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Top-down or bottom-up?

All businesses need good management, and one important principle that managers follow is 'focus on the customer'. It is obvious that this tendency has to be even stronger in THE (tourism, hospitality and events) organizations, given their service-based nature.

Many writers seem to agree that in tourism, as in any other business, management takes place at three levels: strategic, tactical and operational. Strategic decisions are long-term, affect the whole organization and are made by senior managers. They are complex and based on uncertain information. Tactical decisions are focused on how to implement strategic decisions. They are medium-term, made by heads of business units, and affect parts of the organization. Operational decisions are concerned with short-term aims and day-to-day management. Although in most industries junior managers or supervisors tend to make operational decisions, Evans (2019) points out that 'in ... THE organizations, the situation is often somewhat different. Service delivery is of prime importance to service-level companies, and consequently relatively senior staff can often be involved to some degree in operational decision-making.' (p. 23).

It appears to be the case that, despite sharing general principles, tourism and hospitality organizations structure themselves in many different ways depending on where they are, what size they are and what they offer. Some, especially large hotel chains, will often adopt a traditional top-down style, with a general manager and a management team representing human resources, finance, operations, marketing, IT, legal, etc. However, many smaller businesses, like the resort described below, opt for a different solution altogether, which Briedenhann and Wickens (2007) define as 'empowerment and progressive capacity-building of local people into management positions' (as cited in Richards, 2007, p. 88). Some companies adopt one management style or the other, while others seem to combine the two.

Murphy and Murphy (2004) claim that pulling 'the various industry and community components together to form an approved and competitive community tourism product will be fundamental to the success of a destination' (pp. 405–6). They go on to say that this process needs good management in the form of leadership. Fyall and Garrod (2019), however, acknowledge that tourist destinations are 'notoriously difficult to manage due to their complex systems of stakeholders. Such complexity implies that destinations are driven by a wide range of forces in their internal and external environments.' (p. 165).

Leiper (1995) describes how the manager of a Pacific resort changed the way it was run and the roles of the employees. He changed a resort hotel with more than 100 accommodation units into eight small hotels arranged around shared facilities (front desk, pool and restaurants) and allowed the new hotels to be operated without GM supervision or line managers. In doing so, the owner combined two management theories. The first is that 'breaking up big organizations in small teams can enhance productivity and quality' (Leiper, 1995, p. 272). The second is that 'empowering workers, giving them the right to make decisions on matters which might otherwise require managerial authority, can enhance quality and encourage commitment from employees' (Leiper, 1995, p. 272).

In recent years, many writers have claimed that decentralizing management has a positive effect on the success of a business, but not all the evidence supports that belief. For example, Leiper's 1995 study found that the resort experienced considerable managerial difficulty. This was partly caused by managers who could not adapt to a new role which required them to coach rather than manage. Also, workers found it difficult to deal with the new responsibilities. Much of the data in that study suggests that, paradoxically, empowerment is a strategy that needs strict management.

Hales (2005) talks about tourism initiatives that show three characteristics: 'first, a shift away from centralized, process-oriented bureaucracies to more decentralized, performance-driven management structures; secondly, a shift away from fragmented, standardized operating systems to more ... integrated forms of working where there is greater employee involvement and empowerment; thirdly, a change in the role of managers' (as cited in Buhalis and Costa, 2005, p. 87).

However, as Evans, et al. (2003) assert, in 'all industries ... some organizations are more successful than others. This is as true for ... travel and tourism as for any other industry. The best performers ... possess something special that weaker competitors do not have and this enables them to outperform their rivals.' (p. 48). After all, even very large companies start small, as can be seen in the case of the Hilton brand. Its development has been astonishing, from an insignificant one-hotel operation in 1919 to a gigantic global brand a century later (Hilton, 2019).

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Answers

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