Leadership in the Client-Centred Service of Hospitality

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Abstract In the last few years, leadership theory has evolved under the influence of technological innovation and the growing role of impression marketing in shaping business-concepts. In this regard, the hospitality industry, which is one of the largest in terms of activity and number of staff involved today, needs client-oriented leaders. Consumers' needs in the hospitality industry are growing and becoming complexes, leading to the transformation and modification of the competencies of managers, who interpret the compliance-quality control of services. The implementation of the leadership qualities of a manager in the corporate culture of a company creates a value system that is imitated by all the employees and centres the business processes around one goal - client orientation. Our contribution provides a comprehensive and concise overview of the determinants of leadership of the hospitality industry. We evaluate the hotel leadership issues and focus our attention on business process leaders as key elements in implementing the concept of customer-centric leadership.

Keywords: leadership, client-centred service, hospitality, technical innovation

1 Introduction

Historical facts are a marker of the personal behavioural and ambitious manifestations of the key leaders behind the followers. The development of civilization was due to the leaders who were driving the change of worldview, social values and motivation. The hospitality industry, which represents the standards of civilization and the needs of generations, is most sensitive to the innovative developments. The economy is evolving and transforming, the need for certain services is disappearing. However, the hospitality industry as a factor of personalized service, possessing psycho-emotional characteristics and creating comfort, will always remain relevant. The staff who are in direct contact with a customer and create a quality living environment, faces the problem of overcoming the inferiority.

Therefore, the motivation to realize the future value and perspective along with other levers of influence becomes an indicative management mechanism. The role of leadership in this process is vectoral. The concept of hospitality leadership is an object of interest of many scholars in the world (Brownell 2010; Bass 2000; Bennis 2002; Tichy and Ulrich 1984; Yammarino et al. 1993; Avolio et al. 2007; Mayer et al. 2008). Researchers have identified the traits of a successful leader who is able to form relationship within the company on the basis of charisma or authority, establishing a communicative achievement of common goals. Today, several types of leadership are identified: distributed (Bradford and Cohen 1984), connective (Lipman-Blumen 1992), emotional-intellectual (Goleman 2008), transformational (Lowe and Bathula 2019; Humphreys and Einstein 2003; Stone et al. 2004, Van Welsor and Askalon 2008; Bennis 1989), client-centered leadership that Tracey and Hinkin (1998), Russell (2001), Walker (1986), Washington et al. (2006) initiated in their writings. The study of these sources allows to state the relevance of the study of customer-

oriented leadership as an evolutionary concept of successful business management at the current stage of the development of the impression economy.

2. Hospitality client orientation

The hospitality industry is a complex of industries that form the concept services for tourist services: hotel and restaurant services, transportation and leisure services. The hospitality industry is a key component of the hospitality industry, offering value in a variety of price and quality segments: budget, economic, scale, upscale and luxury. Regardless of the hotel category, customer orientation is present in each of them and is aimed at achieving a successful POISE marketing strategy (Fig.1), which by its nature forms the positions of the company's leadership.
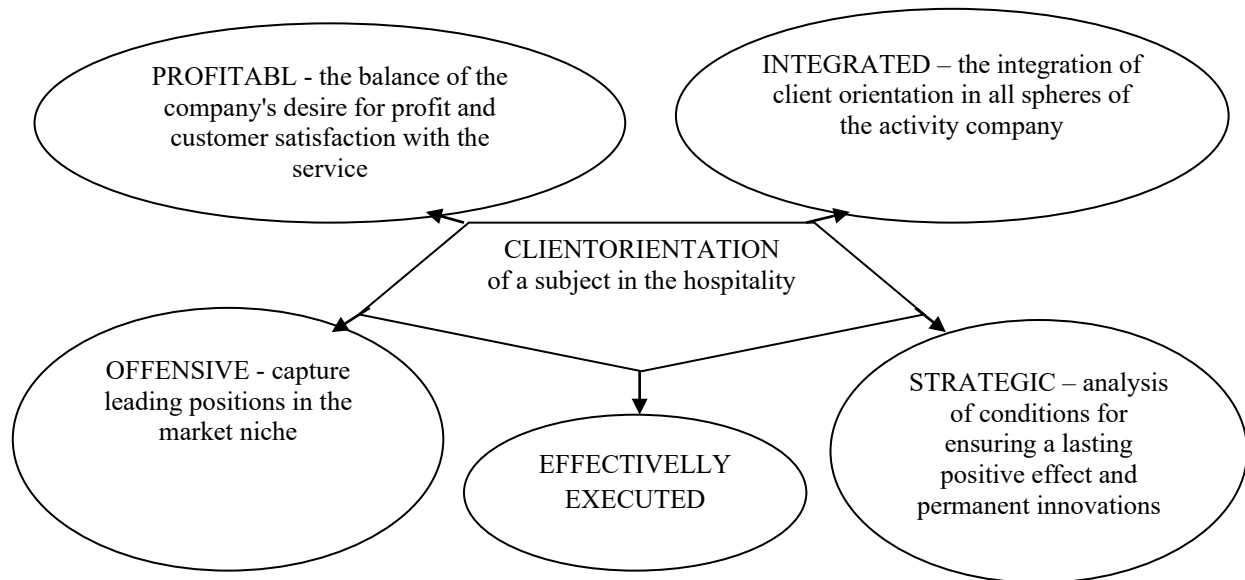

Fig.1. POISE-hospitality marketing strategy
Source: Own results

As one can see from Figure 1, customer-orientation as a concept defines the central focus of the strategic goals of the company to meet customers' needs. It's what the loyalty systems are focused on, created and developed by hotels. In addition, customer-centric litmus is the positive feedback from consumers, who are ambassadors in arguing potential customer choices. Positive impressions, in this case, will be formed by the following factors: the balance of quality and price at the expected level, the quality of the material-technical base and service. Thus, client orientation can be determined by the following indicators (Table 1).

Table 1. The indictors of the evaluation of customer – orientation of hotels

Indicators	Calculation algorithm
Revenue per available room per day (RevPAR)	$RevPAR = \dfrac{Revenue}{Quantity\ of\ rooms} \times OCC$
Occupancy (OCC)	$OCC = \dfrac{Quantity\ of\ sold\ room}{Quantity\ of\ room}$
Profitability Index (PI)	$PI = \dfrac{EBITDA}{Cost\ price}$
Net Promoter Score (NPS)	$NPS = Percentage\ of\ positive\ reviews - Percentage\ of\ negative\ reviews$
Customer Satisfaction Index (CSI)	$CSI = \dfrac{\sum(W \times R)}{\sum(W \times Rmax)} \times n$ W – weightage of parameter in the customer feedback form, R – rating by customer, R*max* – maximum weightage, *n* - number of criteria

Source: Bosovska and Okhrimenko (2019), Ching-Chow Yang (2003)

These indicators are estimates in the work of a hotel and evaluate the customer-orientation system in total. The leader's role in managing these indicators is significant, as each is a parametric management entity (customer-staff-result). However, the quality of leadership will depend on the initial conditions (environment) and the ability to manage business-processes through communications.

Direct contact with the client in the service sector forms a communicative environment, where the indicator of efficiency is satisfaction: the customer with the service, the employee – with the result of work, the company - the achievement of competitiveness and the leading position in the market (Fig.2).
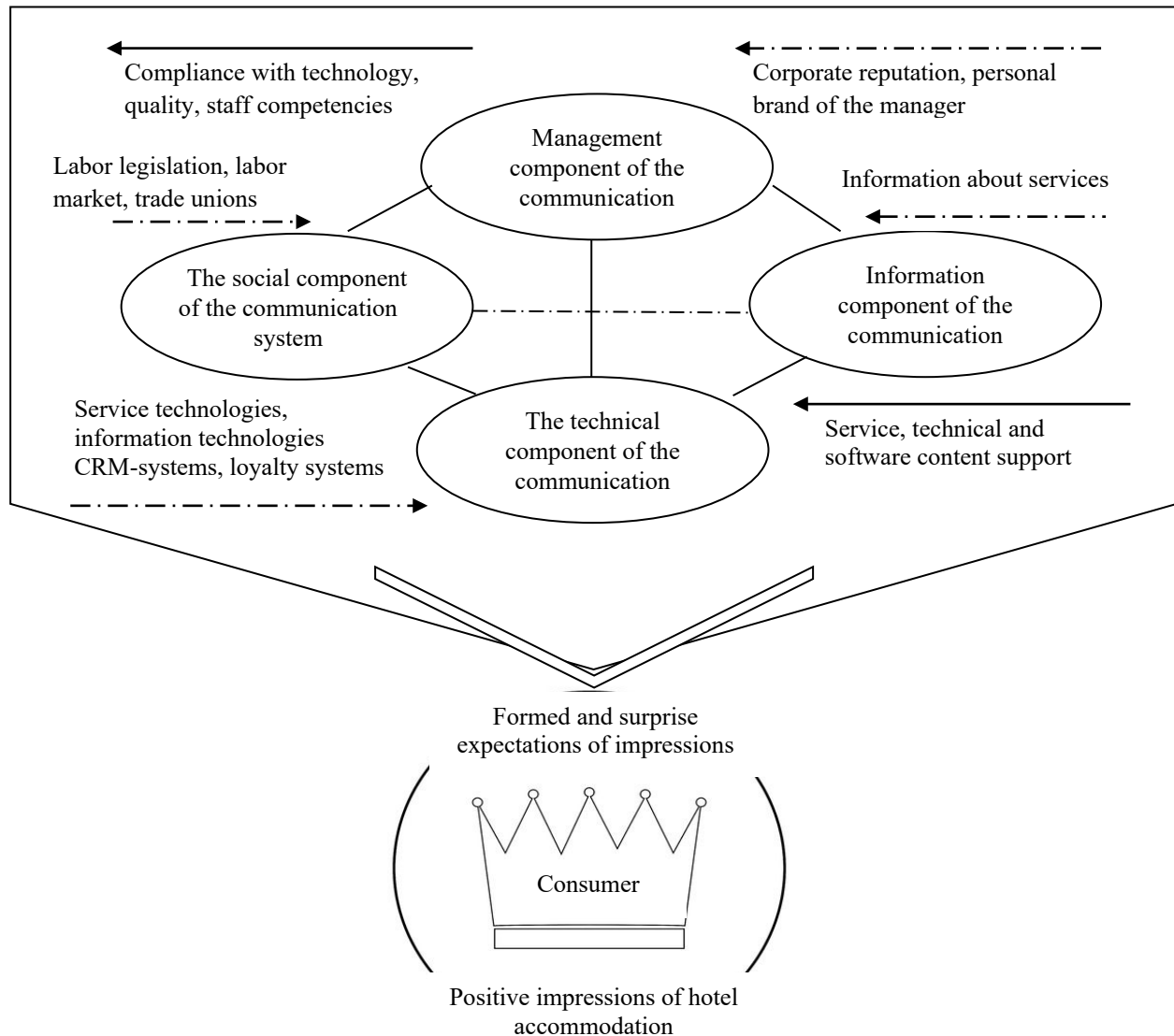
Fig.2. The communicative environment of the client-oriented company in the hospitality industry
Source: Own results

Considering, that the departments in a hotel are separate units, where the manager is a formal leader, on whom the margin of the unit depends, the formation of the personal brand of the manager is an urgent task of ensuring the success of the whole company.

3. Managers as leaders

Every successful manager has their own hand in business management and human resources management. However, business customer-orientation as a compass shooter in the impression economy has dual poles that are balanced by the leader-brand, each with its own style: bureaucratic (Korczynski 2002), emotionally responsible (Singh 2000), value-oriented (Kriele and Wolf 2014; Ngacha and Onyango 2017), transformational (Tracey and Hinkin 1998; Yammarino et al. 1993), servant leader (Mayer et al. 2008; Russell 2001; Washington et al. 2006). The bureaucratic style employs a formal leader which manages the staff from the position and, a posteriori, of

their authority. It is difficult to say about the effectiveness of its use in hospitality companies, but often the staff can sabotage the process and they are not motivated by quality service. Emotional-responsible leadership is guided by influencing emotional value levers. In our point of view, prolonged manipulation of such aspects in human resources management will provoke a decline in the power of the leader and lead to a reverse process. In turn, value-oriented management will be based on the duality of satisfying the interests of all participants of the operating process: manager, staff, customers. It will form a system of long-term relationship based on the corporate culture of the company. Transformational leadership is relevant in crisis management and changes, adapting and managing the HR system in a dynamic and uncertain environment. Servant leadership takes priority over the interests of staff. All these types of leadership can be manifested in hospitality at different stages of the company's life cycle.
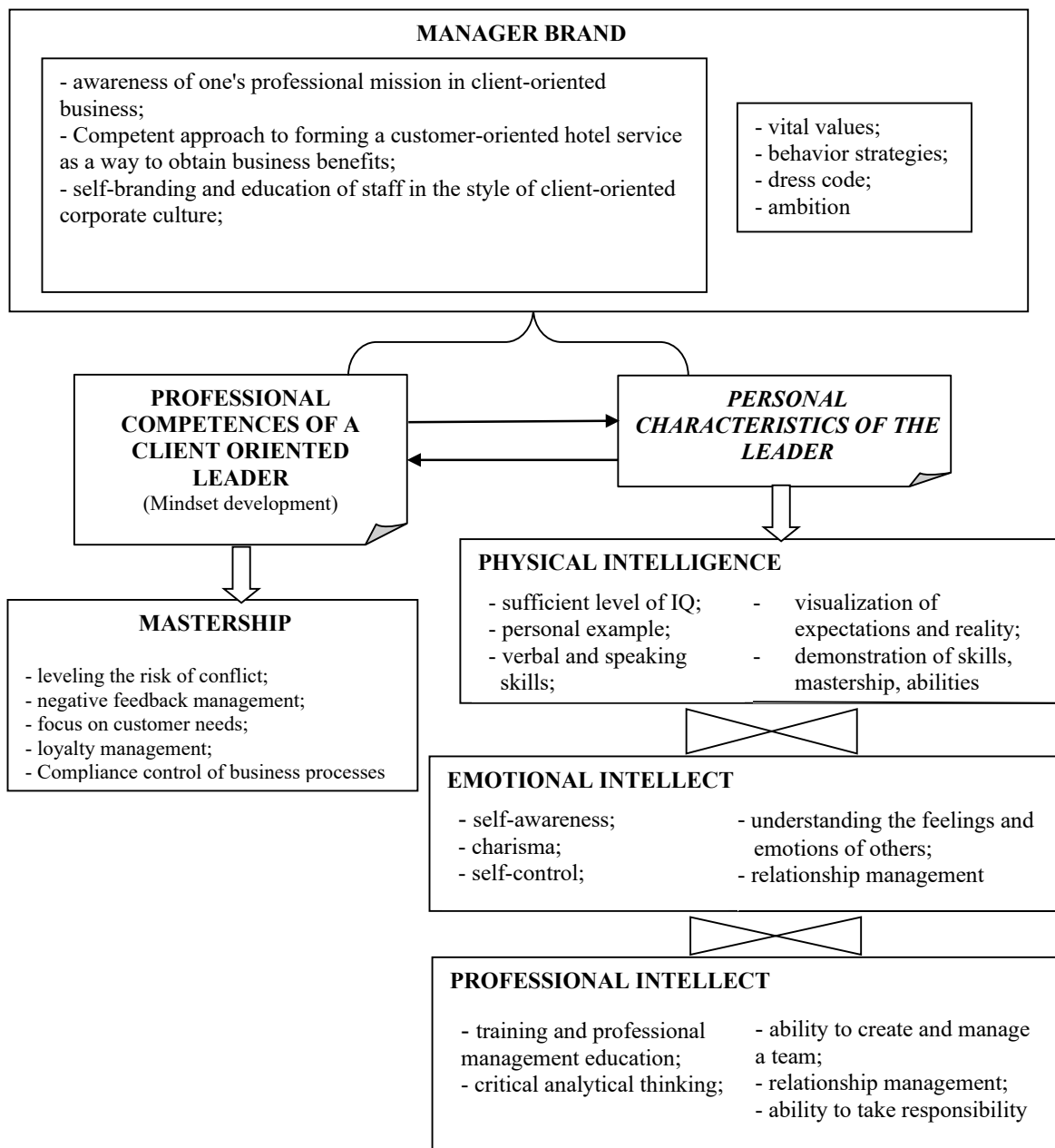
MANAGER BRAND

- awareness of one's professional mission in client-oriented business;
- Competent approach to forming a customer-oriented hotel service as a way to obtain business benefits;
- self-branding and education of staff in the style of client-oriented corporate culture;

- vital values;
- behavior strategies;
- dress code;
- ambition

PROFESSIONAL COMPETENCES OF A CLIENT ORIENTED LEADER
(Mindset development)

PERSONAL CHARACTERISTICS OF THE LEADER

PHYSICAL INTELLIGENCE

- sufficient level of IQ;
- personal example;
- verbal and speaking skills;

- visualization of expectations and reality;
- demonstration of skills, mastership, abilities

MASTERSHIP

- leveling the risk of conflict;
- negative feedback management;
- focus on customer needs;
- loyalty management;
- Compliance control of business processes

EMOTIONAL INTELLECT

- self-awareness;
- charisma;
- self-control;

- understanding the feelings and emotions of others;
- relationship management

PROFESSIONAL INTELLECT

- training and professional management education;
- critical analytical thinking;

- ability to create and manage a team;
- relationship management;
- ability to take responsibility

Fig.3. Professional competencies of a client-oriented leader
Source: Own results

It should be noted that modern technological trends produce in the hospitality industry CRM-based customer, staff and stakeholder management tools that logistically simplify the implementation of managerial functions and increase its importance for the company by immediately qualifying it as a leader with professional competencies.

(Fig. 3). Demonstrated professional competences are dictated by a new stage of transformation of a scientific economic thought and trends in hospitality. Technological innovations provoke the development and introduction of new qualities and properties of the social system of the company, its impact on the goals of marketing relationship - customer-oriented management. Considering that customer-orientation is the establishment and development of partnership with clients and stakeholders, based on understanding and meeting their needs and goals, which help maximize the profit of the company, as well as relying on the competencies indicated in Fig. 3, client-oriented a manager capable of forming and managing relationship that absorbs professional competence and projects a personal brand on staff motivation to achieve business process margins and company in general.

Assessing the level of leadership for each leader is of great importance in professional confirmation of status. There are methods of evaluating leadership qualities in the scientific literature (Hollander 1958; Fiedler 1964) and many methods of measuring power (Lerner 1995; Kenneth et al. 2011). Adapting existing approaches to the problem of determining the degree of influence of leadership on the success of the company, the most dequate in application is the complementation of ideas and determining the magnitude by which the income (I) of a managed business unit (department) exceeds the marginal cost (MC) (Formula 1).

$$L = \frac{I - MC}{I} \tag{1}$$

Thus, the degree of influence of leadership can take on the following values (Table 2).

Table 2. Identification of Leader Type by Power Measurement Index

Index value	Leadership type
$L < 0$	bureaucratic leader
$L = 0$	emotionally responsible leader
$L > 0$	leader brand manager

Source: Own results

Each company has its own development strategy and in every market situation the need for a leader of a certain type will be determined by many external and internal factors, however, customer orientation is today a promising principle for the development of the company success (Fig.4) and is based on the principle of continuous learning and improvement.
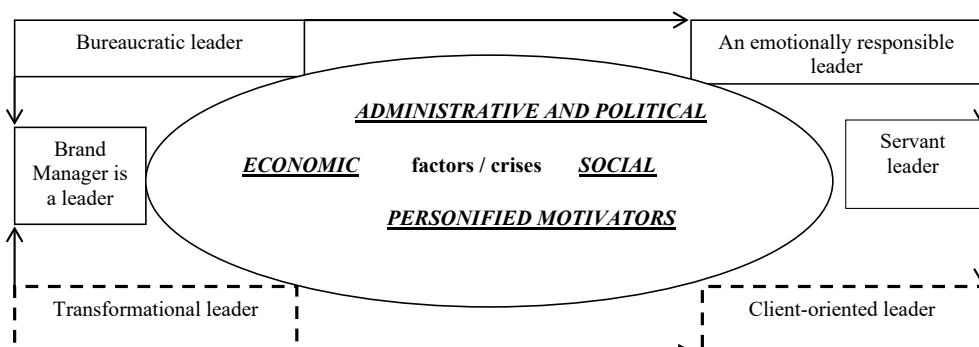

Fig.4. Factors of need for a customer-centric leader
Source: Own results

The realization of a certain type of leadership depends on the psych type of the leader, his development mindsets and situations in the business environment, which will require reorientation of values and competencies in transformational (crisis-driven) or client-oriented (under the influence of increased competition and changing social values in the strategic development of the company). Crises in the economy or within the company themselves require a transformational leader (Tichy and Ulrich 1984; Tracey and Hinkin 1998) who possesses the qualities of crisis management and strong business relationships. Therefore, this cohort includes brand executives from among top executives. Leadership typing allows one to identify the basic models of leadership-client-client relationships. Among which are the following (Table 3).

Table 3. Relationship building models in a client-centred hospitality system

Leader type	Goal	Model Relationship model
Bureaucratic	Company compliance control	Daily Scrum Meeting
Transformational	Business process compliance control	SOR (Standard-Observation-Result)
Emotionally responsible	Stability in relationships	SLC (Successes-Learn-Change)
Servant leader	Meeting the needs of staff and customers	Sandwich model (Compliment-Scold-Compliment)
Brand Manager	Domination	BOFF (Behaviour-Outcome-Feelings-Future)

Source: Own results

The structuring of Leader Type Indicators proposed by Table 3 for behaviour and management models is not categorical, but it is thus possible to determine the handwriting of ambitious business process management practices and experience in successful outcomes.

In general, the impact of a manager on business processes and staff seems to be exceedingly difficult to measure and evaluate. Leaders are the ones who become the benchmark for their subordinates and followers and shape their perceptions of collaboration within the team and customer relationships and stakeholder relationships, focused on achieving success at all stages of the company life cycle and service industry.

4. Conclusions

Overall, it can be concluded that hospitality business process leaders have the power to influence overall behaviour and to shape the corporate values of their followers based on the concept of customer orientation. Leadership is a dynamic phenomenon that involves encouraging people to fulfil tasks in the overall strategy of company development. Studies have shown that leadership is a manifestation of personal ambitions and professional competences that, under the influence of time, can change type depending on the market situation, the risks involved and the internal environment. The positive influence of the client orientation of the company has a brand manager, and therefore, leadership should be directed to set an example in quality and effective work. The client-oriented leader develops new technological innovations in meeting the social and ethical standards and exercises compliance control over the margin of the process. Thus, a customer-oriented leader achieves dual goals (customer satisfaction-staff motivation) and be a key figure in a hospitality business, and his or her leadership can influence the brand's corporate reputation.

Today, the management style determines the competitiveness of the company and the prospects for its development. Continuity in brand preference and brand loyalty in the hospitality industry are part of the CRM strategy and corporate culture, which are the determinants of success. Therefore, it is important to choose executives who demonstrate a flexible management style and have the appropriate level of professional competence.

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