

Research Article

Effect of Resilience Strategies on Business Continuity in The Hospitality Industry in Nairobi County, Kenya

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Abstract: *The evolving business landscape faces numerous threats, including cyber-attacks, IT breakdowns, supply chain disruptions, and natural disasters. The digitization and globalization of business processes introduced new vulnerabilities, further underscored by the COVID-19 pandemic, which has brought attention to how vital resilience is. In spite of this, a lot of businesses lack thorough business continuity plans. With a focus on five-star hotels in Nairobi County, this study evaluated the effect of resilience strategies on business continuity within Kenya's hospitality sector. Guided by Prospect Theory, Management Theory, and Organizational Learning Theory, the research explored the effects of financial, operational, and human resource resilience strategies. The study involved senior managers from 10 five-star hotels, with a target population of 90 senior managers. A correlational research design was used. Purposive sampling was used to select participants with specific roles relevant to the research objectives. The Census survey approach was adopted, given the manageable size of the population. Primary data were collected via questionnaires and analyzed using SPSS version 27.0, employing both descriptive and inferential statistics, including multiple linear regression and paired t-tests. Diagnostic checks were performed to assess the assumptions of multiple linear regression and Pearson correlation, including checks for linearity, independence, homoscedasticity, and normality of residuals. Qualitative data were analyzed through content analysis. The finding of the study revealed a significant positive association between financial resilience and business continuity, indicating that stronger financial resilience contributed to improved business continuity within Kenya's hospitality industry, emphasizing strategies like revenue diversification and emergency funding. However, no significant relationship between operational or human resource resilience and business continuity was found. The study recommended that hospitality organizations adopt a holistic approach to resilience, focusing on culture, leadership, and employee engagement, and suggested further research into other influencing factors.*

Keywords: Business Continuity Planning, Resilience Strategies, Financial Resilience, Operational Resilience, Human Resource Resilience, Hospitality Industry.

I. INTRODUCTION

The business landscape constantly evolves with threats, such as cyber-attacks, I.T. breakdowns, supply chain disruptions, and natural disasters. The digitization and globalization of business processes have created new vulnerabilities, and the Coronavirus (COVID-19) pandemic has emphasized the necessity of resilience. However, many companies lack comprehensive business continuity frameworks. Business continuity represents a process via which an organization is able to design prevention and recovery strategies aimed at dealing with potential threats (Irkey & Tufekci, 2021). A 2023 Klynveld, Peat, Marwick, and Goerdeler (KPMG) poll found that many organizations are either at an "ad hoc and reactive" stage or are still developing their approach to business continuity. This gap between awareness and action is concerning, as it leaves organizations vulnerable to the devastating consequences of disruptions. Effective business continuity planning is crucial for mitigating disruptions and ensuring organizational resilience.

The COVID-19 pandemic has highlighted the importance of effective Business Continuity Planning (BCP) for businesses worldwide, according to Burch, Batchelor & Reid (2021). Many organizations have found themselves without an adequate plan for the changes from this pandemic or discovered that their existing plan was not nearly as robust as required at the scale and complexity of the disruptions experienced. As business continuity risk becomes inextricably linked to interrelated factors, it becomes increasingly important for organizations to conceptualize a BCP approach that not only takes into account underlying economic uncertainties but also sets them up for success in the event of future crises. A survey was conducted to understand the extent to which business owners were concerned about business continuity (Burch et al., 2021). The results showed that economic uncertainty emerged as a critical issue, which was faced by businesses in dealing with volatile markets, disrupted supply chains, fluctuations in consumer demand, and financial instability.

Traditionally, the BCP framework has been inappropriate in addressing such unprecedented disruptions that occurred during the pandemic, calling for a transformation of BCP strategies to better respond to new threats and challenges (Byadigera,



2018). The COVID-19 pandemic has called for a rethink by organizations on BCP. Traditional BCP frameworks that are founded on pre-specified scenarios and assumptions have been viewed as too static and inflexible (Byadigera, 2018). BCP frameworks tend to be crafted with specific disruption events in mind, such as natural disasters or cyber-attacks but are less likely to capture emergent and more complex disruption threats like a pandemic. This resulted in a failure of preparedness on the side of the many-faced challenges brought by the pandemic and has created setbacks in business operations, supply chain, and even customer support.

The new paradigm of the BCP underlined the critical aspects of agility and adaptability as it presents rapid assessment and responses to ever-changing threats and risks, strategies, and resource alignment. This calls for shifting from static, one-size-fits-all approaches to BCP to more flexible and dynamic frameworks (Byadigera, 2018). An organization must move forward with a proactive and forward-looking attitude, adopt a culture of resilience and innovation, leverage technologies and data analytics, and realize that continuum planning is a continuous and iterative process to adapt BCP strategies. Organizations can increase their capacity to withstand crises and recover by implementing resilience strategies; therefore, in an uncertain world, organizations will be successfully sustainable. According to Figueiredo, Tomé & Rouco (2022): "resilience strategy is defined as a set of measures, actions, and plans such organization implements on their survival in achieving existence in adversity event, disruption, or test.". This, therefore, means that business continuity is not just another buzzword but a core element of strategic resilience, which modern organizations have to embrace. Risk management is a stand-out cornerstone that enables business continuity. The aim is to reduce the disruptive effects of unforeseen events by effectively identifying, assessing, and mitigating risks in order to successfully navigate the challenges of the 21st century. Management of disasters is thus one of the major concerns impacting the hospitality industry, especially in terms of operations and profitability. It is susceptible to many types of disasters, from natural to man-made disasters. These include natural disasters such as hurricanes, earthquakes, floods, and wildfires. From man-made, it includes terrorist attacks, cyber-attacks, and pandemics. The disasters may have some secondary effects, such as decreased tourism demand and global health crises caused by the COVID-19 pandemic.

Effective management of disasters is the key to the survival and sustainability of hospitality organizations (AlBattat & MatSom, 2014).

Risk assessment and mitigation strategies, contingency plan development, and business continuity would fall into this category. For instance, a hotel investing in resilient building design and backup power systems, as well as detailed evacuation procedures, reduces the impacts of natural disasters on guest safety. Restaurants and resorts can adopt responsive cybersecurity, data backup systems, and crisis communications to counter the threats of cyber-attacks and information breaches. Tangtanapalboon (2020) views business continuity planning as imperative in hospitality.

This study looks at the adoption of BCP in a hospitality business, specifically a hotel in Rayong, Thailand, during the COVID-19 period. The aim was to find the maximum operational tolerable period, given the intention of maintaining business continuity. The suggested framework includes different strategies, like reducing operations costs, where the balance between cost-cutting and service quality appears essential, and customer perception of safety and hygiene. This research also considers alternative revenue streams, like business-to-business sales or room services, to mitigate lost revenues because of reduced occupancy and demand for basic hotel services. It underscores the need to have periodic financial plan revisions to change in response to emerging circumstances during a crisis. In that way, the hotel would be better able to cope with the uncertainty of the pandemic, come what may, hence ensuring effective operations. The study advises on the implementation of BCP principles among service-oriented businesses to withstand crises. Similar to this, Inkien, Williams, and Hoque (2021) stated that the COVID-19 pandemic had seriously affected the hotel industry. Rather, the travel restrictions, lockdowns, and reduced demand for accommodations presented a heavy impact on it.

The contingency planning and firm survival were proved positive in California, USA (Inkien, Williams & Hoque 2021). The majority of hotels employed contingency planning as an antidote to risks and to ensure business continuity. This would include identifying potential threats and vulnerabilities, such as natural disasters, public health emergencies, or economic downturns, developing policies and procedures, and allocating resources for emergency response and recovery.

A contingency planning policy statement outlines the hotel's commitment to preparedness and provides a framework for decision-making and resource allocation during emergencies. Identifying preventive controls and protection systems, such as robust cybersecurity protocols or fire suppression systems, is essential. Developing contingency planning strategies, such as communication protocols, emergency response teams, and evacuation plans, is crucial for effective response. Allocating adequate resources to support contingency planning efforts ensures their effectiveness and enhancement of the hotel's resilience and continuity in the face of uncertainty.

As the globe continues to become more connected and complex, threats of crisis emerge more ominously. The bottom line is that a crisis can strike anytime, anywhere, and for many reasons. Rostek, Wisniewski, and Skomra (2022) noted that maintaining business continuity is vital for an organization seeking to recover from a crisis. However, this has posed serious challenges to all organizational leaders and participants (Rostek, Wisniewski & Skorma, 2022). According to Galaitsi, Pinigina, Keisler, Pescaroli, Keenan, and Linkov (2023), organizational resilience, operational resilience, and business continuity management, all represent strategies that organizations and businesses would implement as they respond and anticipate disruptions. Recent global events have showcased an organization's vulnerability to disruptions and thus emphasized the importance of planning beyond the usual emergency response measures to support the resilience of operations and business continuity over time. This means that organizations must have measures in place to address such occurrences.

Globally, the U.S. Labor Statistics (2021) noted that the hospitality industry had the highest turnover rate following the pandemic. This highlighted the need for hotels and employees to navigate crises and adversity to ensure survival and development. Resilience is critical for individuals and organizations, allowing them to adapt to adverse events and overcome adversity. Hotels must foster resilience among employees to adapt to changing circumstances, implement innovative solutions, and maintain operational continuity. Resilient employees demonstrate adaptability, flexibility, optimism, perseverance, and emotional intelligence (Saad & Elshaer, 2020). They remain focused, motivated, and productive amidst uncertainty, seeking growth opportunities. Resilience also helps hotels navigate change and adapt to evolving customer needs, maintaining service quality, building customer trust, and fostering loyalty (Saad & Elshaer, 2020). Hotel management should foster resilience through proactive and supportive approaches, such as providing training and development opportunities, fostering open communication, and offering support services. Recognizing and acknowledging employees' resilience could boost morale, motivation, and engagement. By empowering employees to navigate crises and adversity, hotels could build a resilient workforce that could overcome challenges, adapt to change, and drive organizational success.

Regionally, Sucheran (2021) noted that most hospitality industry players in South Africa significantly suffered due to the COVID-19 pandemic. The most affected was the accommodation sector, especially the guest houses. This caused a sudden halt to revenue streams and a precarious financial situation. The lockdown regulations and social distancing protocols forced many guesthouses to close, causing uncertainty over their longevity. The lack of a clear timeline for lifting restrictions or returning to normal business exposed vulnerabilities within the industry. Despite the resilience of many guesthouses, the threat to their longevity remained palpable. The sudden disruption to cash flow exposed vulnerabilities within the industry, highlighting the need for proactive measures to safeguard against future crises. As the hospitality sector grappled with the pandemic, guesthouses remained vigilant and agile, seeking innovative solutions to mitigate the impact of the challenges and ensure their survival.

Chigara (2023) sought to determine the resilience of hospitality managers during the COVID-19 pandemic in Cape Town. The Chiara study revealed the socio-economic impact of the COVID-19 pandemic on hospitality managers, offering insights for future crises. It suggested a flexible, adaptive approach, focusing on day-by-day planning and adapting to evolving government policies. Building financial buffers was found to be crucial for financial resilience. Managers should embrace creativity and innovation, as demonstrated by those who found alternative ways to navigate government policies without violating regulations.

Locally, Odwori (2022) argued that the COVID-19 pandemic severely impacted Kenya's hospitality industry, which comprises food and beverages, accommodations, and travel and tourism, leading to the closure of almost 90% of hotels. The decline in tourism and travel demand, coupled with international travel restrictions, border closures, and lockdown measures, led to a sharp decrease in hotel bookings and occupancy rates. Domestic travel restrictions and social distancing protocols also contributed to the decline in hotel occupancy. High operational costs further strained the financial resources of hotels, making it difficult to sustain operations without incurring significant losses. The lack of reservations, as was seen in hotels like Fairmont Norfolk and Serena, highlights the uncertainty and unpredictability faced by hoteliers during the pandemic. This uncertainty made it difficult for hotels to plan and forecast future revenues, leading to the decision to halt operations temporarily or permanently. The closure of hotels also contributed to the socio-economic impact of the pandemic, with the loss of 2 million jobs in the tourism industry affecting hotel staff and their families and communities.

Following the COVID-19 pandemic crisis, the weaknesses of traditional business models in the hotel industry were laid bare. While star-rated hotels were once considered resilient to shocks compared to smaller restaurants, the pandemic has revealed their vulnerability due to reliance on foreign clientele and unsustainable pricing structures. Even after flights resumed in August 2020, around 86% of hotel customers were local (Kenya Institute for Public Policy Research and Analysis, 2021). Many of these establishments heavily relied on conferences and events, which were halted to control the virus spread. Consequently, hotels like the Intercontinental Hotel, Radisson Blu Hotel Upper Hill, Norfolk Fairmont, and Nairobi's Tribe Hotel were closed, while others like Ole-Sereni and Dusit-2 reopened after temporary closures (Kenya Institute for Public Policy Research and Analysis, 2021). In contrast, restaurants and eateries have adopted more adaptable business models catering to financially strained customers. At

Chicken Inn and Pizza Inn outlets, they offer fair pricing and affordable deals, such as buy-one-get-one-free offers on specific days, like Tuesdays and Thursdays (Kenya Institute for Public Policy Research and Analysis, 2021). These strategies attract more customers and boost sales turnover. Many restaurants also provide delivery services, enhancing their competitiveness during the pandemic. Their offerings have diversified, providing various portion sizes and packages to suit different customer needs. Therefore, this study sought to examine the impact of resilience strategies on business continuity in Kenya's hospitality industry, focusing on five-star hotels in Nairobi County. The study aimed to address gaps in understanding the impact of crises on the sector and provide insights for enhancing resilience and mitigating future crises. The research aimed to provide recommendations for enhancing operational continuity during disruptions.

A) Statement of the Problem

The accommodation and food services sector played a significant role in bolstering the overall performance of the economy's service sector before the onset of the COVID-19 pandemic.

The COVID-19 pandemic significantly impacted the hospitality industry, leading to widespread closures, reduced occupancy rates, and significant revenue losses. According to Cowling (2023), as of March 2022, roughly 40 percent of the surveyed hotels in Kenya were expected to return to the level of operations recorded before the coronavirus pandemic by the end of 2022. According to a 2022 Monetary Policy Committee Hotels Survey by the Central Bank of Kenya, in 2021, there was a 52.5% growth in the hospitality industry compared to a 47.7% growth in 2020 (Central Bank of Kenya, 2022). However, while signs of recovery have been already registered, studies such as those conducted by Tangtanapalboon (2020), Inkien (2021), and Sackiley-Matey (2022) underscore the severe impact of crises on the hospitality industry, leading to operational disruptions, financial strains, and workforce management issues.

Therefore, there was a clear need for a comprehensive study that examines the effect of resilience strategies on business continuity, specifically within the context of five-star hotels in Nairobi County. By filling this gap, the research aimed to provide empirical evidence on the efficacy of various resilience strategies, such as financial resilience for continued operation and sustainability of five-star hotels during crises.

B) Objective Of the Study

To determine the effect of financial resilience strategies on business continuity in the hospitality industry in Kenya

II. THEORETICAL REVIEW

A) Prospect Theory

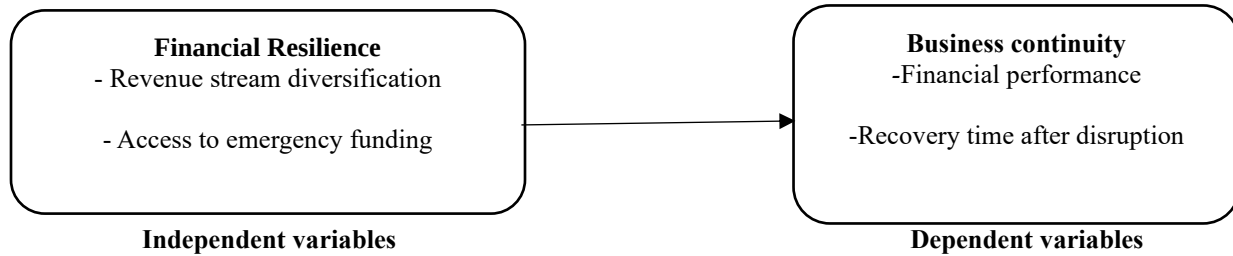
Prospect theory, introduced by Daniel Kahneman and Amos Tversky in 1979, revolutionized the understanding of decision-making under risk (Gisbert-Perez, Marti-Vilar, and Gonzalez-sala, 2022). This theory provides a more nuanced perspective compared to the conventional expected utility theory, which assumes individuals act as rational decision-makers aiming to maximize their expected utility. Kahneman and Tversky's research revealed systematic biases and deviations from the strict rationality typically associated with decision-making in real-life scenarios (Gisbert-Perez, Marti-Vilar, and Gonzalez-sala, 2022).

In accordance with the prospect theory, these emotional or psychological responses of the individuals significantly decrease when the magnitude of change increases, which is referred to as diminishing sensitivity. In addition to that, the concept includes the component of reference dependence, which means that the framing information significantly affects the decision-making process (Pan, 2019). The theory of prospect actually accepts the truth that human choices are subjective in nature and, therefore, based on cognitive biases, emotions, and heuristics. Contrary to this, in classic economic models, it is presumed that people act as rational decision-makers with the maximization of utility. Thus, the concept of utility maximization is toppled by taking into consideration the psychological complexities of choice, such as loss aversion and diminishing sensitivity (Pan, 2019).

Prospect theory was applied in the context of organizational resilience to understand how organizations make decisions under conditions of risk and uncertainty. Organizations may show risk-averse or risk-seeking behavior when confronted with potential gains or losses, which in turn influences their financial resilience strategies.

B) Conceptual Framework

The conceptual framework explained how the independent variable interacts with the dependent variable.



C) Review of Variable

a. Financial Resilience

Financial resilience refers to the capacity of an individual or organization to withstand and recover from financial shocks or disruptions. It is driven by two primary components: revenue stream diversification and access to emergency funding. Revenue diversification represents the ability to reduce dependence on a single source of income, enhancing financial stability and risk mitigation. Emergency funding access is indeed a financial safety net for crises or surprise expenses, which keeps recovery on track and avoids disruptions. Both components are joined together and function synergistically to make finance more resilient. Diversification is the base of stability, and emergency funding is the padding in times of crisis. Highlighting one sub-variable may offset the other and lead to a more resilient financial position in the long run. Based on these aspects, financial resilience is assessed by incorporating two essential constituents, including diversified revenue streams as well as accessing emergency funding based on such indicator variables as revenue source type diversity, % contribution by diverse sources, accessibility to emergency funds, and simplicity in access.

D) Empirical Literature

a. Financial Resilience Strategies and Business Continuity

As can be seen above, financial resiliency gives businesses the flexibility to bounce back from setbacks such as economic downturns, unexpected expenses, or natural disasters in the economy, and so, financial resilience comes with focus areas such as successful cash flow, building an emergency fund, different revenue streams and reducing fixed expenditures. For business entities, emergency funds, diverse sources of revenues, reduced fixed costs, cash flow forecasts, and planning can come in handy while preventing debts, which usually manifest when businesses go through financial stresses. The essence of constantly analyzing and refining your financial strategy in business circles means they will always prepare for the future, but above all, make it better able to deal with challenges when unprepared. Establishing financial strength is an evolutionary process as well.

Nguyen, Le, Vu, and Tran (2023) conducted global research on hotels from 30 countries to determine the importance of capital structure management in supporting business continuity regarding financial stability during the pandemic. The COVID-19 pandemic has impacted the hotel sector to a great extent, with more crisis management and hotel resilience research. However, capital structure management has been overlooked. A large dataset of 1882 firm-quarter observations of 196 hotel firms in 30 countries over Q3 2018-Q2 2021 showed that a low debt capital structure could mitigate the adverse effects of the pandemic, particularly for smaller, less diversified, and slow-growing hotels. Nguyen and Pham (2023) further stressed the significance of debt composition in capital structure decisions, wherein firms with lower long-term debt are more financially stable and resilient. This calls for capital structure policies in the building of resilience and crisis management for hotel firms, hence ensuring business continuity.

According to the Business Continuity Institute (2023), financial resilience is key to an organization's ability to face economic challenges and remain viable. It relates to maintaining healthy cash flow, diversifying revenue streams, and managing debt levels. Prudent financial management strategies, such as budgeting, investment, and resource allocation, are essential for achieving financial resilience. Cost-control measures are crucial for optimizing operational efficiency and ensuring efficient resource allocation. Accumulating financial reserves is a fundamental practice that provides financial support during challenging times. Diversifying revenue streams distributes risk and allows organizations to adapt to changing market dynamics. Lower debt levels provide more financial flexibility and better financial position. Therefore, strategies are aligned with the interests of shareholders to safeguard their investments and ensure the sustainability of the firm's financial performance over the long term. Thus, financial resilience is an altogether more versatile approach, which includes prudent financial management, cost control measures, building reserves, revenue diversity, and reducing levels of debt. The adoption of these strategies might be helpful in improving their strength against economic shocks, as well as adjusting, surviving, and thriving in an altogether dynamic and unpredictable business environment. Financial resilience is a shield against uncertainties and a strategic imperative for long-term sustainability and success.

Nauck, Pancaldi, Poppensieker, and White (2021) aimed to find out how organizations can survive and succeed under uncertainty. They even opine that financial resilience is a centripetal force so vital for businesses to chart through the uncertain business environment. It entails strategic management of finance resources in withstanding and getting back from economic shocks by a drastic drop in revenues, increased costs, and credit issues. Economic resilience is achieved by the tension between short-term and long-term goals. Capital adequacy is also an important aspect of financial resilience. It acts as a financial buffer during unexpected shocks and a basis for continued operations. Besides financial resilience, liquidity is important to ensure that short-term obligations are met promptly and opportunities are seized. Financial resilience is important to organizations that prepare for market deterioration because reduced access to capital is a serious threat. Financial institutions must manage their relationship with creditors and investors for access to available funding. It is a constant challenge to balance short-term financial stability with long-term growth. This will help the organizations navigate the dual focus and eventually prove resilient enough to withstand short-term shocks that never compromise their ability to capitalize on future opportunities.

E) Research Gaps

The literature on financial and operational resilience in different industries, specifically within Kenya's hospitality sector, was scant. Most studies have touched on resilience in underdeveloped regions, yet they have not addressed the specific risks of hospitality operations, including dependence on tourism, seasonality, and vulnerability to external shocks. Such understanding of these risks was important to devising specific resilience strategies that responded to the needs of hotels, resorts, and other tourist facilities in Kenya. There was, therefore, a need for special studies on disaster risk financing and resilience within Kenya's hospitality sector. Hospitality businesses are badly exposed to disruptions caused by natural disasters, pandemics, and other events. A dedicated study exploring how disaster risk financing mechanisms could be customized to address the specific vulnerabilities and operational challenges faced by hotels and resorts in Kenya would provide valuable insights for enhancing resilience and ensuring sustainable hospitality industry development.

III. METHODOLOGY

A) Data Collection Instrument

A research instrument is a tool that is used to gather data from the respondents who are the focus of a research study. In this study, the researcher used a questionnaire to collect both quantitative and qualitative data. The questionnaire contained the following sections: The demographical information, which was in Section A, and the questions relating to the independent and dependent variables were located in Sections B, C, D, and E. The questions were in close-ended and open-ended format. This made it easier for the respondents to understand what was being asked of them. The information was presented using a 5-point Likert scale. The questionnaires had five alternative responses: SA = Strongly Agree, 1. SD = Strongly Disagree, 2. D = Disagree, 3. A = Agree, 4 and ND = Neither Disagree nor Agree, 5.

B) Data Analysis Methods

Inferential and descriptive statistics using SPSS version 27.0 were used to analyze the gathered data. Descriptive statistics involved using measures of central tendency (standard deviation and mean), percentages, and frequency. Qualitative data was analyzed using content analyses and interpreted by direct quotation of responses to gather in-depth insight into the research objective.

IV. FINDINGS, INTERPRETATIONS AND DISCUSSIONS

A) Descriptive Results on the Effect of Financial Resilience Strategies on Business Continuity

This section presents the descriptive analysis of the impact of financial resilience strategies on business continuity, as summarized in Table 1

Table 1 Effects of Financial Resilience Strategies on Business Continuity

Statement	SD (1)	D (2)	N (3)	A (4)	SA (5)	M	SD
Your hotel has multiple revenue streams, including events, food and beverages, accommodation, etc.	1 (1.1%)	1 (1.1%)	3 (3.4%)	30 (33.7%)	58 (65.2%)	4.64	0.506
Your organization has access to emergency funding sources	0(00)	18 (20.2%)	17 (19.1%)	37 (41.1%)	17 (19.1%)	2.94	1.425
The organization can access emergency funding in less than 12 hours following a disruption	2 (2.2%)	1 (1.1%)	2 (2.2%)	26 (29.2%)	58 (65.2%)	4.54	0.799

The organization has contingency plans to support cash flow following disruptions	2 (2.2%)	2 (2.2%)	5 (5.6%)	4 (4.5%)	76 (85.4%)	4.69	0.861
The organization has a financial risk management plan in place	1 (1.1%)	1 (1.1%)	9 (10.1%)	75 (84.3%)	3 (3.4%)	3.88	0.518
More than 50% of the organization's revenues come from sources other than accommodation	1 (1.1%)	1 (1.1%)	28 (31.5%)	26 (29.2%)	33 (37.1%)	4.00	0.917
Market or regulatory barriers hinder your access to emergency funding	1 (1.1%)	68 (76.4%)	6 (6.7%)	9 (10.1%)	5 (5.6%)	2.43	0.903
Revenue stream diversification is important for supporting financial stability and business continuity	2 (2.2%)	3 (3.4%)	3 (3.4%)	24 (27.0%)	57 (64.0%)	4.47	0.893
I am satisfied with the organization's current revenue stream diversification efforts.	0(0.0)	0(0.0)	3 (3.4%)	12 (13.5%)	74 (83.1%)	4.8	0.481
The organization regularly tracks financial indicators	2 (2.2%)	3 (3.4%)	4 (4.5%)	31 (34.8%)	49 (55.1%)	4.37	0.897
Key: SD=Strongly Disagree, D=Disagree, N= Not Sure, A=Agree, SA= Strongly Agree, M=Mean, SD=Standard Deviation							

The findings presented in Table 4.1 highlight the importance of financial resilience strategies in supporting business continuity within the hospitality industry. The majority of respondents (65.2%, Mean: 4.64, Standard Deviation: 0.506) strongly agreed that their hotel has multiple revenue streams. This aligns with Bhattacharya, Zutshi, and Bavik (2021), who found that businesses with diversified revenue streams, including accommodation paired with food and beverage services, experienced greater financial resilience during crises. This implies that having multiple income sources ensures financial stability, where diversification is a key factor in navigating economic downturns and disruptions.

One of the major constituents of the respondents strongly agreed or agreed that their organization has access to emergency funding sources, which amounts to 41.1%, Mean: 3.94, Standard Deviation: 1.425. This finding was consistent with that of Gupta et al. (2023), with organizations that had readily available emergency funding resources having better chances of mitigating disruption and continuing to run operations than those not having such resources. That goes to show, therefore, the importance of accessibility to emergency finance in order for a business, especially hospitality operations, to cope with financial fragility during operations. A strong majority of respondents (65.2%, Mean: 4.54, Standard Deviation: 0.799) agreed that their organization can access emergency funding in less than 12 hours following a disruption. This finding aligns with Jubaedah's (2020) research, which emphasized the importance of rapid access to emergency funding in ensuring business continuity during disruptions. This implies that organizations with well-established systems for quick financial support were able to recover faster from crises, minimizing operational downtime.

The high agreement with this statement (85.4%, Mean: 4.69, Standard Deviation: 0.861) is in line with the findings of Makdissi, Yaacoub, and Mekdessi (2023), who underscored that businesses with proper contingency plans for cash flow are more resilient during economic disruptions.

Makdissi, Yaacoub, and Mekdessi's (2023) study emphasized the importance of planning to ensure liquidity, which is a vital factor for maintaining operations during periods of financial uncertainty. This shows that businesses are taking proactive measures to protect their cash flow, which is in line with the best practices outlined in the literature. Most of the respondents (84.3%, Mean: 3.88, Standard Deviation: 0.518) strongly agreed that they have a financial risk management plan.

This finding is in line with the work of Nguyen (2023), who found that financial risk management is an integral part of ensuring organizational resilience. However, the small percentage of respondents who disagreed suggests that there is still work to be done in implementing formal risk management strategies across all organizations. Lee and Mason noted that while many businesses recognize the need for risk management, the consistency of its implementation can vary significantly. This indicates that businesses are adopting strategic and systematic approaches to financial risk management, ensuring long-term sustainability. The outcome, therefore, indicates that risk planning is significant in the improvement of an organization's resilience and reduction

of vulnerability to financial setbacks. A slight percentage of participants (37.1%, Mean: 4.00, Standard Deviation: 0.917) agreed that more than 50% of revenue generated by their organization is sourced from alternative accommodations.

This outcome reflects a moderate level of diversification in revenue streams as there are countless organizations that have started engaging in other streams of revenue, but most organizations still seem to be large contributors to the income cash flow generated by accommodation. This is not far from what Shi, Weaver, and Samaniego (2021) noted when they claimed that even though diversification beyond accommodation is perceived as a key to financial stability, most hospitality businesses have not fully utilized other revenue streams. They noted that diversification into events, food and beverage, and other revenue streams could protect enterprises against accommodation revenue decline and help in general resilience. Respondents were asked to indicate if market or regulatory barriers limit their access to emergency funding.

Slightly more than three-quarters of the respondents disagree with this statement, 76.4%, Mean = 2.43, Standard Deviation = 0.903, which states that market or regulatory barriers are limiting their access to emergency funding. This is different from the findings made by Senbeto & Hon (2020), which pointed out that regulatory constraints and market inefficiencies often become obstacles to accessing quick funding, especially in some geographical locations or specific industries. Senbeto & Hon further observed that these barriers delay access to much-needed financial support in times of crisis, thus affecting the quick turnaround of businesses. The study assessed whether revenue stream diversification is important for supporting financial stability and business continuity.

A strong majority (64.0%, Mean: 4.47, Standard Deviation: 0.893) agreed that diversification is crucial for financial stability and continuity. This is in line with the work of Sawalha (2020), who argued that businesses must diversify their revenue sources to ensure resilience against market volatility. Sawalha's research provided a strong case that a diversified income base is not only beneficial but necessary for long-term sustainability, especially in businesses vulnerable to cyclical downturns or unexpected shocks. This is because a diversified revenue strategy builds financial resilience and helps to better prepare for and mitigate the impacts of unforeseen challenges in business operations. It aimed to establish whether the subjects were satisfied with the revenue diversification efforts being undertaken by their organization.

With 83.1% agreeing (Mean: 4.80, Standard Deviation: 0.481), this result captures an affirmative opinion regarding revenue diversification efforts. This is somewhat in line with research that suggests satisfaction with diversification strategies is associated with financial resilience perceptions, as observed by Katongole (2020). Similarly, Katongole, 2020, posits that proper diversification increases both financial stability as well as boosts employee and stakeholder satisfaction. This alignment underscores the importance of robust diversification strategies in fostering confidence and satisfaction among organizational members, which, in turn, supports long-term sustainability.

The study examined whether organizations regularly track financial indicators. The results (55.1%, Mean: 4.37, Standard Deviation: 0.897) indicate that a majority of respondents agreed their organizations engage in this practice, though some variability exists. These findings align with those of Jado and Al-Hanandeh, who emphasized that businesses that consistently track financial indicators are better equipped to anticipate risks and make strategic adjustments. However, Chen et al. highlighted that many organizations, particularly small and medium-sized enterprises, still lag in consistently monitoring these metrics. This could account for the moderate level of agreement observed in the study, suggesting room for improvement in ensuring more widespread and consistent tracking of financial indicators.

From the open-ended questions, participants were asked, "In your own understanding, how will Revenue stream diversification and Access to emergency funding influence financial resilience?" A majority of senior managers agree that revenue stream diversification gives a company insurance against a volatile single-source income, thus averting financial uncertainty and stability whenever the economy fluctuates again. They indicate that diversified source incomes, that is, using accommodation, food, and beverage together with event service, create cushioning against turbulent markets. These findings were consistent with those of Essuman, Boso, and Annan (2020), who highlighted that diversifying revenue streams and establishing reliable emergency funding mechanisms are necessary measures to mitigate financial risks and sustain organizational stability when unforeseen events prevail. Lastly, respondents were asked to suggest another factor that will impact financial resilience.

Most of the senior managers asserted that effective financial planning and risk management are essential to strengthen financial resilience. They stressed the need for adequate cash balances, proper financial monitoring mechanisms, and regular risk assessments to be conducted in order to detect possible vulnerabilities. Such findings were similar to the contributions of Daadmehr (2024), who pointed out that financial planning and proactive risk management strategies are significant factors for the stability and adaptability of organizations.

B) Discussion of Findings

a. Effect of Financial Resilience Strategies on Business Continuity

This study explored the effect of financial resilience strategies on business continuity in the hospitality industry in Nairobi County, Kenya. It revealed that revenue diversification is crucial for continuity and to be able to achieve some form of financial stability. Most of the respondents agreed on the importance of revenue diversification. Organizations with diversified income sources, such as combining accommodation, food and beverage services, and event hosting, are better positioned to reduce financial risks and ensure stability during economic fluctuations. This was in agreement with Yeoh (2022), who stated that accommodation remains a dominant income generator for some, suggesting that further efforts are needed to leverage alternative revenue streams fully.

The results further drive home the fact that the quick availability of emergency funding is an important determinant of financial resilience; a significant percentage of respondents indicate that their organizations can obtain funds within 12 hours of disruption. This capacity helps minimize downtime and accelerate recovery from disasters. Further, the majority of respondents affirmed that the market and regulatory barriers are not significant issues in having access to emergency funding, which implies that there are well-functioning sources of support in many organizations. However, this is in contrast to Sawalha (2020), who articulated that inefficiencies in the regulatory and market environment may hinder prompt access to funding, particularly in specific territories or sectors.

The findings indicate a very strong positive correlation between financial resilience and business continuity ($r = 0.95$, $p = 0.01$), indicating that the hospitality industry in Nairobi County examined in this study demonstrates robust financial resilience. This includes strategies such as diversified revenue streams and access to emergency funding, which enable organizations to better sustain operations during disruptions. These results are in agreement with Makdissi, Yaacoub, and Mekdessi (2023), who highlighted the significance of financial resilience in the ability to continue operating a business even in the event of unforeseen financial shocks.

V. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

A) Summary Of Findings

a. Effect of financial resilience strategies on business continuity

This research looked at how financial resilience strategies affect the hospitality industry in terms of business continuity within Nairobi County. Income diversification plays a pivotal role in sustaining stability and continuance. If different revenue sources such as accommodations, food and beverage service, and event hosting exist together, then such businesses tend to be safer in terms of facing financial shocks or economic risks and, hence, likely to be resilient to economic swings.

The study also revealed the significance of rapid access to emergency funding; most organizations are able to acquire funds within a short period in case of disruption. This enables them to return to normal operations and recover more rapidly from crises.

This means that financial resilience strategies really indicate a positive relationship with business continuity due to the importance such strategies offer for sustaining operations during uncertain or disruptive times. In such cases, revenue diversification has been one of the cornerstones in ensuring financial stability, among other things, as it enables businesses to reduce dependency on single sources of income and facilitates better navigation around economic fluctuations. By spreading financial risks across multiple revenue streams, such as accommodation services, dining, and event hosting, organizations can maintain steady cash flow and adapt to changing market conditions.

B) Conclusion

Financial resilience is critical to business continuity in the hospitality industry in Nairobi County. The major strategies that can be used for sustaining operations in the face of economic fluctuations and crises include diversification of revenue streams and emergency funding access. Diversification of revenue streams, such as accommodation, food services, and event hosting, helps reduce the dependency on one source of income and maintains constant cash flow. Having access to emergency funds means that businesses minimize downtime and react quickly to potential disruptions. Thus, these types of financial strategies for resilience could be found highly effective in adding stability and business adaptability even in economic uncertainty.

C) Recommendations

Diversifying revenue streams- Hospitality business concerns should strive for diversifying revenues by providing newer sources of revenue, for instance, more added services in respect of current business lines that involve wellness programs or online services as well as guided local tours to reduce the business's dependency on a sole revenue source, with stability assured, especially when experiencing economic downturn. Organizations need to develop strategies that facilitate quicker access to emergency funding. Building relationships with banks or setting up an emergency fund could help businesses respond quickly to disruption and keep operational downtime minimal, thereby keeping business continuity.

VI. REFERENCES

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