

HOSPITALITY ENTREPRENEURSHIP IN A RESOURCE CONSTRAINED ENVIRONMENT AMID THE COVID-19 PANDEMIC: EVIDENCE FROM GUESTHOUSE OPERATORS



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ABSTRACT

This study leverages Complexity Theory to explore the multifaceted experiences of guesthouse operators in Alice, South Africa, during the pandemic. While global perspectives on the pandemic's impact on the hospitality sector are well documented, a notable research gap remains in understanding the localised experiences of guesthouses in marginalised contexts. Guided by an interpretive paradigm, this research employed a qualitative methodology to capture the lived experiences of guest house operators. Semi-structured interviews were conducted with six purposively selected participants, allowing for in-depth insights into the challenges faced and the strategies employed. Thematic analysis of the data revealed key challenges, including revenue losses, staff retrenchments, operational constraints, and limited government support, underscoring the interconnected nature of the economic and social impacts. By situating the experiences of Alice guesthouse operators within a broader South African and global context, this study contributes valuable insights into entrepreneurial resilience in crisis-prone environments.

Keywords: COVID-19 Pandemic; Hospitality Entrepreneurship; Guesthouse Operators

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INTRODUCTION

The hospitality sector provides numerous entrepreneurial prospects for individuals keen to pursue their own business ventures which has resulted in hospitality entrepreneurship (Fu et al., 2019). Hospitality entrepreneurship refers to the creation, development, and management of businesses within the hospitality and tourism sectors (Okumus et al., 2019). It is characterised by innovation, adaptability, and responsiveness to market and environmental changes. This field plays a pivotal role in economic development, job creation, and community empowerment, particularly in regions heavily reliant on tourism and hospitality for economic growth (Chapman et al., 2021).

The hospitality industry has the potential to significantly contribute to the societal and economic growth of communities. Specifically, it facilitates the renewal and transformation of communities facing severe resource limitations by establishing a platform for 'social and economic exchange' among various stakeholders, including consumers, employees, suppliers, community members, and hospitality enterprises (Mzembe & Idemudia, 2024). Pham et al. (2021:2010) assert that small and medium-sized enterprises (SMEs) "comprise the majority of the tourism and hospitality businesses globally and contribute heavily to the economic livelihood of many communities". In rural areas, such as the Eastern Cape Province, where Alice is situated, Sixaba and Rogerson (2023) suggested that entrepreneurship in the hospitality and tourism sectors is highly valued for its perceived contribution to economic growth. This is because it offers a path to financial independence, community empowerment, and skill development. Consequently, fostering hospitality and tourism entrepreneurship can be a crucial means of bolstering local economies and, more importantly, serve as an essential instrument for bringing suitable development to underprivileged and remote regions (Booth et al., 2020).

However, Chapman et al. (2021) argue that the COVID-19 pandemic ineluctably reshaped the global economic and social landscape, sparing no industry from its far-reaching impacts with the hospitality industry particularly marred by profound challenges. These challenges include travel restrictions, social distancing mandates, and economic uncertainty, leading to widespread disruptions. Across South Africa, including the Eastern Cape Province, the accommodation sector has experienced dramatic transformations due to the pandemic (Sucheran, 2022).

Guesthouses, which often serve as a lifeline for SMEs, became symbolic of the struggle to sustain operations during an unprecedented crisis. Nationally, South Africa's tourism and hospitality industry reported revenue losses of billions of rand, with estimates suggesting a global economic impact in trillions of dollars (World Travel and Tourism Council, 2020). As documented by Sucheran (2022), guesthouses in South Africa faced severe economic strain exacerbated by the unpredictable nature of COVID-19 and limited government relief measures. Despite these adversities, the resilience and adaptive strategies of small guesthouse operators offer critical insights into future crisis management and recovery within the sector post pandemic (El-Said et al., 2023).

While global perspectives on the pandemic's impact on the hospitality sector are well-documented, Sixaba and Rogerson (2023) as well as Sucheran (2022) argued that a notable research gap remains in understanding the localized experiences of guesthouse operators in the marginalised semi-urban and rural contexts. Amid the COVID-19 pandemic, guesthouses in South Africa, became microcosms of broader systemic disruptions, facing not only immediate operational challenges but also long-term existential threats (Booyens et al., 2022). Specifically, in the marginalised areas of the Eastern Cape Province, the pandemic highlighted issues of resource scarcity, limited

access to financial support, and the socio-economic vulnerability of small-scale businesses (Omonona et al., 2021). Consequently, the COVID-19 pandemic's uncertain period necessitates a reassessment of African hospitality and tourism research agenda. As advised by Sixaba and Rogerson (2023), a crucial issue involves understanding the nature, significance, and challenges faced by small hospitality firms in peripheral regions.

Against this background, the aim of this study is to bridge this gap by exploring the experiences of Alice guesthouse operators during the COVID-19 pandemic. To this end the primary objective of this research was to explore the critical challenges encountered by guesthouse operators in Alice during the COVID-19 pandemic.

THEORETICAL AND LITERATURE REVIEW

Complexity Theory

The COVID-19 pandemic highlighted the intricate and interconnected challenges faced by businesses across sectors, with the hospitality industry being particularly one of the most affected (Abhari et al., 2022). Within this context, following an earlier study by Japutra and Situmorang (2021), the Complexity Theory has emerged as a robust framework for understanding the dynamic, non-linear, and unpredictable interactions that characterize crises and their impacts on systems. In support Duvendack and Sonne (2021) advance that the Complexity Theory is rooted in the notion that crises involve multifaceted and interdependent factors. As such, Complexity theory provides a significant analytical lens to interpret how guesthouse operators in Alice navigated the turbulence induced by the pandemic. Furthermore, Boulton et al. (2015) assert that the Complexity Theory asserts that organisations exist within dynamic and interrelated systems, where small disturbances can lead to significant systemic changes. In the context of hospitality entrepreneurship, the pandemic acted as a shock that exposed the vulnerabilities of guesthouses operating in resource-constrained environments such as Alice. The interconnectedness of stakeholders including employees, suppliers, customers, and government agencies further underscores the theory's relevance in analysing the ripple effects of COVID-19 on the hospitality sector.

Guesthouse operators in Alice exemplified the complex adaptive systems described by Complexity Theory. The pandemic disrupted their operational models, compelling them to balance competing priorities such as ensuring guest safety, maintaining financial stability, and adhering to government regulations. This aligns with Zenker and Kock's (2020) argument that crises like COVID-19 demand a comprehensive understanding of the interdependencies between economic, social, and political domains. In Alice, resource limitations magnified these complexities, necessitating innovative strategies for survival. Another fundamental tenet of Complexity Theory is its emphasis on adaptability and emergence. This is evident in the strategies employed by guesthouse operators in past studies, such as cost-cutting measures, diversifying income streams, and leveraging local networks to sustain operations (Japutra & Situmorang, 2021; Suvittawat, 2023).

Complexity Theory also sheds light on the role of stakeholder interactions in shaping crisis responses. This is aptly reflected in findings by Pappas (2018), who argued that effective crisis management in hospitality requires a cohesive and collaborative approach among stakeholders, including government, industry associations, and local communities. The absence of such alignment often exacerbates the systemic vulnerabilities of resource-constrained businesses. Moreover, Complexity Theory as allayed by Berbekova et al. (2021) highlights the need for a holistic perspective in developing crisis management strategies. The interconnected challenges faced by Alice's

guesthouse operators underscore the importance of integrated approaches that consider the interplay between economic recovery, social well-being, and operational sustainability.

In conclusion, Complexity Theory offers a valuable framework for analysing the experiences of guesthouse operators in Alice during the COVID-19 pandemic as it not only enriches our understanding of hospitality entrepreneurship in resource-constrained environments but also informs the development of strategies to fortify the sector against future disruptions.

Hospitality Entrepreneurship

Hospitality entrepreneurship refers to the creation, development, and management of businesses within the hospitality and tourism sector (Okumus et al., 2019). It is characterized by innovation, adaptability, and responsiveness to market and environmental changes. This field plays a pivotal role in economic development, job creation, and community empowerment, particularly in regions heavily reliant on tourism and hospitality for economic growth (Fu et al., 2019). Entrepreneurship in the hospitality sector spans a wide array of activities, including lodging, food services, event management, and experiential tourism. Alrawadieh et al. (2021) proffer that entrepreneurs leverage the unique characteristics of their local environments to create products and services that resonate with diverse customer bases. In this study, the focus is specifically on the accommodation sector, particularly lodgings or guesthouses, which according to Visser and Eastes (2020) are critical components of the broader hospitality industry. The service-oriented nature of the industry inherently supports entrepreneurial endeavours, requiring innovative approaches to meet evolving customer expectations (O'Halloran, 2024). Historically, the hospitality sector has been a fertile ground for entrepreneurship, with iconic examples like Hilton, Marriott, and Airbnb demonstrating its capacity to foster success across scales, from small family-owned establishments to multinational corporations (O'Halloran, 2024).

Globally, the hospitality industry significantly contributes to economic development, particularly in developing regions where it acts as a catalyst for employment and infrastructure growth (Fu et al., 2019). Small and medium-sized enterprises (SMEs), which dominate the sector, are critical engines of local economic activity, integrating community resources and offering culturally enriched experiences (Li et al., 2020). In South Africa, hospitality entrepreneurship plays a critical role in socio-economic development, especially in rural and resource-constrained areas like the Eastern Cape. Entrepreneurs in such regions navigate challenges such as limited access to resources and financial capital, leveraging creativity and resilience to sustain operations and support local communities (Sixaba & Rogerson, 2023). The unique socio-economic context of South Africa highlights the dual challenges and opportunities of entrepreneurship, with policies often emphasizing tourism as a driver of inclusive growth and community development (Alrawadieh et al., 2021).

Hospitality entrepreneurs can generally be categorized as either opportunity-driven or necessity-driven (Wannamakok & Yonwikai, 2023). Usman et al. (2024) alluded that, opportunity entrepreneurs identify market gaps and develop innovative solutions, often leveraging their skills and networks to capitalize on emerging trends. Necessity entrepreneurs, by contrast, are driven by external pressures such as unemployment or socio-economic vulnerabilities, particularly prevalent in marginalized regions (Li et al., 2020). Both types contribute significantly to the resilience and dynamism of the hospitality industry, balancing economic objectives with community engagement and

environmental sustainability. Despite its potential, hospitality entrepreneurship is not without challenges. Entrepreneurs often face market volatility, regulatory complexities, and resource constraints, challenges that are further exacerbated in rural and developing contexts where infrastructure and institutional support may be lacking (Alrawadieh et al., 2018). However, such environments also offer opportunities for innovation and differentiation, with entrepreneurs frequently adapting to local cultural and environmental dynamics (Peters & Kallmuenzer, 2018).

The Impact of COVID-19 on the Accommodation Sector

The COVID-19 pandemic profoundly disrupted the global accommodation sector, testing the resilience and adaptability of hospitality entrepreneurs (Alonso et al., 2022). Across the world, government-mandated lockdowns and travel restrictions precipitated a steep decline in tourism activity, impacting both large-scale hotels and small guesthouse operators. The accommodation sector globally encountered significant operational challenges due to the pandemic. Studies highlight plummeting occupancy rates, reduced revenue streams, and increased operational costs associated with adhering to enhanced health and safety regulations (Cui & Attard, 2024). In South Africa, the situation mirrored global trends but was further exacerbated by the country's pre-existing economic vulnerabilities. Income from accommodation decreased by 98.5% year-on-year in May 2020, driven by a 98% reduction in stay unit nights sold and a 24.2% decrease in the average income per stay unit night (Kruger, 2020). This stark contraction underscored the sector's dependency on tourism, which, according to Smith (2018), contributed 8.6% to South Africa's GDP and supported approximately 1.5 million jobs pre-pandemic. The prohibition of leisure travel during strict lockdown levels compounded the crisis, leaving guesthouse operators grappling with existential threats to their businesses (Sucheran, 2021).

The crisis also spurred varied entrepreneurial responses. Globally, small-scale accommodation providers pivoted toward alternative revenue streams, such as offering long-term stays or repurposing facilities for quarantine purposes (Petruzzi & Marques, 2024). In South Africa, guesthouse operators adopted similar adaptive strategies as they were essential in fostering trust amidst heightened anxieties about safety and hygiene during travel. Critical challenges encountered by guesthouse operators globally during this period included financial constraints, labour shortages, and shifts in consumer behaviour (Sucheran, 2022; Nigar & Miah, 2020; Chia & Anas, 2022). These challenges were compounded in resource-constrained environments, where access to capital and infrastructural support is limited (Suvittawat, 2023). Studies suggest that operators in such contexts often rely on personal savings or informal financial networks, making prolonged revenue shortfalls particularly debilitating (Bowen et al., 2024). Furthermore, Vikash (2021) argues that the psychological toll on entrepreneurs and their staff, stemming from job insecurity and the pressures of navigating an uncertain future, was significant.

Despite challenges faced, the pandemic also revealed the resilience of the hospitality industry as players in the accommodation sector implemented innovative strategies to mitigate the impact of the crisis. These included cost-cutting measures, diversification of service offerings, and collaborations with local stakeholders to boost domestic tourism (Sucheran, 2021). In some cases, guesthouses adapted their marketing approaches to appeal to the "staycation" trend, targeting local travelers as international arrivals dwindled (Rasoolimanesh et al., 2023). Iirmdu (2022) proffers that, the discovery of vaccines and the gradual easing of restrictions in 2021 facilitated a partial

recovery, with some establishments showing remarkable adaptability by blending traditional hospitality practices with modern technological solutions. The experiences of guesthouse operators during the pandemic underscore the importance of supportive policy frameworks and financial assistance in fostering sector resilience. Government intervention, such as grants or subsidies for small businesses, played a pivotal role in cushioning the economic blow (Zaring, 2020). However, the uneven accessibility of such support, particularly in resource constrained environments, highlights persistent structural inequalities within the sector (Aharon et al., 2021).

METHOD

Research Approach and Paradigm

The broader study adopted an interpretive paradigm, which is commonly associated with the qualitative research approach. Qualitative research is often characterised as a naturalistic, interpretive method that seeks to explore phenomena from an inward perspective (Mohajan, 2018). Regarding the adoption of interpretive paradigm, Neuman (2014:103) defined it as “the systematic analysis of socially meaningful action through the direct detailed observation of people in their natural settings in order to arrive at understandings and interpretations of how people create and maintain their social worlds.” Similarly, Tanga and Luggya (2022:8) maintained that “research should explore lived experiences to reveal the connections between the social, cultural, and historical aspects of people’s lives and to understand the context in which particular actions take place”. Although there have been several criticisms of this approach (Rehman & Alharthi, 2016), the interpretive paradigm posits that various interpretations of human experience or reality can exist. The importance of this paradigm lies in its ability to foster a comprehensive understanding of the perspectives, experiences, and perceptions of the participants.

Research Context

Alice, a small town, is located at the confluence of the Tyume and Gagha Rivers in South Africa's Eastern Cape Province, within the Amathole District, approximately 100 km northwest of East London (Xuza, 2005). The Eastern Cape, a region characterised by its economic reliance on tourism and hospitality (Hlanyane & Acheampong, 2017), witnessed a steep decline in revenue and employment as the pandemic unfolded (Sixaba & Rogerson, 2023). Amathole District which is largely rural has targeted three areas of tourism promotion. These are nature conservation, game reserves and heritage sites (Ngumbela, Khalema & Nzimakwe, 2019). Among these, heritage sites draw the largest proportion of tourists, who mainly book temporary accommodation, including guest houses, B&Bs, and properties available for short-term stay.

Data Collection Procedure and Participants

According to Japutra and Situmorang (2021), qualitative research interviews enable researchers to gain fresh and unique insights into the subject under investigation. To thoroughly examine the topic, this research utilised semi-structured interviews for data collection. This interview format enables participants to provide detailed explanations and in-depth perspectives (Creswell & Poth, 2016). When conducting interviews, it is crucial to choose participants with relevant knowledge and expertise pertaining to the area of interest (Brinkmann & Kvale, 2015).

Consequently, purposive sampling was utilised to select the most suitable respondents to address the research questions and fulfil the study's objectives (Ames,

Glenton & Lewin, 2019). The interview questions (outlined in Table 1) focused on the multifaceted experiences of Alice guesthouse managers during the COVID-19 pandemic, with particular emphasis on the challenges faced and the survival strategies implemented.

Table 1
Semi-structured interview guide extract

Questions	
(i)	In your opinion, how do the experiences of guesthouse operators in Alice compare to those in other rural or resource-constrained settings in the Eastern Cape Province?
(ii)	What were the major challenges you faced in your operation during COVID-19 pandemic?
(iii)	Considering the challenges you faced, what actions, if any, did you put in place to address the challenges you encountered?
(iv)	To what extent did the participation of crucial stakeholders, such as governmental bodies, community groups, and trade organisations, shape the recovery strategies employed by the hospitality sector during the COVID-19 crisis?

Source: Authors construct, 2023

Insights were gathered from guesthouse owners or managers either at their office or at home. Physical pre interview visits were carried out to formally invite guesthouse operators to participate in the study and they were approachable and welcoming to the invites. Seven participants initially responded to the invitation. However, one participant cancelled the interview appointment for personal reasons. The profile of participants was kept anonymous throughout the study.

The research adhered strictly to the University of Fort Hare's Research Ethics Policy, with approval obtained from the institution's Research Ethics Committee. Before data collection began, participants were thoroughly briefed on the study's objectives, potential benefits, data gathering methods, and confidentiality measures. They were also provided an opportunity to raise queries and were required to give verbal consent prior to interview commencement. Once informed consent had been secured, interviews were arranged at times suitable for the participants. A research assistant was employed to assist with participant screening and to conduct semi-structured qualitative interviews. Each interview session lasted between 20 and 30 minutes. The interview process was slated to occur from October to November 2023.

Data Analysis

Verbatim transcriptions of the digital recordings underwent inductive thematic analysis (Feenstra et al., 2023). Initially, the researchers familiarised themselves with the data by repeatedly reading the transcripts and developing preliminary codes. Coding reduced the raw data to relevant content, dividing it into manageable segments and guiding the transformation process (Abeywardana et al., 2022).

The final step of the initial phase involved writing reflective notes to stay true to participants' perspectives and enhance theme validity. Post-coding, theme generation involved clustering related codes (Swain, 2018). Themes were named and defined to elucidate the underlying concepts. These defined themes were verified against the original transcript. The final stage included a comprehensive written analysis connecting themes with participant quotations, addressing the study's main questions (Swain, 2018).

RESULTS AND DISCUSSION

This section presents the critical challenges encountered by guesthouse operators in Alice, amid the unprecedented disruptions caused by the pandemic. Utilising thematic analysis of qualitative data, four key themes emerged that summarise the struggles faced by guesthouse operators. These themes include, revenue loss and business decline, staff retrenchment and welfare challenges, operational constraints and compliance costs, and finally, limited government. These challenges are explored in detail in this section, providing nuanced insights into the multifaceted impact of the pandemic on the hospitality sector in resource-constrained settings.

Revenue Loss and Business Decline

The first theme, revenue loss and business decline, underscores the severe financial challenges experienced by guesthouse operators during the COVID-19 pandemic. The findings reveal that the pandemic-induced travel restrictions, lockdown measures, and diminished consumer spending left guesthouses grappling with significant income deficits. These challenges were further exacerbated by the need to cover operational costs despite reduced or non-existent revenue streams. Participant 1 poignantly described the emotional and financial strain of sustaining their guesthouse amidst the pandemic-induced downturn.

"I had to consider the survival of the employees in addition to the expense of running the business without any revenue. We also had no clients, customers, or visitors. When we informed them that there might not be any job, you could see the concern in their eyes. That was the most difficult part to endure."

This account elucidates the operators' sense of obligation towards their employees, which exacerbated their psychological and financial burden. The dearth of clientele not only disrupted income flow but also precipitated a cascading effect, jeopardising the livelihoods of the staff dependent on the guesthouse. The abrupt nature of the lockdowns also led to the complete cessation of business activities, as captured by Participant 6:

"In the first place, during COVID, when it started, there was a shutdown, we were not getting any business at all. (inaudible). The guest house was silent as the business was closed."

This statement illustrates the stark reality faced by guesthouse operators during the pandemic's initial stages. The abrupt halt in operations left these businesses with no revenue to sustain themselves, pushing many into survival mode. The use of the term "silent" conveys the desolation and inactivity that characterised these establishments during the lockdown period.

Participant 4's reflection adds another layer of depth to the theme, highlighting the profound emotional toll of the financial losses:

"We had no business moving at all because most individuals were locked down, which had a significant cost impact (laughed bitterly). It paralyzed me. On certain days, I recall simply gazing out the window and wondering how we would make it."

The “paralysis” described here underscores the stagnation experienced by these operators, with no clear pathway to recovery during the peak of the pandemic. The bitter laughter signifies the irony and helplessness they felt while navigating this unprecedented crisis.

Staff Retrenchment and Welfare Challenges

The second theme, Staff retrenchment and welfare challenges, illustrates the profound economic and social impacts of the COVID-19 pandemic on guesthouse staff in Alice. The financial strain caused by decreased revenue streams forced operators to make difficult decisions regarding their workforce. This resulted in widespread staff layoffs, with dire consequences for employees and their families. Even those who managed to retain their positions faced welfare challenges due to delayed or suspended salaries. Participant 1 vividly described the emotional toll of retrenching staff who were critical breadwinners for their families. They shared:

“Many of our staff are breadwinners for their families. I had to sit them down, and it was one of the hardest conversations I have ever had. We were faced with the terrible choice to release them, retrench them, or send them home without pay. As a manager, it was painful because I knew the impact this would have on their families.”

This account underscores the ethical and emotional dilemmas faced by managers during the pandemic. The gravity of these decisions was compounded by their awareness of the socioeconomic implications for their employees' dependents. This narrative highlights the human cost of the pandemic, which extended beyond the workplace into the broader community. Participant 2 provided a detailed reflection on the broader implications of retrenchments, emphasizing the loss of vibrancy in the workplace and its cascading effects on the community:

“Almost all of those individuals, especially single-mother women, did not have jobs. I stood in the empty reception area, once bustling, thinking of all those lives now derailed. What happened is that we had to reduce staff, and not very few.” The phones ringing, and now the quietness was a reminder of what we lost.”

The focus here shifts to the compounded social and economic challenges, particularly for vulnerable groups such as single mothers. The “quietness” described by Participant 2 reflects the devastation and stagnation caused by the pandemic, affecting both the guesthouses and the lives they supported. Participant 5 recounted the challenges of maintaining any form of financial support for staff during the lockdown:

“They had to remain at home during the lockdown, and I was unable to compensate them. Just my daughter and I were here, and the place seemed empty. Not a single dime was being paid to my employees. I could hear the exasperation in their voices when I attempted to explain it to them on the phone. I was aware that they were having trouble making ends meet.”

This narrative highlights the operators' helplessness and the dire circumstances faced by employees. The emotional burden of being unable to provide even minimal support to their staff is evident, as is the deep connection between operators and their teams.

Operational Constraints and Compliance Costs

The third theme, operational constraints and compliance costs, sheds light on the significant disruptions and financial pressures experienced by guesthouse operators in Alice as they struggled to adhere to stringent health and safety regulations during the pandemic. Compliance with these regulations, while necessary for public health, imposed additional operational costs on guesthouse businesses already grappling with revenue losses. Participant 1 emphasised the financial strain caused by the need to implement new health and safety protocols:

“The lockdown regulations required us to invest in sanitization stations, temperature scanners, and regular deep cleaning. These were additional costs that we couldn’t afford because our revenue was completely eroded.”

This quote highlights the dual challenge of complying with costly regulations and operating with limited financial resources. The expenses associated with maintaining sanitization equipment and adhering to safety protocols were perceived as overwhelming and unsustainable. Participant 3 also reflected on the difficulty of operating under strict guidelines, illustrating how the pandemic added layers of complexity to daily operations:

“It was not nice to operate during the time of COVID (shakes head slowly). We had to follow some strict guidelines such as masking, temperature checks, and constant sanitization. These were expensive, and honestly, it drained us financially because the income just was not there to cover these costs.”

This account underscores the frustration and financial exhaustion experienced by operators as they navigated a new operational landscape. The strict requirements, while necessary, were described as financially draining, compounding the challenges posed by reduced revenues. Participant 4 described the emotional and financial toll of compliance efforts, expressing doubts about their feasibility:

“The process of complying with COVID-19 regulations was incredibly costly and stressful, (sighs) we did not have any business moving whatsoever, yet we had to keep up with these measures to even consider reopening. Sometimes I wondered if it was all worth it because we were losing money in the process.”

The participant’s reflection highlights the stress and sense of futility felt by operators, as they were forced to invest in compliance measures despite the absence of revenue. The combination of “no business moving” and “losing money” underscores the perceived mismatch between regulatory expectations and economic realities. The participants’ narratives reveal a paradox faced by guesthouse operators as while compliance with health and safety protocols was a prerequisite for reopening and operating, yet the associated costs threatened their financial survival. As evident by the participants’ sentiments, operators struggled to balance the need for compliance with their dwindling resources, leading to frustration and a sense of helplessness.

Limited Government Support

The fourth theme, Limited government support, highlights the perceived inadequacies in government interventions to support small businesses during the pandemic. Guesthouse operators in Alice reported numerous challenges associated mainly with accessing relief funds from the government, ranging from bureaucratic hurdles and ambiguous processes to scepticism about the effectiveness of government initiatives. This lack of accessible support compounded the vulnerability of operators already grappled with financial and operational challenges. Participant 6 expressed frustration with the complex and inefficient processes involved in accessing government relief funds:

"In terms of having access to those funds, there was a lot of red tape trying to access the funds that were being delivered by the government The process was frustrating, with multiple forms, long waits, and unclear communication (Frowns) Even when we thought we had met all the requirements, we faced further delays, and ultimately, many of us were left without anything."

This testimony underscores the barriers created by excessive bureaucracy, which left many operators unable to access the financial support they urgently needed. The mention of "multiple forms" and "unclear communication" illustrates the systemic inefficiencies that hindered the intended impact of these relief programs. Participant 3 highlighted a sense of disillusionment stemming from unmet expectations and perceived false promises:

"Despite their assurances in the media that they would assist us, I urged my accountant to apply for relief monies, but nothing materialized. It seemed like a deceptive assurance. Perhaps for political reasons, they stoked optimism, but for the majority of small enterprises like mine, nothing came of it."

This perspective reveals a deep sense of disappointment and distrust. The participant's narrative points to the emotional toll of unfulfilled promises, which not only failed to provide financial assistance but also eroded trust in government institutions. Participant 4 described their hesitancy to engage with government relief programs due to unclear terms and the potential risk of debt:

"I've always been wary of matters pertaining to the government. I kept asking myself, what if I put myself into this and then find myself in debt? even though I thought this may be a relief. The terms were unclear, and since there was no assurance that business would improve anytime soon, I did not want to find myself in a financial bind."

This account reflects the apprehension among some operators regarding the unintended consequences of participating in government programs. The lack of transparency around terms and conditions further discouraged engagement with relief initiatives, leaving businesses without much-needed support. The findings add a critical dimension to understanding the broader systemic challenges faced by guesthouse operators during the pandemic. It underscores the importance of effective governance and transparent policymaking in fostering resilience among small businesses in resource-constrained environments during crises.

The COVID-19 pandemic introduced unprecedented disruptions to the hospitality sector, profoundly impacting guesthouse operators in Alice as evident by the study findings. The most immediate and impactful challenge as evident by the study findings was the severe loss of revenue. Travel restrictions and lockdown measures resulted in abrupt business cessation, leaving operators grappling with minimal income and fixed operational costs. This financial strain jeopardized business continuity and had a cascading effect on employees and their families, reflecting the interconnected nature of economic and social challenges. These findings align with global trends, where hospitality businesses faced similar revenue deficits (Kruger, 2020; Sucheran, 2022). Furthermore, the cascading effect of financial strain on employees and their families mirrors Complexity theory's assertion that crises involve multifaceted and interdependent factors, where disruptions in one domain, such as business continuity, ripple across interconnected systems of stakeholders, including employees, suppliers, and communities (Duvendack et al., 2015).

Staff retrenchment emerged as another significant consequence, with operators forced to lay off workers or suspend salaries. Many employees were primary breadwinners, and their job losses reverberated through families and communities. This finding resonates with studies in Ethiopia and Sri Lanka, where small businesses also struggled to balance financial sustainability with social responsibility (Engidaw, 2022; Robinson & Kengatharan, 2020). In Ghana, employee layoffs were the primary strategy adopted within the accommodation sector during the pandemic, although other options like reducing working hours or establishing pandemic funds were available (Dwomoh et al., 2020). The emotional toll of these decisions highlights the human cost of the pandemic, extending beyond financial losses. Operational constraints, particularly the financial burden of adhering to health and safety regulations, further compounded the challenges. Compliance was essential but unsustainable for businesses already grappling with revenue shortfalls. Similar patterns have been observed globally, where increased compliance costs disproportionately affected small businesses (Cui & Attard, 2024).

For guesthouse operators in Alice, these measures presented a paradox concerning necessity for reopening yet financially draining. Limited government support was a recurring theme, with operators expressing frustration over bureaucratic hurdles and inaccessible relief programs. Many perceived government initiatives as insufficient or unattainable, mirroring findings in other resource-constrained contexts (Bagchi, 2021; Japutra & Situmorang, 2021). This lack of support deepened financial challenges and eroded trust in government interventions. The studies highlight the need for targeted intervention measures to support guesthouses in addressing economic challenges brought about by the pandemic (Sucheran, 2021). In contrast however, some economies like Taiwan implemented effective government practices and cooperation with small scale hospitality and tourism businesses during the crisis (Wu et al., 2021).

CONCLUSION AND SUGGESTION

This study examined the challenges and strategies of guesthouse operators in Alice during the COVID-19 pandemic, providing critical insights into the resilience and adaptability of small hospitality businesses in resource-constrained environments. Guided by the research objectives, it explored the severe disruptions faced by operators, including revenue loss, staff retrenchment, operational constraints, and limited government support.

The findings underscore the systemic vulnerabilities exposed by the pandemic, particularly in marginalised areas like Alice, where access to financial and infrastructural

support was already limited. The emotional and financial toll on operators and their employees revealed the interconnected nature of economic and social challenges during crises. These results align with global trends, offering context-specific evidence of how resource constraints shape the responses and outcomes of small hospitality businesses in times of disruption. By situating these findings within the broader framework of Complexity Theory, the research sheds light on the dynamic and interconnected challenges faced by businesses and the emergent strategies that enable survival and recovery.

To create a more resilient hospitality industry, policymakers and stakeholders must immediately improve support systems, expedite access to relief programs, and encourage cooperation. In particular, the South African government ought to take a holistic stance that incorporates business continuity planning, risk analysis, and assistance for small enterprises in underserved communities. For small business owners, this calls for specialized training in emergency response and crisis management. In order to strengthen small enterprises, the government should also make it easier for them to access markets and provide financial incentives like grants, low-interest loans, and money for diversification. The industry will be strengthened by encouraging sustainable. This integrated strategy will create a robust and sustainable hospitality industry capable of withstanding future crises.

The study also emphasizes the need for guest house managers to address employees' psychological well-being and perceived insecurity, particularly during crises. Staff retrenchments and welfare challenges highlight the emotional toll on both employees and operators, necessitating supportive measures to reduce uncertainty. Thus, adapting business models to enhance resilience, such as diversifying revenue streams, is crucial. Evaluating protocols for feasibility and preparedness is also essential for guesthouse operators as well as training employees for future crises, equipping them with skills to maintain operational stability. More importantly, establishing an internal emergency relief reserve would provide financial support to staff during crises, mitigating operators' feelings of helplessness.

This study also highlights the relevance of Complexity Theory in understanding how small businesses manage crises. Complexity Theory, which emphasizes interconnectivity, adaptability, and systemic vulnerabilities, is reflected in the experiences of Alice guesthouse operators. The pandemic exposed the fragility of their operational models while spurring innovative responses. Their reliance on community networks and emergent strategies illustrates the theory's principle that small disturbances can lead to significant systemic changes. Additionally, the study supports the theory's argument that crises necessitate a holistic understanding of interdependencies across economic, social, and political domains. The operators' ability to navigate these complexities provides insights into building resilience in resource-constrained environments.

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