

EFFECT OF COVID-19 ON THE PERFORMANCE OF SELECTED HOTELS IN
MBARARA CITY

BY

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DECLARATION

I Mukama Gad hereby declare that **"Effect of Covid-19 on the performance of selected hotels in Mbarara city"** is entirely my own original work and has never been presented for any award of degree in any other institution of learning.

Signature:.....

20/02/23

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APPROVAL

This research report has been submitted for the examination with my approval as the candidate's university supervisor

Signed:---~-----..

Date :24/02/23

Dr. Ampumuza Christine

(Supervisor)

DEDICATION

I dedicate this report to my beloved sponsor Kabazimbwa Wilson for his great effort towards my studies.

ACKNOWLEDGEMENT

I thank God the almighty for the strength, knowledge, and good health throughout my studies. I also thank my supervisor Dr. Ampumuza Christine for her inspiring efforts in guiding me through the course of producing this report .I wish to acknowledge her interest, encouragement and task of scrutinizing this report.

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ABSTRACT

This study was about the effect of Covid-19 on the performance of selected hotels in Mbarara city. The general objective of the study was to find out the effects of Covid-19 on performance of selected hotels in Mbarara City. Three specific objectives guided the study including; examining the effect of Covid-19 on the hotel employees, evaluating the performance of Hotels in Mbarara city and finding out the relationship between Covid-19 and performance of Hotels in Mbarara city. The study employed used a descriptive cross sectional survey design where data was collected across the population at one point in time and a mixed approach was employed. Using questionnaire research instrument, data was collected from 87 respondents that included the hotel managers and selected workers of Triangle hotel, Igongo hotel, Jameson, Agip and San Diego. The first study about examining the effect of Covid-19 on the hotel employees revealed that clients reeducation was the major effect of covid-19 that affected visitors to the hotels as revealed by 65% of the respondents. The second study objective about evaluating the performance of Hotels in Mbarara city revealed that before covid-19 pandemic there were stable employees as reflected by 33% responses, during covid-19 pandemic there was clients reduction as mentioned by 65% respondents. The third study objective about the relationship between Covid-19 and performance of Hotels in Mbarara city revealed that there was an effect mentioning reduction of salaries as the major relationship between the variables. The study therefore recommended that Hotels in Mbarara city are recommended be ready for post-corona environment. There are different scenarios on when the industry will recover, what new challenges and standards will be imposed, who are more likely to travel which products and services will disappear and transform. Hence the stakeholders especially hotel owners should be able to create different action plans for each scenario to be put into action after recovery.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the back ground information of the study, statement of the problem, general objectives of the study, specific objectives of the study, research questions, and scope of the study, Significance of the study and definition of the key terms.

1.1 Back ground to the study

The COVID 19 pandemic began in city of Wuhan. china, December 2019 where it was declared by WHO and then global public health problem on March 11, 2020 (Yen Chin Liu, 2020).Currently, people all over the world have been affected by COVID 19 (Yen, 2020).In Uganda, COVID-19 was first confirmed On March 22,2020 and recorded total cases 40734, recovered 15147 and 334 deaths (MOH,2021)

The global pandemic has brought the entire socio-economic structures of countries to a standstill while challenging global operations of business (Ranasinghe et al, 2020). The Corona virus outbreak resulted in many governments imposing restrictions on travel to other regions especially those affected by the virus (Ozili & Arun, 2020). This caused indefinite suspension of tourism travel (Ozili & Arnn, 2020) which makes up the bulk of the hotel business. Airports and the transport sector have shut down somewhat hindering any form of travel. The 'stay at home' and 'social distancing' policies have restricted even domestic movement, and this has led to rapid shutdown of many cities and resorts which in turn has thrown many hotels into a sudden shock. This study therefore sought to explore the economic impact of the pandemic on the hotel sector in Zimbabwe through determining its impact on hotel occupancies and revenues.

The novel coronavirus (COVID-19) was first seen in China in one among its city, Wuhan, December 2019 then unfold to Hubei Province and also the remainder of China. Albeit the virus unfolds quickly within the country's urban center region, it had been at the start for the most part forgotten by political leaders in different elements of the planet (Washington Post, 2020). Sooner than later, the virus was quickly escalated into Europe, USA and rapidly spread across the world (Yang *et al.*, 2020).

COVID-19 has now been a pandemic impacting the entire planet since its initial launch in China. This report reflects on the effect of the virus on Thailand's labour market. With significant diminishes or stoppages in the mobility of persons, plus tourists, and significantly damaged flow of products and services through global value chains, the impact of the virus has brought to a standstill in Thailand, as elsewhere, the typical platforms of economic production (Hartmann & Lussier, 2020). Export-oriented manufacturing and tourism remained significant segments of Thailand's economy in 2019, with 18% and 39% respectively of GDP shares. It is precisely these two industries that are pinpointed as most fragile in the face of demand and supply-side shocks connected with the COVID-19 crisis, bringing in an extremely precarious position the millions of tourism-related and manufacturing workers in Thailand (Goodwin et al., 2020).

Soon enough from the first reported case in Wuhan (December 2019), the COVID 19 has been transformed into a pandemic (March 2020). Amid the pandemic, numerous countries all over the world steered to adopt social distancing and several lockdown measures (i.e. travel and tourism restrictions, border shutdowns, etc) to curb its spread, with serious economic consequences. The hotel industry constitutes one of the four main travel and tourism pillars (e.g. airlines, cruise lines, and car rentals) that has been entirely hit by the pandemic crisis (Sharma and Nicolau, 2020; Zenker and Kock, 2020). The relevant industry has already tossed from COVID-19 since hotel companies must deal with a dual crisis; declining demand and increased prices for their services jeopardizing the profitability level in the industry. Although the long-term consequences of this pandemic crisis are difficult to estimate, some studies are attempting to trace the shortterm consequences of the pandemic

The COVID-19 epidemic has undoubtedly exposed the vulnerability of the hospitality and tourism industry to natural disasters and economic volatility. The continuous impact of the novel COVID-19 on the sector poses important questions about the rate of recovery of this industry. The working environment in the hospitality industry has been adversely affected, generating fears of the sector's ability to recover from the losses, turn around quickly, and employ skilled labour in the future

After the World Health Organization's (WHO) declaration of the COVID-19 pandemic on 11 **March** 2020, over 90% of the global populace were confronted with massive restrictions due to **lockdown** of countries, ban on local and international travel, and shut down of airports and **borders** (policies to restrain the spread of the COVID-19) (Bajrami,2021). In addition, flights were cancelled, social gatherings were reduced to the barest minimum, sports leagues were cancelled, educational systems were closed, conferences were either postponed, held online, or cancelled, restaurants, bars, casinos were all closed down, and people were encouraged to stay home as part of the measures taken globally to curb the spread of the COVID-19

Almost all industries in every economy across the globe have been affected by this turn of events. One of the most severely hit industries is hospitality and tourism, due to lockdowns, quarantines and travel restrictions. Globally, 62 million (18.5%) jobs were lost in this sector in 2020 compared to 2019 when the industry contributed 10.6% (334 million) of jobs worldwide. 80% of these job losses occurred among the small and medium enterprises in the hospitality and tourism sector, affecting mostly women, youth and minorities who form the majority of the workforce in the service industry.

According to Bajrami et al. 2021), tourist destinations that were recognised to be predominantly over-utilised were deserted as a result of the restrictions and this plummeted the hospitality and tourism businesses affecting the workforce worldwide. In a study to investigate job market trends in the United States of America during the COVID-19 pandemic, (Huang et al,2021), Huang et al. identified that low paying jobs in the hospitality industry were the worst affected and they projected that 24% of redundancies caused by COVID-19 may be perpetual. The study further suggests that the pandemic has brought to light concerns relating to occupational health and safety, knowledge gaps, technology implementation implications, and work restructuring in this sector. Already, studies have shown that employees in the hospitality and tourism sector are prone to work-related stress (Hodari, 2017). The COVID-19 pandemic has not only created socio-economic devastation of economies but also triggered emotional and mental trauma among employees due to persistent rises in job insecurity. Some employees in the industry were faced with exceptionally high rates of job uncertainty and its related mental trauma. In their contribution to this discussion, Khan et al. (2021) examined the fundamental framework of this sector by analysing 372 hospitality industry employees during this COVID-19 pandemic. It was

revealed that the threat of insecure employment facilitates the connection between economic **crunch**, joblessness, and psychological health. COVID-19 reinforces the link among economic crises, psychological health and seeming instability in employment.

The situation is not different in Africa as most governments responded rapidly with strict **measures** to control the spread of the virus. Taking Ghana as a typical example, on 15 March 2020. (four days after the World Health Organisation declared COVID-19 a pandemic), the government banned all school activities and social gatherings, followed by restrictions of movement of people in Accra, the capital city, and another major city, Kumasi. The country's borders and airports were further closed and both public and private organisations were encouraged to work from home. The outcome of the actions taken to reduce and eradicate the COVID-19 pandemic locally and internationally have had a direct toll on the hospitality industry and its workforce (Baum,2020). The yearly contribution from hotels and restaurants to Ghana's Gross Domestic Product (GDP) dropped from approximately USO 985.8 million in 2019 to USO 640.9 million in 2020, probably due to the COVID-19 pandemic (Sasu,2021). The worsening financial conditions of hotels brought pressure on employment and job insecurity for the workforce in this sector in Ghana as also happened in other countries. Most hotels had to lay off some of their employees, salaries were reduced, some were asked to take voluntary leave, others had their routine duties and positions altered while some employees had their working hours reduced (Wong,2021). Ghana is a Sub-Saharan African country, that faces the Gulf of Guinea and the Atlantic Ocean to the south. It covers an area of 238,535 km² and shares borders with Togo in the east, Cote d'Ivoire in the west and Burkina Faso in the north. Ghana is endowed with unique natural, cultural and historic attractions which makes it one of the most preferred destinations in Sub-Saharan Africa. The Greater Accra Region houses the capital city of Ghana. This region is the smallest in size, but the second most heavily populated region in Ghana with about 2.7 million people. The region has many hotels due to its positioning and economic activities. It is also the seat of government Dank wah.XINHUA and Adu, 2020).

Many scholars define tourism as movement of people away from home to other places of interest ~ irs **one of** the largest and fastest growing industries in the world (Al-Badi *et al.*, 2017). **Consistent with** World Tourism Organization (2009). Tourism industry comprising many like **accommodation**. food and beverage services, recreation and entertainment, transportation, and **travel** services and this highly growing industry around the world also become a major source of **economic** stability through increasing foreign exchange earnings, increase government revenues, **and** employment creation for several countries.

The hospitality and tourism sector is commonly recognized as a significant contributing factor to the green economy through a more sustainable development agenda(Wilkes & Reddy, 2015). It has been the primary and most dynamic sector in today's global economy. It had generated about 10.3 % of global GDP and provided 330 million jobs in 2019 directly and indirectly (World Travel & Tourism Council, 2019). Such a large and positive impact on the global economy was experienced despite its survival from the crises and disasters at various times in the past. The primary forms of crises that affect the hospitality and tourism sector are armed conflicts, environmental hazards/pollution, and pandemics. Moreover, pandemics have left the hospitality and tourism sector with unprecedented challenges time after time, such as by limiting the demand side (freedom of movement, fear of infection, etc.) and the supply-side (closure of accommodation and leisure facilities, etc.). Therefore, it is difficult to predict how the tourism sector will develop during this period. Analysis, early approach, and marketing strategies of tourism elements that meet the modified requirements due to the COVID-19 pandemic are clearly demanding. These necessitate significant research that focuses on its impacts, changes, and awareness. COVID -19 pandemic has impacted the global economy. It has been predicted that the global GDP will be contracted by 5.2 % in 2020(The World Bank, 2020b). One of the economic areas this pandemic has affected the most in developing countries like India is the hospitality and tourism sector. Many hospitality businesses have been temporarily closed due to strategies to minimize the infection rate. The measures such as lockdowns, social distances, home orders, travel bans, and travel restrictions have been imposed. Also, demand for businesses that are allowed to continue has declined significantly (Bartik et al., 2020; Gursoy & Chi, 2020). In a nutshell, the fear of COVID- 19 has led to uncertainty and chaotic conditions in the hospitality and tourism sector.

The hospitality and tourism sector is an essential tool for sustainable economic development of **developing** countries (Asif Khan, Bibi, Lorenzo, Lyu, & Babar, 2020). It contributed 6.8 % of **total** GDP and 8 % of the total employment in 2019 (The Times of India, 2020; World Travel & Tourism Council, 2019). The revenue from domestic trips in India is the most profitable sum of capital. However, with the spread of COVID-19 at the beginning of 2020, there is a significant downfall in the sector. The lockdown started on March 25, 2020, and continued until May 31, 2020, taking into account the extension of the lockdown. In the hospitality sector, the lockdown was lifted, and on June 8, 2020, hotels, restaurants, temples, and tourist destinations were allowed to reopen. Even so, it is not possible to estimate the extent of the economic impact of the COVID-19 outbreak in the sector because the course and duration of the outbreak are still uncertain. As the lives and health of the people are still at stake, it is unlikely that the positive signals in this sector will be restored soon. With this regard, there was a need for detailed study and analysis of the effect of COVID-19 in the hospitality and tourism sector in India.

1.2. Statement of the problem

Conducted studies reveals that 50% of the tourism hotel businesses are hibernating and 35% are in operation but with reduced staffing. About 80% of non-tourist-related companies are operating on reduced staff at this time (UNWTO, 2021). 29% of tourism and 11 % of non-surveyed tourism's say they expect to go bankrupt within six months if the situation doesn't change for the Uganda as a whole. For the industry and the economy, this could be considered to be a severe blow. The hotel sector has the highest economic contribution in developing countries (Gerkin, 2021) and developed countries and is one of the fastest-growing economic sectors worldwide; in 2018, 1.4 billion international tourist arrivals worldwide have been identified. Hotels benefit from the tourists and other people that need to spend their time in place while also enjoying their leisure yet they are affected by the COVID-19 pandemic (Shretta, 2020).

The results of the pandemic have seriously impacted hotel business not only on global basis but also in Mbarara with \$ 1.1 .billion estimated to have been lost to the world's hotel and tourism sector, along with \$ 1.2 trillion of export revenues and 120 million US jobs, from the rapid spread of the novel coronavirus.

Many hotels in Mbarara and Uganda as a whole employed strategies for maintenance such as reducing on the number of employees, food deliveries to households, salary cuts so that they keep operating and as a way of covid-9 pandemic recovery. However, despite these strategies made by hotel owners, several hotels have been observed closing an implication that they are still affected by the pandemic effects. This study was thus aimed at examining the effects of covid-19 **on** hotels. especially Triangle hotel, Igongo cultural center and Jameson resort hotel in Mbarara City.

1.3 Purpose of the study.

The main purpose of the study was to find out the effects of Covid-19 on performance of selected hotels in Mbarara City.

1.4 Objectives of the study

1.4.1 General objective

The study focused on the effect of covid-19 on performance of selected hotels in Mbarara City. **1.4.2 Specific objectives**

- I. To examine the effect of Covid 19 on the hotel employees
- II. To evaluate the performance of Hotels in Mbarara city
- III. To find out the relationship between Covid 19 and performance of Hotels before and after in Mbarara city

1.5 Research questions

- I. What is effect of Covid 19 on the hotel employees?
- II. How is the performance of Hotels in Mbarara city?
- III. What is the relationship between Covid 19 and performance of Hotels in Mbarara city?

1.6. Scope of the study.

This covers geographical scope, content scope and time scope. **1.6. 1.**

Geographical scope

The study was carried out in Mbarara City which is located in south-western Uganda in selected hotels of Triangle which is found at the high street alongside Mbarara-Masaka-Kampala high way road, Igongo cultural center and Jameson resort hotel.

1.6.2. Content scope.

The study was focused on the performance of selected hotels in Mbarara City

1.6.3. Time scope.

This research study focused on the period between 2015-2022, a period of seven years while hotels operating .. This helped the research to gather enough information to enrich the research study.

1. 7. Significances of the study.

The findings of this study would act as source of reference upon upcoming researchers and students intend to carry out research in related topics.

The study would also enable the researcher to provide knowledge and make recommendations to the hotel . Non-governmental organizations, public agencies, central government agencies and other sectors on what strategies can be put in place to reduce on that mentioned problem above. The study findings of the study may inform the residents of Mbarara City about the effects of covid-19 pandemic.

1.8. Definition of terms.

Covid-19: This refers to an acute respiratory illness in human caused by a coronavirus, capable of producing severe symptoms and in some cases death, especially in older people and those with underlying health conditions.it was originally identified in china in 2019 and became pandemic in 2020.

Hotel: Simply means an establishment providing accommodation, meals and other services for travellers and tourists.

An effect: A change which is a result or consequence of an action or other cause.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents literature from various sources like journals, text books, internet reports and other relevant sources. The review of literature in this chapter is in line with the study objectives of effects of covid-19 on performance of selected hotels in Mbarara City.

2.1. Definition and Theory

Most COVID-19 infects animals, birds, and mammals. There are seven types of COVID-19 that are known to affect human beings. Four of them cause mild to moderate respiratory illness (HCoV-OC43, HCoV-HKU1 and HCoV-229E) while the remaining three cause acute and deadly respiratory illness (MERS-CoV, the Middle East Respiratory Syndrome (MERS) and SARS-CoV-2). The symptoms include cough, cold and fever (ECDC, 2021). A highly contagious strain B.1.1.617.2 of the SARS-CoV-2 known as the delta variant was first identified in December 2020. According to (UNICEF, 2021), this highly transmissible delta variant was identified in India and spread to 142 countries (including Ghana) as of 10 August 2021, surging the number of total cases across the globe. For instance, the delta variant daily infection rate of 50 in June shot up to 100 in July and increased to 350 in August 2021. Another highly contagious variant of COVID-19 known as Omicron (B.1.1529), was first detected in South Africa in November 2021 and has since spread to many countries in the world. However, the availability of vaccines have minimized its catastrophic effect.

Brooks, (2020) defines a pandemic as "an epidemic occurring worldwide, or over a very wide area, crossing international boundaries and usually affecting a large number of people". (Morens, et al, 2009) describes the concept of the pandemic as an "important global event that spans many centuries, which includes diseases of very different etiologies that exhibit a variety of epidemiologic features." According to Qiu et al, (2017), the term 'pandemic' was derived from the Greek words 'pan' and 'demos' that mean 'all' and 'the people'. They reiterated that 'pandemic' suggests "a widespread epidemic of contagious disease throughout the whole of a country or one or more continents at the same time." They restated that the WHO standard definition of pandemic influenza means "a situation in which a new and highly pathogenic viral

e ~~eto~~ which no one (or few) in the human population has immunological resistance and ~~is~~ easily transmissible between humans, establishes a foothold in the human population, at an ~~ti~~trapidly spreads worldwide". From the aforementioned definitions, COVID-19 was ~~iiardasa~~ **pandemic**.

The United Nations International Strategy for Disaster Reduction defines 'hazard' as 'a

~~angerous~~ **phenomenon**, substance, human activity or condition that may cause loss of life. injury **or other** health impacts, property damage, loss of livelihoods and services, social and ~~~c~~ **disruption**. or environmental damage"(UN/SDR,2009). Gencer ,(2013) describes **disaster -as a** sudden event, such as an accident or natural catastrophe that causes great damage **or loss of life"**. (UNISDR.2009) again defines disaster as "a serious disruption of the functioning of a community or a society causing widespread human, material, economic or environmental losses which exceed the ability of the affected community or society to cope using its own resources."

From the above definitions, the COVID-19 pandemic could also be termed as disastrous as well as hazardous. The study of (Shapoval et al, 2021) used a combination of social systems theory and Hofstede's cultural dimensions to decipher the effect of COVID-19 on the hospitality industry in three countries: United States of America, Sweden and Israel. It focused on the opinions of selected managers in the hospitality industry, revealing that the effect of the COVID19 epidemic has been experienced in all facets of life by individuals, societies, businesses, all sectors of economies and the world at large. Most of the respondents in the hospitality industry expressed despair, anxiety, apprehension, rejection, and were concerned about family wellbeing as well as a rise in job insecurity. They found that the restrictions on travelling had a substantial effect on the tourism and hospitality sector globally.

This study is driven by the conservation of resources and the human resource management theories to determine the impact of the COVID-19 pandemic on hotel employees in the Greater Accra Region. Holm green et al,(2017) argued that the conservation of resources theory is about stress. Stress is an outcome of situations that threaten valued resources or cause their actual loss. Further, it is the quest to protect, preserve and obtain these cherished resources which motivates human behaviour when stressed. Human resource management theory postulates that the direction of human relations theories is about establishing and merging social, economic, and psychological goals of members and the organizational goals of production, productivity, and

fit Rasogi.1987). The reduction of salaries, working hours, and work schedule among others maycause stress on the respondents leading to a reduction in their productivity.

22. Impacts of COVID-19 on Hotel Employees

Seddighi. (2020) indicates that the COVID-19 pandemic is the worst crisis that has affected humanity since the Second World War. Its repercussion has been enormous, affecting men and women differently calling for more equality in gender-related policies. The (UNTWO.2020) showed that the pandemic has put an estimated amount of between 100 million and 120 million direct tourism jobs in danger, most of which are micro, small and medium enterprises (MSMEs). In a study to examine the impact of COVID-19 on restaurants, using data from OpenTable platform (an online restaurant reservation company), sampling 50 restaurants from five advanced countries (Australia, USA, Canada, Germany, Ireland, UK) and Mexico, it was revealed that countries that went through a strict lockdown and banned dine-in restaurants plunged the majority of their restaurants into financial crisis and some consequently closed down. Others maintained their operations and provided delivery service (Dube et al ,2021).

It was also observed that family-owned, and other restaurants had to lay off more than 80% of their employees as a cost controlling measure. The Private Sector Job Quality Index (JOI-a system that evaluates job quality in the US by comparing desirable higher-wage/higher-hour jobs versus lower-wage/lower-hour jobs), expected an estimated number of 10.8 million employees working in bars and restaurants to lose their jobs due to the persistence of interruptions caused by the COVID-19 pandemic (Dube et al .2021). This study is consistent with the previous study conducted by (Sogno ,2020) which indicated that key branded hotels embarked on redundancies due to the COVID-19 crisis, suggesting further that such hotel businesses in Europe and Asia were operating below 50% of their capacity. Marriott Hotel, for instance, operated below 75% of their normal level which led to the layoff of 4000 (two-thirds) corporate employees both at home and abroad.

Among the G20 countries where hospitality and tourism industry contribute 10% to employment, a six-month interruption led to 75% of job losses in the sector, which is equivalent to above 7.5% decline in employment in an average G20 country, and the drop could exceed 10% in Germany, Italy, Mexico and Spain (well-known tourists' destinations) (IMF,2021).

In another study to investigate employees' perspectives on the influence of the COVID-19 pandemic on their jobs and the Indonesian tourism industry as a whole, using a sample size of 52 from different tourism and hospitality companies, it was revealed that the hotels lost

come as a result of low patronage due to the restrictions to limit the spread of the virus. Many employees who lost their jobs during this period were unskilled and low-income earners. Fifty percent (50%) of the respondents worked from home whilst some had their salaries reduced. Further to this, about 96.2% of the respondents revealed that they were individually affected by the pandemic (Riadil, 2020). This is supported by the study of (Soehardi et al. 2021), who tested a hypothesis to determine the level of significant impact of the COVID-19 pandemic on hotel employees in Jakarta. The results showed that there was a significant effect of the pandemic on the hotel employees (t value (2.221) > t table (1.99) with p value (0.027) < 0.05).

The situation is no different in Africa. The World Bank, (2020) predicted that the economic downturn in Sub-Saharan Africa would plummet by 3.3%, the first recession in 25 years. An estimated total of 40 million people were driven into abject poverty in 2020 due to job losses, obliterating five years of progress in eradicating poverty. According to the (IMF, 2021), travel and hospitality is extremely vulnerable to the COVID-19 pandemic because of its contact-intensive services. The sector may continue to struggle until people feel safe to travel again. Countries that depended heavily on tourism had the worst shock. For instance, the real GDP of such African countries (Mauritius, Seychelles etc.) and the Caribbean were expected to fall in 2020 by 12%, and Pacific Island nations like Fiji could plummet to 21%. A real-time study conducted in Senegal, Mali, and Burkina Faso implied that one out of four employees lost their jobs, and one out of two employees suffered a decrease in earnings as of the end of April 2020. It was also shown that employees in the hospitality and tourism industry, as well as SMEs, were immensely affected by the COVID-19 pandemic response measures because of the contact-intensive activities. The impact continued even after the lifting of the bans and lockdowns because of the lasting consequence of the economic downturn on employees (Danquah, et al, 2020).

The African Union was apprehensive that job losses in Africa could rise to 20 million as a result of the COVID-19 pandemic. In Ghana, approximately 10.5 million workers in the private sector

Small and informal) were susceptible to job cuts due to the pandemic, particularly employees the hotels and restaurants, bars, education, entertainment and events, travel and tour operators .hehospitality and tourism industry, manufacturing, retail, and wholesale trade and MSMEs Baah-Boateng, 2021).

like the countries mentioned earlier, the Ghana government took measures to limit the escalation fCOVID-19, and the three-week (30 March 20 April 2020) partial lockdown had a significant direct negative impact on its hospitality and tourism industry. This is because the sector relies considerably on international visitors(World Bank,2020). The sector lost about \$171 million in revenue in 2020 which led to significant job losses, reduction in working hours and labour earnings. To ascertain the impact of COVID-19 on 3-5 Star hotels in Ghana. (Danso et al.2020) revealed that before the COVID-19, majority of these hotels were operating within a range of 125%. however, it fell drastically during the pandemic.

The partial lockdown of the two most commercial cities in Ghana (Accra and Kumasi), the closure of Kotoka International Airport and the country's borders, as well as the limitation of social gatherings to 25 (later expanded to 100) brought economic activities to a halt. Flights were cancelled, funerals and other social events were postponed. In addition, special events like conferences, workshops, and trainings were either cancelled or postponed. People were encouraged to stay at home (Sarkodie, 2021).

Companies had to resort to shift/rotational system for their employees. Some budget hotels had to shut down completely due to lack of business, some large hotels closed down sections of their facilities leading to employee layoffs and salary reductions. Some employees were asked to stay home for some days in each month, others had their daily schedules altered while others had their working hours reduced. Most hotel employees suffered economic hardships due to the measures taken by their respective hotels. Although the bans have been lifted, employees in the sector continue to bear the brunt of the pandemic.

In order to continue to remunerate their employees, most hotels in Ghana that did not shut down during the period of the lockdown maintained a lean staff.(ILO,2021). This is in support of the findings of (Dube et al. 2021). About 80% of informal small businesses in the hospitality sector

iosed down and restaurants had an average decline in patronage of 60%. Furthermore, the Operators Association recorded an estimated number of 11,558 cancellation of tourists' bookings, which led to a revenue loss of approximately USD 835,759.04 (GHC 4,847.402.41) **WHO.2021**). Given a projected 5.5 million service employment in 2019, there was an estimated

o **negati**,e growth, and this led to a possible 45,000 redundancies in 2020, in sectors **including** hospitality and tourism, transport and private education (sectors severely hit by **COVID-19** pandemic) UNTWO. 2020).

The Ghana Statistical Service in cooperation with the World Bank and the United Nations **Development** Programme also performed a COVID-19 Business Tracker Survey to determine the impact of the pandemic on businesses in Ghana, collecting data by interviewing 4311 firms between 26 May and 17 June 2020. The finding showed that approximately 770,000 workers

15. 7% of the total labour force) had pay cuts, about 42,000 workers were laid off and almost 700.000 workers had their working hours reduced. The survey further revealed that sectors with highest closures even after lifting of the lockdown included education (63.0%), transport (34.0%) and hospitality (24.0%). The following are the details of the specific impact on the hospitality and tourism industry with regard to employment responses during March to June 2020. 6.7% of businesses in the hospitality industry laid off 5.0% of their workers, 22.6% of companies granted leave of absence to 19.5%, 23.1% of firms reduced the working hours of 23.2% of their workers and 33.8% of firms cut 30.5% of their employees' emoluments. These figures show an over 80% effect of COVID-19 pandemic on the sector (GSS, 2020).

2.3 Performance of Hotels in Mbarara city

Firms' performance relates to both external and internal factors: external, because firms compete in sectors and markets which influence strategy and results; internal, because firms have to decide every day on the correct way to operate, to allocate resources etc in order to manage business functions and reach goals (Bresciani et al., 2012).

For service firms, performance is not just related to balance sheets and financial data such as return on investment, return on sales, price variances, sales per employee, productivity and profit per unit of production (Ghalayini and Noble, 1996), but also to human resources, quality, image, brand awareness and other less tangible and/or quantifiable factors (Thrassou and Vrontis, 2009).

Specially. in the hotel industry, competition is based on the 'value' offerings of the service ~ it is consequently necessary to define and assess its various dimensions regarding

hotel performance. Studies of performance indicators are discussed in the literature and measured largely by the firm's financial outcomes.

However. in the last 25 years, there has been a revolution in performance measurement (Neely and Boume. 2000). Measurement approaches that relied only on financial results are now being **replaced by** more integrated systems that combine financial and non-financial indicators (BerginSeers and Jago. 2007). The most important consequence of performance not being quantified in financial terms only is the indirect yet clear linkage of performance to customer satisfaction and **quality** (Ghalayini and Noble, 1996).

Indeed, hotel industry performance can be measured using occupancy performance, such as **average** occupancy rate: a practical alternative approach, in view of the reluctance of hotel managers to provide details on financial performance (Sun and Lu, 2005). Moreover, revenue performance indicators themselves in the hotel industry, include total operating revenues, average production value per employee and others (Wassenaar and Stafford, 1991). Through these new approaches therefore and their combination, performance in the hotel industry has been studied by linking performance to both external and internal factors (Pereira-Moliner et al., 2010).

Some authors tried to find a correlation between performance and external factors. Tang and Jang (2009), for example, analysed the relationships between the performance of four tourism related industries (airlines, casinos, hotels, and restaurants) and GDP in the USA, showing no correlation between economic growth and industry performance. In the same direction, Arslanturk et al. (2010) do not find time-varying linkages between tourism receipts and economic growth. On the contrary, Brida et al. (2011) reviewed the main econometric studies that have addressed the analysis of causality between tourism and long-term economic growth, discovering that there is strong empirical evidence for the hypothesis of tourism's long-term economic growth. Similarly, Brida and Monterubbianesi (2010) found that tourism activity drives economic development in all the countries analysed. In fact economic, as well as strategic and branding synergies can be found between tourism and other industries (Rossi et al., 2012)

Cmer authors looked for a correlation between performance and internal factors. Gursoy and **Sager** (2007) examined the internal strategic factors likely to influence company financial performance for service organisations, from the managers' perspectives; providing empirical **eence on** the links between the internal strategic factors examined and financial performance

service organisations.

Sainaghi (2010) investigating the hotel performance factors and using the balanced scorecard as = **model** to rationalise the main streams of research, put in evidence that in the literature, **determining** factors are generally looked for within the enterprise (strategy, production, **marketing** and organisation). Other authors analysed internal variables related to several firm **functions**. processes and operations, with a strong focus on strategy (Ingram, 1996; Ingram and **Baum**. 1997: Bresciani et al., 2010, 2012), marketing (Kim and Kim, 2005), production (Sigala, **2004**: Barros. 2004) and organisation (Ogaard et al., 2008).

:: is clearly visible therefore, that in existing literature, indicators used to measure these variables **can** be clustered into two main groups: balance sheet indicators and competitive/strategic indicators [i.e., employment, prices, revenue per available room (RevPar), rate of revenue growth, customer satisfaction]. Among all these studies and theoretical background, this research focuses on the determinants of RevPar; a performance metric in the hotel industry, which is calculated by dividing a hotel's total guestroom revenue by the room count and the number of days in the period being measured

2.4 Relationship between Covid 19 and performance of Hotels in Mbarara city

Hotels and accommodation establishments are places where there is a high degree of interaction among guests and workers. It is these aspects the lodging of guests, the services this entails (food and beverage, cleaning, activity organization, etc.) and the interactions specific to these establishments (guest-guest, guest-staff, and staff-staff) that require specific attention

All staff of the accommodation establishment should comply with basic protective measures against COVID-19 including hand hygiene, physical distancing, avoiding touching eyes, nose and mouth, cough and sneezing etiquette (respiratory hygiene), use of medical or fabric masks, stay-at-home orders when indicated and seeking medical attention when symptoms consistent with COVID-19 are present.

- • **COVID-19** pandemic is forcing tourism and hospitality firms to innovate and adapt to an unprecedented business environment. Successful service is, of course, critical for hospitality and tourism businesses to maintain competitiveness during and after the pandemic (Gossig et al., 2020). Even though hotels do not have experience in dealing with a crisis like **one**, they have quickly adopted many innovative practices to deal with the pandemic.

→ ugh the unprecedented nature of the crisis has meant that hotels have been forced to innovate without the benefit of past experience, the previously described Oslo Manual categories

f service product, process, organizational and marketing service - are still applicable to many of measures that have been deployed by hotels in response to the pandemic. In terms of product performance, hotels have adopted new technology systems for safe and clean service delivery in an incremental way, such as fully automated hotel check-in systems (e.g., mobile keys) and selfservice kiosk check-in machines, in order to permit social distancing (Shin and Kang, 2020).

In addition, several major hotel brand chains (e.g., Marriott International, Hilton, and Hyatt) are using new technologies or upgrading existing technologies (e.g., cleaning robots, electrostatic sprayers etc.) for enhanced disinfection (Garcia, 2020). In accordance with the arguments of Orfila-Sintes et al. (2005), product performance accompanies process innovation; and innovative new guest interaction mechanisms as well new cleaning procedures have also been introduced for hotel service delivery. Recently, Shin and Kang (2020) found that hotels' incremental innovations for reducing guest interactions and improving cleanliness level have a positive impact on hotel booking intention in pandemic times. In line with the position of Orfila-Sintes et al. (2005), it is difficult to clearly distinguish between product and process innovations, we thus grouped these two innovations into a single category under the label of product-process innovations.

Additionally, the pandemic has resulted in hotels adopting new innovations at the organizational level. Unlike product-process innovation, these organizational innovations especially pertain to increased cost-efficiencies and human resource management related practices adopted by hotel firms during the pandemic (Kilgore, 2020). For example, a number of hotel chains are implementing cost cutting measures including layoffs, reduced salaries, furloughs, and reduced work hours to preserve liquidity (Chaturvedi, 2020). Lastly, several of the strategies adopted by

may be described as marketing innovations. These include, for instance, practices relating **had** **membership** programs of hotels (Clark, Smith, and Surane, 2020). For example, Hyatt **amened** in 2020 February that they will offer their loyal members a series of tier status and **emer** extensions.

a **theoretical tool** to examine the success of innovations. this study assumes a life cycle model **innovation** processes that includes innovation creation, diffusion, and evaluation (Schumpeter

S4 Innovation creation processes focus on internal research and development (R&D) res5es. or external antecedents of innovation (e.g., engagement of external shareholders, the **development** of new technology, etc.) (Spohrer and Maglio, 2008). Innovation diffusion processes indicate innovation adoption processes including idea, technology, policy, and **inowledge** adoption (Al-Jabri and Sohail 2012; Autant-Bernard et al., 2013). Lastly, innovation evaluation processes are focused on evaluating the consequences and performances of innovation. Generally, managerial performances (e.g., financial performance, return of m,·esrment, etc.) are the major evaluation tools (Martin-Rios and Ciobanu, 2019). In addition, customer evaluation of innovation, such as perceived quality or satisfaction, can be a tool for measuring the effectiveness 'of innovation (Mahmoud et al., 2018).

Along with the successful creation and delivery of innovation (Gossling et al., 2020), it is even more critical to assess the managerial consequences of innovations during and after the pandemic. The evaluation of innovation is often the basis of on-going innovation success; the accurate evaluation of innovation performances leads to sustainable innovation creation and diffusion. A body of hospitality and tourism research focused on managerial performances of innovation by operationalizing the effects of innovations (Pikkemaat and Peters, 2006). For example, Hu et al. (2009) examined the effects of employee knowledge sharing practices on hotel innovation performances. Kallmuenzer and Peters (2018) examined the positive correlation between the innovativeness of hospitality family firms and their financial performance. In addition, several papers have examined innovation performance issues, such as firm managerial outcomes (Den Hertog et al., 2011) and average occupancy rate (Orfila-Sintes and Mattsson, 2009).

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter discusses how data regarding the study was collected. It covers research design, study population, sample size, sampling procedures, sources of data, methods of data collection, data analysis, research instruments, validity and reliability and ethical considerations.

3.1. Research design

The researcher used a descriptive cross sectional survey design where data was collected across the population at one point in time. The design was used because data was captured in the way the hotels were operating before covid-19 and during the pandemic period. Both qualitative and quantitative data approaches were used to collect data during data collection.

3.2 Study population

The study targeted the managers of those selected hotels in Mbarara that is Traingle, Igongo cultural Centre and Jameson hotel resort that were considered due to their related information of this the study.

The total number of hotel managers and workers that is males and females who work in those hotels were expected to be over 100. So the total study population was a hundred. This population from which the research was based on to determine the sample to be used during the data collection.

$$n = \frac{1 + N(e)^2}{1 + N(e)^2}$$

$$1 + N(e)^2$$

Where n, is the required sample size, N is the known population sample size, and e; is the level of significance, which is = 0.05

Therefore given a total population of 100 the sample size was; $n =$

$$\frac{100}{1 + 100(0.05)^2}$$

$$1 + 100(0.05)^2$$

$$n = \frac{100}{1 + 100(0.0025)}$$

$$1 + 100(0.0025)$$

$$n = 100$$

$$1.15$$

$$n = 87$$

Therefore 87 respondents were selected for the study. This contained hotel managers and selected few workers who provided adequate representation of the study.

3.4 Sampling procedure

A stratified random sampling was used to stratify a number of a number of hotel managers, and few selected workers which were males and females.

3.5 Data sources and collection

The researcher collected data using secondary and primary sources.

Secondary data

Secondary data helped to guide the researcher to establish what other researchers found out previously. This enabled the current researcher to fill gaps that were left out. In this respect, textbooks, journals, newspapers and other relevant records were used hand in hand with Primary data in order to come up with valid information based on the study topic.

Primary data

The primary data was collected from respondents and research sites through use of interviews guides, and questionnaire guide.

3.6 Data collection methods.

The following methods were used by the researcher in order to gather enough data, **3.6.1**

Interviewing method

Interviews conducted face to face and this involved one interviewer and one interviewee. Using the above method, the researcher was able to collect data directly through face to face interactions. An interview guide was developed in advance and in a sequence that make sense to interviewees. This was used to interact with respondents like respondents, some of them who were illiterates and were not able to fill the questionnaires. Research guide were developed in line with the research study objectives to help the researcher meet the set objectives.

3.6.2 Questionnaire method.

A structured and semi-structured questionnaires consisting of both close ended and open ended questions were administered to collect data from literates during the study. These questions were based on a set of questions in relation to the study objectives. The researcher sent the questionnaires to the respondents who could read and write and were collected after they had been filled on the agreed date. The method was suitable to use to the people who did not have time to sit for the interviews.

3.7 Data presentation and analysis

Data was entered into a computer after it has been presented using descriptive statistics such as frequency tables.

3.8 Ethical considerations

During data collection, respondent's identity was protected through anonymity in both written and verbal report. The researcher treated respondents with respect through asking for their consent to participate in both pilot and final studies and time interviews. The researcher wrote the research report without fabrications or distortions so that reliable findings and recommendations can be arrived at.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter presents the analysis of the findings got from the field about the respondents' experiences and views towards the effect of covid-19 on the performance of selected Hotels in Mbarara city. The researcher distributed 87 questionnaires but managed to collect 82 questionnaires thus considered views from 82 respondents that included the hotels managers and employees. The chapter is divided into two parts namely; Part 1 about the demographic characteristics of respondents and part B is about the research questions.

4.2 Demographic characteristics of respondents

During the study field, the demographic characteristics of the study respondents were considered because according to Kothari, (2014), in research bio-data clearly measures the level of eligibility of the study respondents. Therefore, age, gender and the education *level* of the respondents from the selected hotels were considered.

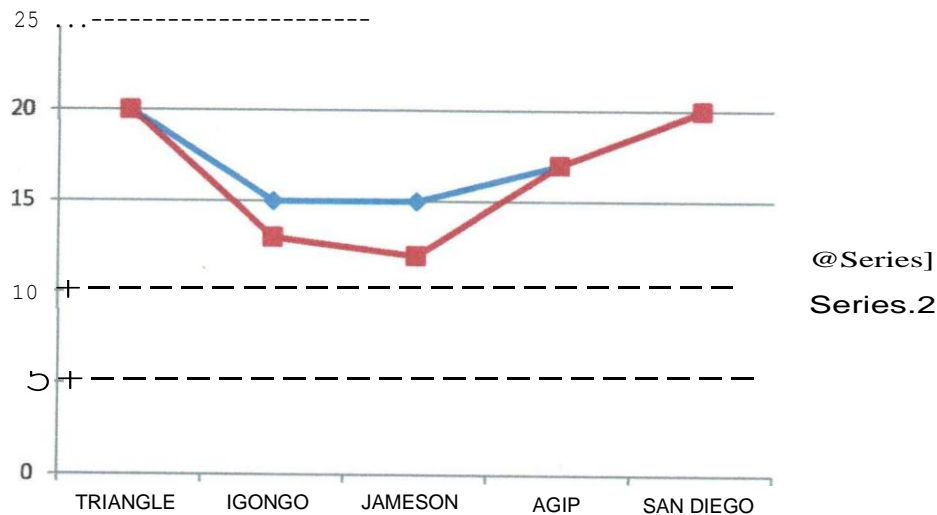
Table 1: Respondents turn up

Hotel	Questionnaire distributed	Turn up	Percentage
TRIANGLE	20	20	24%
IGONGO	15	13	16%
JAMESON	15	12	15%
AGIP	17	17	21%
SAN DIEGO	20	20	24%
Total	87	82	100%

Source: Field Data, 2022

V.

A line graph showing respondents turn up

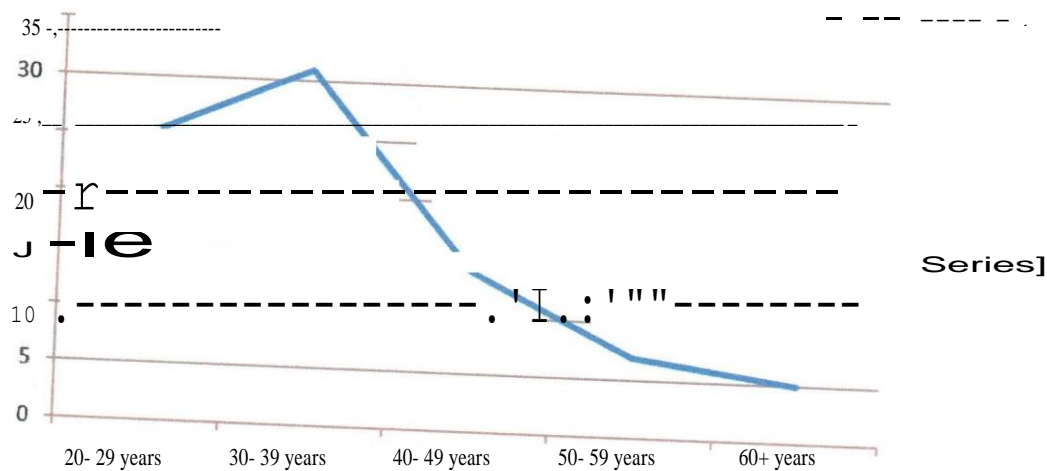


According to the table and graph above, 24% of the respondents were from Triangle hotel and San Diego, 21% of the respondents were from Agip Motel, 16% of the respondents were from Igongo, and only 15% of the respondents were from Jameson Hotel. Therefore, the overall turn up was 100% respondents.

Table 2: Age of respondents

Age distribution	Frequency (f)	Percentage (%)
20-29 years	25	30%
30-39years	31	38%
40- 49 years	14	17%
50-59 years	07	9%
60 +years	05	6%
Total	82	100%

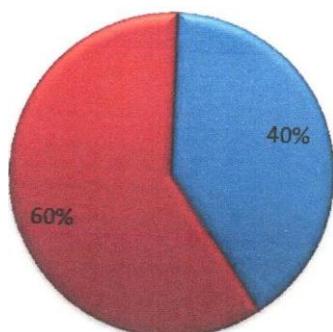
Source: Field Data, 2022



According to the table and graph above, 38% of the respondents that were the majority were in the age bracket of 30-39 years, 30% respondents were in the age bracket 20-29 years, 17% of the respondents were in the age bracket of 40-49 years. Age brackets that were least represented includes 50-59 years with 9% and 60+ years bracket with only 6% respondents. The implication is that majority were in the age bracket of 30-39 years. This is the age bracket of energetic labor that is required in the hotel activities

Table 3: Gender of respondents

Gender distribution	Frequency (t)	Percentage (%)
Males	33	40%
Females	49	60%
Source: Field Data, 2022	82	100%



iii Males II
Females

From the table above, more females (60%) participated in the study than males (40%)

Table 4: Education level of respondents

Education level	Frequency (f)	Percentage(%)
Primary	04	5%
Secondary	14	17%
Diploma/certificate	34	41%
Degree	21	26%
Post- graduate	07	9%
No education	02	2%
Total	82	100

Source: Field Data, 2022

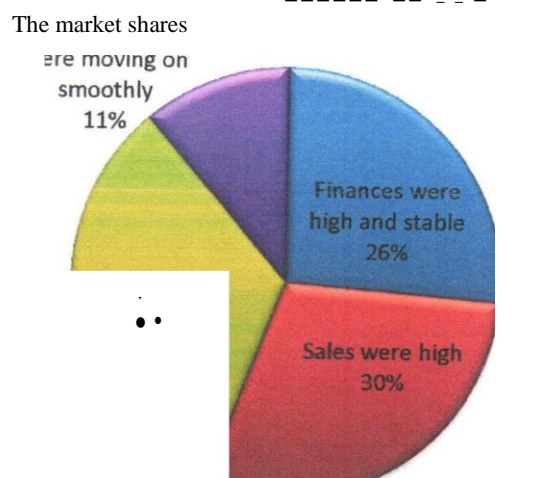
As indicated in the table above, 41 % of respondents that were the majority of the respondents were diploma/certificate holders, 26% respondents had degrees, and 17% respondents had completed secondary level of education, 9% of the respondents were post-graduate holders and only 2% respondents had masters. Majority of the respondents were diplomas and certificate holders from the hotels and tourism institutions around Mbarara city.

4.3. Part B: Research Questions/Objectives

4.3.1 Performance of hotels in Mbarara city before Covid 19 Table 5:

performance of hotels in Mbarara city before Covid 19

Performance	Frequency	Percentage
Finances were high and stable	49	26%
Sales were high	55	30%
We had stable employees	61	33%
The market shares were moving on smoothly	21	11 %
Total	186	94.2%



Source: Field Data, 2022

From the above table and chart, findings related to the performance of hotels before covid-19 pandemic indicated that there were stable employees as revealed by 33% of the respondents, there were high salaries as reflected by 30% respondents, 26% respondents indicated that the Finances were high and stable and the remaining 11 % respondents indicated that The market shares were moving on smoothly.

(a) FINANCES

performance	Frequency
Gross profits were high	01
High	17
Excellent	01
Stable	15
High and stable	23
Promising	07
increased	02
Better	06
Generally good at 65 net profit	01
Booming	02
It was drastically smooth	01
Over 80% were earned	01
It was performing well	01
80% profits were earned	01
Net profit was 80%	01

Financial well before Covid

01
82

(b) Sales

performance	Frequency
Well	01
90% of good were sold	02
Better	03
83%	02
Increasing everyday	01
Adequately enough	01
Booming	01
Good	07
Were promising	04
Enough	02
Increased	04
High	46
Moderate	02
Stable	05
Too much	01
	82

(c) Employees:

performance	Frequency
Stable employees	42
Were maximum	02
Many	14
enough	05
Good	04
Good number and enough labor	01
Well performing	02
better	01
competitive	01
Well equipped with skills	01
Effective services	01
They were promising	04
moderate	03
Workers could report everyday	01
	82

(d) Market share

performance	Frequency
good	04
moderate	01
convmcmg	02
stable	09
high	12
many	01
Relatively well	05
well	05
best	02
competitive	01
unstable	01
Very wide	01
prom1smng	05
Moving on smoothly	32
Very wide	01
	82

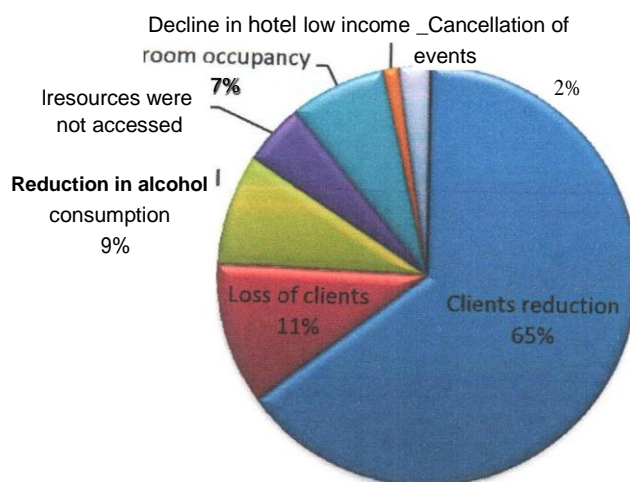
4.3.2The effect of covid-19 on the hotel employees

Table 6: How Covid 19 affected the number of visitors to the hotel.

Effect	Frequency (f)	Percentage (%)
Clients reduction	53	65%
Loss of clients	09	11%
Reduction on alcohol consumption	07	9%
Some resources were not accessed by them.	04	5%
Decline in hotel room occupancy	06	7.3%
Low income to the hotel and clients at large.	01	1%
Cancellation of events led to reduction clients	02	2%
Total	82	100

Source: Field Data, 2022

VIII.



As indicated in the table and pie chart above, clients' reduction was the major effect of COVID-19 that affected visitors to the hotels, 11% respondents mentioned loss of clients, 9% of the respondents mentioned reduction on alcohol consumption, 7.3% respondents mentioned decline in hotel room occupancy. Only 1% respondents mentioned low income to be the major effect.

The implication of the findings is that clients' reduction was the major effect of COVID-19 that affected hotels as represented by the highest percentage of respondents.

Table 7: How Covid -19 affected the hotels operation

Effect	Frequency(f)	Percentage(%)
Failure to raise employees' salaries	15	18%
Working in shifts	17	21%
Losses in cancellation of travels	03	4%
Perishability/ expiry of purchased commodities	26	32%
Reduction in production	21	26%
Total	82	100%

Source: Field Data, 2022

Table above presents responses on how COVID-19 affected the hotels operation. According to the findings, Perishability/ expiry of purchased commodities was ranked highly with 32% responses, Reduction in production was reflected by 26% respondents, Working in shifts was represented by 21% of the study participants.

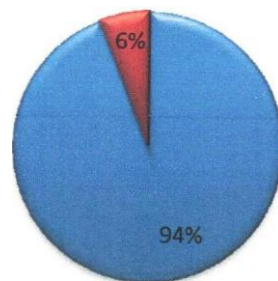
4.3.2 The relationship between Covid-19 and performance of hotels in Mbarara city. Table 8:

Whether there is the relationship between Covid 19 and performance of hotels

Response	Frequency	Percentage
Yes	77	94%
No	5	6%
Total	82	100%

Source: Field Data, 2022

1 Yes No



From the table and pie chart above 94% respondents agreed that there was a relationship between covid-19 and performance of hotels in Mbarara whereas the remaining 6% disagreed. This implies that there was a great relationship as reflected by majority of the respondents.

Table 9: Relationship between relationship Covid 19 and performance of hotels

Relationship	Frequency	Performance
There was loss of many clients	05	6%
Most employees lost jobs	16	20%
The hotels still have debtors	02	2.4%
The pandemic taught us a lesson	13	16%
Salaries reduced/out	25	30%
Some people became victims of the pandemic	07	9%
Reduction of income and feamess in people	14	17%
Total	82	100%

Source: Field Data, 2022

According to the table above, 30% of the respondents that were the majority mentioned salaried reduction/phased out, 20% respondents mentioned loss of jobs, 16% respondents mentioned that the pandemic taught a lesson. Only 2.4% of the respondents mentioned that hotels still have debts incurred during covid-19 pandemic. This implies that covid-19 left an impact on the hotels performance in Mbarara city.

Performance of hotels after Covid-19 outbreak

performance	Frequency (f)	Percentage (%)
Staff cut and worked in shifts	14	17%
Increase of sales	11	13%
Increase in income status	14	17%
Increase in market share	06	7%
Employees reported back	37	45%
Total	82	100

Source: field data, 2022

From the table above, field findings revealed that after the outbreak of the covid-19 pandemic, employees reported back as reflected by 45% respondents, there was Staff cut and worked in shifts as identified by 17% respondents, Increase in income status with 17% responses, Increase of sales with 13% responses and 7% respondents mentioned Increase in market share.

As indicated in the table above, the reporting back of employees was ranked highly as reflected by the highest percentage of respondents. The implication is that there was a performance recovery in the post covid-19 pandemic.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS OF THE FINDINGS 5.0

Introduction

Chapter five discusses the results derived from the field while merging them with the already existing literature of other authors. The findings are then concluded and where possible recommendations made to the concerned stake holders.

5.1 Summary of findings

Concerning the demographics of the study respondents, majority of the were in the age bracket of 30-39 years as revealed by 37.8%, such respondents were males as represented by 58.5% and finally, 47.6% respondents had completed diplomas and certificates as their highest level of education.

Findings from the first study objective about the effect of Covid-19 on the hotel employees showed that there was increased number of loan defaulters as the major effect on visitors to the hotel and failure to raise employees' salaries as the major effect on hotels operations.

The second study objective about the performance of hotels in Mbarara city, findings revealed that hotels had stable employees before the outbreak of covid-19 as reflected by 32.9% of the study respondents and contributed to hotels good performance. However after the outbreak of covid-19 pandemic hotels were influenced to reduce on staff and started working in shifts which eventually led to poor performance as reflected by 32.5% of the study respondents.

The third study objective about the relationship between Covid-19 and performance of Hotels in Mbarara city found out there was a relationship as represented by 93.9% respondents. Further, the findings are supported by 3 78% of respondents that mentioned loss of many hotels clients as associated with the covid-19 pandemic outbreak.

Discussion of findings

5.1.1 Impacts of COVID-19 on Hotel Employees

Findings from the first study objective about the effect of Covid-19 on the hotel employees showed that there was increased number of loan defaulters as the major effect on visitors to the hotel and failure to raise employees' salaries as the major effect on hotels operations.

Similarly, Seddighi, (2020), backed this that COVID-19 pandemic is the worst crisis that affected humanity since the Second World War. It affected the welfare of employees in the hotels with some staff losing jobs and others salaries cut by a half

In addition, The (UNTWO.2020) showed that the pandemic has put an estimated amount of between 100 million and 120 million direct tourism jobs in danger, most of which are micro, small and medium enterprises (MSMEs). These factors that were associated with the outbreak of the covid-19 pandemic therefore affected the progress of hotels in Mbarara city.

5.1.2 Performance of Hotels in Mbarara city

The second study objective about the performance of hotels in Mbarara city, findings revealed that hotels had stable employees before the outbreak of covid-19 as reflected by 32.9% of the study respondents and contributed to hotels good performance. However after the outbreak of covid-19 pandemic hotels were influenced to reduce on staff and started working in shifts which eventually led to poor performance as reflected by 32.5% of the study respondents.

Similarly, Bresciani et al., (2012), asserted that firms' performance relates to both external and internal factors: external, because firms compete in sectors and markets which influence strategy and results; internal, because firms have to decide every day on the correct way to operate, to allocate resources e.t.c in order to manage business functions and reach goals (Bresciani et al., 2012).

Indeed, hotel industry performance can be measured using occupancy performance, such as average occupancy rate: a practical alternative approach, in view of the reluctance of hotel managers to provide details on financial performance (Sun and Lu, 2005). Moreover, revenue performance indicators themselves in the hotel industry, include total operating revenues, average production value per employee and others (Wassenaar and Stafford, 1991). Through these new approaches therefore and their combination, performance in the hotel industry has been studied by linking performance to both external and internal factors (Pereira-Moliner et al., 2010).

5.1.3 Relationship between Covid-19 and performance of Hotels in Mbarara city

The third study objective about the relationship between Covid-19 and performance of Hotels in Mbarara city found out there was a relationship as represented by 93. 9% respondents. Further,

the findings are supported by 378% of respondents that mentioned loss of many hotels clients as associated with the covid-19 pandemic outbreak.

Although the unprecedented nature of the crisis has meant that hotels have been forced to innovate without the benefit of past experience, the previously described Oslo Manual categories of service product, process, organizational and marketing service - are still applicable to many of measures that have been deployed by hotels in response to the pandemic. In terms of product performance, hotels have adopted new technology systems for safe and clean service delivery in an incremental way, such as fully automated hotel check-in systems (e.g., mobile keys) and selfservice kiosk check-in machines, in order to permit social distancing (Shin and Kang, 2020).

Recently, Shin and Kang (2020) found that hotels' incremental innovations for reducing guest interactions and improving cleanliness level have a positive impact on hotel booking intention in pandemic times. In line with the position of Orfila-Sintes et al. (2005), it is difficult to clearly distinguish between product and process innovations, we thus grouped these two innovations into a single category under the label of product-process innovations.

5.2 Conclusions

With the findings discussion and merged with the literature, it is of great significance to conclude in the following ways;

The first study objective about the about the effect of Covid-19 on the hotel employees in Mbarara city concluded that increased number of hotel defaulters leading to debts was a major effect associated with the outbreak of covid-19.

The second study objective about the performance of hotels in Mbarara city before and after the outbreak of covid-19 pandemic concluded that before the pandemic, hotels in Mbarara city performed better with stable employees whereas after the covid 19 pandemic hotels in Mbarara city performed poor with the welfare of employees affected through staff cuts and shifts.

Finally the third study objective about the relationship between Covid-19 and performance of Hotels in Mbarara city concluded that covid-19 was associated with hotels loosing many clients hence poor performance in Mbarara city. Thus a significant relationship observed.

5.3 Recommendations

The study about the effect of covid-19 on the performance of selected hotels in Mbarara city recommends the following;

Hotels in Mbarara city are recommended be ready for post-corona environment. There are different scenarios on when the industry will recover, what new challenges and standards will be imposed, who are more likely to travel which products and services will disappear and transform. Hence the stakeholders especially hotel owners should be able to create different action plans for each scenario to be put into action after recovery.

Destination image shall also be re-positioned based on safety, health and cleanliness.

All stakeholders should also make sure they have a risk and crises management plan and a strong financial structure to improve their resilience in the future.

5.4 Areas for further research

1. Examine the loan debt recovery strategies by incurred by hotels during covid-19 pandemic
2. Strategies for employees motivation in the post-Covid period by the tourism sector

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