

Economic Resilience of the Hotel Industry in Sri Lanka: A Capital Based Approach to Crises and Disasters (With Special Reference to 3, 4 & 5 Star Graded Hotels in Southern Coast)

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Ensuring economic resilience assists to minimize the negative impact of crises and disasters on the hospitality industry in Sri Lanka. The study applied a Disaster Resilience Framework for Hotels (DRFH), a capital-based approach to explore economic resilience to crises and disasters within the hospitality industry with special reference to 3,4 & 5 star graded hotels located in the Southern coast of Sri Lanka. The purpose of this study is to observe the existence of such an evaluation system and also to examine the impact of economic capital on economic resilience of the hotel industry. Study adapted both quantitative and qualitative analysis methods (Mixed method). Twelve 3-5 star class hotels located in the South Coast were selected for the study and 12 financial managers and 120 employees who worked in hotels were selected using Purposive Sampling Technique to collect the required data. The semi structured questionnaire uses 15 identified indicators categorized under 4 predictors and 4 indicators to measure the economic capital and economic resilience respectively. Predictors of the economic capital were obtained to identify economic resilience to crises and disasters that should be presented within the hotel industry. SPSS statistical software version 24 was used to analyze the data and analytical tools such as Descriptive analysis and Pearson's coefficient correlation were used to assess the association between the variables. According to the study, the most affected predictors of economic resilience were the availability of resources, diversification of income and financial strengths of the hotels. Content Analysis was applied to identify the barriers of economic resilience observed and that lack of disaster preparedness, insurance policy issues and lack of government support were the major economic resilience barriers. The overall result confirms that economic capital has a positive impact on the economic resilience of the hotels during the disasters and crises. Furthermore, this concept can be applied for hotels to measure and build economic resistance in times of crisis and disaster.

Keywords: Economic Resilience; Economic Capital; Disaster Resilience Framework for Hotels (DRFH)