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Factors Determining Resilience and Performance in Crisis Situations: Exploratory Analysis for Hotel and Restaurant Business in Uzbekistan

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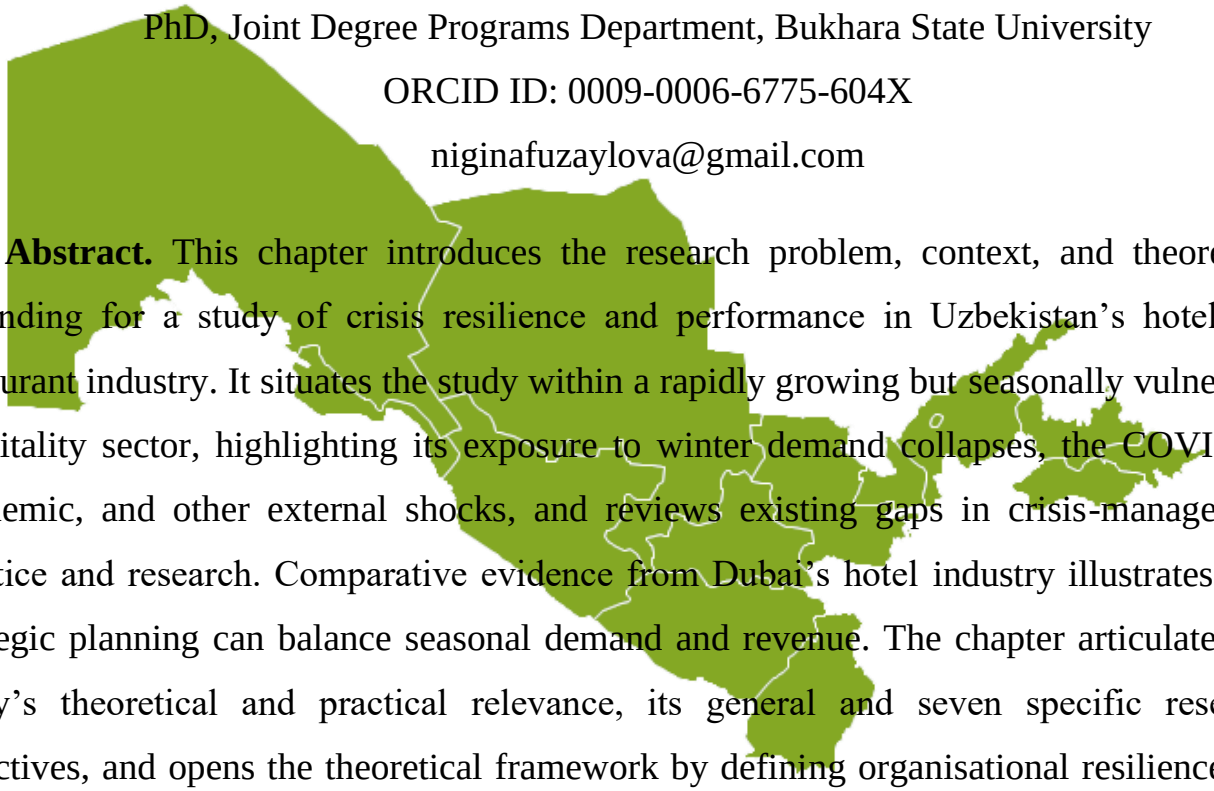


Abstract. This chapter introduces the research problem, context, and theoretical grounding for a study of crisis resilience and performance in Uzbekistan’s hotel and restaurant industry. It situates the study within a rapidly growing but seasonally vulnerable hospitality sector, highlighting its exposure to winter demand collapses, the COVID-19 pandemic, and other external shocks, and reviews existing gaps in crisis-management practice and research. Comparative evidence from Dubai’s hotel industry illustrates how strategic planning can balance seasonal demand and revenue. The chapter articulates the study’s theoretical and practical relevance, its general and seven specific research objectives, and opens the theoretical framework by defining organisational resilience and organisational agility, drawing on the resilience, dynamic-capabilities, and agility literatures to establish the conceptual vocabulary used throughout the dissertation.

Keywords: organizational resilience, hospitality industry, seasonality, crisis management, organizational agility.

Introduction

Uzbekistan’s hospitality industry (encompassing restaurants, hotels, transportation and recreation) represents one of the dynamic yet vulnerable sectors of the economy globally. This research focuses on the hotels and restaurants of Uzbekistan’s hospitality industry. Located in the heart of Central Asia, Uzbekistan has actively pursued the development of

its tourism and hospitality industry since its independence in 1991. The sector carries inherent characteristics such as high dependency on discretionary customer spending, human interaction, and seasonal variation (Tursunmamatovna, 2022), and one of the distinctive features of the sector’s development is rising competition in both the international and national tourism markets. These characteristics make the sector specifically susceptible to external disruptions. Organisational resilience has attracted unprecedented attention in recent years, particularly after the COVID-19 pandemic exposed the fragility of service-oriented sectors worldwide (Harsanto & Firmansyah, 2023). Hospitality is among the major sources of revenue, cultural interaction, and employment worldwide (Sampaio et al., 2024). Uzbekistan’s hospitality industry (including transport, recreation, restaurants and hotels) is both vulnerable and dynamic on a global scale; its growing exposure to domestic and international competition, combined with its dependence on seasonality, human interaction, and discretionary spending, has increased its susceptibility to external disruptions, justifying the urgent need for examination and strategic planning within the sector.

Uzbekistan also faces seasonal downturns linked to climate-change-related challenges (Rakhmatova et al., 2024). The main driver of this seasonal downturn is winter temperature, which can fall as low as –20 °C; during this “dead season,” tourism activity falls markedly.

To understand how Uzbekistan’s hospitality industry can become more resilient and overcome unpredictable challenges and seasonal downturns, it is instructive to examine how other regions, such as Dubai, have dealt with similar issues. Dubai is a relevant comparator because, despite stronger demand seasonality and economic fluctuations, its hotel industry has shown resilience through proper strategic planning. Alrawabdeh (2021) discusses how Dubai has balanced demand and revenue in its hotel industry, noting that very strong demand seasonality requires early planning to prevent revenue declines. Cost-cutting can be tolerated only up to a point, since expenditures have thresholds that cannot be crossed, while raising rates to increase revenue adversely affects demand: in low seasons, travellers are more price-sensitive, and higher fixed rates are likely to turn customers away (Wardman,

2022). To address this compromise between prices, supply, and demand, this research contributes to the existing gap by proposing a framework to help Uzbekistan’s hotels and restaurants not only survive dead seasons and periods of uncertainty such as the pandemic, but also continue generating revenue throughout the dead season by diversifying their revenue streams.

Strategic planning during a crisis is one of the critical determinants of organisational recovery and survival (Mikušová & Horváthová, 2019). The hospitality sector is vulnerable to external shocks owing to operational characteristics such as perishable inventory, labour-intensive operations, and heavy dependence on customer mobility and confidence. According to Steen et al. (2023), strategic planning in crisis situations encompasses anticipatory measures, adaptive response mechanisms, and optimised resource allocation that together allow businesses to maintain operational continuity through periods of crisis and challenge.



Challenges of Crisis Management in Uzbekistan’s Hospitality Industry

Service companies in Uzbekistan must navigate complex challenges such as supply-chain disruptions, customer-safety protocols, and workforce management. In recent years, the hospitality industry has undergone major transformation: the tourism sector contributed around 2.61% of Uzbekistan’s GDP in 2018, an increasing share (Allaberganov et al., 2021). Uzbekistan’s hotel market is projected to reach revenue of US$270.72m by 2025 (Statista, 2025a), growing at an annual rate of about 10.12% between 2025 and 2030 to reach a market volume of US$438.31m by 2030 (Statista, 2025b). Uzbekistan’s economic growth reached 6.6% in 2025, strengthening its position into 2026 (Asian Development Bank, 2025). The number of hotel users is expected to reach 8.96 million by 2030, with user penetration at 8.5% in 2025 rising to 22.3% by 2030; the travel and tourism market is projected to reach US$526.99m in revenue by 2025, growing at an annual rate of 10.61% between 2025 and 2030 (Statista, 2025b). President Shavkat Mirziyoyev stated in 2024 that Uzbekistan attracted more than 10 million international travellers that year, generating $3.5 billion for the tourism sector (Eurasianet, 2025); the country’s target of 15 million foreign visitors by

2030 was, according to the president, reached ahead of schedule in 2025. Alongside this progress, the industry faces significant challenges: Ravshanovich (2025) notes that Uzbekistan experiences pronounced seasonality, with December to February forming the winter or off-season; although Uzbekistan’s winter is milder than in some other Central Asian countries, strong winds intensify the cold, and the resulting off-season leads to fewer tourists and deeper discounting as hotels lower prices to attract visitors. Given the sector’s economic significance and inherent vulnerability to external disruption, there is a clear need for a crisis-management framework capable of protecting both stakeholder interests and business continuity during challenging periods.

According to Ramanujam and Kumar (2024), seasonality is a defining feature of the hospitality industry and a major source of challenge, as it produces periodic fluctuations in demand that affect not only revenue generation but overall business operations and employment stability. In the dead season, when customers are not visiting hotels or restaurants, the loss of resources compounds the absence of income, intensifying the financial impact of reduced demand during crisis periods such as the winter season or a sudden shock such as the pandemic.

The intangible nature of hotel and restaurant services, combined with the inability to stockpile inventory, creates distinctive vulnerabilities during a crisis: because many hospitality services are perishable, unsold inventory cannot be stored for future use. Hamadneh et al. (2024) note that service companies need to focus on process improvement to maximise effectiveness and customer service, and that decentralisation strategies can be particularly useful in achieving more effective inventory control. This suggests that hotels and restaurants in Uzbekistan, which suffer from fewer customers, lower turnover, and declining revenue during dead seasons and sudden economic shocks such as the pandemic, would benefit from decentralisation strategies specifically aimed at controlling inventory and preventing additional financial loss.

Seasonality creates a persistent challenge for the industry’s human-resource managers, since maintaining a full-time, stable workforce is difficult and organisations often rely on

part-time, temporary, or seasonal staff. Obrenovic et al. (2020) find that, during a sudden economic downturn such as COVID-19, organisations that fail to allocate responsibilities properly tend to suffer more in the aftermath. This suggests that hotels and restaurants in Uzbekistan that do not clearly allocate responsibility and build a strong, effective human-resource function may struggle to recover after the dead season. Obrenovic et al. (2020) argue that such organisations need contingency plans in place, with no ambiguity about who is responsible for risk-related financial preparation and financing arrangements.

As noted above, the hospitality sector is particularly susceptible to external shocks, in part because many of its services are perishable and unsold inventory cannot be stored for later use. When external disruptions occur (whether seasonal change or other uncertainties such as natural disasters, pandemics, geopolitical tension or economic downturns), service companies must adapt their operations in real time to maintain financial viability and relevance (El-Said et al., 2024), while also navigating complex challenges such as supply-chain disruption, customer-safety protocols, and workforce management. The importance of strategic planning for hotels and restaurants therefore extends beyond mere survival: it also encompasses the capacity to transform challenges into opportunities, preserve employment, maintain customer loyalty, and contribute to broader economic stability.

Crisis-Driven Innovation and Recovery

Hotels and restaurants that successfully navigate a period of crisis tend to emerge stronger, with improved operational capabilities (such as new channels of revenue generation during the winter period) and enhanced customer relationships. El-Said et al. (2024) find that crisis-driven innovation in the hospitality industry helps ensure survival and sustains customer trust.

Current crisis-management practices within Uzbekistan’s hospitality sector reveal gaps in both response capability and preparedness. Seasonal fluctuations pose a significant challenge for Uzbekistan’s emerging hotel industry, while government policies designed to advance international tourism require careful analysis of their effects. Liu et al. (2024) find that government is one of the most crucial stakeholders in the recovery process following

any crisis or disaster, providing human and financial resources to organisations and developing marketing and communication campaigns; Alsetoohy and Marzouk (2021) similarly identify government support as a key factor influencing crisis preparedness in the hospitality sector. Many service companies lack formal crisis-management protocols and rely mainly on ad-hoc responses, which are often inadequate during periods of severe disruption; the absence of a well-standardised crisis-response framework has produced inconsistent performance across Uzbekistan’s regions and organizations. Energy-infrastructure challenges compound this vulnerability, as falling winter temperatures have led to widespread business closures and power outages (Eurasianet, 2023). Moreover, service companies currently lack diversified means of generating revenue during crisis periods or dead seasons, when tourist numbers and hotel revenue decline; many lack the strategies or technology-based approaches needed to address this gap. There is consequently a significant gap between the theoretical knowledge of crisis management and its practical implementation, particularly given that tourists generally avoid the Uzbek winter, leaving many organisations still struggling to translate best practice into an effective, actionable strategy for winter seasons or crisis situations.

The study’s theoretical relevance lies in its contribution to the evolving understanding of organisational resilience in the hospitality industry, extending to the integration of multiple resilience perspectives. Shojaee et al. (2025) interpret organisational resilience through three lenses (reactive, adaptive and transformative) and this research examines how these different approaches to resilience manifest in practice within Uzbekistan’s hospitality sector.

From a practical standpoint, this research addresses the urgent need for actionable strategies that hotels and restaurants in Uzbekistan can adopt to enhance their resilience to crises such as seasonal revenue decline and sudden disruption. This practical relevance is heightened by the current global context, in which many businesses continue to face uncertainties such as shifting customer preferences and questions of economic viability (Etemad, 2020).

Research Objectives

To analyse the key factors influencing resilience and performance in crisis situations within Uzbekistan’s hotel and restaurant industry.

Specific Objectives

1. To identify the main internal and external factors contributing to hospitality (hotel and restaurant) business resilience during crises.

2. To examine the role of strategic planning in crisis preparedness and response for hotels and restaurants in Uzbekistan.

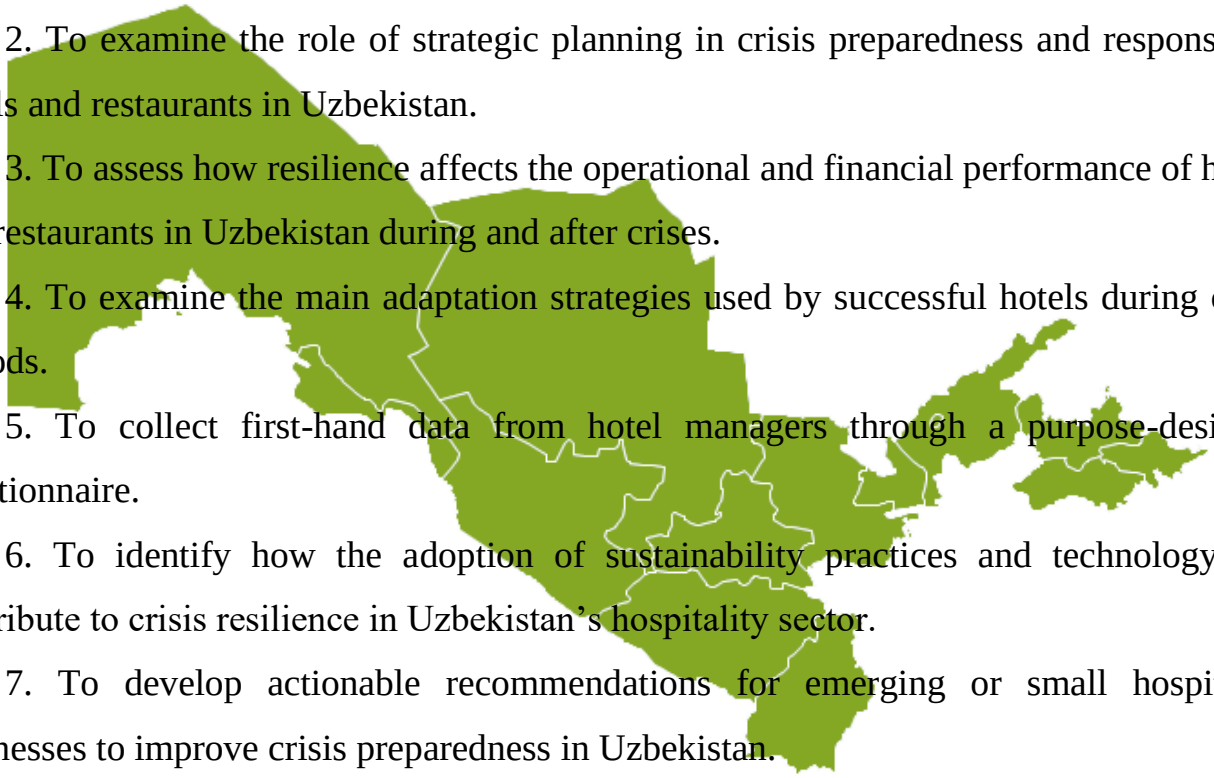
3. To assess how resilience affects the operational and financial performance of hotels and restaurants in Uzbekistan during and after crises.

4. To examine the main adaptation strategies used by successful hotels during crisis periods.

5. To collect first-hand data from hotel managers through a purpose-designed questionnaire.

6. To identify how the adoption of sustainability practices and technology can contribute to crisis resilience in Uzbekistan’s hospitality sector.

7. To develop actionable recommendations for emerging or small hospitality businesses to improve crisis preparedness in Uzbekistan.



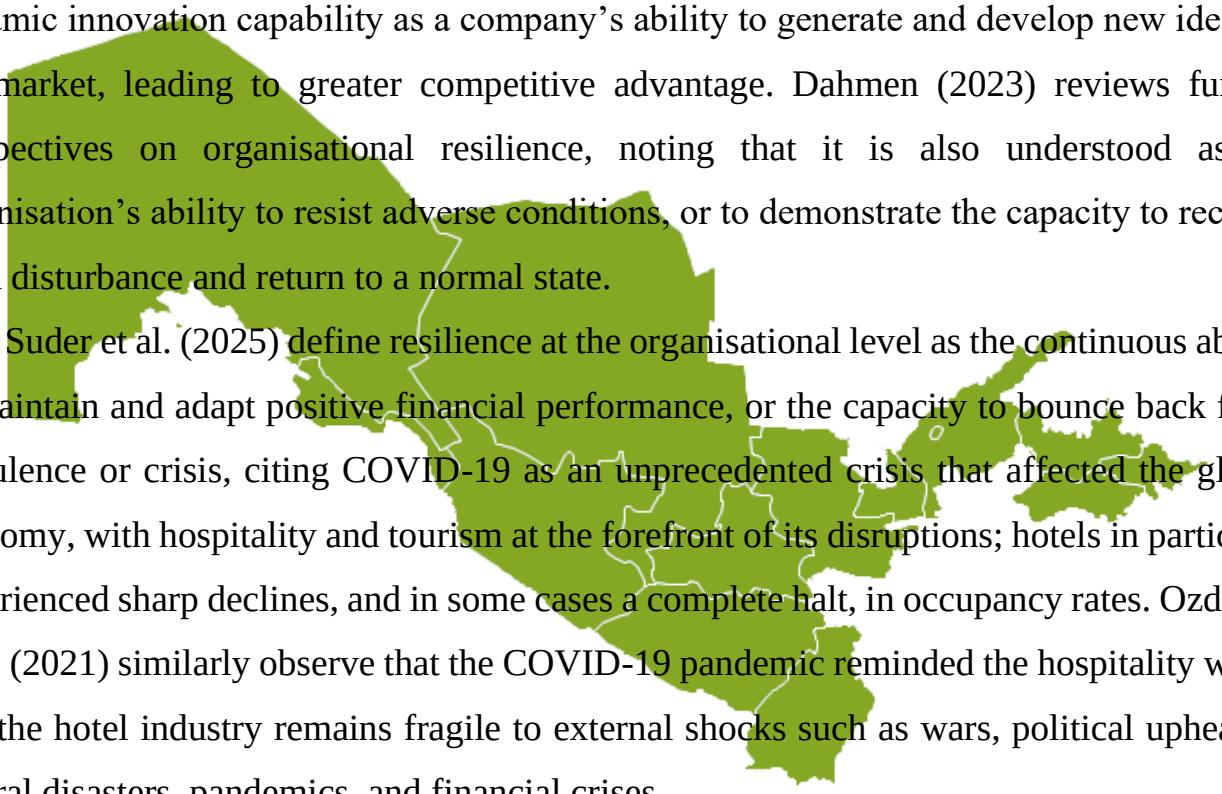
Theoretical Framework

Organizational Resilience and Agility

According to Duchek (2020), organisational resilience is the ability of a firm to absorb disruption, develop situation-specific responses, and engage in transformative activity so as to capitalise on disruptive surprises that would otherwise threaten organisational survival. Andersson et al. (2019) similarly characterise organisational resilience as purposeful, active coping with unexpected events. Resilient organisations possess capabilities that allow them to integrate, adapt, and reconfigure internal and external competences and resources to match changing conditions (Hillmann & Guenther, 2020). Bravo et al. (2024), however,

argue that dynamic capabilities can only be achieved through resilience and ambidexterity, defining organisational resilience in terms of how quickly companies adapt to environmental change, which in turn drives the exploration of adaptation processes.

This capacity is known as dynamic capability (sometimes termed strategic resilience or strategic offense) and enables organisations to reinvent their business strategies or models dynamically as circumstances change. Ledesma-Chaves and Arenas-Gaitán (2023) define dynamic innovation capability as a company’s ability to generate and develop new ideas in the market, leading to greater competitive advantage. Dahmen (2023) reviews further perspectives on organisational resilience, noting that it is also understood as an organisation’s ability to resist adverse conditions, or to demonstrate the capacity to recover from disturbance and return to a normal state.



Suder et al. (2025) define resilience at the organisational level as the continuous ability to maintain and adapt positive financial performance, or the capacity to bounce back from turbulence or crisis, citing COVID-19 as an unprecedented crisis that affected the global economy, with hospitality and tourism at the forefront of its disruptions; hotels in particular experienced sharp declines, and in some cases a complete halt, in occupancy rates. Ozdemir et al. (2021) similarly observe that the COVID-19 pandemic reminded the hospitality world that the hotel industry remains fragile to external shocks such as wars, political upheaval, natural disasters, pandemics, and financial crises.

This crisis underscored the necessity of resilience to disruption, with Madhav et al. (2019) noting that only resilient organisations are able to withstand a crisis. Suder et al. (2025) likewise emphasise that resilience is crucial in the hotel industry because organisations such as restaurants and hotels are particularly susceptible to external disruption.

Hutter et al. (2023) trace the concept of agility in business back to 1982, defining it as an organization’s capacity to react quickly to a rapidly changing or evolving environment. Walter (2020) reports survey findings in which most respondents identified raising the organization’s level of agility among their top strategic development priorities; 81% of

respondents in that survey reported improved business performance after introducing agility into their organisation, and academic research confirms that organisational agility has a strongly positive effect on business performance: agile organisations generate revenue approximately 37% faster and achieve about 30% more profit than non-agile counterparts (Walter, 2020).

López-Gamero et al. (2022) examine agility in the hotel industry, noting that hotels typically operate in an uncertain and dynamic environment, though little research has established whether hotels possess the flexibility or capacity for change needed to develop environmental practices that improve competitiveness. Nguyen et al. (2024) find that agility is positively linked to organisational performance, and Azhar Mohd Harif et al. (2022) note that, to achieve agility, hotels and restaurants need to focus on innovation capability: the firm’s ability to develop new services or products, or to recognise new markets.



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