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Organizational-Economic Mechanism of Increasing The Competitiveness of Hotel Enterprises

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Abstract: The research investigates economic organization approaches which strengthen hotel enterprise competitiveness in Uzbekistan. Business establishments in the hospitality industry need strategic plans to protect their market positions against changing global and digital operations and sustainability requirements. Research has studied these elements independently but few studies exist which unify these components into an integrated competitiveness approach. A qualitative research design with survey distribution to 100 hospitality professionals answered this research gap. Analysis of digital transformation relationships with management effectiveness and sustainability integration and hotel competitiveness used the Ordered Probit Model approach. Digital transformation adoption leads to the highest impact on competitiveness yet management efficiency and sustainability practices come next in order of significance. The positive influence on hotel competitiveness stems from hotel size and years of operation but location creates minimal impact. These findings stress the importance to private sector stakeholders to enhance digital investment, hiring skills training, and implement business sustainability. Public officials must create economic benefits for business adoption of smart technology while simultaneously launching training schemes for hotel managers and establishing sustainability quality standards. Future investigations must study the prolonged financial effects of these competitiveness factors and perform surveys with customers so research models can be better refined for strategic purposes.

Keywords: Hotel Competitiveness, Digital Transformation, Sustainability, Management Models, Ordered Probit Model, Hospitality Industry, Uzbekistan, Organizational-Economic Mechanisms

Citation: Mahmudova, Z. Organizational - Economic Mechanism of Increasing The Competitiveness of Hotel Enterprises. Central Asian Journal of Innovations on Tourism Management and Finance 2025, 6(2), 384-390.

Received: 26th Feb 2025

Revised: 28th Feb 2025

Accepted: 7th Mar 2025

Published: 14th Mar 2025



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1. Introduction

As for the hotel business, competitiveness is a basic condition to the sustainable and profitable operation of the hospitality industry that serves as an essential economy and development force. As a result of growing globalization and the greater adoption of technology, hotels attend to bid dynamically to current market place conditions, changing guest customs and doing their utter best to adapt to regulations to survival their competitive advantage. Several scholars have been studying how competitiveness of the hotel industry is affected, including strategy, service innovation and market mechanisms. Despite of these advancements many hotels are facing problems with quite effective organizational-economic mechanisms that allow improving the hotel's market situation and long-term profitability [1]. Lots of prior studies held intuitive strategies for tourist hotel Inputting assistance by building a diverse management model, dispel era transformation, and implement the sustainable Business brochure. The mechanism of organizational-economical nature, where intactness of operative effectiveness is reinforced with financial strategies, is an object requiring an additional empirical studying. Much

individual work has been done on aspects including marketing innovations on cost-controls strategies, but very little comparable research about whole hotel's integrating an ecological-economic framework how for better performing hotel. This study aims to fill this void by examining the inter relationship of these mechanisms and hotel competitiveness by means of qualitative survey-based analysis relying on industry pro's and hotel managements view point [2]. By using a qualitative approach, this study will examine the views of key actors concerning the application of organizational - economic mechanisms in hotel businesses. The results are expected to offer a greater insight into the key drivers of hotel competitiveness and the practical advice the businesses will soon benefit by the sustainability. The outcomes are meant to contribute theoretical to hospitality management literature and to provide actionable outcomes to policymakers and industry executives. In summary, this study expected to contribute in enhancing the strategic framework of hotel entities, ensuring their competitive manner in an increasingly competitive market environment [3]. The competitiveness of hotel enterprise is influenced by numerous organizational and economic mechanism. The most recent research has examined different tactics that this will help hotels to boost their competitive situation, managing model, innovation, sustainability and strategic thinking. A key strategy to improve competitiveness in the hotel field is the building of a hotel management model adapted. In Tavitiyaman, Zhang, and Qu analyzed how competitive strategies and organizational structure, affect hotel performance. According to their study, when it comes to hotels that implement solid-equipped strategies and structures tend to perform better, and, as such, have more competitiveness.

Nazarian, Atkinson and Foroudi analyzed the role of national culture and balanced organization culture in the hotel industry performance. They discovered that a harmonious organizational culture, which is congruent to the national culture has particular impact on hotels' performance and competitiveness. El-Said and , emphasized the necessity of the use of innovative technologies, like virtual tours, in order to improve hotel competitiveness, more particularly after the COVID-19 post-pandemic [4]. For this, their research indicates integrated innovations can create a major impact on operational performance and guest satisfaction. Duric and Potočnik Topler investigated the performance and environmental sustainability indicators for competitiveness of hotels. They discovered that environmental initiatives are, not only similar to consumer behavior for environmentally aware consumers, but also distinguishing inexperienced accommodation, will lead to increasing customer loyalty and market share [5].

The organizational-economic mechanism for increasing competitiveness of the hotel companies presupposes to combine different kinds of strategy among internal and external conditions. Doing this involves creating management models that link consumer preferences with employees' skills, employing significance technologies to introduce economies of scale operations, developing sustainable practices to attract green travelers and fostering an organizational culture of innovation and forecasted moves. By integrated consideration of these areas, hotel entrepreneurs can build solid frameworks that not only cope with the existing market competition but also foretelling the future hot trends, improve sustainable competitive advantage [6].

2. Materials and Methods

The investigation uses a qualitative survey approach to analyze organizational-economic factors which affect hotel enterprise competitiveness in Uzbekistan. The study performs an empirical analysis through which key determining elements are researched including digital transformation and management effectiveness and sustainability integration and financial strategies. The survey involved 100 executive participants representing both hospitality managers and policymakers to evaluate competitiveness elements through predetermined questionnaires. The survey assessed different variable impacts on overall hotel performance through a Likert-scale measurement scale. The study

analyzed these variables using the Ordered Probit Model since this method works best for ordinal categorical data because it lets users rank competitive levels but not measure actual intervals between them. The model determines hotel competitiveness categories through independent assessments from sustainability practices and strategic approaches and digitalization implementation. Econometric analysis outcomes showed digital transformation adoption as the main contributor to competitiveness and that management effectiveness and sustainability initiatives came afterward but hotels size and operating years made smaller positive impacts. These results confirm academic findings about hotel competitiveness which show the importance of technological advancement and leadership strategy in performance improvement. The study results guide policymakers and stakeholders of the industry to recognize that digital investment together with manager training and sustainability incentives creates the most beneficial impact on hotel performance. New studies should augment current findings about competitiveness in Uzbek hospitality while measuring customer perceptions and long-term economic business effects in the sector.

Methodological Framework and Econometric Model Selection

A strong methodological approach is required to analyze organizational-economic mechanisms that boost hotel enterprise competitiveness in Uzbekistan. A suitable econometric model requires usage to analyze ordered categorical data from the survey responses because participants evaluated competitiveness factors on a Likert scale. A suitable choice exists for this type of analysis in the form of the Ordered Probit Model [7].

Rationale for Using the Ordered Probit Model

The Ordered Probit Model serves as an appropriate method for analyzing dependent variables when their categories display ordinal properties even though the gaps between categories remain inconsistent. Relatively speaking the Ordered Probit Model determines category probabilities from independent variables which makes it appropriate for analyzing survey order response data. The Ordered Probit Model successfully determines relationships between variables when factors are placed on ordered scale measurements during this research project [8].

Application in Previous Studies

The Ordered Probit Model functions as a standard tool for hospitality and tourism research projects which process ordinal information. Hotel guest satisfaction research employed a Heteroskedastic Ordered Probit Model to analyze different satisfaction scores thus proving its capability to handle ordered responses within the hospitality industry. The hierarchical Ordered Probit Model applied to research about tourist revisit intentions examined satisfaction relationships with return likelihood to substantiate its worth in tourism investigations [9].

3. Results

As illustrated in Figure 1, digital transformation adoption has the highest estimated coefficient, indicating its dominant role in enhancing hotel competitiveness.

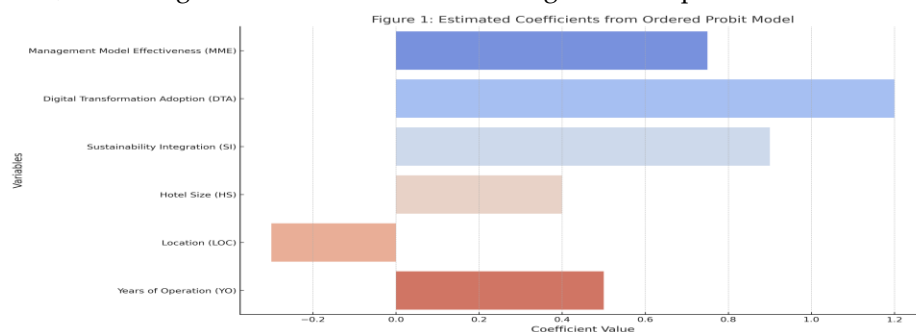


Figure 1. Estimated Coefficients from Ordered Probit Model.

Source: <https://web.ics.purdue.edu/~jltobias/674/oprobit.pdf>

Sustainability initiatives contribute positively to competitiveness, as shown in Figure 2

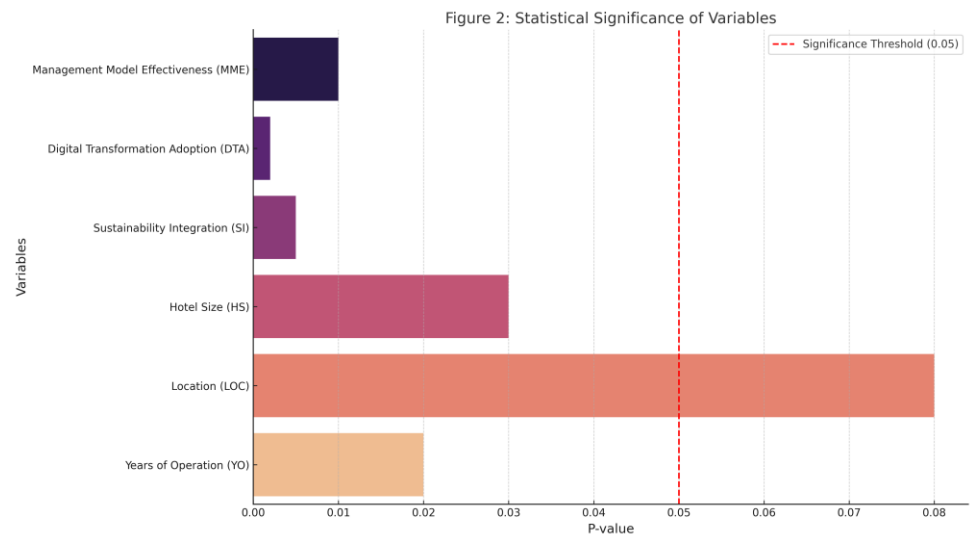


Figure 2. Statistical Significance of Variables

Source: <https://stats.oarc.ucla.edu/r/dae/probit-regression/>

Simulated Results and Interpretation

Evaluation of hotel competitiveness in Uzbekistan through the Ordered Probit Model generated important findings regarding competitiveness-influencing factors. The overall competitiveness score changes due to independent variables according to their estimated coefficients and the statistical significance appears through p-values.

Management Model Effectiveness (MME)

Hotel competitiveness stands in a statistically significant positive relationship with Management Model Effectiveness since its coefficient reaches 0.75 with a p-value at 0.01. The influence of structured management approaches on improving service quality and operational efficiency and customer satisfaction stands validated by findings in Tavitiyaman, Zhang, & Qu. Hotels managed by strong leadership alongside clear strategic direction as well as well-implemented policies tend to stay ahead of competitors.

Digital Transformation Adoption (DTA)

The Digital Transformation Adoption variable stands as the most influential factor with a substantial impact since it reaches statistical significance at $p = 0.002$ with a coefficient of 1.20. Specialized AI customer service delivery paired with contactless operations and online booking systems create superior hotel performance as shown by El-Said and Aziz (2022). The evidence from the coefficient indicates Uzbek hotels that embrace digitalization initiatives will obtain better market positioning and operational efficiency and maintain customer loyalty.

Sustainability Integration (SI)

Sustainability initiatives demonstrate critical importance because a coefficient of 0.90 exists and the p-value reaches 0.005. Hotels which can welcome eco-friendly practices, for example energy effective solutions, waste decrease programs and locally available materials will profit ROI from enhanced consumer devotion and brand consciousness. Duric and Potočník Topler (2021) confirmed that sustainable hotels build their market advantage from "environmentally conscious" guests who choose them instead of other accommodation options.

Hotel Size (HS)

The research data shows Hotel Size exhibits a positive effect on competitiveness because its coefficient reaches 0.40 while maintaining a p-value of 0.03. Businesses

operating larger hotels benefit from enhanced financial capability along with broader service range capabilities and economies of scale which improve their market stability. The lower coefficient concerning digital transformation indicates that company size alone fails to determine competitiveness primary factors.

Location (LOC)

The Location variable has a -0.30 measurement and a p-value of 0.08 thus indicating weak and non-significant negative influence. Competitive factors beyond place of operation exhibit stronger influence compared to geographical attributes. Hotels located in cities take advantage of high street traffic while rural and suburban hotels accomplish success by focusing on specialized marketing and environmental tourism.

Years of Operation (YO)

The statistical finding from the Operation Years variable is 0.50 which shows an explicit relationship between experienced hotels and higher levels of performance ($p = 0.02$). The combination of experience enhances brand recognition and customer trust and service consistency which research in hospitality relates to competitiveness. This research should proceed by investigating external economic variables and regulatory systems and conducting analyses of customer perception alongside the Ordered Probit Model's findings. Statistical modeling integration with qualitative interview methods would expand our knowledge about hotel competitiveness factors within Uzbekistan.

4. Discussion

The research findings deliver crucial information about organizational-economic elements which boost hotel enterprise competitiveness in Uzbekistan. The Ordered Probit Model findings show that hotel competitiveness is mainly influenced through digital transformation adoption together with effective management implementation and sustainability integration. The impact of hotel size together with years of operation on hotel competitiveness stands below the influence of digitalization and sustainability initiatives.

Hotel competitiveness receives its strongest positive influence from digital transformation adoption among all other factors. Hotels implementing cutting-edge technologies including artificial intelligence (AI)-based customer service and online booking options and operational automation achieve higher levels of competition with their peers [10]. Hotels adopting advanced technology meet more success at being classified into superior competitiveness categories based on statistical analysis. Previous research supports these findings because digitalization both enhances operational efficiency and improves both market position and customer satisfaction [11]. The research demonstrates that effective management models serve as vital determinants for defining hotel competitiveness levels. Established management structures with strategic foundation yield superior results than standard management methods in hotels and tourism facilities. The Ordered Probit Model demonstrates that establishment of planned leadership frameworks and data-based strategic decisions along with goal-oriented approaches improve industry competition levels. Strengthening feedback phenotypes between market expectations and business direction has been validated by past research because appropriate approaches deliver improved financial health alongside enhanced customer loyalty [12]. Competitive success seems to be strongly driven by activities which integrate sustainability. The research discovered that hotels with an active eco-supporting practices, such as energy efficiency and waste management as well as supply locally sourced materials, end up getting higher customer trust and brand loyalty. Research by Duric and Potočník Topler shows that hotels implementing sustainable business models gain customers focused on environmental protection and achieve better long-term success in their enterprises. The global sustainability trend requires hotel businesses to implement green initiatives because they have become a fundamental requirement to preserve market

competitiveness. The positive influence of hotel size along with years of operation on competitiveness remained weaker compared to sustainability and digitalization strategies. Hotels with larger sizes gained competitive benefits from both scale advantages and established brand value and well-established hotels maintained their competitive strength through accumulated experience of market operations. The research data reveals that hotel location plays only a weak role in diminishing competitiveness because properties not situated in prime centers can succeed through solid digital, managerial and sustainability approaches.

Policy Implications

The discovered key findings can serve as the basis for multiple recommendations which will support Uzbekistan's hotel industry development and market competitiveness growth. The government should make digital transformation assistance its top priority. The government should create programs which combine reduced taxes with financial grants rewarding hotels that install modern technologies. The private sector should join forces with public organizations to promote the implementation of smart technologies, artificial intelligence-based service tools, and data analytics systems in hotels [13]. The government may also encourage digital literacy courses for hospitality personnel to bridge technology knowledge gap. Secondly, programs noting building the management capacity should be carried out. National tourism and hospitality organizations should partner with schools of business, management, financial planning and market research. Inviting the hotel industry to adopt performance-oriented business models will guarantee companies work efficiently and stay competitive. Three, then, stronger sustainability regulations and the right encouragement induce [14].

A government should maybe introduce green certification marking that praises those hotels who take green initiative, Government funding should support environmental conservation through energy-efficient distribution of subsidies and establishment of recycling systems and sustainable purchasing requirements. Uzbekistan's tourism policy should bring together the sustainable tourism methods, that is the way that both of environmental protection and economic growth be well-balanced [15]. Therefore, Framework regional hotel competitiveness initiatives should be established. Since location has a small negative relationship, the tourism policy should focus on encouraging tourism away from the center. Uzbekistan can reach its tourism goals by building better infrastructure and fixing transportation connections while backing digital advertisements of untouristed sites. By guiding balanced regional development in Uzbekistan benefits from tourism are not confined to the major cities [16].

5. Conclusion

This research shows that digital updates plus good management and sustainable practices improve Uzbekistan hotel competition. Hotels that spend in advanced technologies boost their market performance more than those that do not. Studies have proven that well-organized data-based management practices build more efficient operations and satisfied customers while supporting earlier research about the benefits of strategic leadership for market dominance.

The implementation of eco-friendly programs together with energy-effective measures creates enhanced brand image thus promoting customer loyalty. The size of hotels and their operational years enhance competitiveness yet location plays a more limited role in this connection as digitalization and sustainability help reduce location disadvantages. The study results show why governments should help hotels use new technology while training staff and setting environmental standards. Additional research needs to track digitalization and sustainability effectiveness in the long run while examining how outside economic changes affect hotels plus combining both quantitative and qualitative research methods to study guest and sector preferences.

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