

Financial Resilience In Mount-Lebanon Hotel Sector: Navigating Crisis-Driven Challenges

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Abstract:

This research paper investigates the intricate interplay between crises and the financial performance of hotels, with a specific focus on the region of Mount Lebanon. It provides a comprehensive overview of the research's journey, from an in-depth literature review that elucidates the theoretical constructs of crises, encompassing financial, economic, and health dimensions, to their manifestations and impact on the financial performance of hotels. The research formulates and validates three critical hypotheses, constructing a conceptual model that explicates the intricate dynamics between current crises and the financial equilibrium of the hotel sector.

Methodologically, the study employs a deductive approach, underpinned by quantitative analysis. Data collection is facilitated through a customized Google Forms questionnaire, and statistical interpretation is enabled through SPSS. A total of 80 reputable hotels in the Mount Lebanon region were surveyed to provide empirical validation of the hypotheses.

The results of this research unearth a compelling narrative. Notably, it is established that financial and economic crises significantly and detrimentally influence the financial performance of hotels in Mount Lebanon. Conversely, financial crises do not exhibit a similar pronounced effect, showcasing resilience within this particular crisis context.

As this study unfolds new insights and perspectives, it also lays the groundwork for future research. While its scope is geographically constrained, potential research extensions could explore a broader context. Future investigations could further enhance data quality, employ diverse research methods, and delve into alternative variables and facets of the crisis-hotel relationship.

Recommendations springing from this study proffer valuable insights for hoteliers, policymakers, and the wider hospitality industry. In conclusion, this research illuminates the intricate relationship between current crises and the financial performance of hotels. It is our anticipation that this research will serve as a valuable resource for hotel industry professionals, policymakers, and academics, fostering resilience and growth in an ever-evolving landscape.

Key Word: *Crisis impact, financial performance, hotels, Mount Lebanon, contemporary crises, COVID-19*

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I. Introduction

Over the years, countries have faced numerous crises, but the most recent one has been unexpected and global. Global crises should be opportunities to learn from existing shortcomings rather than the shortcomings of countries¹. The existence of a health crisis has shaken all countries. The catastrophe, which has paralyzed many countries worldwide, including Lebanon, has had a negative impact on all aspects of finance, economy, health, politics, and society².

A financial crisis represents a disruption at the economic level related to issues within a country's financial or monetary system. The financial crisis is often attributed to poor financial system management, leading to economic crises caused by financial issues in the real economy of a country³. When such a phenomenon occurs, the financial system loses value and credibility. As the financial system is linked to the development of businesses and economic activity, any imbalance will result in a shock, and assets will rapidly lose their yield value, leading to severe problems. All of this has subsequent effects on a drift towards the real economy⁴.

There are various types of crises, and these crises can occur simultaneously or sequentially, as was the case in Lebanon in recent years⁵. After these crises, the budget situation in some countries, particularly caused by the global COVID-19 pandemic negatively impacting the world economy, suffers from deficits. Already facing an economic crisis, Lebanon experienced a resurgence during the health crisis, escalating further after the double explosion at the port and precarious financial conditions for its residents⁶.

As a result, poverty rates have reached 80% of the Lebanese population, and the value of their own currency has been devalued by over 90%⁷.

Problem Statement and Research Questions

Prior to 2019, tourism generated approximately \$10 billion (about 9.5 billion euros) in annual production for the Lebanese economy. However, starting from that year, the tourism sector was completely devastated, and the economic crisis left the country in a precarious financial situation, followed by the Covid-19 pandemic and the explosion at the Port of Beirut⁸.

In this context, the financial situation generally describes the state of accounts and assets of an individual or a legal entity over a specified period. In other words, the financial situation is an overview that summarizes data at a given point in time⁹. However, this study is based on observation and analysis of financial conditions, allowing us to form an opinion about our ability to invest, benefit, and grow in the future. Nevertheless, budget health is a key factor that influences a country's overall economic performance.

Hence, we aim to address the following problem: "What are the repercussions of the current crises on the financial situation of the tourism sector, particularly in the case of hotels in Mount Lebanon?"

From this problem statement, several sub-questions arise:

- QR1: How have the crises affected the tourism sector, especially in Mount Lebanon hotels?
- QR2: What type of crisis directly impacts the financial performance of hotels in Mount Lebanon?
- QR3: Did hotels benefit from the coronavirus pandemic or not?
- QR4: What are the consequences of the current crises on hotels in Mount Lebanon?
- QR5: How did Mount Lebanon hotels respond to this type of crisis?

Research Objectives

To guide our research effectively, it is essential to establish strict and specific objectives related to the situation of the studied hotels. Therefore, it is necessary to respond to the problem statement that highlights the repercussions of the current crises and their influence on the financial performance of Mount Lebanon hotels. The crisis experienced by each country has had several implications for hotels, varying depending on the sector, and each crisis has its own complexities and challenges. Consequently, there is no one-size-fits-all or magic solution to them. However, most tourism establishments are catching up to avoid bankruptcy and losses.

Each crisis is different from others in terms of events, disasters, their timing, and their scope. Therefore, it is important to question the reasons and advocate the development of this crisis with a wide range of efficiencies. What is happening in Lebanon is that hotels have gone through several serious crises, from financial crises to health crises, economic crises, and more¹⁰. On the other hand, a previously quiet and simple hotel can be hit by a very serious incident.

The objective of this paper is to study and evaluate the consequences and impact of the Lebanese crisis on the financial situation and performance of hotels. It also examines the impact of financial, economic, and health crises on hotels. It is crucial to assist business leaders in developing effective and sustainable management strategies in the evolving crisis context.

II. Literature Review

In this section, we delve into a comprehensive literature review that explores the financial crisis, economic crisis, and health crisis, which have significantly impacted Lebanon in recent years. These crises have had profound repercussions on the financial performance of companies, particularly within the tourism sector. We will focus on the specific impact of the Lebanese crisis on the financial performance of hotels in Mount Lebanon.

Crises encompass the potential for physical, psychological, and/or existential impacts on individuals and communities within an organization, capable of disrupting the flow or accumulation of events¹¹. Crises typically result from a combination of vulnerability and an inability to effectively cope with them¹².

Lagadec et al. view a crisis as the foundation of what unfolds, a situation demanding immediate intervention. It represents a period of high uncertainty regarding situation assessment and necessary actions. Crises bring about surprises, threats, and short response times, overwhelming the capacities of society, businesses, and systems, requiring massive efforts for recovery and restoration to normalcy¹⁴.

A crisis can also be defined as a severe emergency in which an organization's operational capacity is significantly disrupted, and the normal processes of organizational management and control are no longer effective¹⁵. These diverse perspectives help contextualize the multifaceted and challenging nature of crises, which is essential when exploring their impacts on various sectors, including the financial performance of hotels in Mount Lebanon.

Financial crises typically stem from issues within a country's financial or monetary system. When such crises occur, the financial system loses its value and credibility¹⁶. Given the close relationship between the financial system and changes in business and economic activity, imbalances can result in shocks and severe problems, including the rapid loss of assets. These consequences, in hindsight, affect the real economy¹⁷.

Financial crises can be triggered by the overvaluation of institutions and means and may be exacerbated by investor behaviors. A series of rapid liquidations can also lead to asset price declines and increased savings withdrawals. If left uncontrolled, these crises can lead to recessions and depressions¹⁸.

This understanding highlights the complex and interconnected nature of financial crises, where disruptions within the financial system can have far-reaching and cascading effects on the broader economy, a crucial consideration when assessing the impact of crises on the financial performance of businesses, including hotels in Mount Lebanon.

The Financial Crisis in Lebanon

The financial crisis in Lebanon has had far-reaching effects, not only on the national currency but also on various aspects of the economy, such as exchange rates, inflation, and public debt. This crisis began with the default of the Lebanese government on its debt in March 2020, causing an alarming 80% depreciation of the local currency¹⁹.

Furthermore, the devastating explosion in Beirut exacerbated the already fragile financial situation, leading to banks freezing withdrawals due to insufficient funds, leaving the population in a state of financial uncertainty²⁰. To maintain some control, banks in the country introduced cash withdrawal limits, ensuring that available funds were not depleted entirely. However, this practice only intensified the monetary crisis, leading to the need for multiple exchange rates²¹.

The Lebanese central bank sought to enforce lower exchange rates compared to market expectations. To maximize funds received, national aid agencies had to negotiate favorable exchange rates with the banks involved²⁰.

The Economic Crisis in Lebanon

The economic crisis in Lebanon is closely intertwined with the financial crisis. It has led to a sharp decline in economic activity, rising unemployment, and reduced consumer purchasing power²². The economic turmoil has affected the viability of businesses, leading to closures and downsizing. Studies have investigated the factors contributing to the economic crisis and its socio-economic impact, offering insights into the challenges faced by the Lebanese private sector²³.

This section delves into the causes of the economic crisis in Lebanon, highlighting the following factors:

Corruption and Political Instability

Political instability and insecurity create an unfavorable environment for foreign direct investments. The close relationship between political stability and economic growth is evident. The uncertainty stemming from political instability hampers investment and economic development. The nation's dire financial performance contributes to political instability and government collapse²⁴.

In most countries, high levels of corruption seriously impede economic growth. Corruption prevents fair and just functioning because it stifles economic growth. It leads to an unequal distribution of wealth and resources, creating dishonest competition in the business environment through illogical political connections.

Lebanon has a long history of institutionalized corruption, where government officials have siphoned public resources and invested abroad. In the midst of an economic crisis, Lebanon grapples with endemic misappropriation of funds and soaring prices of goods and services. As corruption diverts the focus from public welfare to private prosperity, the economic divide widens²⁵.

The substantial government spending on infrastructure and corruption has led to a mounting national debt. Protests in Beirut and other cities, demanding the resignation of the Prime Minister, have struck an already fragile Lebanese economy. These demonstrations were fueled by the need to oust corrupt politicians who had governed the country from 1975 to 1990²⁶.

Lebanon's protesters accuse the political elite of exploiting the nation's resources for personal gain, rather than serving the interests of the wider population. They have called for new elections and a complete overhaul of the government to remove corrupt politicians from power²⁶.

Corruption has permeated all levels of government functions in Lebanon. Corruption cases are widespread within the country's administrative and political climate. The richest man in the country decides the nation's fate. Lebanon ranks among the world's 50 most corrupt countries²⁴.

The economic crisis in Lebanon has been exacerbated by a lack of sound governance and corruption. Political parties, the parliament, and the police are considered the most corrupt institutions in Lebanon. The high levels of corruption have compelled the government to impose new taxes on gasoline and tobacco²⁴.

Soaring Inflation

Inflation serves as a regressive tax, disproportionately affecting the poor, vulnerable, and those with fixed incomes, including retirees. In Lebanon, food inflation has exceeded 400% in less than three years, remaining a

critical component of the expenditures of the poorest households, who suffer from decreased purchasing power. Additionally, prices for diesel used in electricity generation and gasoline for vehicles have skyrocketed²⁷.

Rising Unemployment

Lebanon's deficit has led to increased unemployment and poverty within the country. This surge in unemployment, especially among young university graduates, is primarily driven by the high-interest rates that have aggravated Lebanon's economic and financial crisis. Poverty is on the rise for men, women, and youth alike¹⁵.

According to the World Bank, unemployment has reached around 40% of the labor force due to pandemic-related layoffs. Lebanese emigration, which doubled between 2018 and 2019, threatens to turn into a mass exodus unless measures are taken to pull the country out of its economic crisis²⁸.

Moreover, young people find themselves either out of school, unemployed, or lacking education, often forced to drop out of school to find unanticipated and poorly paid jobs to support their families. Thirteen percent of families report having children under 18 who are working²⁹.

Institutional education enrollment has dropped from 60% in 2020-2021 to only 43% in 2021-2022. Families and young individuals are also forced to cut back on healthcare expenses, with only 60% of children receiving basic healthcare when needed³⁰.

Sanitary Crisis in Lebanon

In Lebanon, the healthcare system is predominantly dominated by the private sector. While the governance structure is limited, it is not immune to state influence and intervention³¹.

The COVID-19 pandemic hit Lebanon at the worst possible moment, colliding with an underprepared healthcare system and limited resources. The government imposed a complete lockdown to curb the initial surge of severe acute respiratory syndrome caused by the coronavirus. This led to yet another recession, further increasing unemployment and poverty. The COVID-19 pandemic exacerbated Lebanon's economic and financial crisis, significantly impacting the markets³².

Firstly, Lebanese hospitals faced shortages of essential medical supplies to manage the crisis. Meanwhile, the government worked to ensure that hospitals' needs were met. Secondly, the Lebanese pound depreciated against the U.S. dollar, leading to restrictions on imports, including crucial medical supplies, to combat the pandemic. Thirdly, the pandemic exposed the unpreparedness and underdevelopment of healthcare facilities to cope with such a crisis, resulting in shortages of medical products and equipment³³.

COVID-19 has only amplified the effects of the economic crisis, further impairing Lebanon's ability to cope with the pandemic. Lebanon has recorded over a million COVID-19 cases and more than 10,000 deaths from the disease. The medical industry grapples with shortages of supplies and medical equipment due to the significant currency depreciation, much of which is imported. Hundreds of healthcare professionals left the country in search of better opportunities after their monthly salaries were reduced to \$100. Consequently, some hospitals are understaffed, operating below their capacity, and are only able to admit severe cases³³.

Impact

The ongoing crises, including financial, economic, and health crises, have significantly impacted all economic activities and the health of various sectors. Among the sectors hit hardest by the crises in Lebanon is the hospitality industry, which has suffered from a decline in tourism due to the COVID-19 pandemic, resulting in increased economic strain. Additionally, the closure of the Beirut International Airport further exacerbated the situation.

The series of unfortunate events affecting Lebanon's tourism industry, representing 19.1% of the GDP, does not seem to end. The explosion at the Port of Beirut on August 4, 2020, was the latest blow, causing damages estimated by the World Bank to be between 800 million and 1.2 billion dollars²⁹.

The Lebanese Army reported on September 19 that it had completed assessments and inspections, identifying 85,744 "units" that were damaged, including commercial properties (60,818 housing units and 962 restaurants), as well as more substantial structures (19,115 commercial premises and commercial buildings, 12 hospitals, and 82 educational establishments). The explosion completely destroyed 2,141 tourist facilities, including 163 hotels⁵.

According to a study conducted in late 2018, the number of tourists remained at the same level as in 2009-2010, but their spending decreased by 40%. European guests typically stay for 3 to 5 days, while Arab guests stay for 10 to 15 days. The impact on spending is significant, as Europeans are staying in 3-4 star hotels rather than 5-star hotels. With revenues down by over 40%, hotels are facing financial difficulties. However, the state has never considered tourism an essential economic sector in Lebanon, despite its contribution of approximately 20% to the GDP³⁴.

Since November, attendance has continued to drop, by as much as 7 to 15 percentage points, along with the average price. Then came COVID-19. The airport, which remained closed for over 3 months, reopened at 10%

capacity, accommodating approximately 2,000 passengers. People have been greatly affected over the past decade, and COVID-19 and the explosion in Beirut have exacerbated the challenges. A fund will be established in early October to support the Lebanese tourism industry, as the explosion damaged 2,060 restaurants and 193 hotels³⁴.

Certainly, these crises have pushed the majority of hotels in Lebanon, with many starting to close down due to falling room rates and the electricity crisis. For example, many hotels outside Beirut have begun to close due to decreased reservation rates and rising operating costs due to higher fuel prices. Lebanon experienced a good tourist season last summer, with many tourists returning for vacations. However, the tourism industry, shaken since 2019 by the country's socioeconomic crisis and the COVID-19 pandemic from 2020, is in a critical position³⁴.

The power outage was largely due to a lack of funds to import fuel and operate Electricité du Liban power plants, which placed immense pressure on private generators with exorbitant subscription fees. Incredibly, it was in 2019 that the tourism industry recorded its best annual performance at 8.6 billion dollars, despite the year's events³⁵.

III. Research Methodology

In this section, we outline the research methodology that will be employed to address the primary research question and hypotheses posited in this study. Before delving into the methodology, it is essential to recognize that the research aims to investigate the impact of financial, economic, and health crises on the financial performance of hotels located in Mount Lebanon.

Hypotheses of this Research

Following the presentation of our research topic, we established three core hypotheses to address our research problem and secondary questions:

- Hypothesis 1: The financial crisis significantly and negatively influences the financial performance of hotels located in Mount Lebanon.
- Hypothesis 2: The economic crisis significantly and negatively influences the financial performance of hotels located in Mount Lebanon.
- Hypothesis 3: The COVID-19 health crisis significantly and negatively influences the financial performance of hotels located in Mount Lebanon.

To put these hypotheses into perspective, we delve into the specifics of our research variables.

Variables of the Research

A research study typically comprises two types of variables: independent variables and dependent variables. In this study, we have three independent variables, namely the financial crisis, economic crisis, and health crisis. These variables are intended to be the driving forces affecting the dependent variable, which is the financial performance of hotels.

To further understand the research methodology, it is vital to delineate the methods that will be used to gather data and analyze it effectively.

Research Method

Data collection for this study can be carried out in various ways, and the choice of the most suitable strategy can be a challenging task. To effectively address our research questions, we have selected a quantitative research-based survey to assess whether the Lebanese crises have exacerbated the situation of hotels in Mount Lebanon. The survey is a pivotal component of our quantitative methodology. By distributing 80 questionnaires to hotels in the region, we aimed to collect data and insights from accounting and financial managers.

With Mount Lebanon hosting a total of 270 hotels according to booking.com³⁶, the choice of our sample size becomes crucial. To strike a balance between accuracy and feasibility, we decided to survey 80 hotels. This sample size exceeds the ideal size, which we calculated to be 76 hotels, based on a 90% confidence level and an 8% margin of error as determined by an online sample size calculator³⁷.

The rationale behind our chosen sample size is to ensure that the data collected provides a high level of confidence in the results. Simultaneously, it remains practical for data collection and analysis. This approach allows us to include a diverse subset of hotels in Mount Lebanon, offering a comprehensive view of the financial implications of ongoing crises on the entire industry.

Following data collection, we employ the SPSS program to conduct statistical analysis. SPSS is a powerful tool for analyzing data, providing qualitative results for the research topic. It aids in organizing and classifying information, regardless of its size or complexity. Extensive collections of questions and reference documents on the topic will be used to support our empirical work³⁸.

Quantitative methods are widely recognized for their application in research, offering a rigorous and systematic approach to data analysis. In this study, we use these methods to analyze our data, with a specific focus on the research variables and their interrelationships.

To assess the reliability of constructs and the internal consistency of survey items, we use the Internal Consistency Test. This test quantifies the strength of internal consistency using Cronbach's alpha, which ranges from 0 to 1, with higher values indicating stronger reliability³⁹.

Additionally, we utilize the Pearson Correlation Test to explore relationships between variables, revealing whether they are positively correlated, negatively correlated, or not correlated at all. The correlation coefficient, which varies from -1 to 1, reflects the strength and direction of these relationships³⁹.

Furthermore, the Multiple Regression Test is employed to examine the relationships between a dependent variable and multiple independent variables. This test allows us to determine the level of confidence in our estimations and verify the relevance of the results³⁹.

Our research method in this study rigorously investigates the hypotheses and research questions through quantitative analysis. By employing suitable tests and tools, such as SPSS, we aim to provide valuable insights into the influence of crises on the financial performance of hotels in Mount Lebanon, ensuring the robustness of our analysis and supporting the study's objectives.

IV. Results and Discussion

In this section, we delve into an in-depth analysis of the research results, placing a particular emphasis on understanding the impact of the ongoing crises in Lebanon on the financial landscape of the tourism sector, with a specific focus on hotels situated in Mount Lebanon.

We start by presenting the demographic characteristics of the respondents, encompassing gender, age, educational level, and job position. A total of 80 owner, managers and financial managers from reputable hotels in Mount Lebanon participated in the survey. The gender distribution of these 80 respondents was almost evenly split, with 51.25% representing men and 48.75% being women. The age distribution revealed the substantial impact of crises on the tourism sector, with respondents categorized as follows: 21-30 years (11.25%), 31-40 years (35%), 41-50 years (32.5%), and 51-60 years (21.25%). Regarding educational levels, the majority held a Master's degree (52.5%), followed by those with a Bachelor's degree (41.25%), and a smaller percentage with a Doctorate (6.25%).

The subsequent section focuses on the reliability test for each variable in the study, encompassing the independent and dependent variables. A higher alpha value suggests greater internal consistency. Generally, a Cronbach's alpha above 0.70 is considered acceptable. For the first independent variable, the "Lebanese financial crisis," the reliability coefficient stood at $\alpha = 0.788$, signifying satisfactory reliability. Similarly, the second independent variable, the "Lebanese economic crisis," exhibited good reliability with a coefficient of $\alpha = 0.823$. The third independent variable, the "COVID-19 pandemic crisis in Lebanon," displayed satisfactory reliability with a coefficient of $\alpha = 0.735$. The dependent variable, "the financial performance of hotels in Mount Lebanon," also achieved satisfactory reliability, indicated by a coefficient of $\alpha = 0.788$.

Moving on, the correlation tests were employed to explore the relationships between the dependent and independent variables. In a correlation test, the null hypothesis typically states that there is no significant correlation between the variables, while the alternative hypothesis suggests that there is a significant correlation. Hypothesis 1 posited a moderate, positive correlation (Pearson correlation coefficient of 0.327) between the Lebanese financial crisis and the financial performance of hotels in Mount Lebanon with $\alpha = 0.772$ greater than the chosen significance level ($\alpha = 0.05$), H1 is rejected. Hypothesis 2 revealed a moderate, positive correlation (Pearson correlation coefficient of 0.571) between the Lebanese economic crisis and hotel financial performance with $\alpha = 0.002$ less than the chosen significance level ($\alpha = 0.05$), H2 is accepted. Hypothesis 3 demonstrated a strong, positive correlation (Pearson correlation coefficient of 0.650) between the COVID-19 pandemic crisis and the financial performance of hotels in Mount Lebanon with $\alpha = 0.000$ less than the chosen significance level ($\alpha = 0.05$), H3 is accepted..

The study then transitions to the validation of hypotheses using the multiple linear regression test. This test confirms a strong relationship between the three independent variables (financial, economic, and health crises) and the financial performance of hotels in Mount Lebanon, with an R^2 value of 0.526. The Anova test further establishes the significance and relevance of the independent variables to the financial performance of hotels in Mount Lebanon. Finally, regression coefficients underscore the significance of the relationships between the independent variables and the financial performance of hotels in Mount Lebanon.

The financial crisis in Lebanon, while severe, has been managed with various forms of government support. The challenge lies in reducing the use of dollars for importing essential goods and services. Despite the ongoing financial crisis, the hotel sector continues to grow due to an increase in tourists, which has led to increased profits and revenues for hotels in Mount Lebanon.

The economic crisis has severely impacted the Lebanese economy and the banking system, resulting in restrictions on withdrawals and fund transfers. This has affected the income and purchasing power of the Lebanese population, leading to salary cuts and layoffs. Families have been pushed into poverty due to economic fragility and the accompanying banking crisis, impacting their ability to afford hotel stays. Consequently, the economic crisis has significantly affected the financial situation of hotels in Mount Lebanon, leading to staff reductions and salary cuts.

Regarding the health crisis caused by the COVID-19 pandemic, it has negatively influenced all sectors, particularly the tourism sector. The pandemic led to the closure of hotels, resulting in a detrimental impact on their financial performance. The pandemic's profound effect on international travel and tourism has posed significant challenges for the hotel industry in Mount Lebanon.

The analysis reveals the varying impacts of the financial, economic, and health crises on the financial performance of hotels in Mount Lebanon. While the financial crisis appears to have had a limited effect, the economic and health crises have had more pronounced negative consequences, altering the landscape of the tourism and hospitality industry in the region.

V. Conclusion

This research has endeavored to explore the multifaceted impacts of current crises on the financial well-being of the hotel sector, with a specific focus on Mount Lebanon. Through a comprehensive analysis that involved literature review, data collection, and empirical investigation, this study has shed light on the various dimensions of how crises, including financial, economic, and health-related issues like the COVID-19 pandemic, affect the performance of hotels in this region.

The findings of this study have contributed to a nuanced understanding of the relationship between different crises and the financial health of hotels. It is evident from the research that economic and health crises have a significant and adverse impact on the financial performance of hotels in Mount Lebanon. In contrast, financial crises do not exert the same level of influence, showcasing resilience within the sector under these conditions.

Despite the limitations of this study, such as data constraints and a relatively small sample size, the insights garnered offer valuable implications for both academia and industry. The limitations also pave the way for future research, which should consider expanding the geographical scope, enhancing data quality, and diversifying research methods.

Moving forward, it is imperative for hotels in Mount Lebanon and beyond to adopt a proactive stance in addressing crisis management. Based on the findings of this study, we propose several recommendations:

- **Diversify Revenue Streams:** In light of the findings that various crises can significantly affect the financial performance of hotels, it is crucial for hotels to diversify their revenue streams. This includes exploring new markets, offering innovative services, and building partnerships with local businesses to reduce dependency on a single source of income.
- **Crisis Preparedness Training:** Hotel owners and management should invest in crisis preparedness training for their staff. This involves equipping employees with the skills and knowledge needed to manage and respond effectively to various crises, from health emergencies to economic downturns.
- **Sustainability Initiatives:** Hotels can focus on sustainability initiatives that not only reduce operational costs but also resonate with conscious consumers. Implementing energy-efficient technologies, waste reduction programs, and eco-friendly practices can both enhance the hotel's reputation and contribute to long-term financial stability.
- **Government and Industry Collaboration:** Hotel associations and government bodies should work collaboratively to establish contingency plans and support mechanisms for the hospitality industry during crises. This partnership can include financial assistance, flexible regulations, and coordinated marketing campaigns to promote tourism recovery.
- **Customer Relationship Management:** Hotels should prioritize customer relationship management, aiming to build strong and lasting relationships with guests. Loyal customers can provide stability during challenging times, and personalization and loyalty programs can help cultivate these relationships.
- **Remote Work and Hybrid Models:** In response to the changing landscape due to remote work trends, hotels could explore opportunities to provide flexible workspaces within their premises, accommodating travelers who are working remotely. Adopting hybrid business models that cater to both leisure and business travelers can enhance financial resilience.

These enhanced recommendations offer a more comprehensive strategy for hotels to navigate crises effectively, adapt to changing circumstances, and build long-term financial sustainability. They encourage a proactive approach to crisis management and resilience in the ever-evolving hospitality industry.

This research represents a significant advancement in comprehending the intricate dynamics of the hotel industry's interaction with crises. The insights and recommendations presented are intended to serve as a valuable resource for industry practitioners, policymakers, and scholars alike, fostering the growth and resilience of the sector in the context of an ever-evolving world.

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