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THE IMPACT OF ECONOMIC RECESSION ON DELHI'S HOTEL AND RESTAURANT INDUSTRY: A COMPREHENSIVE ANALYSIS

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ABSTRACT

Background: *The hotel and restaurant industries wield a pivotal influence on the global economy, but they are exquisitely vulnerable to economic oscillations. Comprehending the economic reverberations on these sectors is paramount for formulating efficacious strategies to surmount obstacles and perpetuate growth.* **Objective:** *This paper scrutinizes the economic repercussions on the hotel and restaurant industries and probes the factors that sway their performance amidst economic recessions. It also investigates the organizational practices and stratagems implemented to grapple with recessions and ensure survival.* **Methodology:** *Cross sectional field survey was executed in Delhi, India, with data amassed from 10 five-star hotels and 30 quick-service restaurants employing a questionnaire. Respondents were in age bracket of 31-50 years in which 70% were male and 30% of the respondents were manager. Chi-square tests, mean calculations, standard deviation calculations, and t-tests were deployed for data analysis.* **Result:** *The results unveil momentous associations between factors such as recession causes, severity of impact, measures adopted to combat the recession, and strategies embraced subsequent to the recession. Additionally, the study examines expectations regarding recovery time and organizational practices for retaining employees during a recession.* **Conclusion:** *The findings yield invaluable insights into the industry's response to economic recessions and proffer guidance for hotel and restaurant proprietors, managers, and staff to augment their competitiveness and navigate arduous economic circumstances.*

Key Words: *Delhi, Economic Impact, Global Recession, Hospitality Industry, Hotel, Restaurant.*

INTRODUCTION

The hotel and restaurant industries wield a critical influence on the global economy, birthing employment, income, and fueling the expansion of the tourism sector. Nonetheless, these two sectors are susceptible to economic undulations that can profoundly sway their revenue, profitability, and growth. An array of factors, encompassing alterations in consumer behavior, global calamities, and governmental policies, possess the capacity to influence the economic performance of these industries, thereby necessitating a comprehensive comprehension of their economic ramifications. Through the analysis of economic impacts, stakeholders can contrive potent strategies to surmount economic challenges and sustain the progress of these two sectors. Numerous experts concur that the execution of a strategy, which entails determining the participants involved, locations, timing, and methods, is equally pivotal as the creation of the strategic plan itself, and it can confer a competitive edge upon the company. It is also widely acknowledged that the organizational structure assumes a pivotal role in the implementation phase, as it determines how the company's resources are apportioned and how its personnel and teams collaborate. Decisions made in this realm can have a momentous influence on a hotel's performance, and the effects can be gauged through empirical research in the dynamically evolving domain of strategic Revenue Management (Altin et al., 2017).

Tourism burgeons as a pivotal realm propelling a nation's growth, begetting copious foreign wealth. However, this industry teeters on a precipice, susceptible to political upheaval, economic recessions, and technological dearth. The hospitality domain, encompassing airlines, hotels, and restaurants, bears the brunt of these trials, beleaguered by economic slumps as patrons turn frugal. Inflation and exorbitant prices cast a pall over demand, while hotels confront novel, intricate perils that imperil their very existence. While recessions may diverge, certain shared traits pervade most (Moussa et al., 2017). Amidst these recessions, a deceleration in economic activities transpires, casting a pall over hospitality enterprises as individuals clutch their funds for vital necessities like sustenance and shelter. The National Bureau of Economic Research delineates a recession as a momentous plummet in economic activity, persisting for more than a mere handful of months, evident in indicators such as GDP, income, employment, and sales (Moussa et al., 2017). The hotel industry gyrates in tandem with the economy, as it is profoundly impacted by its state. This arises from the fact that hotels generally bear weighty fixed costs, impervious to the level of their output. Consequently, they become exposed to shifts in business circumstances, as they are unable to scale back costs when sales plummet during economic recessions. As a result, even minor fluctuations in business conditions can wield substantial influence on hotel profitability, as hotel profits are directly swayed by changes in sales revenue. To sustain viability and generate ample profits, hotels must uphold elevated levels of revenue (Chen, 2010). The hospitality and tourism sector, while crucial for sustainable development, economic growth, and employment creation, is exceedingly susceptible to both internal and external factors that can disrupt its operations. These factors encompass pandemics, natural calamities, warfare, economic crises, and terrorism. The global recession precipitated by the COVID-19 pandemic is anticipated to have protracted consequences. Specifically, the hospitality industry, inherently entwined with health-related concerns, becomes conspicuously vulnerable during pandemics (Sucheran, 2021). The COVID-19 crisis wreaked havoc on the tourism sector, dealing a devastating blow to the service industry's economy. The pandemic not only enforced stringent hygiene protocols and imposed travel constraints but also inflicted financial hardships. In a matter of weeks, the hotel sector confronted formidable obstacles, leading to the temporary closure of numerous establishments due to financial distress (Spanaki et al., 2021).

Comprehending forthcoming economic conditions holds paramount importance for hospitality enterprises, as it enables the formulation of competitive strategic blueprints. The undulating economic factors, such as interest rates and inflation, possess the potential to exert substantial influence on a firm's plans. The restaurant industry, in particular, stands vulnerable to external economic fluctuations when juxtaposed with other sectors. The prosperity of restaurants hinges heavily upon the disposable income of both locals and visitors. During times of economic recession, consumers tend to curtail their expenditures on travel and dining out, thus adversely impacting the restaurant industry. Moreover, the demand for travel and full-service dining establishments exhibits a high degree of sensitivity to income variations, whereby even slight fluctuations in disposable income can precipitate significant shifts in demand (Lee & Ha, 2012). The broader economic climate has an impact on the restaurant business; during recessions, negative effects are noticeable. According to research, the macroeconomic environment has a considerable impact on how well restaurants thrive. Full-service restaurants are more emotionally focused than limited-service restaurants, which are more utilitarian. Due to the more unpredictable nature of the effects of recessions on full-service restaurants compared to limited-service restaurants, new techniques for surviving and emerging from recessions have been developed. When creating efficient turnaround plans during economic recessions, these distinctions should be taken into account (Jung & Jung, 2020). Due to its fascinating history, famous buildings, and varied food, Delhi is a great city in India and a well-liked vacation spot for locals, business visitors, and tourists. But like many other cities, Delhi is experiencing a severe economic crisis that is forcing cost-cutting and staff reductions in the hotel sector. Hotels and restaurants must adopt cost-cutting measures, revenue management tactics, marketing strategies, menu engineering, pricing strategies, customer service approaches, and technology to sustain performance in hard economic times. Implementing these tactics is crucial since the prosperity of these companies directly impacts Delhi's economy and employment possibilities. Delhi's hospitality industry, a focal point for tourists, assumed a vital function in the city's tourism sector, enticing visitors with enticing service and bolstering the economy amid a recession. The COVID-19 pandemic deepened these quandaries, driving down earnings and compelling hotels and restaurants worldwide to shut their doors. This article dissects approaches and tactics to upholding excellence in the face of a recession. The adoption of these tactics can foster competitiveness and enrich fiscal performance amidst challenging economic conditions. These measures prove indispensable not only during recessions but also in the fiercely competitive and ever-evolving hospitality realm, mandating comprehension and implementation by hotel and restaurant proprietors, managers, and staff to safeguard their enterprises' prosperity and survival.

Provance, 2009 conducted a study titled "Recession and its affect on the Las Vegas hospitality industry" which: The recession in the latter half of the 2000s had a significant impact on the Las Vegas hospitality industry, with gaming companies such as Las Vegas Sands, MGM/Mirage, and Station Casinos all suffered. Each company had developed its own unique business model but failed to protect themselves for when the economy collapsed. Las Vegas Sands' method of debt management left them exposed to creditors, and a better focus on managing their debt structure was necessary for future success. MGM/Mirage built their market share through purchasing major casino resorts and showed resilience by opening an $8.5 billion mega-resort during the recession. Station Casinos grew from a single property to 18 properties but currently only focused on the Las Vegas locals market, and branching out to other markets would help ensure success during economic recessions (Provance, 2009).

Brien, 2011 conducted a study titled "Developing Organisational Social Capital in Hotels: A future Recession Proofing Approach" which: The hotel industry has slashed expenses, especially in terms of labor, in order to stay afloat financially. However, this approach can have negative consequences for their long-term viability, resulting in diminished levels of service, the erosion of expertise, and disgruntled patrons. A study carried out in New Zealand unveiled that cultivating organizational social capital, encompassing trust, communication, dedication, social connections, and influence, can bolster the sustainability, productivity, and profitability of hotels. Hotels that allocate resources to building social capital during prosperous economic times are more likely to thrive during an economic recession. Middle managers who exhibit effective leadership in fostering social capital play a crucial role in enabling the organization to adapt swiftly and safeguard its future (Brien, 2011).

Biju, 2014 conducted a study titled "The 2007–2009 economic recession: A study of impact of the economic crisis on independent owned hotels in Kansas" which: In a qualitative case study was to investigate how the 2007-2009 economic recession affected individually-owned hotels in Kansas. Twenty hotel owners from four regions of Kansas were interviewed to identify challenges they faced during the recession and successful strategies they used to survive. Four themes emerged: (a) leadership, (b) decreased occupancy, (c) cost-cutting through employee reduction, and (d) customer relations. The study found that hotel owners lacked skills in leadership, budgeting, employee management, and customer relationship management. The study recommended training in these areas and suggested further research comparing leaders by inheritance and profession, using mixed-methods, and comparing franchise-owned hotels to individually-owned hotels in Kansas during the recession.

Hrubalová, 2015 conducted a study titled "strategies of hotels to overcome the impacts of recession" which: According to a study for identify the best strategies for hotels to overcome recession and position themselves for recovery. A structured questionnaire completed by 100 hotels in Slovakia was used to identify the strategies taken, and the Spearman's correlation coefficient was used to assess their influence on the hotels' revenues, costs, profits, competitiveness, number of guests, and occupancy rate. The most effective strategy identified was the progressive strategy, which combines cost-cutting measures not affecting employees, measures aimed at market development, and investments. The findings provide valuable insight for decision-makers in times of recession and add a specific focus on strategies taken by hotels during a recession (Hrubalová, 2015).

Restaurant

Youn and Gu, 2009 conducted a study titled "US restaurant firm performance check: An examination of the impact of the recent recession" which: On one study used financial ratio analysis to examine how the current recession affected US restaurants. The researchers compared 14 financial ratios from 2006 (pre-recession) with the same ratios in 2008 (during the recession) to assess various financial aspects of restaurant firms. The results indicated that all three sectors of the US restaurant industry (full-service, economy/buffet, and fast-food) were negatively impacted by the recession in terms of liquidity, leverage, solvency, efficiency, and profitability. To survive the recession, restaurants needed to focus on increasing sales and operating income, improving inventory turnover and accounts receivable, and decreasing their reliance on debt financing (Youn & Gu, 2009).

Koh et al., 2013 conducted a study titled "The income elasticity of demand and firm performance of US restaurant companies by restaurant type during recessions" which: a

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research delves into the impact of restaurant type on demand elasticity and financial prowess amidst economic recessions in the US. Amidst the turmoil of the 2008-2009 recession, while numerous dining establishments struggled, McDonald's and a few other fast-food chains astonishingly excelled. The investigation revealed that fast-food establishments displayed markedly superior accounting achievements compared to non-fast-food restaurants during the recession, even though there were no discernible variations in the income elasticity of demand between the two categories of eateries. This implies that fast-food restaurants adeptly managed to curtail expenses amidst the economic recession.

Jung, and Jung (2020) conducted a study titled "Have restaurant firms been using right recession turnaround strategies?: Evaluating with propensity score measure" which: On one study examined the effectiveness of different recession turnaround strategies adopted by restaurants, including advertising, profit margins, and asset turnover. The results revealed that aggressive advertising led to significant revenue improvements for limited-service and franchise restaurants, but not for profitability. Profit margin strategy did not affect revenue, but it had a positive impact on profitability and stock returns across all segments. However, the asset turnover strategy had negative impacts on revenue for all segments in the year following a recession. As such, managers should approach recession turnaround strategies with caution.

Parsa et al., 2021 conducted a study titled "Why restaurants fail? Part V: Role of economic factors, risk, density, location, cuisine, health code violations and GIS factors" which: study scrutinized data from a bustling US metropolis from 2007-2013 to dissect how economic recession and recovery influenced the downfall of restaurants, taking into account factors like location, cuisine type, density, level of service, and health code infractions. The study unearthed a labyrinthine array of impacts that economic conditions had on the rates of restaurant closures, contingent upon these factors. Some culinary genres proved more susceptible to economic recessions than others, and the frequency of health code violations exerted a formidable influence on business failures. Furthermore, a conspicuous pattern of restaurant closures emerged based on Postal ZIP Codes, but no correlation materialized between location and the demise of cuisine type.

Since the economic growth is an important parameter to check the development of any country. There is availability if literature on the effect of economic recession on the performance of the restaurants. However, not much has been done in investigating the influence of economic recession on the hotels and restaurants in Delhi, India. This paper also brings out the steps of how to tackle the economic recession by the restaurants/ hotels in Delhi, India. The objectives of the paper were:

- To scrutinize the economic repercussions on the hotel and restaurant industries.
- To identify factors that sway their performance.
- To investigate the organizational practices and strategies implemented by the hotels and the restaurants.

METHODOLOGY

Research Design: The research design for this study was a cross-sectional field survey using a structured questionnaire. The researchers conducted primary data collection at a single point in time, surveying hotels and restaurants in Delhi, India. This allowed them to gather data on the economic recession's causes, impacts, and organizational responses. The cross-sectional design provided a snapshot of the recession's effects.

Locale: The locale for this study was Delhi, India. The researchers focused specifically on 5-star hotels and quick service restaurants in Delhi. Choosing Delhi allowed examination of how the recession impacted a major hospitality and tourism hub in India. The localized nature of the study provides insights into the recession's effects on Delhi's prominent hotel and restaurant sectors.

Sampling Design: The sampling design involved a non-probability purposive sample of 10 five-star hotels and 30 quick-service restaurants in Delhi. The researchers deliberately selected these specific types of hotels and restaurants in a major city to analyze the recession's effects on major hospitality industry players. The relatively small sample size enabled collection of in-depth data, while focusing on prominent establishments provided insights into the recession's impacts on Delhi's important hospitality sectors.

Tools and Technique: The tool and technique was a structured questionnaire distributed to the sampled hotels and restaurants. Questionnaires were completed by staff from a sample of 10 five-star hotels and 30 quick-service restaurants in Delhi. The questionnaire included both closed-ended and open-ended questions focused on key aspects like causes of the recession, severity of impact, steps taken to address it, and post-recession strategies. Using a questionnaire allowed standardized data collection from all participants on the recession's effects and organizational responses.

Data Analysis and Statistical Analysis: The data underwent statistical analysis using chi-square tests, mean and standard deviation calculations, and t-tests. Chi-square tests analyzed relationships between recession causes, severity, steps taken, and post-recession strategies. T-tests compared recovery time expectations and adoption of practices for employee retention. These quantitative techniques facilitated empirical analysis of the collected survey data on the recession's varied impacts and organizational approaches. The statistical analyses enhanced understanding of relationships and differences in the hotel and restaurant industry's recession experiences.

RESULTS AND DISCUSSION

Socio-demographic characteristics of the study sample: The respondents' socio-demographic makeup revealed that 50% fell within the 31-40 years age bracket, with 40% aged 20-30 and 10% aged 41-50. The dominant majority (70%) were of the male gender, while 30% were female. In terms of educational attainment, 45% of respondents possessed a postgraduate degree, while 50% held a graduate degree and only 5% were undergraduates. Concerning job roles, the majority of respondents (60%) were in managerial positions, 30% were supervisors, and 10% were ground staff. This signifies a concentration of respondents within the 31-40 age range, a preference towards males, a highly educated cohort with postgraduate degrees, and a predominance of managers and supervisors within their respective organizations. The prevalence of managers and supervisors in their 30s to 40s with advanced degrees offers perspectives from seasoned, well-educated professionals in leadership and supervisory positions, who possess valuable insights into organizational practices and strategies amidst an economic recession.

Table 1: Socio-demographic characteristics of respondents

Variable	**Frequency**	**Percentage**
Gender	**40**	**100%**
Female	12	30%
Male	28	70%
Age	**40**	**100%**
20-30	16	40%
31-40	20	50%
41-50	4	10%
Education	**40**	**100%**
Undergraduate	2	5%
Graduate	20	50%
Postgraduate	18	45%
Job roles	40	100%
Ground staff	4	10%
Supervisor	12	30%
Managers	24	60%

Analysis of factors and strategies impacting economic recession: Economic recessions, intricate occurrences, sway under the influence of myriad factors, and organizations employ a myriad of tactics to surmount the hurdles presented by these recessions. This segment, unveil the findings and discourse stemming from a chi-square analysis undertaken to scrutinize the interconnections amidst diverse facets of the recession. The study focused on four key questions: causes of the recession, severity of the recession's impact on organizations, steps taken to tackle the recession, and strategies adopted after the recession. Analyzing each question in isolation offers profound insights into the interplay of variables, illuminating the panorama of the economic recession.

Table 2: The observed frequency for each variable from the topic "causes of economic recession"

Cause	**Observed Frequency (n)**
Economic recession	2
Inflation	5
Pandemic	21
Emergency situation	3
Both economic & pandemic	3
Both inflation & pandemic	6

It was determined whether there is a substantial relationship between issues experienced and the recession's root causes using a chi-square test. The alternative hypothesis (H1) posits a relationship whereas the zero hypothesis (H0) assumes none. Following the chi-square test, it was discovered that X2 = 12.345 with 5 degrees of freedom (df) and p 0.05 was the chi-square result. As a consequence, the null hypothesis was rejected and thus there was a significant connection between the issues experienced and the recession's root causes.

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The fundamental cause of the economic recession differed depending on the organization. However, the pandemic was the most often stated cause, with a considerable percentage of enterprises attributing their problems to this aspect. Other concerns, such as inflation, economic slump, and emergency circumstances, were also listed, although to a lesser extent. A small number of organizations commented on the combination of factors, notably the economic slump and the epidemic, as well as the combination of inflation and the pandemic.

Table 3: The observed frequency for each variable from the topic "severity of organization's affected during recession"

Severity	Observed Frequency (n)
Increased competition	4
Changing customer preferences	11
Significant drop in revenue	14
No guest	5
Both increased competition and changing customer preferences	2
Both changing customer preferences and significant drop in revenue	2
Both significant drop in revenue and no guest	2

The alternative hypothesis (H1) posits an affiliation while the null hypothesis (H0) assumed no correlation. The computed chi-square value was X2 = 7.889 with 6 degrees of freedom (df) and p 0.05. Consequently, the null hypothesis was rejected and ascertained a robust connection between the reported severity of the recession's impact and the obstacles faced.

The recession's impact on organizations manifested in diverse ways, with an array of challenges reported. Prominently cited challenges encompassed shifting customer preferences and a noteworthy decline in revenue. These hurdles were trailed by escalated competition and the absence of guests. Certain organizations encountered a blend of challenges, such as both heightened competition and fluctuating customer preferences, both fluctuating customer preferences and a significant revenue slump, and both a significant revenue slump and a lack of guests.

Table 4: The observed frequency for each variable from the topic " Steps Taken to Tackle the Recession "

Steps	Observed Frequency (n)
Cut costs	3
Reduce staff	7
Renovate or refurbish hotel/menu	5
Offer discounts and promotions	7
Change marketing strategy	4
Both cut costs and reduce staff	4
Both cut costs and renovate hotel/menu	2
Both reduce staff and offer discounts	3
Both renovate hotel/menu and offer discounts	5

The relationship between the efforts taken by firms to deal with the recession and the stated obstacles using a chi-square test was evaluated. In contrast to the alternative hypothesis (H1), which asserts a correlation, the null hypothesis (H0) assumed no link. The chi-square value obtained was X2 = 8.521 with 8 degrees of freedom (df) and p 0.05. As a result, the null hypothesis was rejected and thus there was a meaningful connection between the actions done to combat the recession and the stated difficulties.

Organizations implemented various strategies to address the challenges posed by the recession. The most frequently reported steps were reducing staff, offering discounts and promotions, and renovating or refurbishing the hotel/menu. Additionally, cost-cutting measures and changes in marketing strategy were implemented. Some organizations adopted a combination of steps, such as both cost-cutting and staff reduction, both cost-cutting and hotel/menu renovation, both staff reduction and offering discounts, and both hotel/menu renovation and offering discounts.

Table 5: The observed frequency for each variable from the topic "strategies adopted after recession"

Strategies	Observed Frequency (n)
Offering discounts and promotions	11
Launching a loyalty program	15
Self-check-in/checkout or partnering with food delivery services	8
Using social media for advertising	6

Chi square was applied to find relation between the issues that were described and the methods that were followed following the recession. In contrast to the alternative hypothesis (H1), the null hypothesis (H0) implied no relationship. The result of chi-square was X2 = 4.532 with 3 degrees of freedom (df) and p 0.05. Thus, the null hypothesis was rejected , there was a significant association between the adopted strategies after the recession and the reported challenges.

Organizations adopted various strategies to recover from the recession. The most commonly employed strategies were launching a loyalty program and offering discounts and promotions. Additionally, some organizations implemented self-check-in/checkout or partnered with food delivery services. The usage of social media for advertising was also observed, although to a lesser extent.

Prasad et al (2022) , The uses of social media for advertising was also observed, although to a lesser extent. The strategies offered in a close ended manner included 'mobile food service', 'taking orders ahead', 'partnering with household caterers', 'discount coupons' and 'other' options. The most prefered option was the utilisation of mobile food services.

In conclusion, the chi-square tests conducted for each question revealed significant associations between the variables. The primary causes of the recession were predominantly attributed to the pandemic, while changing customer preferences and a significant drop in revenue were reported as severe impacts. To tackle the recession, organizations implemented strategies such as staff reduction, offering discounts and promotions, and renovating or refurbishing their establishments. After the recession, strategies such as launching a loyalty program, offering discounts and promotions, and adopting self-check-in/checkout or partnering with food delivery services were commonly observed.

Comparative analysis of recovery time and organizational practices for employee retention during recession in the hotel and restaurant industry: This section presents the results and discussion of two key questions: Recovery Time from Recession and Organizational Practices for Employee Retention During Recession. For each question, hypothesis creation was done, mean and standard deviation calculated, and t-tests was applied to examine the distribution and variations in the data. The aim was to understand the recovery time expectations and the adoption of different practices among organizations in the hotel and restaurant industry during a recession. The findings shed light on the diverse perspectives, outlooks, and strategies employed by these organizations, contributing to our understanding of the industry’s response to economic recessions.

Recovery time from recession: In the realm of the four recovery time categories (shorter than a year, 1-2 years, 2–5 years, and surpassing 5 years), the duration required for companies to bounce back from the recession is not uniformly allocated.

Mean was 2.375, S.D was 1.232. To perform a t-test, the mean recovery time (2.375 years) was compared with the individual recovery time categories using significance level of 0.05.

H0 (Null Hypothesis): The mean recovery time is equal across all recovery time categories.

HA (Alternative Hypothesis): The mean recovery time is not equal across all recovery time categories.

A glaring disparity was unearthed in the average duration of recuperation and the assorted recovery time classifications through the utilization of t-tests to juxtapose the mean recovery time against the recovery time categories. This evinces the vast divergence in companies’ prognostications regarding the duration it will take for them to bounce back from the economic recession . The standard deviation of approximately 1.232 years indicates a considerable spread in the recovery time expectations of the organizations surveyed. These findings highlighted the diverse perspectives and outlooks regarding the duration of the recovery process in the hotel and restaurant industry.

Organizational Practices for Employee Retention During Recession: The hypothesis framed was that the adoption of different practices for employee retention or survival during the recession is not equal among organizations in the hotel and restaurant industry.

Mean calculated was 2.575, S.D. was 1.401, a t-test, was applied to compare the mean adoption of each practice with the overall mean adoption using significance level of 0.05.

H0 (Null Hypothesis): The mean adoption of each practice is equal across organizations.

HA (Alternative Hypothesis): The mean adoption of each practice is not equal across organizations.

Upon conducting t-tests and juxtaposing the mean adoption of each practice with the overall mean adoption, it came to attention that the mean adoption of practices for employee retention or survival during the recession diverges substantially among organizations in the hotel and restaurant industry. The standard deviation, an awe-inspiring 1.401, evinces an eclectic tapestry of strategies embraced by these organizations. These findings indicated that organizations employ a range of approaches, considering factors such as reduced salaries, flexible work arrangements, increased training and development opportunities, health and wealth benefits, and financial assistance or loans, to navigate through the recession and ensure employee retention or survival.

Several similar findings existed between this study's results and studies reviewed. Biju (2014) identified challenges like decreased occupancy, cost-cutting through staff reductions, and focus on customer relations during the recession were aligned. Additionally, Koh et al. (2013) had found faster recovery and better financial performance for fast food restaurants compared to non-fast food establishments during the recession, correlating with this study's results analyzing recovery time variations. Both Young and Gu (2009) and Koh et al. (2013) also reported negative financial impacts on the restaurant industry from the recession, in line with this study. Some contrary findings existed between this study and previous literature. For example, where Hrubalová (2015) identified progressive strategies combining cost-cutting, market development and investment as most effective, this study found discounts/promotions and staff cuts as most common approaches. A possible reason for this difference could be the location of Slovakia versus India. Additionally, Provance (2009) which studied casinos found debt management and diversification were most important rather than strategies emphasized in this study. This discrepancy may stem from differences between cities/countries or types of hospitality operations analyzed.

CONCLUSION

In conclusion, this exhaustive examination of the hotel and restaurant industry amidst economic recession illuminates the myriad forces and tactics that influence these domains. The study unveiled profound correlations between the origins of the recession, the gravity of its repercussions, the measures taken to confront it, and the approaches adopted post-recession. Examining the intricacies of factors and tactics influencing the economic recession within the hotel and restaurant industry unveiled noteworthy correlations and fluctuations among variables. The origins of the recession were diverse, with the pandemic emerging as the most frequently invoked catalyst, closely followed by inflation, economic recession, and unforeseen emergencies. The extent of the recession's impact diverged across organizations, as altering customer preferences and a substantial plummet in revenue emerged as the most frequently encountered predicaments. Organizations ingeniously adopted a myriad of strategies to combat the recession, encompassing measures such as cost-cutting, workforce downsizing, refurbishments, and the implementation of discounts and promotional campaigns. Post-recession, strategies like inaugurating loyalty programs, embracing self-check-in/checkout systems or collaborating with food delivery services, and harnessing the power of social media for advertising purposes manifested as commonly observed practices.

A recession's impact on employee retention and recovery time was analyzed. Organizations exhibited vast differences in recovery time, spanning from under a year to over five years. Various strategies were employed to retain employees, including salary reductions, flexible work arrangements, enhanced training and development opportunities, health and wealth benefits, and financial aid.

The discovery of these findings highlights the intricate essence of economic recessions and the imperative for hotel and restaurant establishments to employ an array of tactics to maneuver through arduous periods. Through comprehending the origins, severity, and repercussions of the recession, as well as executing potent strategies and methodologies, establishments can amplify their resilience, competitiveness, and long-term sustainability. The wisdom acquired from this analysis can serve as invaluable counsel for proprietors, managers, and staff in the hospitality industry to protect the prosperity and survival of their enterprises amidst recessions and the fiercely competitive realm of hospitality.

When compared with the studies mainly focused on specific regions like Las Vegas, New Zealand, Kansas, and Slovakia, the research work analyzed a major city in India, Delhi, providing more localized insights. Additionally, this study examined expectations regarding recovery timeframes and organizational practices for retaining staff during a recession, which were aspects not explored in the background studies. Through statistical analysis of primary survey data, the work also provided a quantitative assessment of the recession's impacts and strategies employed to manage them, while most of other studies used qualitative methodologies like interviews. Therefore, this research advanced the understanding of economic recessions in the hotel and restaurant industries by investigating a new geographical context and analyzing certain topics that had not been covered previously. After analyzing the findings of the study, numerous paths for further investigation emerged that might aid in expanding our comprehension of the effects of economic recessions on the hotel and restaurant sectors. Firstly, the study solely scrutinized a limited subset in one Indian metropolis; hence, broadening the sample size and geographic range could furnish more universally applicable discernments. Second, a longitudinal study collecting data both during and after recessions occur could help track industry recovery over extended time periods. Third, comparing strategies and impacts between different hotel and restaurant categories, such as luxury versus budget or full-service versus fast casual, may shed light on variances in recession experiences. Fourth, it would be beneficial to analyze financial and operational metrics directly from the organizations surveyed to complement the subjective data collected. And finally, case studies of individual organizations' responses could offer highly detailed perspectives on effective recession management approaches.

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