

## Service excellence through effective hospitality management

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**Annotation.** The article focuses on the hotel and restaurant sector, exploring the diverse dimensions of effective service management within the hospitality industry. It emphasizes the essential role of effective management in improving operational efficiency, maintaining high service quality, and securing a competitive advantage. "Service excellence through effective hospitality management" encompasses the strategies, principles, and practices employed to manage service-oriented organizations, including those in hospitality, retail, healthcare, tourism, and consumer support. The study highlights key challenges faced by hotel and restaurant managers, such as the need for adaptive leadership, employee motivation, and the standardization of service delivery. The object of the research is the hospitality industry, with a specific emphasis on the development of managerial functions and the cultivation of effective team leadership. The study employs literature analysis, comparative methods, and systems analysis as its primary research methodologies. The purpose of the research is to underscore the importance of attaining high-level qualifications in hospitality management, outline the benefits this brings to business performance, and present practical leadership tools. The core content of the article addresses critical topics such as the integration of Key Performance Indicators (KPIs) into employee compensation, the clarification of job responsibilities and maintenance of professional subordination, the role of corporate culture and team-building in enhancing motivation and cohesion, and the importance of systematic reporting and theoretically grounded leadership.

The results indicate that effective service management plays a crucial role in enhancing the performance of hotel and restaurant enterprises. Through a comprehensive analysis of the literature, comparative evaluation, and system-based methodologies, the study reveals that adopting strategic and adaptive management approaches contributes significantly to improving operational efficiency and maintaining high standards of service quality in the hospitality sector. The study concludes by offering actionable recommendations for hospitality entrepreneurs, emphasizing that a strategic, people-centered approach to leadership can significantly uplift service standards. By integrating traditional and modern management

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theories, the article provides a roadmap for transforming Ukraine's hospitality sector into a vibrant, resilient industry.

**Key words:** hospitality management, service quality, operational efficiency, leadership strategies, employee motivation, corporate culture.

### **Високий рівень обслуговування завдяки ефективному управлінню сфери гостинності**

**Анотація.** Стаття присвячена аналізу готельно-ресторанного сектору та досліджує різноманітні аспекти ефективного управління в сфері послуг у межах індустрії гостинності. Основна увага приділяється важливій ролі ефективного менеджменту у підвищенні операційної ефективності, забезпеченні високої якості обслуговування та досягненні конкурентної переваги. Поняття «Високий рівень обслуговування завдяки ефективному управлінню сфери гостинності» охоплює стратегії, принципи та практики, що застосовуються для управління підприємствами сервісного спрямування, зокрема в галузях гостинності, роздрібною торгівлі, охорони здоров'я, туризму та обслуговування клієнтів. У дослідженні визначено основні виклики, з якими стикаються менеджери у сфері готельного та ресторанного бізнесу, зокрема необхідність адаптивного лідерства, мотивації працівників та стандартизації надання послуг. Об'єктом дослідження є індустрія гостинності, з особливим акцентом на розвиток управлінських функцій та формування ефективного командного лідерства. У роботі здійснено аналіз літератури, порівняльний метод та метод системного аналізу як основні дослідницькі підходи. Метою даного дослідження є підкреслення важливості досягнення високої кваліфікації в сфері управління гостинністю, а також окреслення переваг, які це приносить бізнесу, і представлення практичних інструментів лідерства. Основний зміст статті присвячено таким важливим темам, як інтеграція ключових показників ефективності (KPI) у систему оплати праці, чіткий розподіл обов'язків та дотримання професійної субординації, роль корпоративної культури та тимблдингу у зміцненні мотивації та згуртованості, а також значення системної звітності й лідерства, заснованого на теоретичних засадах.

Результати дослідження свідчать про те, що ефективне управління у сфері послуг відіграє ключову роль у підвищенні результативності діяльності підприємств готельно-ресторанного господарства. Завдяки всебічному аналізу літературних джерел, порівняльній оцінці та використанню системного підходу дослідження показало, що впровадження стратегічних і адаптивних управлінських підходів суттєво сприяє підвищенню операційної ефективності та підтримці високих стандартів якості обслуговування в індустрії гостинності. У висновках надано практичні рекомендації для підприємців у сфері гостинності, з акцентом на те, що стратегічний, орієнтований на людей підхід до лідерства може суттєво підвищити стандарти обслуговування. Поєднуючи традиційні та сучасні теорії менеджменту, стаття пропонує дорожню карту трансформації готельно-ресторанної галузі України в динамічну та стійку індустрію.

**Ключові слова:** управління у сфері гостинності, якість обслуговування, операційна ефективність, стратегії лідерства, мотивація працівників, корпоративна культура.

### **Introduction**

In today's dynamic and highly competitive environment, service industry plays a crucial role in economic development and social well-being. From hospitality and healthcare to retail and consumers support, service-based sectors revolve around delivering value directly to guests. As such, effective management in the sphere of service is essential to ensure audience satisfaction, operational efficiency, and long-term business sustainability.

Effective Service Management creates a vision of excellence by integrating processes, personnel, tools, and service providers. This approach improves operational efficiency, promotes teamwork, and enables adaptability to changing business needs, ensuring high-quality service delivery and a competitive advantage. The tourism and hospitality sector is vital for achieving Sustainable Development Goals (SDGs), significantly contributing to job creation and poverty disposal. As a crucial component in the sphere of service, hospitality (especially hotels and restaurants) satisfies key requests of modern travelers, particularly the necessity for healthy nutrition, comfortable accommodation, and a wide range of positive emotions with gratitude to providing special destinations [15, p. 140-150].

The management in the hotel and restaurant business is a specific branch in the whole management system, which accumulates instruments and methods of effectively achieving goals according to a previously defined plan. This professional activity encompasses the execution of one or more alternative approaches, which may include situational, functional, marketing, regulatory, systemic, managerial, targeted, innovative, integrated, or age-oriented strategies, or their special combination, to optimally correlate with the prevailing conditions of the business environment. However, researchers recognize wide theoretical and applied issues related to evaluating the hospitality industry's current state in Ukraine, analyzing common management responsibilities and a manager's role in the whole branch [1, p. 203-205].

Ukraine is currently facing significant economic, social, and psychological consequences due to the ongoing war. In light of these challenges, the development of the hospitality industry can play a vital role in facilitating the country's recovery. Interestingly, many people around the world have become aware of Ukraine only because of the war. As a result, the idea that they may visit the country in the future out of interest or solidarity is becoming increasingly common – making it crucial to begin preparations in the hospitality sector now [15, p.140-150].

Recent studies show a growing consensus among scholars on the distinctive nature of service management, particularly within the hotel and restaurant industry. Researchers emphasize the importance of maintaining high service standards and providing entrepreneurs with practical strategies to enhance their businesses. These efforts aim to improve consumer satisfaction, focusing on service quality and employee-guest interactions. Consequently, service excellence has become a key competitive factor in the hospitality sector [14]. The unique characteristics of services themselves form the foundation of service management. A review of current scientific literature – both domestic and international – reveals significant interest in effective management practices for the hotel and restaurant industry. Ukrainian scholars N. Pryimak and O. Nikolaychuk supported an age-based management approach based on agile principles. This strategy is designed to enhance flexibility and responsiveness in management systems, allowing businesses to better adapt to dynamic market conditions and evolving consumer needs [8]. Prominent international researchers have made significant contributions to the field of hospitality and tourism: Michael C. Sturman has dedicated his research to human resource management, employee performance, and compensation systems, investigating the influence of human resource practices on service quality within the hospitality sector [11; 12; 13]; Cathy A. Enz has focused her studies on strategic management, innovation, and organizational culture, emphasizing the impact of leadership styles and corporate culture on service delivery in hotels and restaurants [2]; Abraham Pizam, recognized as one of the most cited scholars in hospitality and tourism, has concentrated on organizational behavior, guest's satisfaction, and comprehensive service management [6]; concurrently, Muzaffer Uysal has examined the relationship between consumer expectations and actual service delivery, making significant contributions to the understanding of service quality and tourism management [4]. The diverse yet interconnected domains of research establish the foundation for the development of more resilient, adaptive, and consumer-oriented hospitality enterprises in Ukraine and beyond.

The scientific novelty lies in exploring the sphere of service, which is currently in its rapidly developing phase, and that is why scientists are only starting to pay proper attention to it. It is quite important to clarify efficient instruments in managing staff as these specialists are bringing fast and visible results to hospitality businesses. By managing their actions competently, hotels and restaurants will definitely become one of the most flourishing branches in Ukraine [1; 3; 5; 7; 9; 12; 13; 14]. Our contribution lies in the integration of theoretical concepts with real-world application, drawing from both global management models and localized challenges. By focusing on the practical implementation of KPIs, structured team dynamics, and motivational frameworks, we aim to provide hospitality professionals with actionable tools that elevate service quality. Furthermore, our analysis underscores the urgent need for specialized training and professional development programs in hospitality management to ensure long-term sustainability and competitiveness of the sector.

Consequently, the object of research is the industry of hospitality, development of managing segment, and ways of becoming an effective team leader. Methods of research: literature analysis, comparative method, and method of system analysis. The aim of research is to clarify the necessity of reaching the top qualification in hospitality management, describe the results it can bring to business and present various instruments of leadership.

### **Research Findings**

In the restaurant industry, the most invaluable asset is undoubtedly the staff. It is the team that fundamentally shapes the guest's experience, influencing whether patrons will return, how they will evaluate the establishment, and whether they will recommend it to others. Research consistently indicates that the primary reason consumer choose to revisit a restaurant is the quality of service and the atmosphere of hospitality – both of which are unattainable without effective personnel management. In Ukraine's restaurant sector, where competition within the food service market continues to escalate, efficient team management has emerged as a critical determinant for achieving stability and profitability. Depending on the type and concept of the establishment, the appropriate management approach can significantly mitigate staff turnover, enhance employee productivity, and reduce the costs associated with recruiting and training new team members. [9, p. 36-46].

To evaluate the effectiveness of management, it is essential to first understand the broader concept of efficiency, which encompasses various aspects of human activity. It is important to recognize that economic theory does not provide a singular definition of this term. The word „effective“, derived from the Latin „effectus“, refers to effectiveness, efficiency, and productivity. In its most general sense, any interaction that produces a result can be considered to have an effect, which can be viewed as an absolute phenomenon that describes the outcome or characteristic of any interaction or process. Although the terms „effect“ and „effectiveness“ are closely related, they are not synonymous. In contrast to effect, efficiency is defined as a specific ratio – comparing the results to the objectives or the outcomes to the resources expended to achieve them – making it a relative measure. This distinction is crucial in understanding management efficiency. Therefore, management effectiveness should primarily be viewed as the ability to facilitate the successful operation and growth of the organization as an integrated system [10, p.65-89].

The current situation in Ukraine's hotel and restaurant business can be described as „developed, but not faultless“. Quite widespread is the situation when entrepreneurs have lots of ideas about an astonishing wide variety of concepts, but they can not give their businesses the right vector of improving due to the lack of information. The key reason is the absence of understanding of how to manage the staff because of the entrepreneur's experience deficiency in operational processes. Skipping this knowledge, businesses lose the chance to gather highly qualified specialists, monitor their efficiency and manage it correctly [5, p. 218–226].

The primary objective of management within the service industry is to secure the profitability of the organization's operations by effectively utilizing human resources and strategically organizing the service delivery process to identify and fulfill audience's needs and expectations. Key management responsibilities in this sector include:

- establishing and decomposing objectives to achieve them;
- fostering cooperation among staff and partners towards shared goals;
- coordinating the processes involved in service development and delivery;
- maintaining a high standard of service quality;
- promoting ongoing training and professional growth for staff;
- facilitating effective communication between employees and guests;
- developing and implementing various methods for assessing employee and organizational performance;
- cultivating unique traditions and leveraging accumulated experience [6, p. 431-438].

In any successful service management implementation or enhancement effort, engaging a wide array of stakeholders is essential. The human factor is central to effective service management: by acknowledging and tackling key elements such as organizational change management, communication strategies, and training programs, organizations can empower their employees, promote teamwork, and encourage ongoing improvement. Unlike manufacturing, service delivery is often intangible, involves direct consumer interaction, and is highly dependent on human factors. This makes management in the service sector unique and often more complex. Managers must not only coordinate resources and oversee operations but also nurture human capital and continuously enhance consumer experiences. Effective HR management involves a strategic approach to team development, which is crucial for a restaurant's success. Motivated, trained, and supported employees to enhance guest's experience, positively influencing the restaurant's reputation and sales [11, p. 106-116].

In our research, we aim to clarify the key aspects of team leadership and the core principles of effective management that are essential for the success of the hospitality industry:

- Searching for WORKERS

Existence of entrepreneurs, who think their staff if working for the great idea, for friendly colleagues or free biscuits with tea is truly astounding. The matter is – people is searching for work because they just want to earn money, and this makes them feel much more motivated than any of existed non-financial ways of motivating staff. For making your workers being more effective at work, their salary must be straightly connected to the results they bring to company. Such components in wage are Key Performance Indicators (KPI) and they were created to demonstrate the actual efficiency of each worker.

It is essential not only for entrepreneurs to know the efficiency of their staff, but for workers themselves. Currently the situation when staff get low wage due to low profit of the establishment is not rarely appearing. Employees should receive fair compensation that correlates to level of their effort.

- Being an effective team leader

Having accumulated extensive experience within the service industry, we have observed a significant number of managers who possess a limited understanding of how frontline employees organize their work and the rationale behind these processes. One of the most critical mistakes entrepreneurs commit is the recruitment of leaders who do not comprehend the structure of daily operations. Moreover, such managers are often granted substantial decision-making authority despite their inadequate knowledge, which turns to inefficiency and frustration among the team. These misjudgments can destroy established workflows, leading to employee dissatisfaction, increased turnover rates, and, in some instances, workplace strikes.

- The importance of theoretical knowledge

As the adage says, "Practice is impossible without theory," and it just states the fact. To reach excellence in management, it is critically important to understand the role of the strong material base to lean on. That means even after reaching the leadership position, the essentiality in dividing a significant part of time to learn more still exists. The sphere of service is an industry that requires permanent relearning of already well-known things because it changes regularly. It happens mostly due to the society's development and increasing the basic standards. To put the matter in a nutshell, keep abreast.

- Job instructions

We would like to highlight the common confusion regarding responsibilities in the workplace, when the team loses control and understanding of how to act is absent. To reduce the appearance of such circumstances, each position must involve an instruction. It consists of the rights and responsibilities required. Such regulation can clearly divide the sphere of influence at the establishment and determine fixed people who are responsible for results in this or that area. In this way workers will understand that their contributions are obvious to managers and leaders, which will motivate them to be more stable and responsible during completing their working tasks.

- Implementing system in process

Lots of establishments are losing their potential due to the lack of monitoring during the working process. One great phrase exists: "Businesses aren't dying in one day", that means all can be prevented, if noticed on its beginning. That is why it is essential to create a system of reports from each sector in your business, starting from sales and finishing with the toilet-cleaning schedule. All those things must be under the control of the manager above. Only after restructuring your business to have a well-organized system will each deviation be easy to reveal. One of the great instruments to reach that goal is creating spreadsheets for different aspects of the work of the establishment.

- Maintaining subordination

Companies with a modern attitude to communication between worker and leader propagandize blurring fixed job borders to reach a more comfortable working environment. Practically, that makes staff forget about the existence of subordination and opens for them a field of opportunities to neglect their responsibilities and take advantage of personal relationships with managers. Such attitude towards subordination works for better a little less often than we see the star falls. We strongly believe that to be an effective team, it is enough just to have fair and direct communication with each other. It is also important for such interaction to be warm for feeling comfortable during working hours.

- Team buildings

To create a highly professional team with a great understanding of each other while talking about work issues, staff must have time to interact out of work. This will be a good opportunity for them to know each other better and make a special connection. It is important to mention that such a decision will be effective only if HR hires people with common values and interests. But, to be honest, despite it takes a lot of time to collect certain people, it worths each effort. As a result, you get a professional team, tightly connected to each other, and it's priceless.

- Corporate culture

For candidates to understand if they want to try themselves at certain establishment, it's valuables and goals must be clearly demonstrated at all social sources. Such things are a part of corporate culture, and they appear during the work experience of the company. Owners, in cooperation with marketing management, decide which valuables are suitable to transmit. Based on this data, the establishment gathers its target audience, who understand the value of the product, and candidates, who respect and support the whole mission. That is why corporate culture is an underestimated tool for managing staff's behavior. Just set the list of importance

for each person working at the company and it will definitely help to find people with same thoughts.

Each of the discussed principles of effective management contributes to reducing staff turnover, enhancing productivity, and minimizing unexpected expenses associated with training new employees. In the hotel and restaurant industry, in particular, efficient team management can be a critical factor in achieving long-term stability and profitability.

Managing services also comes with its own set of challenges, such as:

- High consumer expectations and personalized demands;
- Managing service failures and complaints;
- Balancing cost control with service quality;
- Recruiting and retaining skilled employees.

Overcoming these challenges requires a proactive approach, strategic thinking, and a commitment to excellence at all levels of the organization.

### Conclusions

Summing up the analysis results, effective management in the sphere of service is a multidimensional task that blends leadership, innovation, human resource development and operational excellence. As service industries continue to grow and evolve, the role of skilled managers becomes even more critical. By placing the consumer at the center and investing in people and processes, organizations can thrive in the competitive service landscape and deliver meaningful value to their stakeholders.

All things considered, the tendency of reaching the managing science today must become more popular in the world. Completing the presented collective image among managers can give a powerful push to the development of the whole industry and will help to realize all creative concepts people throw back due to meeting difficulties during realization. That can definitely make the sphere of service much more vivid and raise the standards, our guests want to get unforgettable experience from, for us to have motivation in improving.

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