STRATEGIC MANAGEMENT PRACTICES AND BUSINESS PERFORMANCE: AN EMPIRICAL STUDY OF THE RESTAURANT SECTOR IN SAMARKAND

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Abstract. *The article presents the results of an empirical study of the relationship between strategic management practices and business performance in the restaurant sector operating within a rapidly growing tourism destination. Based on a survey of 42 managers of seven leading tourist-oriented restaurants in Samarkand, the adoption level of seven strategic practices, correlation and multiple regression analyses are examined. All seven practices are positively and significantly associated with business performance. The regression model explains 61 % of the variance in performance; key independent predictors are differentiation strategy, performance measurement, formal planning and digital technology.*

Keywords: *strategic management, business performance, restaurant business, tourism, Samarkand, differentiation, regression analysis.*

1. Introduction

The restaurant segment of the hospitality industry simultaneously performs production, retail and service functions, which places high demands on managerial quality. In the context of a tourism destination, this complexity is compounded by demand instability, cultural heterogeneity of the guest audience and sensitivity to external shocks. This raises the question of which strategic practices exert a sustainable influence on restaurant business performance.

The relevance is driven by rapid growth of inbound tourism in the Republic of Uzbekistan. According to the Statistics Agency, international tourist arrivals reached 8.2 million persons in 2024, and receipts from tourism services amounted to 3.52 billion US dollars [1]. The "Uzbekistan-2030" strategy targets 15 million tourists and 5 billion US dollars annually. Samarkand concentrates a significant share of the tourism flow, creating both growth opportunities and intensified competition for local restaurants.

The purpose of the study is a quantitative assessment of the relationship between strategic management practices and restaurant business performance in leading tourist-oriented establishments of Samarkand.

2. Theoretical background

Strategic management synthesises two approaches to sustainable competitive advantage. The market-based view of M. Porter [2] links competitiveness with a deliberately chosen industry position. The resource-based view of J. Barney [3] sees the source of advantage in valuable, rare, inimitable and organisationally embedded internal resources. Applied to hospitality, F. Okumus et al. [4] systematise the strategic toolkit for enterprises characterised by inseparability of product from consumption and a high role of the human factor. The regional research tradition [5, 6] emphasises the role of systematic application of strategic instruments for enterprise resilience under turbulence.

The hypothesis tested is: there is a positive and statistically significant relationship between the adoption level of strategic management practices and restaurant business performance.

3. Materials and methods

The empirical base is a structured survey of 42 owners and managers of seven leading tourist-oriented restaurants in Samarkand, selected by online review volume and location within the city's tourist core. Adoption of seven practices – formal planning, environmental scanning, differentiation, cost management, digital technology, HR strategy, performance measurement – was assessed on multi-item five-point Likert scales. Business performance was measured on a comparable scale (revenue dynamics, profit, guest retention). Internal consistency was verified by Cronbach's alpha. Hypothesis testing used Pearson correlation and multiple linear regression (enter method). Processing was performed in IBM SPSS Statistics; significance level $\alpha = 0.05$.

4. Results

Cronbach's alpha values for all scales lie in the range 0.76-0.85, exceeding the 0.70 threshold. Descriptive statistics are presented in Figure 1 and Table 1. The highest adoption level is recorded for differentiation strategy (M = 3.74; SD = 0.71), the lowest for performance measurement (M = 2.71; SD = 0.88). The strategic orientation index amounted to 3.19 (SD = 0.62).

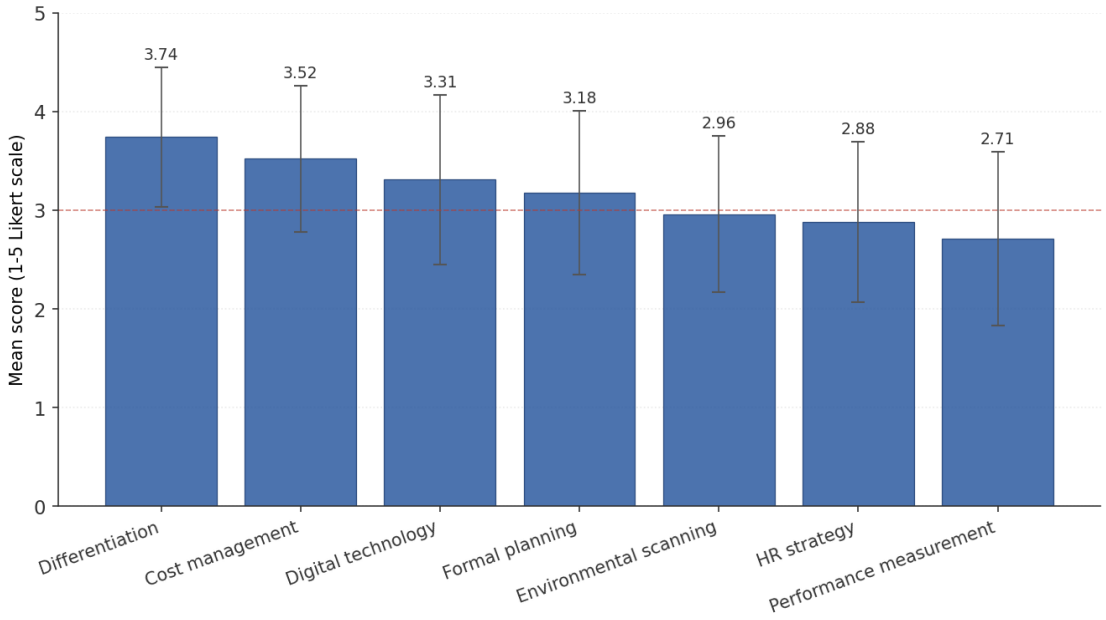


Figure 1 – Adoption level of strategic management practices, mean values on the five-point Likert scale (author's calculations, N = 42)

Table 1 – Descriptive statistics for strategic management practices and business performance

Construct	N	Mean	SD	Cronbach's α
Formal planning	42	3.18	0.83	0.81
Environmental scanning	42	2.96	0.79	0.78
Differentiation	42	3.74	0.71	0.84
Cost management	42	3.52	0.74	0.76
Digital technology	42	3.31	0.86	0.83
HR strategy	42	2.88	0.81	0.80
Performance measurement	42	2.71	0.88	0.79
Business performance	42	3.53	0.85	0.85

Source: author's calculations, IBM SPSS Statistics.

Correlation analysis (Table 2) shows positive and statistically significant relationships between each practice and business performance. The strongest are for differentiation strategy ($r = 0.58$; $p < 0.01$), performance measurement ($r = 0.55$; $p < 0.01$) and formal planning ($r = 0.52$; $p < 0.01$). The strategic orientation index demonstrates a strong relationship with performance ($r = 0.64$; $p < 0.001$).

Table 2 – Pearson correlation coefficients with business performance

Construct	r	Significance
Differentiation strategy	0.58	$p < 0.01$
Performance measurement	0.55	$p < 0.01$
Formal planning	0.52	$p < 0.01$
Digital technology	0.49	$p < 0.01$
Environmental scanning	0.47	$p < 0.01$
HR strategy	0.41	$p < 0.01$
Cost management	0.39	$p < 0.05$
Strategic orientation index	0.64	$p < 0.001$

Source: author's calculations, IBM SPSS Statistics (N = 42).

The multiple regression model (Table 3) is statistically significant: $F(7, 34) = 7.59$; $p < 0.001$; $R^2 = 0.61$ (adjusted $R^2 = 0.54$). Four predictors show statistically significant independent contributions: differentiation strategy ($\beta = 0.34$; $p < 0.01$), performance measurement ($\beta = 0.29$; $p < 0.01$), formal planning ($\beta = 0.22$; $p < 0.05$) and digital technology ($\beta = 0.19$; $p < 0.05$).

Table 3 – Multiple regression results (dependent variable – business performance)

Predictor	β	t	Significance
Differentiation strategy	0.34	3.01	$p < 0.01$
Performance measurement	0.29	2.74	$p < 0.01$
Formal planning	0.22	2.18	$p < 0.05$
Digital technology	0.19	2.05	$p < 0.05$
Environmental scanning	0.14	1.42	n.s.
Cost management	0.11	1.09	n.s.
HR strategy	0.09	0.91	n.s.

Note: $R^2 = 0.61$; adjusted $R^2 = 0.54$; $F(7, 34) = 7.59$; $p < 0.001$; n.s. – not significant. Source: author's calculations, IBM SPSS Statistics.

5. Discussion

The application of strategic management practices is positively associated with restaurant business performance. The regression identifies four key predictors combining formal planning, measurement-control discipline, content differentiation and digital competence – a combination consistent with the understanding that strategic advantage is formed at the intersection of a deliberately chosen position (Porter) and organisationally embedded capabilities (Barney). The gap between adoption levels (2.71-3.74) and perceived importance (4.02-4.21) indicates improvement potential that does not require revising managerial orientations but rather institutionalising simple planning, scanning, control and digital procedures.

6. Conclusion

The empirical study confirms that strategic management practices are positively and significantly associated with restaurant business performance in a rapidly growing tourism destination. Differentiation strategy, performance measurement, formal planning and digital technology form the core of practices providing an independent contribution to performance. The results provide an evidence base for targeted managerial development programmes in the tourism sector of the Republic of Uzbekistan. Limitations relate to the local character of the sample and its hierarchical structure; further work is envisaged along the lines of expanding the geographical scope and incorporating longitudinal data.

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