance. Considering the hotel context, Triatmanto and Wahyuni (2020), conducted research on the impact of organizational resilience on the performance of hospitality industry organizations in Indonesia. They found that hospitality organization performance can be improved when an organization makes changes. And, they state that organizational resilience has a significant influence on organizational change in improving organizational performance in the hospitality industry. Hamsal et al. (2022) examined the impact of organizational resilience on hotel performance during the pandemic Covid-19. The authors tested using 194 hotels using structural equation modeling. They finally found that there is no significant effect of organizational resilience on performance in hotels in Indonesia. Also, Marco-Lajara et al. (2022) conducted their study on rural hotel resilience during Covid-19 with a quantitative approach. Their results demonstrated a positive and significant effect of resilience on hotel performance. As above arguments, the authors have discussed organizational resilience and organizational performance.

3. Research Methodology

Research Site

According to Sri Lanka Tourism Development Authority's (SLTDA) (2022) registered classified hotels, 154 number of hotels are registered as classified tourist hotels in Sri Lanka. In that, a number of 80 hotels are identified as 3-star and above. Considering the above 3-star hotels, a number of 27 hotels are located in the Western province. And a number of 15 hotels are in Sothern province. According to SLTDA interpretation of regions, Western and Sothern provinces are consisting of the Down South region (i.e., Kalutara, Galle, Hambantota and Matara districts), Colombo city region and Grater Colombo region (i.e., area of Colombo to Negombo and area of Colombo to Mt Lavinia). As per the annual statistical report 2019 of the Sri Lanka Tourism Development Authority, the accommodation capacity of the down south region is getting the highest accommodation capacity in Sri Lanka at 35.02%. Moreover, Colombo city and Grater Colombo regions had 22.71% and 12.29% respectively. The reason for selecting the hotels of Western and Sothern provinces for the study is that these regions recorded

the highest occupancy rate in tourist hotels of 59.68% (i.e., Down South), 58.74% (i.e., Colombo city) and 57.90% (i.e., Greater Colombo) comparing to other regions that hotels are located in Sri Lanka.

Research Approach

Three types of research approaches can be identified as quantitative, qualitative and mixed approaches. Among them, the quantitative research approach is used to conduct the research study because the study is regarding the measuring of organizational resilience of the hotels in Sri Lanka by using primary quantitative data. The quantitative research approach is applied for testing objectives by examining the relationship among variables in numerical values (Creswell, 2014). Furthermore, the variables of quantitative research can be measured and are involved in statistical analysis, which provides numerical outcomes to construct the conclusion and test the validity of the hypothesis. In this study, hypotheses were developed and tested in a quantitative research approach by using numbers rather than in terms of using words. Therefore, an opportunity was got to follow up on respondents' responses in real-time, generating valuable discussion regarding the study area. In this research study, hotel resilience and hotel performance are measured using quantitative data collection in the survey. Considering the methods of inductive and deductive reasoning approaches, the deductive approach was used because, the research study began with general and ended with specific arguments based on analytical rules and accepted principles (Soiferman, 2010).

Research Design

When considering quantitative research designs, two types of research designs can be identified as experimental designs and non-experimental designs such as surveys. Researchers should give their attention to selecting the correct research design due to the selected design should provide correct information for the research questions and objectives. According to this study, a non-experimental (survey research design) research design is developed to carry out the research study because, in the non-experimental survey, variables are measured as they naturally occur without further manipulation. Survey research provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample population (Fowler, 2008). There are three main types of non-experimental research designs namely; cross-sectional research, correlation research and observational research. Here, the correlational research design is used to discover results by comparing the statistical relationship between strategy and change with hotel resilience and the statistical relationship between hotel resilience and hotel performance.

Sampling and Data Collection

According to SLTDA registered classified tourist hotels in Western province and Sothern province of Sri Lanka (2022), 42 tourist hotels are above the 3-star category can be identified including Colombo, Gampaha, Kalutara, Galle, Hambantota and Matara districts. In the study, 18 hotels in the Colombo district and Galle district were visited and 16 hotels responded to the questionnaire. 15 hotels in the Western province and Southern provinces were sent the questionnaire via e-mail and only 11 respondents responded to the online questionnaire. Moreover, 9 hotels are contacted by associates and collagenous to distribute the questionnaire via e-mail and WhatsApp. Finally, 36 responses from the senior level management members of the above 3-star hotels in Western province and Sothern province of Sri Lanka including front office managers, marketing managers, human resource managers, food & beverage managers, learning and development manager and other heads from operational and functional departments were received for the study. Therefore, the responses rate was 85.7%.

The sample units were obtained from the hotel management to measure the organizational resilience within the hotel sector. Therefore, the convenience sampling technique is used in this research. The convenience sampling technique is a type of non-probability sampling in which members of the target population that meet certain

practical requirements, such as easy accessibility, geographic proximity, availability at a given time, or willingness to participate are included for the purpose of the study (Etikan, 2016). It also refers to the studying subjects of the population that are easy for the researcher to access and obtain. Further due to the limited time and resources, the samples are allocated based on the convenience sampling technique for the study.

Data collection consists of a questionnaire that is divided into two main sections. The first section focus on hotel characteristics data and the second section is regarding how your hotel acts to cope and be resilient with the current economic crisis and assesses the performance of hotels in the last 6 months. The questionnaire was designed with closed-ended questions including alternate response types, multiple choice types and rating-type questions. Questionnaires were distributed to the hotel managers of the hotels above 3-star in Southern and Western provinces in Sri Lanka. And, the respondents were at the management level of the above 3-star hotels including the front office manager, marketing manager, human resource manager, learning and development manager and other executive managers. The purpose of the questionnaire was to obtain a determination of organizational resilience in hotels in Sri Lanka. For the collection of quantitative data, questionnaires were used on the five-point Likert scale. The questionnaire developed strategy and change as predictors of hotel resilience. The "Strategy" dimension outlines important steps for defining organizational goals and plans in the face of an economic crisis. The "Change" dimension embodies the organization's motivation and intention for progress, change, and renewal in the economic crisis. Each resilience predictor item was scored on a five-point Likert scale, with 1 being the lowest score and 5 being the highest. As a result, this research suggests a construct to evaluate hotel resilience. The level of operational and strategic organizational adaptation to the economic crisis situation, leading to a new equilibrium point at which organizations emerge reinforced, was measured by the hotel industry. The hotel resilience measurement scale consists of three items that were scored on a Likert scale with a range of 1 to 5. The performance of hotels is assessed in this study using both economic and tangible indicators. A five-point Likert scale, with a scale of 1 (extremely low) to 5 (very high), was used to evaluate every aspect of hotel performance.

Table 1: Rule of thumb for interpreting the Correlation Coefficient

Size of correlation	Interpretation
0.90 to 1.00 (-0.90 to -1.00)	Perfect positive (negative) correlation
0.70 to 0.90 (-0.70 to -0.90)	Strong positive (negative) correlation
0.50 to 0.70 (-0.50 to -0.70)	Moderate positive (negative) correlation
0.30 to 0.50 (-0.30 to -0.50)	Low positive (negative) correlation
0.00 to 0.30 (0.00 to -0.30)	Negligible correlation

Source: (Mukaka, 2012)

Data Analysis and Management

The statistical analysis method is used to analyze collected data which is statistical package for social science (SPSS). Firstly, the reliability test was evaluated to measure the data reliability, and the validity test was conducted using the KMO measure and Bartlett's Test of Sphericity to measure the validity of the questionnaire as a part of the analysis.

According to Sedgwick (2012), Pearson's correlation coefficient measures the strength of a linear relationship between two variables. The Pearson correlation coefficient, also known as the coefficient of correlation at the moment of production, is represented by r in a sample and it is represented by ρ in the sample drawn population. Using correlation coefficient analysis, it is possible to identify whether two variables or a variable has a positive

relationship or a negative relationship. Therefore, the relationship can be evaluated by the rule of thumb for interpreting the Correlation Coefficient (Refer to table 1).

Furthermore, regression analysis is tested using SPSS to identify the relationship between the dependent variable and one or more predictor variables and variance. Here, simple linear regression and multi-linear regression were evaluated. Multi-linear regression was evaluated to explain the relationship between resilience predictors and hotel resilience. And, single linear regression was tested to explain the relationship between hotel resilience and hotel performance. Moreover, the hypothesis was tested using the coefficients analysis. The purpose of testing the hypothesis is to elaborate on whether the developed hypothesis is rejected or approved. Here, it is identified whether there is an effect or not.

Research Hypothesis

This study works on three hypotheses and the developed conceptual framework is displayed in Fig. 1.

Hypothesis 1: "Strategy" dimension positively influences hotel resilience.
Hypothesis 2: "Change" dimension positively influences hotel resilience.
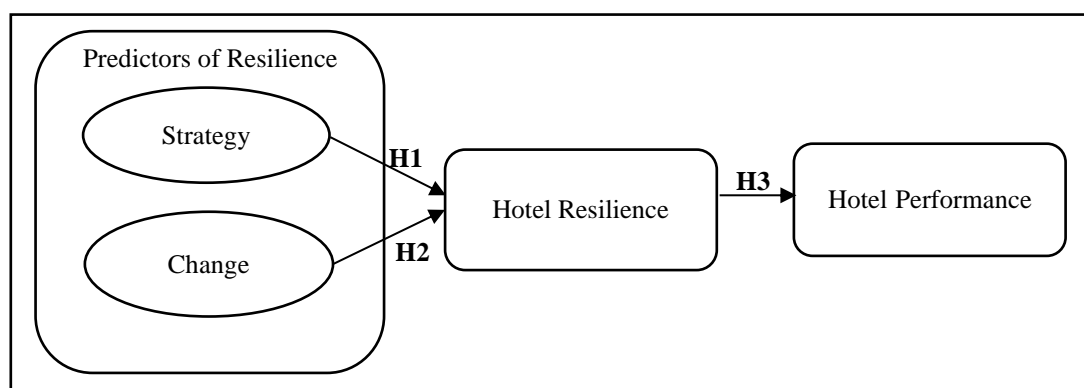Hypothesis 3: Hotel resilience positively influences hotel performance.

Fig. 1 Conceptual Framework
Source: Developed based on (Melián-Alzola et al., 2020)

3. Results and Discussion

Profile of Respondents

In the study, the samples were collected from the above three-star hotels in Western province and Sothern province, Sri Lanka. According to that, 41.7% of hotels were 5 stars, 30.6% of hotels were 4 stars and 27.8% of hotels were 3 stars respondent hotels. 69.4% were hotels belonged to a hotel chain as well as 30.6% of hotels are operated independently in Western province and Sothern province. 13.9% of hotels are less than 5 years old. 27.8% of hotels are between 6 to 10 years old. Hotels between 11 to 15 years old scored about 8.3% of hotels in the total sample. And, 5.6% of hotels were represented between 16 to 20 years of operation. The highest number of hotels are operated for above 20 years. It represents about 44.4% of respondent hotels. Considering the size of the hotels, 16.7% of the respondents were managers of hotels with less than 100 employees. 13.9% were hotels with 101-150 employees and 151-200 employees represented 16.7% of hotels from the total sample. 19.4% of hotels showed 201-250 employees and the largest-sized hotels represented 33.3% of hotels with above 250 employees (Refer to table 2).

Reliability and Validity Test

Reliability is an important concept in the measurement criteria of a questionnaire (Singh, 2017). Chronbach's alpha is the most commonly used measure of the internal consistency reliability of a questionnaire. Internal consistency reliability concerns consistency among the questions (Singh, 2017). The reliability coefficient can range from 0 to 1, with the value of α (alpha) which is more than 0.9 representing excellent reliability, between 0.89 and 0.80 representing good reliability, between 0.79 and 0.70 representing acceptable reliability, between 0.69 and 0.60 representing questionable reliability, between 0.59 and 0.5 represents poor reliability and less than 0.50 represents unacceptable reliability (Gliem & Gliem, 2003). In the study, reliability was evaluated using Chronbach's Alpha as an estimate of the internal consistency of the construct (Refer to table 3), whereas a value above 0.7 indicates acceptable reliability (Hair et al, 2011).

Table 2: Sample Profile

Hotel characteristics	Categories	Percentage
Hotel category	3 Star	27.8
	4 Star	30.6
	5 Star	41.7
The hotels belong to a hotel chain	Yes	69.4
	No	30.6
Age (Years of the operation)	Less than 5	13.9
	6-10	27.8
	11-15	8.3
	16-20	5.6
	Above 20	44.4
Size (Number of employees)	Less than 100	16.7
	101-150	13.9
	151-200	16.7
	201-250	19.4
	Above 250	33.3

Source: Survey data, 2022

Table 3: Reliability Test

Variable	Cronbach's Alpha	No, Items
Strategy	.774	5
Change	.894	6
Hotel resilience	.732	3
Hotel performance	.794	4

Source: Survey data, 2022

The validity of the study is dependent on systematic errors (Singh, 2017). In the study, the construct validity was verified with Keiser – Meyer – Olkin (KMO) measure and Bartlett's sphericity test. KMO measure of sampling adequacy and Bartlett's sphericity test can be used to verify the appropriateness of factor analysis to test the construct validity. KMO of sampling is adequate or sufficient to conduct the analysis and it should be greater than

0.5 (Field, 2000). And, the significant level of Bartlett's sphericity test is less than 0.05 (Field, 2000). In the study, the dimensionality of the constructs is assessed by dimensions of predictors of resilience, hotel resilience, and hotel performance. KMO measure of sampling adequacy for all variables is greater than 0.5. KMO for Strategy dimension is 0.701, Change dimension indicates 0.778, Hotel resilience is 0.653 and Hotel performance indicates 0.584. Results of Bartlett's sphericity test indicate that all the constructs are significant at 0.000, which is le than 0.05 (Refer to table 4).

Table 4: KMO and Bartlett's Test

| Construct | KMO | Bartlett's Test of Sphericity | | |
		Approx. Chi-Square	Df	Sig.
Strategy	.701	58.202	10	.000
Change	.778	128.048	15	.000
Hotel Resilience	.653	23.839	3	.000
Hotel Performance	.584	53.136	6	.000

Source: Survey data, 2022

Correlation Analysis

The study has been developed with the objective of identifying the organizational resilience of hotels in the current economic crisis in Sri Lanka. The study was constructed based on past literature to achieve the stated objective. Hotel resilience can be measured by the strategy and change dimensions as predictors, and hotel performance was measured by hotel resilience. As a result, the focus of this study was on how strategy and change influence hotel resilience, and how hotel resilience influences hotel performance in the context of the economic crisis in Sri Lanka. It has primarily employed the linear regression analysis model to achieve the study's objective. Further, the study employed Pearson's Correlation Analysis (r) to discover the link between the variables prior to determining the influence of the independent variable on the dependent variable.

According to the correlation analysis, all of the independent variables have a positive correlation with the dependent variables. The strategy dimension has a strong positive correlation with hotel resilience (0.760). The change dimension has a strong positive correlation with hotel resilience (0.799). At the same time, hotel resilience has a moderate positive correlation with hotel performance (0.684) (Refer to table 1 & 5). The correlation value for hotel resilience with hotel performance is low compared to the other two correlation values as a strategy with hotel resilience and change with hotel resilience. However, all of the correlation values represent a positive correlation.

Regression Analysis

The regression analysis is helping in understanding the relationship between the dependent variable and one or more predictor variables. The relationship between strategy and change (the independent variables) with hotel resilience (the dependent variable). In this case, R shows that the variables as strategy and change are 82.6% (0.826) predicting the hotel resilience as well as the hotel resilience is 68.4% (0.684) predicting the hotel performance (Refer to table 6 & 7).

When discussing the values of R-Squared (R^2), it is a statistical measure in a regression model that determines the proportion of variance in the dependent variable that can explain by the independent variable. According to the research findings, there is a 68.3% variance in hotel resilience that can be explained by the strategy dimension and

change dimension. As well as, there is a 46.8% of variance in hotel performance that can be explained by hotel resilience (Refer to table 6 & 7).

In this research, linear regression models were used to test the research objective of the study. Using the multiple linear regression (Refer to table 8), the research found that if the strategy and change values are zero, hotel resilience is 0.358. Furthermore, according to this research, considering the change is held constant, the hotel resilience (Y_{HR}) will be increased by 37.3% (0.373) if the strategy ($\beta_S X_S$) increases by one present (1%). And, if the strategy is held constant, the hotel resilience will be increased by 44.7% (0.447) if the change ($\beta_C X_C$) dimension

Table 5: Correlations

		Strategy	Change	HR	HP
Strategy	Pearson Correlation	1		.760**	
	Sig. (2-tailed)			.000	
	N	36		36	
Change	Pearson Correlation		1	.799**	
	Sig. (2-tailed)			.000	
	N		36	36	
HR	Pearson Correlation	.760**	.799**	1	.684**
	Sig. (2-tailed)	.000	.000		.000
	N	36	36	36	36
HP	Pearson Correlation			.684**	1
	Sig. (2-tailed)			.000	
	N			36	36

**. Correlation is significant at the 0.01 level (2-tailed).
Note: HR: Hotel Resilience; HP: Hotel Performance
Source: Survey data, 2022

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.826ᵃ	.683	.664	.31664

a. Dependent Variable: Hotel Resilience
b. Predictors: (Constant), Change, Strategy
Source: Survey data, 2022

increases by one percent. Likewise, considering the change is held constant, the hotel resilience (Y_{HR}) will be decreased by 37.3% (0.373) if the strategy ($\beta_S X_S$) decreases by one percent. And, if the strategy is held constant, the hotel resilience will be decreased by 44.7% (0.447) if the change ($\beta_C X_C$) dimension decreases by one present.

Therefore, a multiple linear regression model was developed as follows.

$$Y_{HR} = 0.358 + 0.373X_S + 0.447X_C + et \qquad (1)$$

Where Y_{HR} is the dependent variable (Hotel resilience), β_0 is a constant term, X_S is the independent variable (strategy dimension), X_C is the independent variable (change dimension), and it is the error term.

Table 7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.684a	.468	.452	.44755

a. Dependent Variable: Hotel Performance

b. Predictors: (Constant), Hotel Resilience

Source: Survey data, 2022

Table 8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.358	.442		.810	.424
	Change	.447	.135	.530	3.306	.002
	Strategy	.373	.175	.341	2.131	.041

Note: Significant level – p < 0.05

Source: Survey data, 2022

Therefore, a multiple linear regression model was developed as follows.

$$Y_{HR} = 0.358 + 0.373X_S + 0.447X_C + et \qquad (1)$$

Where Y_{HR} is the dependent variable (Hotel resilience), β_0 is a constant term, X_S is the independent variable (strategy dimension), X_C is the independent variable (change dimension), and it is the error term.

Using the simple linear regression (Refer to table 9), the research found that if the hotel resilience value is zero, hotel performance (Y_{HP}) is 0.729. According to this research, if hotel resilience (X_{HR}) is increased by one percent, hotel performance is increased by 75.8% (0.758). On the other hand, if the hotel resilience is decreased by one present, hotel performance is also decreased by 75.8%. Hence, the simple linear regression model was developed as below.

$$Y_{HP} = 0.729 + 0.758X_{HR} + et \qquad (2)$$

Where Y_{HP} is the dependent variable (hotel performance), β_0 is the constant term, X_{HR} is the independent variable (hotel resilience), et is the error term.

Hypothesis Testing

The study has tested the hypothesis to identify the organizational resilience of hotels in the current economic crisis in Sri Lanka. Strategy, change, hotel resilience and hotel performance were assessed as a part of the organizational resilience of the hotel sector to measure the organizational resilience of the hotel sector in the economic crisis in Sri Lanka.

been performed to measure all hypotheses according to the study's hypotheses. According to the hypothesis testing, it can be identified that the strategy dimension has a significant effect on hotel resilience and the change dimension also has a significant effect on hotel resilience. It can be concluded that the resilient predictors have a significant effect on hotel resilience due to the significant p-value being less than the significant level ($p < 0.05$) (Refer to table 8 & 9). Further, considering the hypothesis testing, it can be identified as hotel resilience has a positive effect on hotel performance. Since the significant p-value is less significant level, it can be concluded that hotel resilience has a significant effect on hotel performance.

Table 9: Coefficients

All of the hypotheses were found to fail to reject based on the evidence presented. Simple linear regression has

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
2	(Constant)	.729	.516		1.413	.167
	Hotel Resilience	.758	.139	.684	5.467	.000

Note: Significant level - $p < 0.05$

Source: Survey Data, 2022

4. Conclusion & Implication

The broad scope of this study is conducted to identify the organizational resilience of hotels in the economic crisis in Sri Lanka. The indicators linked to the predictors of resilience have a significant effect and positive relationship between strategy and change with hotel resilience. Thus, it can be concluded that the hotels in Sri Lanka are organizationally resilient to the current economic crisis in Sri Lanka considering hotels' strategy and change. On other hand, hotel resilience has a significant and positive relationship with hotel performance. The results indicate, that although hotels are resilient, the performance of hotels is at a moderate level. Finally, based on the study, it can be concluded that the organizational resilience of the above 3-star hotels in Western province and Sothern province in Sri Lanka are at a considerable level during the current economic crisis in Sri Lanka.

Table 10: Summary of the Hypothesis

	Hypothesis
H1: "Strategy" dimension positively influences hotel resilience	Supported
H2: "Change" dimension positively influences hotel resilience	Supported
H3: Hotel resilience positively influences hotel performance	Supported

According to Melián-Alzola et al (2020), theoretically confirmed that the strategy and change have a considerable effect on hotel resilience and hotel resilience have a positive influence on hotel performance under the industrial uncertainty. In this research study concerned only the economic crisis to implement the study. This study also contributed to confirm that the strategy and change have a considerable effect on hotel resilience. Hotel resilience is positively influenced to the hotel performance in considerable level. In here, researcher have increased the empirical evidence that demonstrates the existence of a positive relationship between resilience and hotel performance with acknowledging Marco-Lajara et al (2022) who introduced the relationship between resilience and hotel performance in order to the rural hotel resilience during Covid-19. To better understand the implication of these findings, a key valuable benefit offered by this study to the hotel sector in Sri Lanka by providing a framework to identify organizational resilience and its impact on hotel performance. Also, this study provides valuable and potential information to entrants to the hotel sector to get a better idea regarding how to be adapted to changes in the environment. Additionally, government and policymakers could be provided awareness to make a decision on hotels and the industry. The contribution of this research study is relevant for hotel sector as well as academia.

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