

**AN EVALUATION OF THE IMPACT OF COVID-19 ON THE PERFORMANCE
OF HOTELS AND LODGES IN WINDHOEK NAMIBIA**

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ABSTRACT

This study evaluated the impact of the COVID-19 pandemic on the performance of hotels and lodges in Windhoek, Namibia. The study was promoted by the poor and uninspiring performance of hotels and lodges following the pronouncement of successive COVID-19 induced lockdowns. The objectives of the study were to establish the influence of COVID-19 on occupancy rates, ADR, RevPAR and profitability of hotels and lodges in Windhoek, Namibia and suggest perceived policy interventions for sustainable recovery of the hotels and lodges. The study was theoretically guided by the theory of constraints, resource-based theory and the dynamic capability theory. The study adopted the positivism philosophy and quantitative approach to enable the researcher to make use of scientific evidence, including statistics that show how COVID-19 affected the performance of hotels and lodges in Windhoek, Namibia. A correlational research design was employed to facilitate hypotheses testing and explain the cause-and-effect relationships between the COVID-19 pandemic and the performance of the hotels and lodges. A total of 89 structured questionnaires, designed using google forms, were electronically distributed through a cross-sectional survey that targeted managers and accounting officers of the participating hotels. The respondents were selected using stratified random sampling in order to reflect the population structure in the sample. Data was analysed quantitatively using SPSS version 19. It was revealed that rising new COVID-19 cases and deaths as well as restrictions on domestic, regional and international travel led to cancellation of bookings and low occupancy rates. COVID-19 negatively impacted on Average Daily Rate (ADR), Revenue Per Available Room (RevPAR) and profitability of hotels and lodges. The study concluded that the COVID-19 pandemic negatively impacted the performance of hotels and lodges in Windhoek, Namibia. It was recommended that hotels and lodges should develop new business models; advocate for a rescue / aid package for hotels and lodges and target domestic tourists with limited travel restrictions to enhance occupancy, ADR and RevPAR. A further study covering other cities and towns in Namibia and incorporating qualitative methods was suggested.

Keywords: COVID-19, ADR, profitability, RevPAR, occupancy rate

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DECLARATIONS

I, Clemence Kauatuuapehi, hereby declare that this study is my own work and is a true reflection of my research, and that this work, or any part thereof has not been submitted for a degree at any other institution.

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

The hospitality industry has traditionally been sensitive to periods of economic, political and social instability, natural disasters and pandemics which have been more prevalent over recent decades. The COVID-19 pandemic has adversely impacted tourism related businesses such as hotels and lodges through the global lockdown regimes imposed by several countries (Organisation for Economic Co-operation and Development, 2020). Cohen (2021) argues that the COVID-19 pandemic has affected communities economically, politically and socially. This chapter introduces the research problem by outlining the background to the study and the statement of the problem. The chapter also presents the objectives, questions and hypothesis which guide the whole study. The significance of the study to stakeholders is also provided. Limitations and delimitations of the study are also covered. The chapter then covers the dissertation outline before the chapter summary.

1.2 BACKGROUND OF THE STUDY

The link between global health pandemics and the performance of the hospitality industry has continued to generate significant interest among researchers (STR, 2021; Dube, 2021; Sucheran, 2021; Ajambo, 2020; Susilawati, Falefi and Purwoko, 2020). The COVID-19 pandemic has triggered a performance crisis in the hospitality industry, especially in the hotels and lodges sub-sector. As at 22 November 2021, there were 259 million coronavirus cases worldwide with 5.17 million deaths (WHO, 2021). Since the

onset of the COVID-19 pandemic, hotels and lodges experienced contractions and paralysis (Ajambo, 2020). The United Nations World Tourism Organisation (UNWTO) (2020) estimates that, due to the COVID-19 pandemic, world tourism fell by between 20-30% translating into a decline in international tourism receipts of between US\$ 300 - US\$ 450 billion. The Statista (2020) estimates that the travel and tourism industry's employment levels are predicted to contract by US\$ 100.08 million worldwide.

Globally, hotels and lodges alone recorded more than 1 billion unsold room nights which eclipsed the number of unsold room nights during any global financial crises or recession since 2000. Profitability for hotels and lodges has remained uncertain as movement restrictions stay in force for most countries. In 2020, hotels and lodges recorded all-time lows in occupancy, average daily rates (ADR) and revenue per available room (RevPAR) which are the main performance indicators. The STR (2021) reported that the year 2020 had been the worst year for hotels and lodges in the United States of America (USA). ADR fell to \$103.25 a level lower than any year since 2011 and 21.3% lower than the 2019 level.

Occupancy and RevPAR stood at 44% and \$45.48 slowing down by 33.3% and 47.5% respectively compared to 2019. In the Middle East, hotels and lodges registered occupancy levels of 45.9% in 2020 representing a decline of 30.3% from the pre-COVID-19 levels in 2019. ADR and RevPAR fell to \$117.23 and \$53.77 subsiding by 17.3% and 42.4% respectively (STR, 2021). It should be noted that lower ADR suggests that hotels were forced to lower their prices in the face of reduced uptake of the rooms. Similarly, declining RevPAR also confirms lower occupancy levels and poor revenue generation by the hotels and lodges.

As at 22 November 2021, confirmed COVID-19 cases in Africa had reached 8,664,388 accounting for 3.4% of the global infections (Statista, 2021). In 2020, hotels and lodges in Africa recorded occupancy levels as low as 29% representing a decline of 52.6% when compared with the year 2019. ADR and RevPAR declined by 3.3% and 54.1% ending 2020 at \$103.12 and \$29.86 in that order (STR, 2021). In South Africa, studies conducted by Sucheran (2021) and Dube (2021) showed that hotels and lodges risk bankruptcy due to severe cash flow problems, unending travel restrictions, guest cancellations and low consumer spending. Dube (2021) further called for well-engineered financial aid packages, lower levies and taxes and adoption of stringent health protocols to facilitate recovery of hotels and lodges.

As at 23 November 2021, Namibia had cumulative COVID-19 cases of 129 000 and had recorded a total of 3,571 deaths (Statista, 2021). In Namibia, hotels and lodges are among the priority sub-sectors for economic development and have been one of the fast-growing areas of the Namibian economy. The National Labour Force Survey of 2016 estimates that hotels and lodges employed 47,840 (Namibia's Fifth National Development Plan, 2017). Unfortunately, the operations of hotels and lodges in Namibia have been affected since the advent of the COVID-19 pandemic. Data gathered from the Namibia Airports Company and Hospitality Association of Namibia showed that room and bed occupancy rates for hotels and lodges stood at 14.1 and 15.2 basis points in June 2020 down by 87.3 and 84.1 basis points for levels registered in June 2019. Little effort has so far been directed towards assessing the impact of the COVID-19 induced lockdowns on the performance of hotels and lodges in Namibia, yet the hospitality sector has recently been severely affected by the COVID-19 pandemic.

1.3 STATEMENT OF THE PROBLEM

The COVID-19 pandemic has had a significant impact on the operations of hotels and lodges, which directly depend on domestic and international travel. In Namibia, there has been a substantial decline in the arrivals of overseas tourists in 2020 due to the lockdown restrictions. Consequently, the COVID-19 pandemic affected the occupancy rates, ADR, RevPAR, foreign exchange earnings, taxation contribution and job opportunities in hotels and lodges (Bank of Namibia, 2021). If the situation remains unchanged, the recovery of the hotels and lodges can take more time than expected thus effectively retarding economic growth and development. It is therefore necessary to examine the impact of the COVID-19 pandemic on the performance of hotels and lodges to enable policymakers to implement policy changes that benefit hotels and lodges in Namibia. Most previous studies generalised the COVID-19 pandemic and did not specifically measure the COVID-19 pandemic as an independent variable. This study therefore extends existing literature through scientifically confirming the impact of the COVID-19 pandemic on the performance of hotels and lodges in Windhoek, Namibia.

1.4 RESEARCH OBJECTIVES

The study seeks to attain the following objectives

1.4.1 Broad objective

To examine the impact of the COVID-19 pandemic on the performance of hotels and lodges in Windhoek, Namibia

1.4.2 Specific objectives

- i. To establish the influence of COVID-19 on occupancy rates for hotels and lodges in Windhoek, Namibia
- ii. To determine the extent to which COVID-19 impacted ADR and RevPAR for hotels and lodges in Windhoek, Namibia
- iii. To establish the effect of COVID-19 on the profitability of hotels and lodges in Windhoek, Namibia
- iv. To establish perceived policy interventions for sustainable recovery of hotels and lodges in Windhoek, Namibia.

1.6 RESEARCH HYPOTHESES

The following null hypothesis (H_0) and alternative hypothesis (H_1) were proposed;

Hypothesis 1

H_0 : COVID-19 does not significantly influence occupancy rates for hotels and lodges in Namibia.

H_1 : COVID-19 significantly influences occupancy rates for hotels and lodges in Namibia.

Hypothesis 2

H_0 : COVID-19 does not significantly impact ADR and RevPAR for hotels and lodges in Namibia.

H₁: COVID-19 significantly impact ADR and RevPAR for hotels and lodges in Namibia.

Hypothesis 3

H₀: COVID-19 does not significantly influence profitability of hotels and lodges in Namibia.

H₁: COVID-19 significantly influences profitability of hotels and lodges in Namibia.

1.7 SIGNIFICANCE OF THE STUDY

This study has practical and theoretical significance to stakeholders as described in the following sub-sections:

1.7.1 Significance to practice

This study notes that hotels and lodges are a key component of the tourism sector which contributes significantly to job creation, foreign currency generation and GDP growth globally. The study findings therefore are important for policymakers in the tourism sector and the central government to make strategic and operational decisions that protect the economy from the loss of foreign currency earnings from tourists and job losses in the communities.

The study findings could provide insights on how hotels and lodges in Namibia could be resuscitated for the benefit of all people in the country. More specifically, the study findings would empower managers in hotels and lodges on how they can dynamically respond to the threat of COVID-19 so that they can survive the difficult operating

environment. Guided by the study findings, hotel and lodge managers should be able to sustain and expand effective innovative responses to COVID-19. At the same time, they should be able to identify and discontinue strategies and plans that are less effective in responding to the COVID-19 pandemic.

1.7.2 Significance to theory

This study is set to contribute to the existing body of knowledge on the impact of COVID-19 on the performance of hotels and lodges. Given that limited studies have been conducted so far in the context of developing countries (Aijambo, 2020; Nhamo, Dube and Chikodzi, 2020; Dube, 2021), the findings can be the exploratory basis for further studies on COVID-19 and its impact on the performance of hotels and lodges. The researcher should also benefit in improving his research skills on problem identification, problem solving, and analysis and critical thinking, given that these skills are required for the successful completion of the study.

1.8 RESEARCH ASSUMPTIONS

The study makes the following assumptions:

- The respondents provide their honest opinions concerning the COVID-19 pandemic and its influence on the performance of hotels and lodges in Namibia.
- The respondents would have good appreciation of how global pandemics influence key performance indicators for hotels and lodges.
- The existing circumstances relating to COVID-19 and the performance of hotels and lodges would remain unchanged during the course of the study.

1.9 LIMITATIONS OF THE STUDY

The study faced sponsorship constraints thus negatively affecting the financing of project activities such as photocopying, printing, administration of questionnaires and travelling expenses. This was managed through the implementation of a strict budget using personal funds. Questionnaires were also administered electronically to reduce costs.

Due to the COVID-19 movement restrictions, the mobility of the researcher was significantly curtailed. It was difficult to have one-on-one interviews or interactions with the respondents or contact many respondents in person. This could materially affect the sample size for the study and the ultimate generalizability of the findings. More generalizable results could be obtained through the use of a bigger sample size. In mitigation, the researcher resorted to online meetings and telephoning of customers. Research instruments were also distributed to the respondents online to reduce physical contact with the respondents and also encouraged participation in the study. The researcher would have to conduct extensive follow ups on the questionnaires distributed to ensure that a higher response rate was obtained on the questionnaires. The study also collected secondary data from official sources on COVID-19 and the performance of hotels and lodges in Namibia and beyond. It was further acknowledged that the study did not control for other factors that are important in explaining the performance of the hospitality sector

1.10 DELIMITATIONS OF THE STUDY

This study was theoretically delimited to the COVID-19 pandemic and the performance of hotels and lodges as guided by the research objectives. The metrics for the performance of hotels and lodges included occupancy rates, ADR, RevPAR, profitability. The study respondents were hotels and lodges employees in Windhoek, Namibia. The study covered the period between 2019 and 2021 over which the COVID-19 pandemic affected the hotels, lodges and the entire Namibian economy.

1.11 DEFINITION OF KEY TERMS

Performance: The degree to which an organisation is able to meet its financial and non-financial targets (Wadesango and Magaya, 2020). In this study, hotel performance is measured in terms of occupancy rates, ADR, RevPAR and profitability.

COVID-19: A respiratory disease caused by a coronavirus that can cause death or severe symptoms, particularly in older people or people with underlying health conditions (Napierała, Leśniewska-Napierała and Burski, 2020).

1.12 ORGANISATION OF THE STUDY

This thesis is made up of five (5) chapters. The current chapter has introduced the study. It provided the research problem setting, highlighting the COVID-19 pandemic and its

effect on the performance of the hospitality industry with a special focus on hotels and lodges in Namibia. The remainder of the study is organised as follows:

Chapter 2 reviews literature on global pandemics, with a bias towards COVID-19 and the impact on the performance of hotels and lodges. The chapter basically covers three (3) main areas namely: theoretical literature, conceptual literature and empirical literature. The theories providing the theoretical basis for the study are explained and constitute the theoretical framework for the study. Under conceptual literature, the chapter reviews literature related to the objectives specifically the impact of COVID-19 on key performance indicators for hotels and lodges namely: occupancy rates, ADR, RevPAR and profitability. Empirical literature focusing on studies conducted elsewhere on COVID-19 and effect on performance in the hospitality industry is covered.

In Chapter 3, the research methodology adopted in carrying out the study is provided. Key research processes, procedures and techniques highlighted include choices on the research philosophy, research approach and research design that provide the general direction in terms of how data would be collected, analysed, interpreted and discussed. Chapter 3 also clarifies the target population for the study, sample size used, and the sampling method adopted. The data presentation and analysis techniques used are also provided as well the ethical issues obverted in the study.

In Chapter 4, data collected from the respondents is presented, analysed and discussed. The chapter makes use of descriptive and inferential statistics to show the ways through which the COVID-19 pandemic affected the performance of hotels and lodges in Namibia. The study findings established in Chapter 4 form the basis of the conclusions

and recommendations that are provided in Chapter 5. The chapter also provides suggestions for further studies on COVID-19 and the performance of hotels and lodges in Namibia.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter reviews literature on global pandemics and their influence on the performance of the hospitality industry with special focus on COVID-19. The chapter comprises three (3) main sections that provide theoretical, conceptual and empirical literature to enhance appreciation of the research problem. The theoretical literature section provides theories that inform the current study, highlighting their relevance. The conceptual literature section is bound by the objectives and highlights the views of other authors on the areas covered by the objectives. Empirical literature indicates other studies on global pandemics and their influence on the performance of hotels and lodges locally, regionally and globally. The chapter also provides the research gap for the study.

2.2 KEY TERMS EXPLAINED

This section explains key terms for the study so that

2.2.1 COVID-19

COVID-19 is a respiratory disease caused by a coronavirus. It can cause death or severe symptoms, particularly in older people or people with underlying health conditions. The coronavirus was first detected in Wuhan, China and later spread to the rest of the world with cases rising astronomically (Napierała *et al.*, 2020).

2.2.1 Performance

The term performance describes the ability of a firm to meet its financial or non-financial objectives (Wadesango & Magaya, 2020). This is similar to Škare *et al.* (2021)'s views that performance is the extent to which firm resources are deployed in ways which enable the firm to attain its objectives. In the case of hotels and lodges, among other important indicators, common performance indicators include the occupancy rate, RevPAR, ADR and profitability.

2.3 THEORETICAL FRAMEWORK

This study is supported by the Theory of Constraints and the Resource-Based View theory and the Dynamic Capabilities Theory. These theories are explained together with clarifications on how they inform the current study.

2.3.1 Theory of constraints

The Theory of Constraints (TOC) was put forward by Eliyahu Goldratt in 1984 and was later extensively explored in the book titled, *The Goal*. Goldratt (1984) says that a constraint is anything that holds back a System or Project from achieving higher performance standards as defined in the objectives or goals set out by an organisation or individual. Goldratt later expanded the constraint concept and said that a constraint is any factor that restricts a System from getting more of whatever it intends to attain. In narrower perspectives, a constraint can be considered in the form of a process or process step which works against the attainment of the desired output or throughput. The TOC

attempts to point out that every System or Project has at least one constraint that prevents it from obtaining the desired results.

The TOC therefore urges firms or individuals to clearly identify their objectives or goals and then scan both the external and internal environments for potential constraints that can suppress the attainment of the goals. It is in this understanding that Sukalová and Ceniga (2015) and Eidelwein, Piran, Lacerda, Dresch and Rodrigues (2018) share the view that the TOC can be applied to circumstances where it is important to examine the impact or influence of constraints / impediments / challenges on the attainment of objectives or goals.

The TOC is therefore relevant to the current study which examines the impact of the COVID-19 pandemic on the performance of hotels and lodges in Windhoek, Namibia. The COVID-19 pandemic has proved to be a constraint to the operations of hotels which traditionally target to achieve high occupancy rates, average daily rates, revenue per available rooms and ultimately attained desired levels of profitability. The TOC therefore helps in appreciating the ways through which the COVID-19 pandemic affected these key performance indicators for hotels and lodges.

Eidelwein *et al.* (2018) considers the TOC as a new comprehensive managerial philosophy which provides the basis for continuously enhancing effectiveness and efficiency in the operations of firms. The underlying concept is that constraints restrict the output of a System and therefore they need to be managed or eliminated (Sukalová & Ceniga, 2015). From a firm perspective, the TOC indicates that a firm should actively manage the constraints in its path to attainment of objectives otherwise the firm risk

failure or possible collapse/ extinction. This part of the TOC directly informs the current study which partly seeks to come up with policy interventions that can be adopted for sustainable recovery of hotels and lodges in developing countries such as Namibia.

Goldratt (1984) explains that cultivating a culture of appreciating constraints against the organisational performance induces a thinking process that enables people or organisations to invent working solutions to seemingly complex problems. In this respect, the TOC provides the theoretical underpinning for the current study as the theory initiates the pathways towards the development of lasting solutions or interventions to address the negative effects of COVID-19 pandemic on the performance of hotels and lodges in Namibia.

2.3.2 Resource-based view (RBV) theory

Barney (1991) is widely credited for the development of the RBV theory which is extensively applied in studies on organisational performance. The RBV theory concentrates on the development of sustainable competitive advantage through possession of unique and distinct resources and capabilities which differentiate one firm from other firms in the same industry or sector. The RBV theory indicates how a firm in sector or industry is able to attain competitive advantages that can ensure that its performance levels surpass other firms.

Barney (1991) therefore said that a firm needs to develop tangible and intangible valuable, rare, inimitable and non-substitutable resources or assets. The theory indicates that a firm should ride on its internal properties or assets or capabilities. Barney (1991) state that examples include physical asset resources, capabilities resources, process

resources, management competencies, technological resources and knowledge resources. The RBV theory therefore says that a firm has to concentrate on the creation, ownership, management and deployment of valuable, rare, inimitable and non-substitutable resources, if it is to gain competitive advantage.

The RBV theory is relevant to the current study in that it helps hotels and lodges in the identification of their unique internal resources which help them to effectively manage or respond to the Covid- 19 pandemic and in the process enhance performance. Put in other words, the RBV theory is relevant to the current study in that it highlights that the effectiveness of the response to the COVID-19 pandemic by the hotels and lodges in Namibia would depend on their existing competitive advantages.

2.3.3 Dynamic capabilities theory

The dynamic capacity theory is attributed to the contributions made by Teece, Pisano and Shuen (1997). The theory focusses on the development and attainment of competitive advantage (s) in rapidly changing operating environments. In this regard, dynamic capabilities are conceptualized as a firm's ability to integrate, reconfigure, renew and recreate its internal and external organisational assets and resources to survive in rapidly changing environment. The dynamic capabilities theory is an extension of the RBV theory in that Teece *et al.* (1997) mentions assets, resources and Organisational capabilities as the sources of competitive advantages in the context of fast changing operating environments. Teece *et al.* (1997), Paarup (2006) and Pettus *et al.* (2009) agree that a firm has to upgrade and reconstruct its core capabilities to attain and sustain competitive advantages.

The dynamic capability theory attempts to explain how a firm can be able to solve problems through the identification of opportunities and threats and making timely decisions. As is the case for the RBV theory, the dynamic capability theory stresses that a firm can develop core competencies from its asset and resource bases. The strategic assets to be integrated, transformed and reconfigured within a firm include the use of technology, re-training of employees to meet new skills requirements and undertaking new product development initiatives.

The dynamic capability theory is relevant to the current study in that it prepares the study towards appreciating performance levels of hotels and lodges in Namibia in line with their abilities to dynamically respond to the COVID-19 pandemic. This study notes that the COVID-19 pandemic came as a surprise to all companies and radically changed the operating environment landscape to the extent that only companies with dynamic capabilities to reconfigure and re-integrate their systems and processes have been able to perform reasonably well. The dynamic capabilities model can therefore be the basis of explaining the performance of hotels and lodges in Namibia following the outbreak of the COVID-19 pandemic.

2.4 EMPIRICAL LITERATURE REVIEW ON COVID-19 AND THE PERFORMANCE OF THE HOSPITALITY INDUSTRY

This section reviews related studies carried by other authors focusing on COVID-19 and its influence on the performance of hotels and lodges and other hospitality related operations. To the extent possible, the section identifies the authors,

objectives/aims/purpose of the study, research methodology used, findings, conclusions and recommendations made for each study.

Traditionally, the hospitality industry, which includes the operations of hotels and lodges, is extremely vulnerable to global pandemics (Hong, Cai, Mo, Gao, Xu, Jiang and Jiang, 2020). The outbreak of the COVID-19 pandemic has had unprecedented performance effects for hotels and lodges globally. In response to the outbreak of COVID-19, governments across the world put in place extraordinary measures that seek to stop the spread of the deadly virus including imposition of travel restrictions into and out of countries as well as physical distancing. These interventions had significant negative effect on the operations and performance of hotels and lodges. Sharma, Shin, Santa-María and Nicolau (2021) claim that some hotels temporarily or permanently closed following significant drop in business volumes against a backdrop of rising costs. Smart, Mab, Quc and Ding (2021) also point out that the COVID-19 pandemic disrupted the global tourism and hospitality industry and led to unprecedented negative performance.

In China, Zhang *et al.* (2020) estimated that occupancy levels would drop to as low as 3.5% at the onset of the COVID-19 pandemic. For the second quarter 2020, the China Hospitality Association (2020) estimated that occupancy would gradually rise, with the year-on-year revenue slowing down by 41.5%, representing a revenue loss of around US\$5.64 billion. In the United States of America, the hospitality and tourism sectors account for 2.8% of the GDP with significant contributions coming from the accommodation and food services largely provided by hotels and lodges. Smart, Ma, Qu and Ding (2021) claims that accommodation services alone post \$300 billion in revenue

and employ 2.1 million people. However, the performance of hotels and lodges is highly sensitive to economic shifts occasioned by global financial crisis, disasters, global pandemics and terrorist attacks.

Kumar and Nafi (2020) assessed the effect of the COVID-19 pandemic on tourism in Bangladesh. Their desk research made use of existing literature gathered from journals, historical records, newspaper articles, WHO statistics, and website materials on COVID-19 incidences in tourism. Kumar and Nafi (2020) noted that the COVID-19 pandemic negatively affected global travel and tourism characterised by significant decline in inbound tourist arrivals thus having direct effects on revenue generation for hotels and lodges. The attendant job cuts, reduced remuneration for key customers meant that the spending power of customers was significantly curtailed. As a result, revenue generation was negatively affected and key indicators such as ADR and RevPAR dropped.

Tourist arrivals in Namibia have continued to fall significantly since the advent of COVID-19. Although the Namibian economy heavily relies on the tourism and hospitality sector, little attempts have so far been directed towards examining the impact of the COVID-19 pandemic on the performance of hotels and lodges focusing in key performance indicators such as ADR and RevPAR.

Lendelvo, Pinto and Sullivan (2020) investigated the impact of COVID-19 on community-based conservation reliant on tourism and conservation hunting in Namibia. The study investigated the relationships between the COVID-19 pandemic, tourism and hunting. It was noted that tourism and hunting sectors lost revenue and cash flows and further lost employment opportunities threatening local livelihoods during the COVID-

19 period. Nhamo *et al.* (2020) states that the fall in occupancy rates and business volumes for hotels resulted in unexpected employee layoffs and hotels struggled to pay up their fixed expenses and mortgages on their properties. This negatively affected the reported profits which significantly fell for hotels and lodges.

Smart *et al.* (2021) examined the effects of COVID-19 and coping strategies in the lodging industry in Oklahoma City in the United States of America (USA). Smart *et al.* (2021) utilised a case study approach which employed a mixed methodology to find out how two (2) hotels addressed the operational challenges presented by the COVID-19 pandemic. Data was collected using participant observations and key informant interviews. Secondary data on ADR, RevPAR and occupancy rates was collected from the participating hotels. The study looked at the hotels' responses to health and safety, marketing, staff management and cost-saving initiatives to survive thus contributing to the existing literature on interventions aimed at sustainable recovery of hotels and lodges. Smart *et al.* (2021) found out that ADR and RevPAR and occupancy rates fell drastically and the hotels had to implement survival strategies including cutting the workforce to 20%, and religiously implemented the COVID-19 protocols within the hotels. The researcher notes that limited studies have so far concentrated on examining effects of the COVID-19 pandemic on the performance of hotels and lodges, and the policy interventions in the context of developing countries such as Namibia.

Nhamo *et al.* (2020) examined the effects and implications of COVID-19 on the global hotel industry and shared accommodation offered by Airbnb. Extensive literature review was conducted through document analysis. Machine learning was used to track hotel bookings for five global online travel agencies and further data was collected from the

American Hotel and Lodging Association. The study found out that COVID-19 pandemic had negative impact on hotels characterised by cancellation of bookings and unprecedentedly low bookings. The significant drop, in occupancy rates, triggered hotel closures and empty rooms for Airbnb properties. Noting that the impact of the COVID-19 pandemic is likely to far outweigh the damage caused by previous disasters such as SARS, Nhamo *et al.* (2020) suggested that governments should scale up relief funds and other measures that could resuscitate hotels and lodges which have been hard-hit by the COVID-19 pandemic. They further suggested that special attention should be directed towards the recovery of small-to medium-size enterprises in developing nations.

Hong *et al.* (2020) assessed the effect of the COVID-19 pandemic on tourist satisfaction with the Bed and Breakfast facility in Zhejiang China. The satisfaction levels of the tourists were assessed during the period China entered into work/travel restrictions on 20 January 2020 and re-tested following removal of work-travel restrictions from 20 February 2020. Data was gathered from 588 tourists who had experienced bed and breakfast service, using WeChat online survey. The study found out that there were significant differences in the performance of the Chinese hotels on attaining tourist satisfaction before/after COVID-19. This demonstrates that the COVID-19 pandemic had a negative impact on the operations of hotels given that tourist satisfaction is critical for future performance of the hotels.

Napierała *et al.* (2020) investigated the effects of geographic distribution of COVID-19 cases on the performance of hotels in 9 Polish cities. The study concentrated on the immediate effects of new cases and deaths due to the COVID-19 pandemic. Data was collected during the lockdown between 5 January 2020 and 14 March 2020. Napierała *et*

al. (2020) used the generalised method of moments to establish the impact of reported COVID-19 cases on occupancy rates and RevPAR. Results showed that significant, negative impacts existed between COVID-19 cases and occupancy and RevPAR for the Polish hotels surveyed.

Giousmpasoglou, Marinakou and Zopiatis (2021) analysed hospitality industry managers' responses to the COVID-19 pandemic/ crisis in the United Kingdom. The study focused on the responsibilities of general managers in reducing the impact of the COVID-19 pandemic to the sector. A qualitative methodology was employed and data was collected from 50 managers drawn from 45 countries. It was noted that managers are expected to come up with crisis management plans and planning contingencies for sustained recovery. Thematic analysis revealed contingency planning and crisis management as the major response mechanisms towards the COVID-19 pandemic. The study findings implied that during uncertainty and crisis, implementation of radical changes is required backed by the managers' resilience and renewed role and abilities to adapt rapidly to external changes on their business environment.

Kaushal and Srivastava (2021) assessed challenges in the hospitality and tourism industry in India in the face of the COVID-19 pandemic. A qualitative methodology was adopted. The target population was made up of senior managers from star category hotels and the academia. A total of 15 interviews were conducted. Data collected through interviews was analysed using content analysis. Themes that emerged from the interview responses were identified. A total of 27 sub-themes were collapsed into 4

major themes. It emerged that coping strategies for the sectors included multiskilling and professional staff development, cultivation of an increased sense of hygiene and sanitation, as well as development of better crisis preparedness. Kaushal and Srivastava (2021) concluded that the infectious novel coronavirus has significantly curtailed performance among tourism and hospitality entities in India and the future survival of the sectors is in doubt.

Another study by Jaipuria *et al.* (2021) examined the impact of COVID-19 on the tourism and hospitality sector in India. The study was triggered by significant decline in international tourists in India in 2020. They predicted foreign tourists' arrival and foreign exchange earnings in India and FEE using artificial neural networks (ANN) and also compared the economic performance of the tourism sector with and without lockdown focusing on foreign exchange earnings. The study found out that the decline in tourist arrivals significantly affected occupancy levels and the revenues generated by the tourism and hospitality players.

Susilawati, Falefi and Purwoko (2020) assessed the effect of the COVID-19 pandemic on the Indonesian economy. Data were collected through extensive literature review. Data was specifically obtained from Internet targeting official government information, online sites and processed results. Data were analysed qualitatively through themes and later presented in graphical form accompanied with descriptive narrative. Susilawati *et al.* (2020) identified the transportation, tourism, trade and health as the sectors most affected by the COVID-19 pandemic and recommended that financing facilities be organised to support firms in the respective sectors.

Sucheran (2021) examined the economic effects of the COVID-19 pandemic on the hotel sector in South Africa. Sucheran (2021) adopted a quantitative approach and used online surveys to collect data from managers at accommodation establishments in South Africa, specifically hotels and lodges. The target population of the study was 3000 accommodation establishments and a sample size of 482 was selected for participation in the study. The study noted that hotels in South Africa experienced dire economic impacts caused by the COVID-19 pandemic. Occupancy levels for hotels fell drastically as domestic and international tourist arrivals fell to the lowest levels. As a result of serious loss of revenues, many hotels were at risk of bankruptcy or even permanent closure. The study found out that hotels in South Africa faced cash flow challenges due to guest cancellations and low consumer spending caused by the travel restrictions triggered by the COVID-19 pandemic. It was further noted that employment levels in hotels and lodges fell drastically.

Ncube, Chikuta, Basera, Baipai, Mazhande and Tapfuma (2021) investigated the economic effects of the COVID-19 pandemic on the hotel business in Zimbabwe. The objectives were to examine the impact of the COVID-19 pandemic on hotel occupancy and revenue and further suggest strategies for the recovery of the hotel industry. A mixed approach that combined quantitative and qualitative techniques was used. Data was collected using semi-structured questionnaires distributed to 29 hotel managers drawn from participating 3–5-star hotels across Zimbabwe. The results showed that the COVID-19 pandemic had an adverse impact on hotel occupancy and revenue as these performance indicators fell drastically. Ncube *et al.* (2021) indicated that the suspension of global travel has had significant ramifications on the hotel industry. Strategies

employed by hotels to address the reduced occupancy and revenue caused by the pandemic included reducing staff compliments to limit the further spread of the coronavirus. To ensure operational viability, hotels in Zimbabwe also closed parts of the hotels to reduce operational costs as well as operating on a take-out basis. Ncube *et al.* (2021) concludes that hotels in Zimbabwe are ill-prepared to deal with the COVID-19 pandemic and should work towards putting in place disaster management plans relating to pandemics.

Evelina *et al.* (2020) estimated the economic impact of COVID-19 on Namibia's economy. The impact of COVID-19 to revenue performance was uncertain and thus made it difficult for authorities to come up with workable policy interventions. The study reports that Namibia reacted by the institution of 'stay at home' lockdowns in order to prevent the spread of the coronavirus. However, Evelina *et al.* (2020) notes that the lockdowns had an adverse economic impact as most economic activities and operations were stopped, save for essential services. It was estimated that between 5 to 7.5 billion Namibian dollars were lost in GDP due to the lockdowns on the productive sectors. Businesses lost revenue or income, trading hours and jobs as well as reduction in private demand to the tune of 6 to 2 billion Namibian Dollars.

Evelina *et al.* (2020) indicate that the Namibian government designed fiscal stimulus packages to cushion businesses from the negative impact of the COVID-19 pandemic. Proposed policy recommendations included allowing the informal sector to operate under specified conditions so as to reduce the loss of business. Evelina *et al.* (2020) recommends the need to develop a post COVID-19 recovery strategy, specifically addressing the needs of different sectors of the economy. The researcher notes that

although studies on COVID-19 had been conducted in Namibia, their focus remained on the macro-level economy. A gap still exists in undertaking studies with a primary focus on specific sectors at the micro-level, hence the need for the current study, restricted to the influence of the COVID-19 pandemic on the performance of hotels and lodges.

2.5 POLICY INTERVENTIONS FOR SUSTAINABLE RECOVERY OF HOTELS AND LODGES

Like other companies, the unexpected and accelerated spread of the coronavirus caught hotels and lodges unprepared to respond to the COVID-19 pandemic and most of the policies, strategies and actions taken could be considered as knee-jerk reactions. A study by Škare, Soriano and Porada-Rochoń (2021) investigated the impact of COVID-19 on the global travel and tourism industry. Škare *et al.* (2021) found out that the tourism industry suffered external shocks and tourism managers should be able to develop long lasting responses to contain the COVID-19 pandemic. As part of the survival tactics, hotels and lodges controlled by global chains cancelled dividend payments to preserve cash and also postponed capital expenditure to avoid bankruptcy and the possible collapse of the hotels and lodges (Hong *et al.*, 2020).

Sharma *et al.* (2021) studied the effectiveness of COVID-19 innovations towards restoring pre-COVID-19 performance levels of hotels in the United States of America. The study was conducted under a backdrop of doubt on the effectiveness of COVID-19 innovations following realisation that not all innovations deployed have a similar effect on performance. The study aimed to assess the usefulness of the new innovations from shareholders' perceptions. It was noted that product innovations are essential in

providing a shield against the adverse effects of COVID-19. Sharma, *et al.* (2021) found out that hotels have to re-consider their current business models and practices if they are to survive in the uncharted terrain from the COVID-19 pandemic. New and innovative strategies promoting health and safety of guests and employees would go a long way in enhancing consumer confidence in the hotels.

Policy interventions and coping strategies to address the problems caused by the COVID-19 pandemic can be explained using literature on crisis management. Jiang and Wen (2020) define crisis management as a systematic process aimed at preventing or reducing the damage or negative effects caused by a crises or disaster. In an organisation, a crisis can originate internally or externally. Characteristically, crisis management in the hospitality industry has been examined at firm level, tourism level or national level. However, for effective response mechanisms, the common position is that crises are categorised into pre-crisis, the crisis itself, and post-crisis stages. Literature shows that managers and policy makers should therefore be able to identify the stages and their durations through examination of indicators thus giving the basis upon which the appropriate policy interventions can be crafted (Smart, Mab, Quc & Ding (2021).

Researchers seem to agree that there are different approaches which can be adopted in crisis management. To this end, Jiang and Wen (2020) and Škare *et al.* (2021) posit that crisis management can focus on risk assessment and environmental scanning. On the other hand, Nhamo, Dube and Chikodzi (2020) suggest that national crisis management policy should be guided by indicators. This study notes that the majority of existing literature on crisis management has focused on the macro-level, covering the hospitality and tourism sector in its entirety. There is a gap in terms of micro-level coping strategies

and this study primarily focuses on policy interventions for the sustainable recovery of hotels and lodges in Namibia. This allows the current study to specifically concentrate on how key performance indicators (occupancy rates, ADR, RevPAR and profitability) for hotels and lodges can be improved.

Disaster preparedness is a key intervention that can be operationalised at country level, industry level or firm level. Nhamo *et al.* (2020) defines a disaster is a systemic failure caused by unpredictable external factors that puts the successful operation of a firm in doubt. The outbreak of COVID-19 is a serious public health pandemic that has brought business to a standstill in the hospitality sector and other sectors. It is in this respect that Kaushal and Srivastava (2021) state that hotels and lodges should design and implement disaster or crisis management plans so as to enhance their response to global pandemics. Hao, Xiao and Chon (2020) assessed the impact of COVID-19 on the hotel industry in China with the view of developing a disaster management framework. Some of the survival strategies included consideration for establishing multi-businesses and multi-channels, new product design and investment into digital and intelligent transformations.

2.6 RESEARCH GAP

This study notes that studies on crisis management in the face of global pandemics have been conducted globally and they focused on the tourism and hospitality sector as a whole. In recent years, there has been increased interest on how the COVID-19 pandemic has affected the operations of businesses particularly in the tourism and hospitality sectors. However, most previous studies generalised the COVID-19

pandemic and did not specifically measure the COVID-19 pandemic as an independent variable. This study extends existing literature through scientifically and specifically operationalizing the COVID-19 pandemic through using infection levels recorded, loss of lives, frequency of lockdowns imposed as well as movement restrictions.

It is further noted that the majority of studies on the effect of COVID-19 on the performance of hotels and lodges have been carried out in developed countries with operating environments that are different from those obtaining in developing countries such as Namibia. It is therefore important that similar studies be carried out in a developing country to establish if the results remain consistent. Moreso, the researcher notes that interventions to resuscitate hotels and lodges prescribed in advanced countries may not be generalised to less advanced countries such as Namibia, hence the need for the current study. To address this gap, this study intends to identify the management plans, strategies and actions as well as policy interventions that suit the Namibian context and other developing countries.

2.7 CONCEPTUAL FRAMEWORK

A conceptual framework is a diagrammatic representation of the variables or key concepts in a study. In a quantitative study, a conceptual framework shows how the independent variable connects with the dependent variable. Figure 2.1 indicates the conceptual framework for the current study.

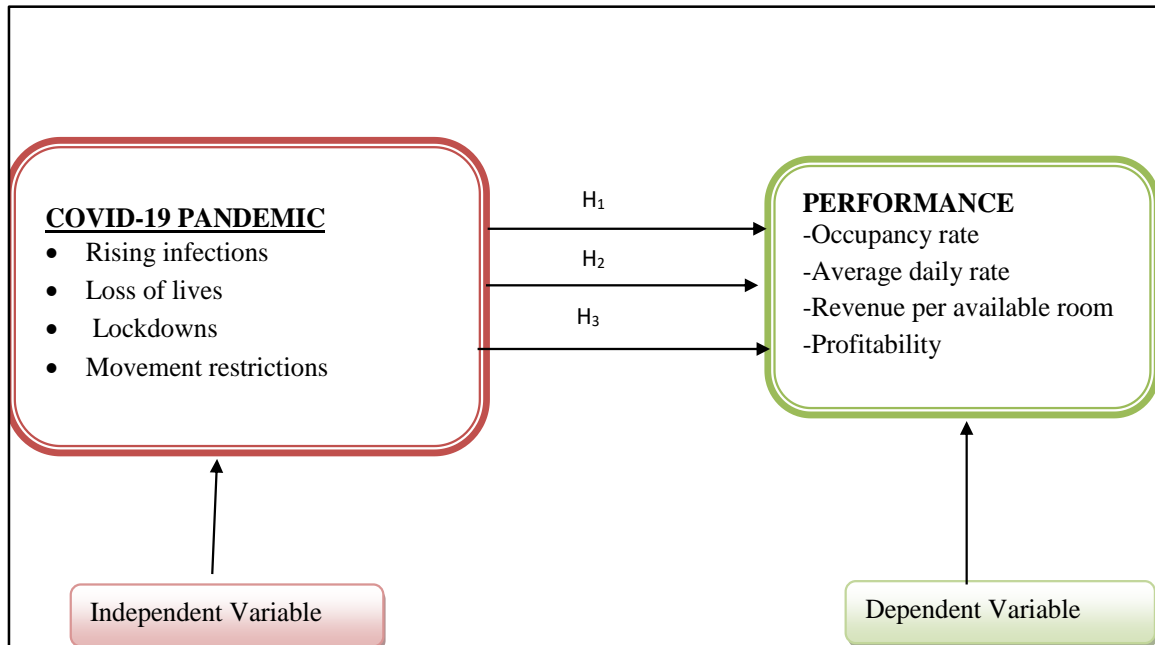


Figure 2.1: Conceptual framework

Source: Researcher's Own Construct (2021)

Figure 2.1 indicates that the independent variable for the study is the COVID-19 pandemic characterised by rising infections and loss of lives which triggered lockdowns and movement restrictions internationally. The dependent variable is performance of the hotels and lodges measured using occupancy rates, daily average rates, revenue per available room and profitability. The hypotheses (H₁, H₂, and H₃) represent the links between COVID-19 pandemic and the performance of hotels as proposed in section 1.5. The hypotheses are restated as follows;

2.8 CHAPTER SUMMARY

The chapter has reviewed literature relating to COVID-19 and its influence on performance in the hotel industry. Key terms were explained to enable the reader to appreciate the focus of the study. The chapter then provided the theoretical literature

which supports the study. Thereafter, literature relating to the study objectives was covered together with empirical literature drawn from the local, regional and international arena. The research gap and the conceptual framework for the study were also provided. The next chapter provides the research methodology applied to establish the impact of the COVID-19 pandemic on the performance of hotels and lodges in Windhoek, Namibia.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter provides the research methodology adopted in examining the impact of the COVID-19 pandemic on the performance of hotels and lodges in Windhoek, Namibia. This is in line with Opie (2004)'s view that for any research to be meaningful and complete, it must specify the various procedures followed in gathering, collecting and analysing data. The methodology adopted in this study partly borrows from the research onion proposed by Saunders, Lewis and Thornhill (2009) and illustrated in Figure 3.1.

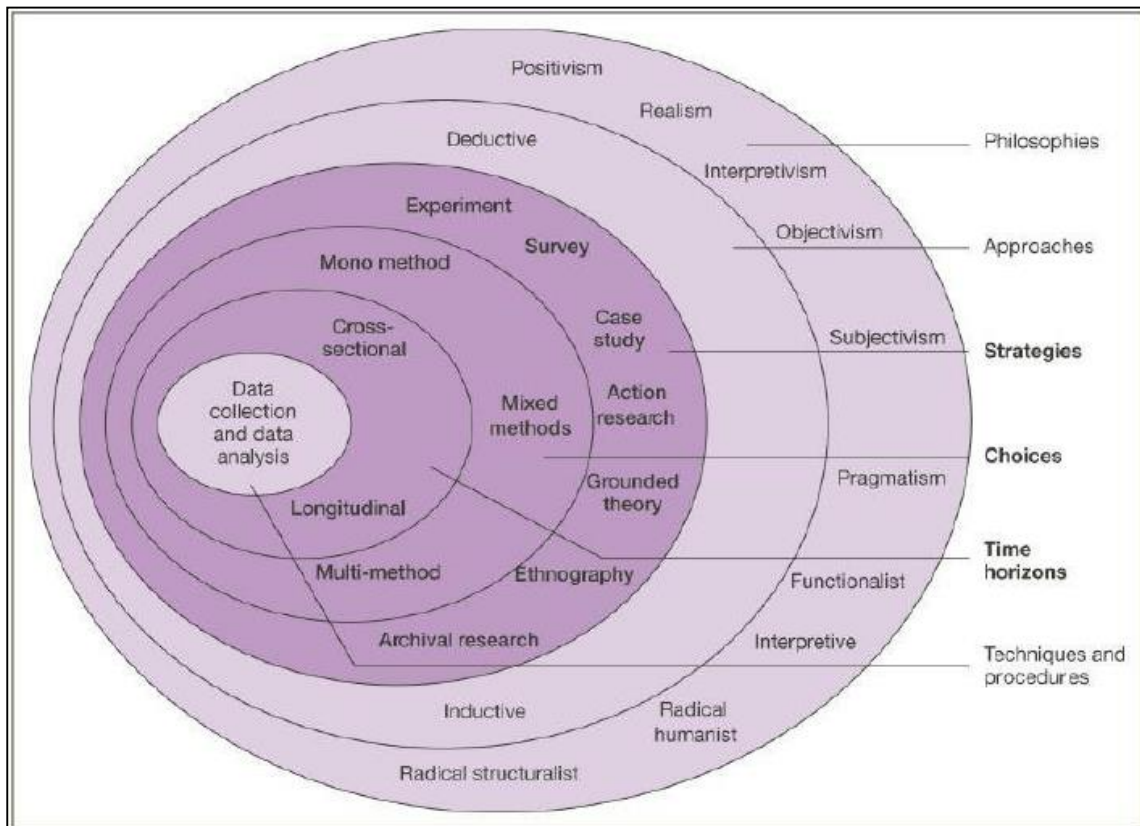


Figure 3.1: Research onion

Source: Saunders, Lewis and Thornhill (2009)

This chapter therefore explains the research philosophy, research approach and research design, research strategy and the time horizon adopted to guide the study. The chapter also explains the target population, sample size and sampling procedures employed to select the respondents who participated in the study. The data sources, questionnaire design and administration and how validity and reliability were enabled in the study are also provided. The data presentation and analysis techniques as well as the ethical issues observed are also discussed. In order to enable the reader to follow through, the chapter provides justifications for the research techniques, procedures and processes adopted in the study.

3.2 RESEARCH PHILOSOPHY

This study adopted the positivism philosophy which assumes that reality is fixed and that a single truth exists, measurable objectively and scientifically (Plonsky, 2017). The positivism philosophy was suitable for the study, given the need to borrow from existing theories on organisational performance and management of crisis scenarios. The positivism philosophy enabled the study to make use of scientific evidence, including but not limited to experiments and statistics that reveal the true nature of how COVID-19 affected the performance of hotels and lodges in Windhoek, Namibia.

3.3 RESEARCH APPROACH

This study employed the quantitative approach which uses mathematical and statistical techniques of measurement or counting to collect, analyse and interpret data (Fellows and Liu, 2015). This study was quantitative in nature and the quantitative approach was in line with the positivism philosophy adopted for the study. The quantitative approach

was suitable for the current study in that it enabled the researcher to make use of descriptive and inferential statistics to establish the impact of the COVID-19 pandemic on the performance of hotels and lodges in Windhoek, Namibia. The quantitative approach also enabled testing of hypotheses, set in the introductory chapter, so that the impact of the COVID-19 pandemic on the performance of hotels and lodges could be established with some degree of certainty.

3.4 RESEARCH DESIGN

A research design is a plan, strategy or structure adopted in a study so as to obtain answers to research questions. A research design is the glue that binds the research together. This study utilized the correlational research design. A correlational research design examines the existence of relationships between variables but the researcher does not manipulate or control the variables (Walter and Andersen, 2016). According to Mohajan (2020) a correlational design facilitates the establishment of the strength (weak or strong) and nature (positive or negative) of the relationship between variables.

The correlational research design was appropriate for the current study in that it helped to explain the cause-and-effect relationships between the variables. In this study and as reflected in the conceptual framework discussed in Figure 2.1, the COVID-19 pandemic represented the independent variable and performance was the dependent variable. The correlational design therefore enabled the researcher to establish the effect of the manifest variables of the COVID-19 pandemic such as rising infections and loss of lives, lockdowns and movement restrictions on the operationalisation of performance. The performance being measured through variables such as occupancy rates, ADR, RevPAR

and profitability. More importantly, the correlational design helped in testing hypothesis using the data collected from the respondents as well as secondary data. The hypotheses of the study are restated as follows:

Hypothesis 1

H₀: COVID-19 does not significantly influence occupancy rates for hotels and lodges in Namibia.

H₁: COVID-19 significantly influences occupancy rates for hotels and lodges in Namibia.

Hypothesis 2

H₀: COVID-19 does not significantly impact ADR and RevPAR for hotels and lodges in Namibia.

H₁: COVID-19 significantly impact ADR and RevPAR for hotels and lodges in Namibia.

Hypothesis 3

H₀: COVID-19 does not significantly influence profitability of hotels and lodges in Namibia.

H₁: COVID-19 significantly influences profitability of hotels and lodges in Namibia.

It is therefore important to highlight that the correlation research design enabled the researcher to test these hypotheses and establish the strength and/or direction of the relationship between the COVID-19 pandemic and performance of hotels and lodges in Windhoek, Namibia.

3.5 RESEARCH STRATEGY

Saunders *et al.* (2009) posit that a study can adopt the following research strategies: experiment, survey, action research, grounded theory, ethnography, case study and archival research. This study employed the survey strategy. The survey strategy was suitable for the study as it would enable the researcher to collect data from many hotels and lodges in Windhoek, Namibia. The data collection process would take place over a shorter space of time and also reduce the cost of collecting the data. It was easier to collect data from respondents from the hotels and lodges through the survey thus enabling the researcher to achieve a sample size large enough to apply statistical and quantitative techniques on the data. The survey strategy also enabled the researcher to administer questionnaires to the respondents.

3.6 TIME HORIZON

In research, the term time horizon refers to the time framework within which data collection is expected to be finished. Saunders *et al.* (2009) categorize time horizon into longitudinal and cross sectional. The study employed the cross-sectional time horizon. This is because the researcher had to collect data at a single specific point with the process lasting for one (1) week without having to repeat thereafter. The cross-sectional time horizon helped to manage the time and resource constraints faced by the researcher

at the time of carrying out the study. The cross-sectional time horizon enabled the research to take a ‘snapshot’ of the variables under study over the period covered by the study. The single-phase collection of data was sufficient for the researcher to examine the impact of the COVID-19 pandemic on the performance of hotels and lodges in Windhoek, Namibia.

3.7 TARGET POPULATION

In this study, the target population was comprised of managers and accounting officers drawn from participating hotels and lodges in Windhoek, Namibia, registered under the Namibia Tourism Board. The structure of the population was is indicated in Table 3.1.

Table 3.1: Population structure

Population group	Targeted Number
Managers	90
Accounting Officers	25
Total	115

Source: Namibia Tourism Board (2022)

These managers and accounting officers had good knowledge of the performance of the hotels and lodges in terms of occupancy rates, ADR, RevPAR and profitability under the COVID-19 pandemic in Windhoek, Namibia. Accounting officers could comment on the performance of the hotels and lodges in terms of performance indicators such as ADR, RevPAR and profitability, since they are responsible for collating such data for submission to managers who make decisions for the hotels and lodges.

3.8 SAMPLE SIZE AND ITS DETERMINATION

Due to limited time and project resources, the researcher selected a sample from which data was collected. The sample was selected based on Yamane (1967)'s sample size determination formula:

$$\begin{aligned}\text{Sample size} &= \text{Population} / [1 + \text{Population} (0.05)^2] \\ &= 115 / [1 + 115(0.05)^2] \\ &= 115 / (1 + 0.2875) \\ &= 115 / 1.2875 \\ &= \mathbf{89}\end{aligned}$$

The sample size of 89 represented 77% of the population. The sample representativeness of 77% was used to estimate the number of managers and accounting officers who would take part in the study. The structure of the population and sample was as follows:

Table 3.2: Population and sample composition

Population group	Population	Sample
Managers	90	69
Accounting Officers	25	20
Total	115	89

Source: Namibia Tourism Board (2022)

The sample size was way greater than 30% which is mostly considered as the minimum sample size for most statistical tests such as normality (Park and Park, 2016). This meant that the findings of the study could be generalised to the hotels and lodges in Windhoek, Namibia.

3.9 SAMPLING METHOD

In this study, sampling was necessary because contacting all the managers and accounting officers within the hotels and lodges was not feasible. This study adopted stratified random sampling to select respondents for the study. Stratified random sampling involves the division of the population into strata based on known characteristics such as age, gender, race or any other important consideration (Queirós *et al.*, 2017; (Queirós, Faria & Almeida, 2017)). In this study, respondents were divided into two groups namely: managers and accounting officers. This ensured that the correct number of managers and accounting officers was included in the study. Proportional numbers of managers and accounting officers were then selected randomly from the two groups to constitute the sample. The random selection in each stratum ensured that sampling bias was minimised. This was necessary to ensure that the researcher did not choose managers and accounting officers who could be of interest to him or closer to him. The resultant sample therefore reflected the composition of the target population from the hotels and lodges in Windhoek, Namibia.

3.10 DATA SOURCES

Primary and secondary data was gathered in this study as described in the following subsections:

3.10.1 Primary data

In this study, primary data were collected from respondents drawn from the participating hotels and lodges in Windhoek, Namibia. Primary data were used to establish the impact

of the COVID-19 pandemic on the performance hotels and lodges in Namibia. Primary data was important in this study because it was original and authentic as the data were gathered for the first time to establish the influence of COVID-19 on occupancy rates, ADR and RevPAR and profitability for hotels and lodges in Windhoek, Namibia as well as suggest policy interventions for sustainable recovery of hotels and lodges in Namibia. The major limitation for primary data was that it was more time consuming to collect compared to secondary data.

3.10.2 Secondary Data

Silva (2017) defines secondary data as data gathered from other sources or third parties. The data would be relevant to COVID-19 and performance of hotels and would assist in meeting the objectives of the current study. In this study, secondary data were gathered from online books and journals on COVID-19 pandemic and performance of hotels and lodges, as well as local, regional and international tourism and hospitality sector publications. Secondary data were also derived from relevant institutions such as the Namibia Tourism Board, Bank of Namibia and Namibia Statistics Agency (NSA) and World Health Organisation (WHO) statistics. The data related to COVID-19 new cases, deaths, recoveries as well as occupancy rates, ADR, RevPAR and profitability for hotels and lodges. Secondary data was easier to collect but required refinement for it to be relevant to the specific requirements of the study.

3.11 RESEARCH INSTRUMENTS

This study collected data using questionnaires. A questionnaire is a research instrument that consists of questions intending to collect data for a study. Questionnaire data was

used to support trends emerging from secondary data on COVID-19 statistics such as new cases, deaths and recoveries as well as performance indicators for hotels and lodges, including occupancy levels, ADR, RevPAR and profitability. The questionnaires were designed using the google forms platform. The questionnaires were designed in line with the research questions or objectives. The first section of the questionnaire had questions on the demographic profiles of the respondents namely: gender, education, experience and age. Questions relating to study objectives looked at the influence of COVID-19 on occupancy rates, ADR and RevPAR and profitability of hotels and lodges in Windhoek, Namibia. The questionnaire also contained questions on policy interventions for sustainable recovery of hotels and lodges in Windhoek, Namibia. The questionnaire contained structured questions designed using a 5-point Likert scale ranging from strongly agree (=5) through to strongly disagree (=1). The questionnaire was structured to ensure that all the questions were answered in the same order by the respondents.

Questionnaires were relatively cheaper and easier to administer to many managers and accounting officers at the participating hotels and lodges in Windhoek, Namibia. Questionnaires enabled the researcher to collect quantitative data required to establish the impact of the COVID-19 pandemic on the performance of hotels and lodges in Windhoek, Namibia. The researcher was able to distribute questionnaires to the respondents through emails once the details of the respondents were obtained. The administration of the questionnaires was therefore less time consuming. Questionnaires were used in this study as they facilitated the obtaining of standardised and structured answers which made it simple to compile the data.

3.12 DATA COLLECTION PROCEDURES

The researcher conducted a desk research to collect data on occupancy rates, ADR, RevPAR and profitability. The data collected was reviewed, explored and coded to ensure that the data was relevant to the research questions. In this study, the administration of the questionnaires was done electronically through emails in line with COVID-19 restrictions. Arrangements were made over the telephone with respondents and the researcher requested email addresses of the respondents for distributing the questionnaires via email. The following link was also included in the email for respondents to complete the questionnaire online: (https://docs.google.com/forms/d/e/1FAIpQLSejPHHW9F7vDJbBrGL7gzY6oFPZ-eCtDDTfszeJOp-D4xIe1Q/viewform?usp=pp_url). The respondents were given five (5) days to complete the questions after which follow-ups were made on the questionnaires not yet returned to enhance the response rate.

3.13 VALIDITY AND RELIABILITY

This section explains the steps or actions taken by the researcher to enhance validity and reliability in this study.

3.13.1 Validity

Validity is the extent to which an instrument or test is able to measure what the instrument or test intended to measure (Walter and Andersen, 2016). In order to enhance content and construct validity, a pilot study with three (3) managers was conducted and this improved a number of issues including ordering the questions in line with the

research objectives. This ensured that the study remained focused on the COVID-19 pandemic and performance constructs and did not stray into other matters outside the focus of the study. Content validity was further enhanced through the contributions made by the supervisors. The questionnaire was also designed in line with the conceptual framework and this also ensured that the instrument measured the COVID-19 pandemic and performance constructs used in this study. The participants of the pilot study were excluded from participation in the main research.

3.13.2 Reliability

According to Mohajan (2020) reliability describes the extent to which a research instrument or test yields consistent results after repeated trials using the same methodological processes, techniques and procedures. This study used the Cronbach's alpha reliability index to test the internal consistency of the Likert scale items which measured COVID-19 pandemic constructs and performance of hotels and lodges in Windhoek, Namibia. Reliability was also enabled through the collection of data from sources which verify the accuracy and correctness of the data they publish.

3.14 DATA ANALYSIS AND PRESENTATION

Data was analysed quantitatively to establish the trends in the performance of the hotels and lodges in Windhoek, Namibia during the COVID-19 pandemic. The Statistical Package for Social Sciences (SPSS) version 21 was used to analyse the data. The data was first cleaned and edited for errors using Microsoft Excel. The data was then entered into SPSS following the codes used on the questionnaire. Descriptive statistics adopted included percentages, frequencies, mean and standard deviation. These showed the state

of affairs regarding the COVID-19 pandemic and performance of hotels and lodges in Windhoek, Namibia. Inferential statistics were also used to analyse the data. In this regard, paired samples t-tests, Pearson correlations and simple linear regression analysis were conducted at 5% level of significance to determine the influence of COVID-19 on occupancy rates, ADR, RevPAR and profitability of hotels and lodges in, Windhoek, Namibia. COVID-19 was operationalised using infection levels recorded, loss of lives, frequency of lockdowns imposed as well as movement restrictions. For the paired samples t-tests, occupancy rates and profitability levels recorded by the hotels and lodges before and after the peak of the COVID-19 pandemic were compared to establish if significant differences existed. With regards to simple linear regression, the study sought to establish the effect of the COVID-19 pandemic on RevPAR of hotels and lodges with the independent variable being monthly regional and international tourist arrivals and the dependent variable being RevPAR for the hotels and lodges. Tables and graphs extracted from SPSS were used to present the results.

3.15 RESEARCH ETHICS

The following research ethics were considered in carrying out the study. The researcher sought authority from the Namibia Tourism Board to carry out the study at the participating hotels and lodges in Windhoek, Namibia (see Appendix 3). This helped to enhance cooperation and acceptance of the researcher as the respondents would know that the study was sanctioned by the regulatory authority. The researcher also sought informed consent of the respondents (see Appendix 4). The respondents were advised of the purpose of the study and were clearly told that taking part in the study was wholly

voluntary and no one would be forced to participate. The respondents could therefore take personal decisions following the explanations provided to them.

It was necessary that the researcher safeguarded the privacy and anonymity of the respondents. To do this, the researcher did not include questions that required the respondents to personally identify themselves. More importantly, in the data presentation and analysis chapter, an aggregate format was adopted and the researcher did not specifically refer to individuals who participated in the study. All respondents therefore remained anonymous as no positive identification was made. Respondents also completed the electronic copies of the questionnaires on their own without any assistance or the presence of the researcher. In this study, confidentiality was enhanced. The collected data is being kept in a safe that is locked all the times and accessible only to the researcher. The researcher also made an undertaking to keep the data up to a maximum of five years after which the data would be destroyed in line with the need to maintain confidentiality. The researcher pledged to be honest throughout the research project. Also, the researcher pledged to acknowledge all publications in this study through the American Psychological Association (APA) referencing system.

3.16 CHAPTER SUMMARY

The chapter presented the research methodology applied to examine the impact of COVID-19 pandemic on the performance of hotels and lodges in Windhoek, Namibia. Some of the main areas discussed included the positivism philosophy, quantitative approach, and correlational research design and survey strategy employed. The chapter also described the target population and sample which constituted managers and

accounting officers from participating hotels and lodges in Windhoek. The chapter also covered questionnaire design and administration, reliability and validity and data presentation and analysis techniques. The research ethics discussed included informed consent, anonymity, privacy and confidentiality. The next chapter provides the results obtained from the data collected in the study and their discussions to come up with the findings.

CHAPTER 4

DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

This chapter provides findings based on the data collected using questionnaires and secondary data. The questionnaire response rate is first explored followed by the reliability analysis for the Likert scale items operationalised in this study. The demographic profiles of the respondents are covered in the third section. Thereafter, the chapter presents, analyses and discusses findings relating to the objectives. In this regard, the chapter looks at the influence of COVID-19 on occupancy rates, ADR, RevPAR and profitability of hotels and lodges in Windhoek, Namibia. The chapter also covers results on perceived policy interventions for sustainable recovery of hotels and lodges in Windhoek, Namibia.

4.2 RESPONSE RATE

Table 4.1 shows the questionnaire response rate. A total of 89 questionnaires were administered to managers and accounting officers in hotels and lodges in Windhoek, Namibia. Following persistent follow-ups and reminders, 66 completed and usable questionnaires were received from the managers and accounting officers. This gave a response rate of 74.2%.

Table 4.1: Questionnaire response rate

Respondent	Administered	Received	Response rate
Managers	69	52	75.3%
Accounting officers	20	14	70%
Total	89	66	74.2%

Source: Primary data

The response rate of 74.2% was higher than 70% which is generally deemed the minimum for quantitative studies (Basias and Pollalis, 2018). The study findings were therefore reliable and generalizable to the hotels and lodges in Windhoek, Namibia.

4.3 RELIABILITY ANALYSIS

Table 4.2 shows results on the internal consistency of the Likert scale items focusing on the impact of the COVID-19 pandemic on the performance of hotels and lodges in Windhoek, Namibia. The Cronbach's alpha reliability index was used.

Table 4.2: Reliability statistics

Cronbach's Alpha	N of Items
.760	11

Source: Primary data

Table 4.2 shows that the reliability index for the eleven (11) items was 0.760. This was above the generally accepted minimum of 0.7 (Mohajan, 2020). Accordingly, the internal consistency of the items was satisfactory for the study at the 5% level of significance.

4.4 DEMOGRAPHIC INFORMATION

This section provides results on the gender, highest educational qualifications, age and work experience in the hospitality sector of the respondents.

4.4.1 Gender and educational qualifications

Table 4.3 cross tabulates the gender and educational qualifications of the respondents.

Table 4.3: Gender and education

			Education level					Total
			Secondary	Certificate/ Diploma	Degree	Postgraduate	Other	
Gender	Male	Count	4	9	6	9	2	30
		% of Total	6.1%	13.6%	9.1%	13.6%	3.0%	45.5%
	Female	Count	5	12	11	5	3	36
		% of Total	7.6%	18.2%	16.7%	7.6%	4.5%	54.5%
Total		Count	9	21	17	14	5	66
		% of Total	13.6%	31.8%	25.8%	21.2%	7.6%	100.0%

Source: Primary data

A total of 54.5% of the respondents were female and 45.5% were male. This showed that hotels and lodges in Windhoek, Namibia employed more female managers and accounting officers than males. However, there was reasonably fair representation of males and females thus suppressing possible gender bias in responses on how the COVID-19 pandemic affected the performance of hotels and lodges in Windhoek. With regards to education attained, results indicate that 13.6% had attained secondary level education, 31.8% had certificate or diplomas, 25.8% held degrees, 21.2% had post

graduate qualifications and the remaining 7.6% cited other qualifications. Given that as high as 78.8% of the respondents had tertiary level education, the researcher was satisfied that the respondents could understand how COVID-19 affected performance of hotels and lodges thus enabling them to productively contribute to the study.

4.4.2 Age in years

The age distribution of the respondents is shown in Figure 4.1.

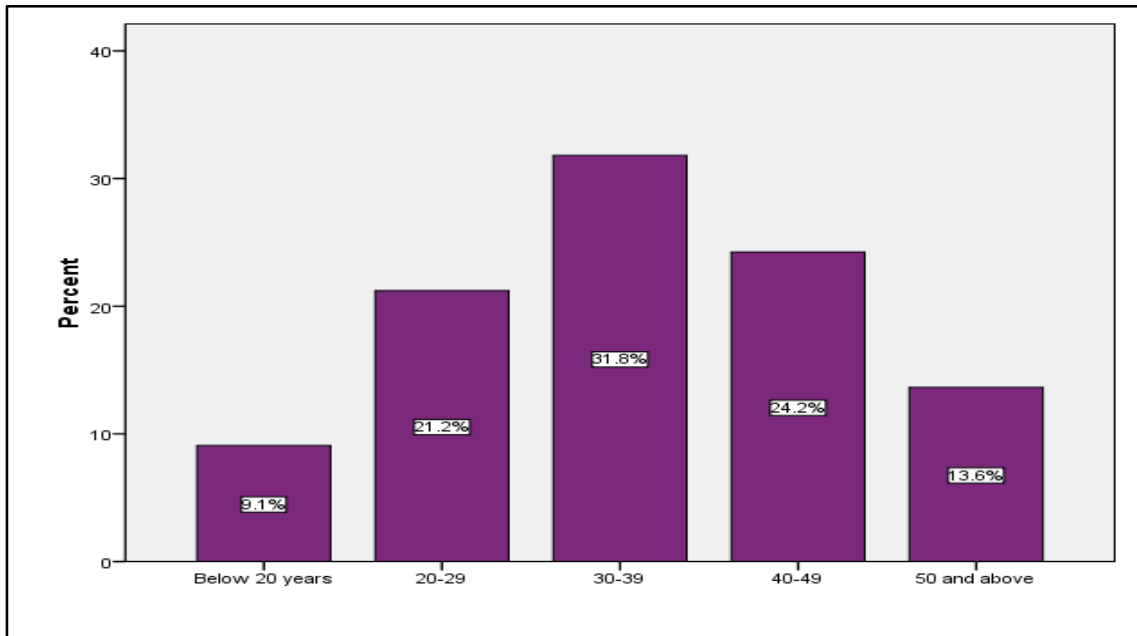


Figure 4.1: Age in years

Source: Primary data

Results in Figure 4.1 show that 9.1% of the respondents were below 20 years, 21.2% were in the 20-29 years category, 31.8% were between 30 and 39 years, 24.2% were between 40 and 49 years and the remaining 13.6% had 50 years or above. These results

demonstrate that none of the age groups dominated and both youthful and mature respondents were adequately represented. The study therefore received views which cut across the age groups.

4.4.3 Work experience in the hospitality sector

Table 4.4 indicates the respondents' work experience, in years, in the hospitality industry.

Table 4.4: Experience in the hospitality sector

		Statistic	Std. Error	
Experience in the hospitality sector	Mean	8.61	.466	
	95% Confidence Interval for Mean	Lower Bound	7.68	
		Upper Bound	9.54	
	5% Trimmed Mean	8.27		
	Median	8.00		
	Variance	14.304		
	Std. Deviation	3.782		
	Minimum	3		
	Maximum	21		
	Range	18		
	Interquartile Range	4		

Source: Primary data

Results show that the mean number of years was 8.61 with a lower and upper bound 95% confidence interval of 7.887 and 9.685 respectively. The 5% trimmed mean of 8.445 and median of 8.000 suggested that most of the respondents had worked for years nearer to the observed mean. This is further supported by a variance of 21.17 and standard deviation of 4.601 which showed moderate dispersion from the observed mean.

Overall, the results suggest that most of the respondents had worked for fairly long periods of time and had a good appreciation of COVID-19 and its influence on the operations of hotels and lodges in Windhoek, Namibia. This improved the quality of responses received.

4.5 INFLUENCE OF THE COVID-19 PANDEMIC ON OCCUPANCY RATES FOR HOTELS AND LODGES

The first objective examined the influence of the COVID-19 pandemic on occupancy rates for hotels and lodges in Windhoek, Namibia. Respondents were requested to indicate the degree to which they agreed with pre-identified statements linking COVID-19 and occupancy levels in the hotels.

4.5.1 Effect of new COVID-19 cases and rising deaths on bookings

Figure 4.2 indicates responses received on the statement that ‘rising new COVID-19 cases and deaths led to cancellation of bookings’ among hotels and lodges.

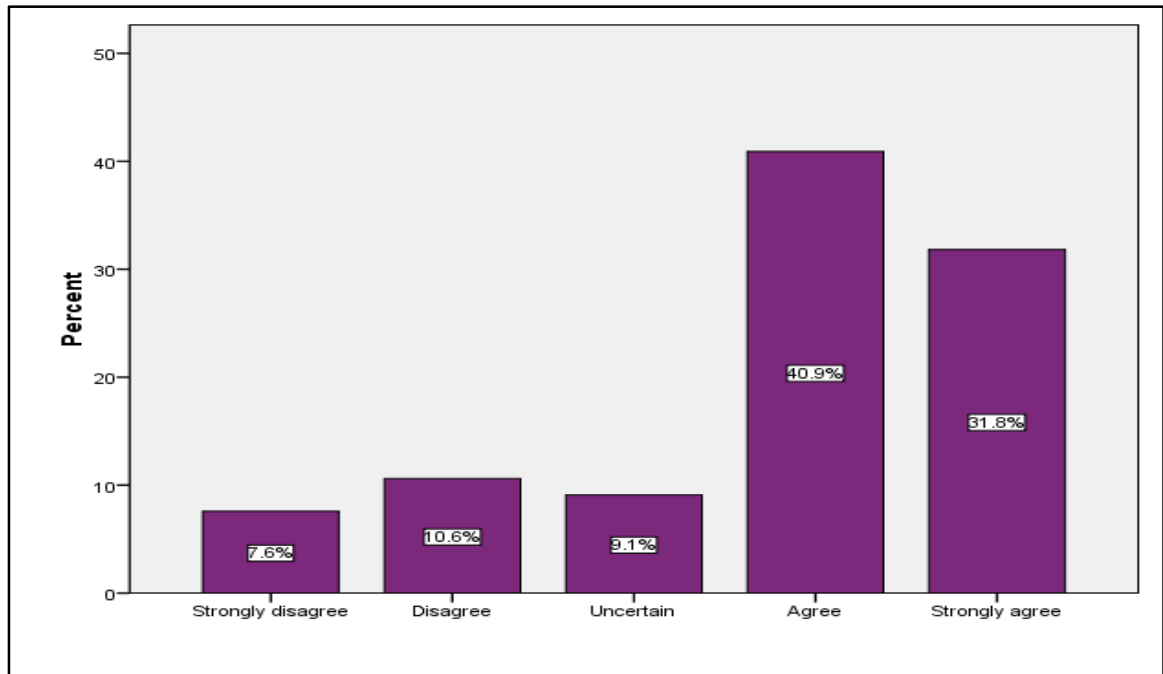


Figure 4.2: Rising infections and deaths

Source: Primary data

The results show that 7.6% of the respondents strongly disagreed and 10.6% disagreed giving a total of 18.2%. Only 9.1% of the respondents were uncertain. On the other hand, 40.9% of the respondents agreed and 31.8% strongly agreed working out to a cumulative 72.7%. Given the strong agreement (72.7%), the study deduced that rising new COVID-19 cases and deaths led to cancellation of bookings thus negatively affecting the occupancy levels for hotels and lodges in Windhoek, Namibia. It should be noted that as COVID-19 new cases and reported deaths rose, there was widespread fears to travel by guests hence the cancellations of bookings. These findings were consistent with Nhamo *et al.* (2020)'s study on Airbnb which also found out that the COVID-19 pandemic led to unprecedented cancellation of bookings and low occupancy levels.

4.5.2 Influence of travel restrictions on bookings for hotels and lodges

Table 4.5 shows responses on whether or not travel restrictions affected bookings for hotels and lodges in Windhoek, Namibia.

Table 4.5: Travel restrictions limited bookings for hotels and lodges

	Frequency	Percent	Cumulative Percent
Valid Strongly disagree	5	7.6	7.6
Disagree	8	12.1	19.7
Uncertain	9	13.6	33.3
Agree	19	28.8	62.1
Strongly agree	25	37.9	100.0
Total	66	100.0	

Source: Primary Data

The results indicate that 7.6% of the respondents strongly disagreed, 12.1% disagreed, 13.6% were uncertain, 28.8% agreed and 37.9% strongly agreed. This meant that respondents in disagreement totalled 19.8% compared to a sum of 66.7% in agreement. Accordingly, the study noted that the general view was that the COVID-19 induced travel restrictions affected bookings for hotels and lodges. The travel restrictions imposed by governments meant that domestic, regional and international tourists could not visit the hotels and lodges leading to significant drop in business volumes. The findings supported Zhang *et al.* (2020)'s study which estimated that travel restrictions would contract occupancy levels in China to as low as 3.5% at the onset of the COVID-19 pandemic.

4.5.3 Influence of COVID-19 on occupancy levels in hotels and lodges

In chapter 1, it was hypothesised as follows:

H₀: COVID-19 does not significantly influence occupancy rates for hotels and lodges in Namibia.

H₁: COVID-19 significantly influences occupancy rates for hotels and lodges in Namibia.

In order to establish the influence of the COVID-19 pandemic on occupancy rates for hotels and lodges in Windhoek, a Paired Samples T-Test was conducted at 5% level of significance. The Paired Samples T-Test enabled the study to determine whether there was a significant difference in occupancy levels recorded by the hotels and lodges before and during the COVID-19 pandemic. The descriptive statistics for the test were as indicated in Table 4.6.

Table 4.6: Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Occupancy rate before COVID-19	68.20	66	9.044	1.113
	Occupancy rate during COVID-19	20.62	66	7.477	.920

Source: Primary Data

Table 4.6 shows that the mean occupancy rate before COVID-19 was 68.2% with a standard deviation 9.044. The mean occupancy rate dropped to 20.6% with a standard deviation of 7.477. The mean difference was 47.6%. The decline in occupancy levels suggested that the COVID-19 pandemic negatively impacted on the performance of the

hotels and lodges in Windhoek, Namibia. In order to establish if the observed mean difference of 47.6% indicated by the descriptive statistics was significant or not, the Paired Samples Correlations test results in Table 4.7 were used.

Table 4.7: Paired Samples Correlations

	N	Correlation	Sig.
Pair 1 Occupancy rate before COVID-19& Occupancy rate duringCOVID-19	66	-.503	.040

Source: Primary Data

The Pearson correlation coefficient lies between -1 and 1 whereby -1 indicates perfect negative correlation and 1 indicates perfect positive correlation. Table 4.7 shows that the Pearson correlation coefficient was -0.503 with a p-value of 0.040. This showed the existence of a statistically significant, moderate negative correlation between occupancy levels before and during the COVID-19 pandemic. The paired samples statistics in Table 4.8 were used to establish if the mean difference in occupancy levels was statistically significant.

Table 4.8: Paired samples statistics

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Occupancy rate before Covid 19 – Occupancy rate during Covid 19	47.57	12.31	1.51	44.54	50.60	31.38	65	.000

Source: Primary Data

Table 4.8 shows that the occupancy rate before and after Covid-19 differed significantly ($t = 31.385$, $df = 65$, $p < 0.001$) with the average before Covid-19 being significantly higher than the average after Covid-19. The effect size computed by dividing the t-value by the square root of the sample size (66) stood at 3.863. An effect size of at least one (1) indicates a substantial influence (Basias and Pollalis, 2018). Since the effect size was 3.863 which was greater than 1, it meant that Covid-19 had very substantial negative influence on occupancy levels within the hotels and lodges in Namibia. These findings largely confirmed Napierała et al. (2020) study noted that new cases and deaths of the COVID-19 pandemic severely curtailed occupancy levels for Polish hotels and lodges.

4.6 IMPACT OF COVID-19 ON ADR AND REVPAR FOR HOTELS AND LODGES

The second objective focused on the influence of COVID-19 on average daily rates and revenue per available room for hotels and lodges. The responses obtained on the items operationalized in the study are provided in this section.

4.6.1 Inbound tourist arrivals and revenue generation for hotels and lodges

Figure 4.3 illustrates the responses on whether or not lockdowns reduced inbound tourist arrivals which affected revenue generation for hotels and lodges.

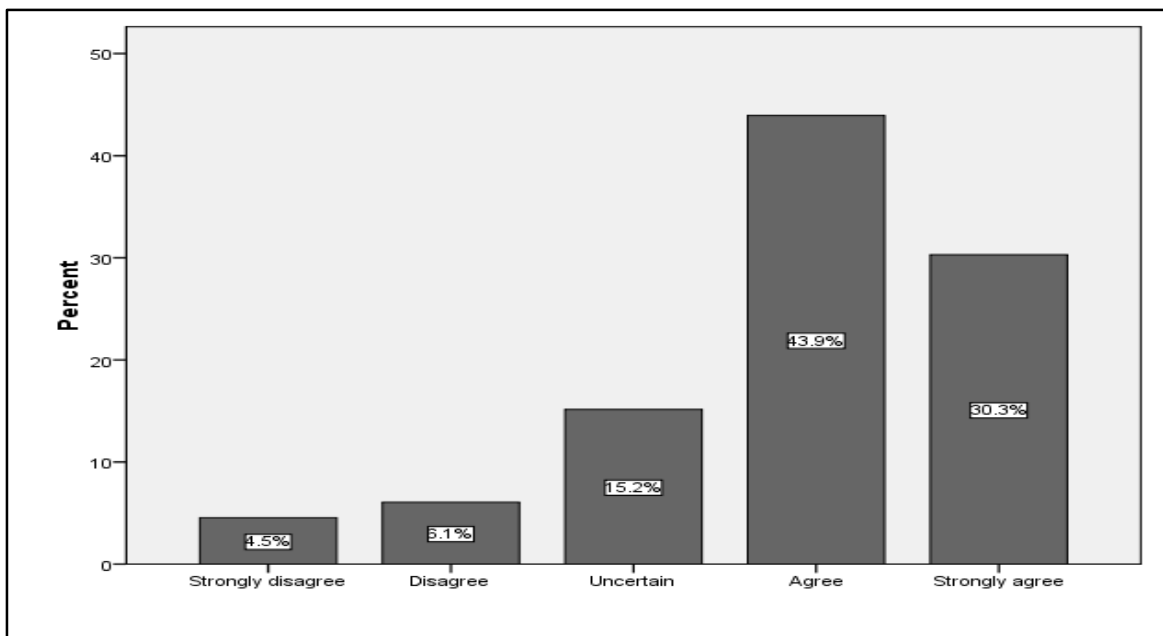


Figure 4.3: Inbound tourist arrivals and revenue generation

Source: Primary data

Figure 4.3 indicates that 4.5% of the respondents strongly disagreed and 6.1% disagreed giving a sum of 10.6%. A total of 15.2% of the respondents were uncertain. Results further show that 43.9% of the respondents agreed and 30.3% strongly agreed giving a sum of 74.2%. In line with the strong relative agreement (74.2%), the study deduced that lockdowns experienced during the COVID-19 era reduced inbound tourist arrivals into Namibia negatively impacting on revenue generation for hotels and lodges. The closing of borders including the air space shut away customers for hotels and lodges. The finding is in line with Kumar and Nafi (2020)'s study which also found out that global travel restrictions led to significant decline in inbound tourists with direct negative effects on revenue generation for hotels and lodges in Bangladesh.

4.6.2 Economic inactivity and demand for services of hotels and lodges

Figure 4.4 illustrates the extent to which respondents agreed or disagreed that 'lockdowns triggered economic inactivity which reduced demand for the services of hotels and lodges'.

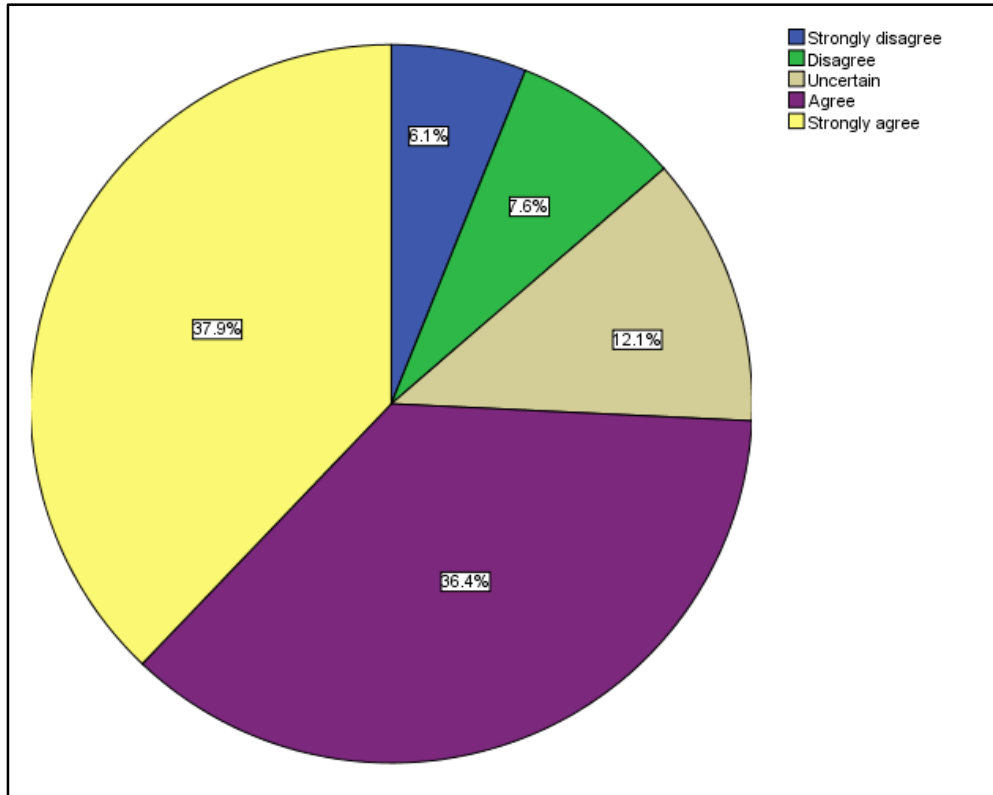


Figure 4.4: Economic inactivity and reduced demand for services of hotels and lodges

Source: Primary data

The results show that on the one hand, 6.1% and 7.6% of the respondents strongly disagreed and disagreed respectively giving a total of 13.7%. On the other hand, 36.4% and 37.9% of the respondents agreed and strongly agreed giving a cumulative 74.3%. The remaining 12.1% of the respondents were uncertain. Given the general agreement (74.3%), the study noted that the COVID-19 lockdowns triggered economic inactivity which reduced demand for hotels and lodges. This arose from the realization that job cuts and lower salaries and wages for key clients reduced the demand for accommodation and catering services in hotels and lodges. This forced most hotels to cut back on prices negatively affecting ADR and RevPAR. This finding supported

Jaipuria *et al.* (2021)'s study which also noted significant decline in revenues generated by the tourism and hospitality players.

4.6.3 Effect of COVID-19 on RevPAR for hotels and lodges

In chapter 1, the following hypothesis was proposed;

H₀: COVID-19 does not significantly impact ADR and RevPAR for hotels and lodges in Namibia.

H₁: COVID-19 significantly impact ADR and RevPAR for hotels and lodges in Namibia.

A simple linear regression analysis was conducted at 95% confidence level (5% level of significance) to establish the effect of COVID-19 on the revenue performance of hotels and lodges in Windhoek, Namibia. In this test, secondary data obtained from the Namibia Airports Company and Hospitality Association of Namibia (2020) were used (see Appendix 2). The independent variable was monthly regional and international tourist arrivals for the 12-month period between June 2019 and June 2020. The dependent variable was revenue per available room for the same period. The regression model summary was as indicated in Table 4.9.

Table 4.9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.981 ^a	.962	.959	8.8132
<i>a. Predictors: (Constant), Regional and international tourist arrivals</i>				

Source: Primary data

The model summary shows that Pearson correlation coefficient (R) was 0.981. This indicated the existence of a strong positive correlation between tourist arrivals and the RevPAR for the hotels and lodges. The R-square was 0.962. This meant that approximately 96.2% of the variation in RevPAR of the hotels and lodges could be explained by tourist arrivals in the country. The Anova statistics in Table 4.10 were used to establish if the regression model was significant.

Table 4.10: ANOVA Statistics

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	21659.815	1	21659.815	278.862	.000 ^a
	Residual	854.394	11	77.672		
	Total	22514.209	12			
<i>a. Predictors: (Constant), Regional and international tourist arrivals</i>						
<i>b. Dependent Variable: Revenue per available room</i>						

Source: Primary data

The Anova table shows that the regression model was significant ($F = 278.862$, $p < 0.001$). This meant that the relationship observed in the model summary was valid and the regression equation could be established. The regression coefficients in Table 4.11 were used to establish the regression equation that estimates the average RevPAR for the hotels and lodges from different levels of regional and international tourist arrivals.

Table 4.11: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.283	4.729		1.751	.010
	Regional and international tourist arrivals	.811	.049	.981	16.699	.000

a. Dependent Variable: Revenue per available room

Source: Primary data

The constant for the regression model is 8.283. The unstandardized coefficient (B) for the regression equation is 0.811. This meant that a one-unit increase (decrease) in regional and international tourist arrivals in Namibia would lead to as high as 81.1% increase (decrease) in RevPAR for the hotels and lodges in Windhoek, Namibia. The regression equation was as follows:

$$Y = 0.811X_1 + 8.283$$

Where:

Y = RevPAR

X_1 = Regional and International tourist arrivals

The study therefore inferred at 5% level of significance that the COVID-19 pandemic negatively affected the performance of hotels and lodges as reflected by subsiding RevPAR following significant decline in regional and international tourist arrivals. This confirmed Sucheran (2021)'s study which found out that the COVID-19 pandemic caused cash flow challenges due to guest cancellations and low consumer spending in hotels and lodges in South Africa.

4.7 EFFECT OF COVID-19 ON THE PROFITABILITY OF HOTELS AND LODGES

The third objective examined the effect of COVID-19 on the profitability of hotels and lodges in Windhoek, Namibia. This section provides responses received on the items used in the study. The mean and standard deviation of the two (2) statements were calculated. In line with the 5-point Likert scale adopted, a mean above 3.00 indicated relative agreement and a mean below 3 indicated relative disagreement among the respondents. The standard deviation above 1.500 showed that actual ratings were more dispersed from the observed mean and a standard deviation below 1.500 meant that actual ratings were closer to the observed mean. The results were as shown in Table 4.12.

Table 4.12: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Fixed expenses squeezed profit margins for hotels and lodges	66	1	5	3.80	1.303
Limited revenue generation capacity triggered by lockdowns reduced profitability of hotels and lodges	66	1	5	3.77	1.310
Valid N (listwise)	66				

Source: Primary data

Results show that the minimum and maximum ratings for the two (2) items were 1 and 5 respectively. Table 4.12 further shows that respondents generally agreed that fixed expenses squeezed profit margins for hotels and lodges (mean = 3.80; standard deviation = 1.303). Respondents also agreed that ‘limited revenue generation capacity triggered by

lockdowns reduced profitability of hotels and lodges' (mean = 3.77; standard deviation = 1.310). The inability to generate revenue for the hotels and lodges arose from the significant decline in room occupancy rates. Even through the hotels and lodges experienced a huge decline in revenue, some of the operating expenses such as salaries, rentals, license fees still needed to be paid. This confirmed Nhamo *et al.* (2020)'s study which also found out that reported profits for hotels and lodges during the COVID-19 era were suppressed by fixed expenses and mortgages.

4.7.1 Paired Samples T-test

The following hypothesis was proposed in Chapter 1;

H₀: COVID-19 does not significantly influence profitability of hotels and lodges in Namibia.

H₁: COVID-19 significantly influences profitability of hotels and lodges in Namibia.

The study respondents were asked to indicate the average levels of profits registered before the outbreak of the COVID-19 pandemic and during the COVID-19 pandemic. A paired samples t-test was conducted at 5% level of significance to establish if the profitability of the hotels and lodges differed significantly before and during the COVID-19 pandemic. The descriptive statistics for the test were as indicated in Table

4.13.

Table 4.13: Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Profitability before COVID-19 (N\$0000)	6.70	66	5.411	.666
	Profitability after COVID-19 (N\$0000)	2.00	66	3.934	.484

Source: Primary data

The results show that the profitability for the hotels averaged N\$6700 and N\$2000 for the before and during COVID-19 periods indicating that the performance of the hotels and lodges worsened following the outbreak of the COVID-19 pandemic. In order to proceed with establishing whether or not it was worth examining the statistical significance of the mean difference, the paired samples correlations in Table 4.14 were used.

Table 4.14: Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Profitability before COVID-19 & Profitability during COVID-19	66	.477	.000

Source: Primary data

The results show that the Pearson correlation coefficient was 0.477 with a p-value of less than 0.001. This meant that a significant positive relationship existed and this it was worth examining the statistical significance of the mean difference indicated by descriptive statistics. The paired samples t-test results in Table 4.14 were used.

Table 4.14: Paired Samples T-test

	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair Profitability 1 before Covid 19 - Profitability after Covid 19	4.703	4.945	.609	3.487	5.918	7.726	65	.000

Source: Primary data

The results indicate that the mean difference in profitability of 4.703 was statistically significant ($t = 7.726$; $p < 0.001$). This mean that the decline in profitability performance of the hotel’s ad lodges was significant thus confirming the negative impact of the COVID-19 pandemic on the operations of hotels and lodges in Windhoek, Namibia. This finding was consistent with Ncube *et al.* (2021) who found out that 3–5-star hotels in Zimbabwe faced profitability challenges in the face of rising operational costs.

4.8 PERCEIVED POLICY INTERVENTIONS FOR SUSTAINABLE RECOVERY OF HOTELS AND LODGES

The fourth objective sought to suggest policy interventions for sustainable recovery of hotels and lodges. The respondents showed their levels of agreement or disagreement

with the suitability pre-identified policy interventions for sustainable recovery of hotels and lodges. The responses obtained are provided in the ensuing subsections.

4.8.1 Creation of a conducive business environment for new business models

Table 4.15 indicates the responses received on ‘creation of a conducive business environment that enables hotels and lodges to adopt new business models including investment into digital transformations and new products’.

Table 4.15: Creation of conducive business environment for new business models

	Frequency	Percent	Cumulative Percent
Valid Strongly disagree	9	13.6	13.6
Disagree	7	10.6	24.2
Uncertain	9	13.6	37.9
Agree	21	31.8	69.7
Strongly agree	20	30.3	100.0
Total	66	100.0	

Source: Primary data

The results show that 13.6% of the respondents strongly disagreed, 10.6% disagreed, 13.6% were uncertain, 31.8% agreed and 30.3% strongly agreed. This meant that a sum of 24.2% of the respondents were in disagreement while 62.1% were in agreement. Accordingly, the study deduced that it would be appropriate to create a conducive business environment that enables hotels and lodges to adopt new business models including investment into digital transformations and new products. This could facilitate the revival of hotels as there is need to invest in digital systems in line with technological developments. The findings supported Sharma, *et al.* (2021)’s assertions

that hotels and lodges need to re-consider their current business models and practices to survive in the uncharted terrain from the COVID-19 pandemic.

4.8.2 Provision of relief or support funding facilities for hotels and lodges

The views of the respondents on the suitability of providing relief or support funding facilities for hotels and lodges were as indicated in Figure 4.5.

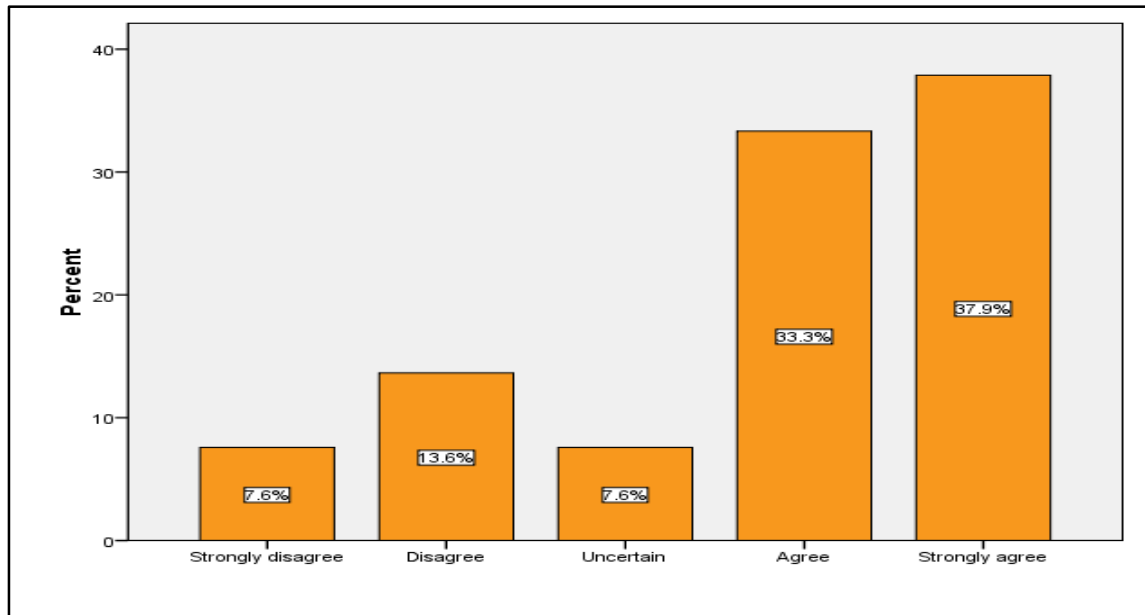


Figure 4.5: Provision of funding facilities

Source: Primary data

Figure 4.5 shows that 7.6% of the respondents strongly disagreed and 13.6% disagreed giving a sum of 21.2%. On the other side, 33.3% agreed and 37.9% strongly agreed working out to a total of 71.2%. The remaining 7.6% were undecided regarding the matter. In line with the strong agreement (71.2%), the study noted that provision of relief or funding facilities would facilitate the resuscitation of hotels and lodges in Namibia. It should be noted that the funding would compensate the loss of revenue and enable the hotels to meet their operating expenses as they adjust to the new operating environment. This finding is consistent with Nhamo *et al.* (2020)'s study which noted

that governments should provide relief funds to resuscitate hotels and lodges hit by the COVID-19 pandemic. This is similar to Susilawati *et al.* (2020)'s calls for funding facilities to be organized at national level for sectors affected by the COVID-19 including the hospitality business.

4.8.3 Undertaking prudent financial management policies

Table 4.16 shows responses received on ‘encouraging hotels and lodges to undertake prudent financial management policies including cost cutting.’

Table 4.16: Adopting prudent financial management policies including cost cutting

	Frequency	Percent	Cumulative Percent
Valid Strongly disagree	20	30.3	30.3
Disagree	24	36.4	66.7
Uncertain	6	9.1	75.8
Agree	7	10.6	86.4
Strongly agree	9	13.6	100.0
Total	66	100.0	

Source: Primary data

Table 4.16 shows that 30.3% of the respondents strongly disagreed, 36.4% disagreed, 9.1% were uncertain, 10.6% agreed and 13.6% strongly agreed. This meant that as high as 66.7% of the respondents were in disagreement compared to 24.2% in agreement. The study therefore deduced that the general sentiments among respondents was that encouraging hotels and lodges to undertake prudent financial management policies including cost cutting would not lead to sustainable recovery of hotels and lodges.

The possible explanation could be that, although prudence would help to avoid bankruptcy in the short term, the strategy would have limited impact in the long term, as the hotels and lodges would need to invest in new technology and ways of operating. The finding therefore contradicted Hong *et al.* (2020)'s study which advocated for cancellation of dividend payments and capital expenditure projects as a way of preserving cash for hotels and lodges

4.8.4 Strict adherence to COVID-19 protocols

Figure 4.6 shows the level of agreement or disagreement among respondents on whether or not encouraging hotels and lodges to strictly adhere to COVID-19 protocols to gain customer confidence would support the recovery of the sector.

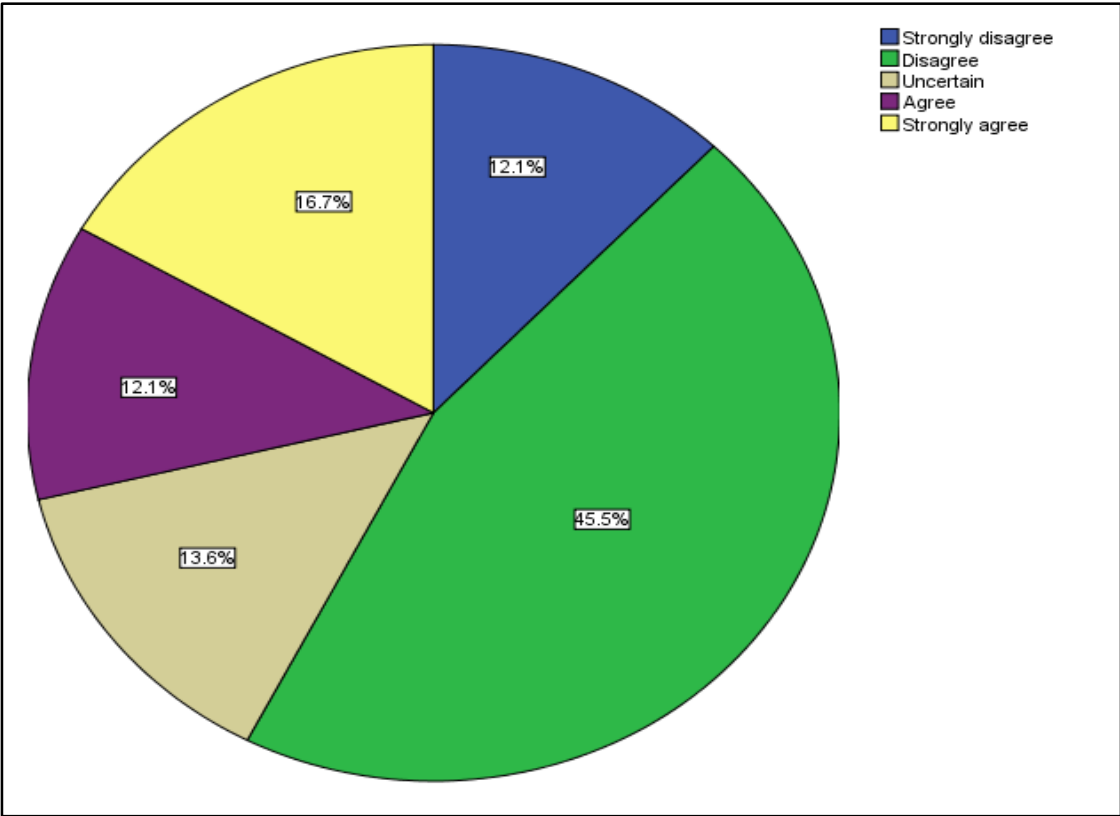


Figure 4.6: Adherence to COVID-19 protocols

Source: Primary data

Figure 4.6 indicates that 12.1% of the respondents strongly disagreed, 45.5% disagreed, 13.6% were uncertain, 12.1% agreed and 16.7% strongly disagreed. Further analysis shows that a cumulative 57.6% of the respondents were in disagreement while 28.8% were in agreement. Given that more than half (57.6%) of the respondents were in disagreement, the study noted that encouraging hotels and lodges to strictly adhere to COVID-19 protocols to gain customer confidence would do little towards sustainable recovery of the sector. This finding was unexpected and unique. It could most likely be explained by the realization that maintenance of COVID-19 protocols is a hygiene factor whose presence does not necessarily translate into a competitive advantage for the hotels and lodges. This finding contradicted Smart *et al.* (2021)'s study which recommended religious implementation of the COVID-19 protocols as a widely adopted coping strategies in the lodging industry in Oklahoma City, USA.

4.8.5 Preparation of disaster management plans

The results in Table 4.17 pertain to the preparation of disaster management plans as a strategy to facilitate recovery of hotels and lodges.

Table 4.17: Encouraging hotels and lodges to prepare disaster management plans

	Frequency	Percent	Cumulative Percent
Valid Strongly disagree	4	6.1	6.1
Disagree	8	12.1	18.2
Uncertain	5	7.6	25.8
Agree	26	39.4	65.2
Strongly agree	23	34.8	100.0
Total	66	100.0	

Source: Primary data

The results show that only 6.1% of the respondents strongly disagreed, 12.1% disagreed, 7.6% were uncertain, 39.4% agreed and 34.8% strongly agreed. This meant that a total of 74.2% of the respondents were in agreement while only 18.2% were in disagreement. Considering that the majority (74.2%) unanimously agreed, the study noted that the general feeling among the respondents was that encouraging hotels and lodges to prepare disaster management plans would support the recovery of hotels and lodges. Disaster management plans would prepare the hotels and lodges to implement radical changes in the face of uncertainty and crisis as the managers gain resilience to quickly adapt rapidly to external changes. The finding was consistent with Giousmpasoglou *et al.* (2021)'s study which also noted that managers in the hospitality industry require crisis management plans and planning contingencies for sustained recovery.

4.9 CHAPTER SUMMARY

The chapter provided the result analysis and interpretation. In this regard, the chapter provided results on the influence of COVID-19 on occupancy rates for hotels and lodges; extent to which COVID-19 impacted ADR and RevPAR for hotels and lodges; effect of COVID-19 on the profitability of hotels and lodges; and policy interventions for sustainable recovery of hotels and lodges in Windhoek, Namibia. The next chapter covers the conclusions and recommendations.

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter provides a summary of the key areas covered. The summary includes the aim and objectives, research methods and techniques adopted and the key findings for the study. This is followed by the conclusions and recommendations based on the findings from the previous chapter. Lastly, suggestions for further studies on the impact of COVID-19 on the performance of hotels and lodges in Windhoek, Namibia are provided.

5.2 SUMMARY

This study evaluated the impact of the COVID-19 pandemic on the performance of hotels and lodges in Windhoek, Namibia. The study was prompted by the poor and uninspiring performance of hotels and lodges, following the pronouncement of successive COVID-19 induced lockdowns. The study objectives were to establish the influence of COVID-19 on occupancy rates, ADR, RevPAR and profitability of hotels and lodges in Windhoek, Namibia and also suggest policy interventions for sustainable recovery of the hotels and lodges. The study was theoretically guided by the theory of constraints, resource-based view theory and the dynamic capability theory.

Conceptual and empirical literature were extensively reviewed to enhance appreciation of the COVID-19 pandemic and its influence on the key performance indicators for hotels and lodges. The study adopted the positivism philosophy and quantitative

approach to enable the study to make use of scientific evidence including statistics that show how COVID-19 affected the performance of hotels and lodges in Windhoek, Namibia. A correlational research design was employed to facilitate hypotheses testing and explain the cause-and-effect relationships between the COVID-19 pandemic and performance of the hotels and lodges.

A total of 89 structured questionnaires, designed using google forms, were electronically distributed through a cross-sectional survey that targeted managers and accounting officers of the participating hotels. The respondents were selected using stratified random sampling in order to reflect the population structure in the sample. Data were analysed quantitatively using SPSS version 19 and revealed the following key findings.

With regards to the influence of COVID-19 on occupancy rates for hotels and lodges in Windhoek, Namibia, the study found out that rising new COVID-19 cases and deaths as well as travel restrictions on domestic, regional and international travel led to cancellation of bookings resulting in low occupancy rates. This was supported by a cumulative 72.7% and 66.7% of the respondents. A Paired Samples T-Test conducted at 5% level of significance showed that the occupancy rate before and during COVID-19 significantly differed ($t = 31.385$, $df = 65$, $p < 0.001$) confirming that the COVID-19 pandemic severely curtailed occupancy levels for hotels and lodges in Windhoek, Namibia.

Regarding the extent to which COVID-19 impacted ADR and RevPAR for hotels and lodges, the study found out that COVID-19 lockdowns reduced inbound tourist arrival into Namibia negatively impacting on revenue generation for hotels and lodges. This

was indicated by 74.2% of the respondents. This was worsened by economic inactivity characterized by job cuts and diminished demand for services of hotels and lodges. A simple linear regression analysis conducted at 5% level of significance indicated that a strong positive correlation ($R = 0.981$; $R\text{-square} = 0.962$) existed between tourist arrivals and the RevPAR for the hotels and lodges.

Pertaining the effect of COVID-19 on the profitability of hotels and lodges, the study found out that limited revenue generation capacity and fixed expenses squeezed profit margins for hotels and lodges. This was supported by higher mean ratings of 3.80 and 3.77 which indicated strong agreement among respondents. A paired samples t-test conducted at 5% level of significance showed that profitability for hotels before COVID-19 was significantly higher ($t = 7.726$; $p < 0.001$) than profitability during the peak of the COVID-19 pandemic.

The study found out that the major policy interventions for sustainable recovery of hotels and lodges in Windhoek were creation of a conducive business environment that enables hotels and lodges to adopt new business models including investment into digital transformations; organizing relief funding for hotels and lodges and encouraging hotels to develop disaster management plans. This was supported by as high as 62.1%, 71.2% and 74.2% of the respondents. These key findings led to the drawing of the following conclusions;

5.3 CONCLUSIONS

The study concludes that the COVID-19 pandemic has negatively impacted the performance of hotels and lodges in Windhoek, Namibia. The COVID-19 pandemic

significantly lowered the occupancy levels for hotels and lodges to all-time lows, mainly due to cancellation of bookings triggered by lockdown-induced travel restrictions for domestic, regional and international tourists. The lockdowns severely reduced business volumes, negatively affecting ADR and RevPAR for hotels and lodges. Consequently, profitability was heavily curtailed, threatening the sustainability of the operations of hotels and lodges. The study concludes that funding support, disaster recovery plans and development of business environments supportive of new business models would help to resuscitate hotels and lodges in Windhoek, Namibia.

5.4 RECOMMENDATIONS

In line with the above findings and conclusions, the study makes the following recommendations:

5.4.1 Develop new business models

The study recommends that hotels and lodges should develop new business models that help them navigate out of the harmful effects of the COVID-19 pandemic. This involves coming up with radical changes to their operations including incorporating use of digital technologies. The hotels and lodges could also consider undertaking business process re-engineering to achieve dramatic improvements in areas such as quality, output, cost, service and speed in tandem with the ‘new normal’ under COVID-19. The hotels could also incorporate disaster management plans in order to buttress their preparedness in responding to global pandemic such as the COVID-19.

5.4.2 Advocate for a rescue/ aid package for hotels and lodges

The study recommends that hotels and lodges advocate for a well-engineered rescue/ aid package for hotels and lodges to resuscitate the hospitality sector. The package could include financial assistance through relief funding to augment the weak revenue generation capacity in the sector. The funding could be provided by the central government and/or the local and international banks. The rescue package could also include market development at national level for the hotels and lodges so as to re-attract regional and international tourists into Namibia. The marketing strategy could include messages that instil confidence in the safety and security of tourists if they visit Namibia.

5.4.3 Run promotional campaigns to enhance occupancy, ADR and RevPAR

The study recommends that hotels and lodges undertake promotional campaigns that seek to enhance occupancy rates, ADR and RevPAR from the low levels experienced at the peak of COVID-19. Such promotions could include price reduction or combining packages at reduced fees or offering free services. The promotions would help to trigger traffic to the hotels and lodges.

5.4.4 Target domestic tourists

In order to withstand the effects of travel restrictions which curtail regional and international tourist arrivals, the study recommends that hotels and lodges target domestic tourists with special products and services that suit local people. This could go a long way in enhancing occupancy levels, ADR and RevPAR for the hotels and lodges.

Domestic tourists could be attracted through lower prices or undertaking public campaigns that appeal to the local community to patronise their heritage and tourist attractions.

5.5 SUGGESTIONS FOR FURTHER STUDIES

This study covered the impact of COVID-19 on hotels and lodges in Windhoek, Namibia primarily due to time and resource constraints. In the future, other studies could broaden the geographical coverage to include other towns, cities and rural areas. This could expand the sample size and generalisability of the study findings. Secondly, data was collected using questionnaires. A further study could also include other qualitative data collection techniques such as focus group discussions or interviews in a mixed methodology.

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APPENDICES

APPENDIX A: QUESTIONNAIRE

Dear Respondent.

I am Clemence Kauatuuapehi, a final year Master of Business Administration-Finance degree student with the University of Namibia. This questionnaire is designed to gather information on the impact of COVID-19 on the performance of hotels and lodges in Windhoek, Namibia.”. The aim of the research is to provide recommendations on how to improve performance of hotels and lodges in Windhoek, Namibia following the outbreak of COVID-19 pandemic.

The information you give will be treated with confidentiality, therefore you will not be required to indicate your names anywhere on this questionnaire. The information provided will only be used for the purpose of this study. I kindly request you to fill the questionnaire. Your responses will be highly appreciated.

Section A: Demographic details (Tick (√) appropriately)

1. What is your gender?

Male	1
Female	2

2. What is your highest qualification?

Secondary	1
Certificate/ Diploma	2
Degree	3
Postgraduate	4
Other	

3. What is your age in years?

Below 20 years	1
20-29	2
30-39	3
40-49	4
50 and above	5

4. For how long have you worked in the hospitality sector?

..... years.

Please use the following Likert scale: 1–Strongly disagree, 2–Disagree, 3 – Uncertain, 4 – Agree, 5 - Strongly Agree

Section B: Influence of the COVID-19 pandemic on occupancy rates for hotels and lodges

5. To what extent do you agree or disagree with the following statements relating to the influence of the COVID-19 pandemic on occupancy rates for hotels and lodges in Namibia?

Influence of the COVID-19 pandemic on occupancy rates	1	2	3	4	5
Rising new COVID-19 cases and deaths led to cancellation of bookings					
Travel restrictions limited bookings for hotels and lodges					

Section C: How COVID-19 impacted ADR and RevPAR for hotels and lodges

6. To what extent do you agree or disagree with the following statements relating to the influence of COVID-19 on average daily rates and revenue per available room within your organisation.

Influence on average daily rate and revenue per available room	1	2	3	4	5
Lockdowns reduced inbound tourist arrivals affecting revenue generation for hotels and lodges.					
Lockdowns triggered economic inactivity which reduced demand for hotels and lodges					

Section D: Effect of COVID-19 on the profitability of hotels and lodges

7. To what extent do you agree or disagree with the following statements relating to the influence of COVID-19 on profitability within your organisation.

Effect of COVID-19 on the profitability of hotels and lodges	1	2	3	4	5

Limited revenue generation capacity triggered by lockdowns reduced profitability of hotels and lodges					
Fixed expenses squeezed profit margins for hotels and lodges					

8. Please indicate the average monthly levels of the following performance indicators for portfolios under your control prior and after the COVID-19 pandemic.

Performance Indicator	Prior to COVID-19	After COVID-19
Occupancy rate		
Profitability		

Section E: Policy interventions for sustainable recovery of hotels and lodges

9. Show your agreement or disagreement with the suitability of the following policy interventions for sustainable recovery of hotels and lodges.

Policy interventions for sustainable recovery of hotels and lodges	1	2	3	4	5
Creation of a conducive business environment that enables hotels and lodges to adopt new business models including investment into digital transformations and new products					
Designing relief or support funding facilities for hotels and lodges					
Encouraging hotels and lodges to undertake prudent financial management policies including cost cutting					
Encouraging hotels and lodges to strictly adhere to COVID-19 protocols to gain customer confidence					
Encouraging hotels and lodges to prepare disaster management plans					

**The End
Thank You**

APPENDIX B: TOURIST AND ROOM OCCUPANCY DATA

Month	Regional and International Tourist Arrivals index	Room occupancy rate index
June 2019	108.1	101.4
July 2019	134.2	104.5
August 2019	135.8	118.1
September 2019	132.3	120.0
October 2019	126.3	124.8
November 2019	108.1	103.1
December 2019	107.4	77.7
Jan 2020	91.1	78.7
Feb 2020	86.6	82.7
March 2020	51.3	47.4
April 2020	0.4	3.9
May 2020	0.9	10.2
June 2020	1.1	14.1

Source: Namibia Airports Company and Hospitality Association of Namibia

APPENDIX C: PERMISSION LETTER

No. 57 5th Street
Windhoek, Namibia

10 February 2022

The Manager
Namibia Tourism Board
C/O Haddy & Sam Nujoma Drive
Private Bag 13244
Windhoek, Namibia

Dear Sir/ Madam

Ref: Letter of permission to undertake an academic research

1. In partial fulfilment of the requirements of my degree programme with the University of Namibia (UNAM), I would like to ask for permission to conduct an academic study entitled **“Evaluation of the impact of COVID-19 on the performance of hotels and lodges in Windhoek, Namibia.”**
2. In connection with this, I would like to ask your good office to allow me to conduct my research study in hotels and lodges in Windhoek, Namibia. I assure you that the data I will gather will remain absolutely confidential and to be used for academic purposes only.
3. I look forward to your positive response on this humble request. Your approval to conduct this study will be greatly appreciated.

Respectfully yours,

Clemence Kauatuuapehi (200252160)

Cell: 00264816811201

APPENDIX E: SIMILARITY INDEX SUMMARY



Document Information

Analyzed document	Copy for similarity check – Clemence Kauatuuapehi.docx (D129602265)
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Submitter email	kauatuuapehi4@gmail.com
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APPENDIX F: LANGUAGE EDITING CERTIFICATE



The Rev. Dr. Greenfield Mwakipesile

ThD, MBA, HBS | mwakipg@outlook.com

CONTACT

PO Box 99539,
UNAM,
Namibia

LANGUAGE & COPY-EDITING CERTIFICATE

2nd of May 2022

RE: LANGUAGE, COPYEDITING AND PROOFREADING OF CLEMENCE KAUATUUAPEHI'S THESIS FOR THE MASTER OF BUSINESS ADMINISTRATION DEGREE OF THE NAMIBIA BUSINESS SCHOOL OF THE UNIVERSITY OF NAMIBIA

This certificate serves to confirm that I copyedited and proofread CLEMENCE KAUATUUAPEHI's Thesis for the MASTER OF BUSINESS ADMINISTRATION DEGREE entitled: AN EVALUATION OF THE IMPACT OF COVID-19 ON THE PERFORMANCE OF HOTELS AND LODGES IN WINDHOEK NAMIBIA

I declare that I professionally copyedited and proofread the thesis and removed mistakes and errors in spelling, grammar, and punctuation. In some cases, I improved sentence construction without changing the content provided by the student. I also removed some typographical errors from the thesis and formatted the thesis so that it complies with the University of Namibia's guidelines.

I am a trained language and copy editor and have edited many Postgraduate Diploma, Masters' Thesis, Dissertations and Doctoral Dissertations for students studying with universities in Namibia, Zimbabwe, Eswatini, South Africa and abroad. I have also copy-edited company documents for companies in the region and abroad.

Please feel free to contact me should the need arise.

Yours Sincerely,

The Rev. Dr. Greenfield Mwakipesile



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Dr. Greenfield
Mwakipesile