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The Role of Corporate Management in Developing the Hospitality Industry

Abstract:

The article examines the role of corporate management in the development of the hospitality industry, which is a significant factor in ensuring the competitiveness and efficiency of enterprises. The study's object is corporate management processes in the hospitality industry. The study focuses on introducing modern corporate governance methods, which will improve the efficiency of hospitality industry enterprises and ensure their sustainable growth in a changing market environment. The article aims to determine the impact of corporate management on developing enterprises in the hospitality industry and its role in increasing competitiveness and ensuring the quality of customer service. The methods of analysis, synthesis, abstraction, classification and systematisation, generalisation, etc., were used in the study course. The authors examine the theoretical aspects of corporate governance, including human resources, finance, and marketing management, which contribute to optimising business processes and improving the level of service. The main problematic aspects of corporate management in the hospitality industry are identified, including low staff motivation, insufficient qualifications of managers, lack of strategic planning and flexibility to external changes. Strategic directions for developing corporate governance are proposed, including innovative approaches, digitalisation of processes, increased social responsibility and development of customer-oriented strategies. The authors conclude that corporate management is a crucial element of the successful functioning of hospitality enterprises. Its correct application will help overcome existing problems and ensure the sustainable development of enterprises in the face of constant market changes.

Keywords: management, process, hospitality industry, development, planning, efficiency, strategy.

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Роль корпоративного менеджменту у розвитку індустрії гостинності

Анотація:

У статті досліджується роль корпоративного менеджменту у розвитку індустрії гостинності, що є важливим чинником для забезпечення конкурентоспроможності та ефективності підприємств. Об'єктом дослідження виступають процеси корпоративного управління на підприємствах індустрії гостинності. У дослідженні акцентовано увагу на впровадженні сучасних методів корпоративного управління, що дозволить покращити ефективність діяльності підприємств індустрії гостинності та забезпечити їх стійке зростання в умовах мінливого ринкового середовища. Метою статті є визначення впливу корпоративного менеджменту на розвиток підприємств у сфері гостинності та його роль у підвищенні конкурентоспроможності, забезпеченні якості обслуговування клієнтів. У процесі дослідження використано методи аналізу, синтезу, абстрагування, класифікації та систематизації, узагальнення та ін. Авторами розглянуто теоретичні аспекти корпоративного управління, включаючи управління персоналом, фінансами, маркетингом, які сприяють оптимізації бізнес-процесів і підвищенню рівня обслуговування. Визначено основні проблемні аспекти корпоративного менеджменту в індустрії гостинності, серед яких: низька мотивація персоналу, недостатня кваліфікація керівників, відсутність стратегічного планування та гнучкості до зовнішніх змін. Запропоновано стратегічні напрями розвитку корпоративного управління, що включають інноваційні підходи, цифровізацію процесів, підвищення соціальної відповідальності та розвиток клієнтоорієнтованих стратегій.

Ключові слова: менеджмент, процес, індустрія гостинності, розвиток, планування, ефективність, стратегія.

Abbreviations:

AI is artificial intelligence,

IoT is the Internet of Things.

Introduction

The hospitality industry is one of the fastest-growing sectors of the global economy. The success of enterprises in this area largely depends on effective corporate management. In the context of increasing competition and customer expectations, modern enterprises in this field must introduce innovative management practices to achieve high-quality services and long-term stability. This makes the study of the role of corporate management in developing the hospitality industry extremely relevant.

Many domestic scientific studies are devoted to studying corporate management development in the hospitality industry. In particular, O.M. Bazarov and O.B. Zvyagintseva studied the essence of the hotel and restaurant business and its significance in the hospitality sector of Ukraine (2024). Risk management in hotel and restaurant business activities is considered in the I. Baneva and I. Piurenko's works (2024). Management and marketing in the hotel and restaurant business were studied by M.N. Bogdan and I.V. Szegeda (2024). V.O. Ivanenko, V.I. Skrynnik and Yu.L. Lukashevich identified the problems and prospects of financial management in the hotel and restaurant business (2024). Introduction of sustainable practices in the hospitality industry reviewed by A. Ivashura (2024). K.M. Kashchuk, I.V. Mosiychuk and I.V. Saukh investigated modern management technologies in the hotel and restaurant business (2023). S. Kozhukhovskiy and V.A. Rusavskaya considered services in the context of the hospitality industry's digitalisation (2024). Hospitality management as an instrumental component of the mechanism of state management of the tourism sector is the object of research by O.K. Lyubchuk and Yu.V. Yarchenko (2019). The Economics and finance of the hotel and restaurant business are characterised by N. Nebaba, M. Razinkova and N. Stelyuk (2022). The features of forming a system of strategic management of hospitality enterprises in modern conditions are considered by T. Nezveschuk-Kogut (2023). The current state, financial support, investment attractiveness and prospects for further development of the hotel and restaurant business in Ukraine are studied by Yu.M. Nikolchuk (2020). The development of the hospitality industry in Ukraine and the world is considered in N.V. Onishchuk's work (2019). I. V. Petrik, Zh.V. Semchuk and B.P. Koshevoy investigated the innovative potential in hotel and restaurant business and tourism (2019). The specifics of innovation management of enterprises in the hospitality industry are considered I. Povoroznyuk (2024). Increasing customer satisfaction in the hospitality industry is studied in R. Sherstyuk and V. Latinsky's work (2024). The essence of the concept and classification of risks in the tourism industry is considered by K.M. Yarmola and N.I. Chukhrai (2023).

The object of the study of this research is corporate governance processes in companies in the hospitality industry.

The study aims to determine the impact of corporate management on the development of enterprises in the hospitality sector and its role in improving competitiveness and ensuring the quality of customer service.

To achieve this purpose, the following research objectives are defined:

- characterise the main elements of corporate management in the hospitality industry;
- analyse the impact of corporate culture on the efficiency of enterprises;
- identify innovative approaches to corporate governance in the hospitality industry;
- develop recommendations for improving corporate management in the hospitality industry.

The methodological basis of the study is formed by methods of analysis that characterise the components of corporate management, its impact on the activities of enterprises in the hospitality industry, like identify critical aspects of management processes that affect the efficiency of companies; synthesis, which allowed combining individual elements of corporate management into an integral system, which allows you to better understand how different management aspects interact with each other and affect the development of the enterprise in the

hospitality industry; abstraction—to highlight the most general and significant patterns of corporate management that affect the effectiveness of the development of the hospitality industry; classification and systematisation, which allowed to streamline knowledge about management processes and simplified the analysis of effective strategies; generalisation—to summarise the results of research and develop recommendations on corporate governance in the hospitality industry.

The results can be helpful for scientists who study the problems of management processes in the hospitality industry, investors interested in developing this business, and owners and managers of companies specialising in hospitality.

Results

Theoretical Aspects of Corporate Management in the Hospitality Industry

The theoretical essence of corporate management in the hospitality industry covers a set of principles, concepts, and methods used to manage enterprises in this industry. It is based on general management principles but considers the specifics of the hospitality industry, where quality of service, customer experience management, flexibility, and adaptability to changes are significant aspects.

Corporate culture is of great significance in the hospitality industry. It affects employees' behaviour and motivation and, accordingly, the quality of guest service. The organisation's culture should promote high customer orientation, teamwork, and continuous improvement. Effective leadership is key to creating and maintaining an organisational culture focused on quality service and customer satisfaction. Leaders in the hospitality industry must demonstrate adaptability and the ability to motivate staff.

In the hospitality industry, strategic management involves developing a mission, vision, and goals that meet market conditions and customer needs. Strategies may include expanding into new markets, differentiating services, or developing new products. This includes assessing the competitive environment, economic conditions, and social and cultural factors that may affect the business. It is also crucial to consider trends in consumer behaviour, technological innovations, and environmental aspects.

Operational management in the hospitality industry focuses on maintaining a high level of service quality, which requires standards, procedures and constant compliance monitoring. This area is highly dependent on human factors, so it is crucial to ensure proper personnel training. A significant aspect is the management of resources (human, financial, material) to ensure the effective operation of the enterprise, including inventory management, planning of personnel needs, budgeting and financial control. The significance of the human factor determines the need for professional selection and training of personnel focused on customers and high standards of service, like using motivation systems (material and non-material) to support employee engagement and stimulate their professional growth.

Success in the hospitality industry largely depends on understanding the needs and expectations of customers, which includes analysing consumer behaviour, forming value propositions, and creating a positive customer experience. For this purpose, loyalty programmes, personalised marketing strategies, and CRM systems can be used to maintain long-term

relationships with customers and increase their satisfaction. Modern corporate management in this area actively uses digital technologies, such as online booking platforms, mobile applications, and automated management systems that increase service efficiency and customer satisfaction. The hospitality industry must adapt to modern technological processes by introducing innovations in its products and services, such as virtual reality and interactive services.

Thus, the theoretical essence of corporate management in the hospitality industry is to integrate management practices, strategies, and models focused on ensuring high service quality, optimising operational processes, effective human resource management, and building long-term relationships with customers. This is achieved through flexibility, adaptability to market changes, and an innovative approach to doing business.

Problematic Aspects of Corporate Management in the Hospitality Industry

Corporate management in the hospitality industry faces many problematic aspects that can affect business efficiency, service quality, and customer satisfaction. These challenges include human resource management, ensuring the stability of operational processes, adapting to a rapidly changing market environment, technological transformation, and meeting environmental and social standards.

In the hospitality industry, there is often high staff turnover, which can lead to additional recruitment and training costs, like a decrease in the quality of service due to insufficient qualifications or experience of new employees. Ensuring an adequate level of employee motivation is a difficult task, especially in low-wage and rugged working conditions. Retaining highly qualified employees is also a challenge due to limited career opportunities. The constant need to update the knowledge and skills of personnel, especially when introducing new technologies and changes in service standards, requires significant investment in training programs for specialists.

Providing a consistently high level of service in the hospitality industry is challenging due to demand variability and seasonal fluctuations. Effectively responding to customer suggestions is essential to maintaining the brand's reputation and ensuring customer loyalty in the future. However, not paying attention to customer reviews can lead to the formation of a negative image of the company in the market and the loss of a significant number of customers.

The introduction of new technologies and infrastructure modernisation in the hospitality sector requires significant financial resources, which may not be available to most enterprises, especially in conditions of economic instability. Therefore, cost optimisation is a crucial challenge for these businesses, especially in the face of rising prices for raw materials, energy and services. This may require reviewing operational processes in the enterprise and reducing costs while maintaining a high quality of services provided.

Implementing new technologies, such as artificial intelligence, process automation, or big data, can be difficult for small businesses in the hospitality industry due to insufficient technical training of staff or lack of investment. A key aspect in this area is protecting customer data and Privacy, which is significant in the face of growing cyber threats. Non-compliance with security standards can lead to a loss of customer trust and significant financial losses for the enterprise. However, due to the lack of investment resources, many establishments in the hospitality

industry use outdated management systems, which can be inefficient and costly to maintain, which makes it challenging to implement new technological solutions.

The constant change in consumer preferences and trends in the hospitality industry requires companies to adapt their marketing strategies and offers quickly. The growing impact of social media and feedback platforms creates new challenges for managing these businesses' reputations, as negative reviews can spread rapidly, affecting customer trust and demand for services. Waiting for guests to receive personalised service requires implementing CRM systems and extensive data analysis, which can be technologically complex and financially expensive.

Also, a very significant aspect of the activities of hospitality establishments is compliance with environmental standards, reducing the environmental impact by using environmentally friendly materials, and reducing energy costs, which may require significant investment. In modern conditions, it is essential to strictly comply with the requirements for social responsibility, which implies fair remuneration, respect for human rights, and support for local communities. Changes in the regulatory environment may require adaptation of business processes, particularly compliance with sanitary standards, data protection rules and security standards.

Thus, corporate management in the hospitality industry should consider all aspects and develop strategies that will effectively respond to challenges. This complex process can include adapting to market changes, innovating in management, using resources efficiently, and maintaining high service standards. To successfully overcome these challenges, it is significant to implement integrated management approaches that include technological innovation, personnel development, strategic planning, and sustainable business management.

Strategic Directions of Corporate Governance Development in the Hospitality Industry

Corporate management in the hospitality industry encompasses various aspects of management (human resource management strategy, operational processes, finance, marketing, and customer relations) that help ensure the effective functioning of businesses operating in this market. The diagram shows the hospitality industry's key components of corporate management (*Figure 1*).

Corporate management in this area requires an integrated approach and the ability to adapt to constantly changing market conditions through effective resource management, an innovative approach to customer service and responsibility to society. Therefore, strategic directions for developing corporate management in the hospitality industry aim to increase competitiveness, improve service quality, implement effective resource management, and ensure sustainable development. In modern conditions, this area requires a flexible management approach that allows you to quickly adapt to market changes and customer expectations.

Introducing the latest technologies, such as AI, Big Data, IoT and blockchain, will help optimise processes, personalise services and improve customer interaction. Using automated systems for managing bookings, settlements, and other operational processes will allow the company to increase efficiency and reduce costs. Integrating innovative management technologies will increase the comfort and safety of guests, and using CRM systems to collect and analyse guest data will allow you to provide individual offers and increase customer satisfaction. Therefore, companies in the hospitality industry need to develop strategies to create

a positive customer experience at all stages of interaction, from booking to departure, like using social media and digital channels for feedback, to manage their reputation and attract new customers.

The introduction of continuous training and development programs to improve employees' skills and adapt to new technologies and changes in service standards provides for developing a system of motivation and incentives for employees, including material and non-material bonuses, career opportunities, and a favourable working environment.

For hospitality enterprises, it is advisable to optimise costs by introducing the latest technologies, automating processes, using alternative energy sources, and developing resource-saving solutions. To create additional sources of income, the company must develop new products and services, such as offers for long-term residence, like partner programs with other companies. Using the latest analytical tools in your work will allow you to predict demand, effectively manage revenue, and develop financial strategies to increase profitability.

Introducing environmentally friendly technologies such as energy management systems, water conservation, and waste management in hospitality establishments' business activities helps reduce the negative environmental impact. Developing social responsibility programmes that support local communities will ensure job creation, support for local suppliers, and participation in social initiatives. It is also essential to adhere to ethical standards in relationships with customers, employees, suppliers, and partners and ensure transparency and responsibility in all business processes. Strategic brand management, which includes active communication with customers, responding to feedback, and maintaining a positive company image, is also a significant aspect of the company's operations.

Developing and implementing a long-term strategy that considers the peculiarities of local markets, culture, and customer preferences, ensuring the enterprise's competitiveness, involves forming strategic partnerships with other industry representatives, including airlines, travel agencies, and technology suppliers, to expand opportunities and create modern products for customers.

So, the strategic directions of corporate management development in the hospitality industry aim to improve management efficiency, customer experience, and sustainable development. To achieve these goals, it is necessary to integrate the latest technologies, develop human resources, effectively manage resources and actively respond to global challenges. Implementing such strategies will allow enterprises in the hospitality industry to remain competitive and thrive in the face of rapid changes in the market environment.

Discussion

Corporate management is crucial for the effective functioning of any enterprise, particularly in the hospitality industry. However, there is a problem with underestimating or inefficiently using corporate governance principles in this area. Insufficient attention to strategic planning, corporate ethics, human resources management, finance, and customer relations can lead to inadequate service quality, financial losses, and deterioration of enterprises' reputations in the market.

Research on the role of corporate management in the development of the hospitality industry helps to understand how effective management strategies can contribute to improving

enterprises' competitiveness and sustainable development. Proper use of corporate management helps:

- improve customer service standards and maintain their loyalty;
- optimise management processes, which will help increase productivity and reduce costs;
- develop and implement corporate governance strategies aimed at the long term, which allows this industry to be flexible to changes and challenges.

Promising areas of further research on the role of corporate management in the development of the hospitality industry are the study of the impact of digital technologies and innovation management, crisis management, and effective personnel management, like optimisation of supply chains, to improve the economic efficiency of enterprises. These areas will help you understand current challenges and opportunities, contributing to the industry's sustainable development.

Conclusion

Corporate management in the hospitality industry plays a significant role in shaping an effective enterprise development strategy. The theoretical foundations of corporate governance include human resource management, finance, marketing, and customer relations. Based on modern research, effective corporate governance ensures resource optimisation and increases the competitiveness of hospitality enterprises. Transparency in decision-making, corporate social responsibility, and integration of modern technologies into business processes are significant components of this process.

The main problems of corporate management in the hospitality industry are insufficient attention to professional training of personnel, inefficient resource management and lack of a long-term development strategy. There is also a problem of low staff motivation, which directly affects the quality of customer service. Insufficient adaptation of enterprises to changes in the external environment exacerbates these problems, which requires greater flexibility and innovation in corporate management.

For further development of the hospitality industry, it is necessary to introduce modern approaches to corporate management focused on innovation and sustainable development. Key strategic areas include investing in staff training, process digitalisation, and business process automation. A significant aspect is the creation of sustainable risk management systems and increasing enterprises' social responsibility levels. In addition, it is necessary to adhere to a customer-oriented approach that will ensure customer loyalty and strengthen the competitive position of enterprises in the market.

Thus, corporate management is a crucial element of the successful functioning of hospitality enterprises. Its correct application will help overcome existing problems and ensure the sustainable development of enterprises in the face of constant market changes.

Conflict of Interest

The authors declare that there is no conflict of interest.

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Appendix



Figure 1. Strategic directions of corporate management development in the hospitality industry