Saimaa University of Applied Sciences
Business and Culture, Imatra
Faculty of Tourism and Hospitality
Degree Programme in Tourism

Penelope Bardis

Strategic Management in a Hotel

Thesis 2012

Abstract

Penelope Bardis
Strategic Management in a Hotel, 50 pages, 1 appendix
Saimaa University of Applied Sciences
Business and Culture, Imatra
Degree Programme in Tourism
Bachelor's Thesis 2012
Instructor: Samuli Nikkanen, Senior Lecturer, Saimaa University of Applied Sciences

The aim of this research was to observe features and factors that affect a hospitality industry organization. In particular, the researched organization was a big hotel situated in Corfu, Greece. The purpose was to examine issues that affect the hotel's operation, create a simple strategic analysis through basic tools used in strategic management, determine strengths and weaknesses of the hotel and study what external factors influence the hotel immediately.

The theoretical part of the thesis consists of information about tourism and tourism accommodation, strategic management in the tourism industry and strategic analysis. The empirical part is based on interviews of the employees of the hotel and observations of the researcher. Analysis of the answers was divided into SWOT-analysis, external situation analysis and PESTE analysis.

The final results of the research show that, generally, the hotel is maintaining a good service and image. Some minor things should be taken into account mostly about the hotel's organizational structure and interactions. The management style of the hotel was what most of the employees wanted to change and also the quality of the premises. The structure of the organization seemed to be a very important aspect for the employees and their answers showed that it is one of the key factors that influence their performance.

Keywords: strategic management, hotel industry, SWOT, strategic analysis, PESTE

Penelope Bardis
Strateginen johtaminen hotellissa, 50 sivua, 1 liite
Saimaan ammattikorkeakoulu
Liiketoiminta ja kulttuuri, Imatra
Majoitus- ja ravitsemisala
Matkailun koulutusohjelma
Opinnäytetyö 2012
Ohjaaja: Samuli Nikkanen, lehtori, Saimaan ammattikorkeakoulu

Tämän tutkimuksen tarkoituksena oli ottaa selvää erilaisten yksityiskohtien ja tekijöiden vaikutuksista matkailualan organisaatiossa. Tässä tutkittu organisaatio oli Korfun saarella Kreikassa sijaitseva suuri hotelli. Tarkoitus oli tutkia asioita jotka vaikuttavat hotellin toimintaan, luoda perustyökalujen avulla yksinkertainen strateginen analyysi ja eritellä hotellin vahvuuksia ja heikkouksia. Lisäksi oli tutkittava niitä ulkoisia tekijöitä, joilla on suora vaikutus hotelliin.

Opinnäytetyön teoreettinen osa sisältää informaatiota matkailu- ja majoitusalasta, strategisesta hallinnosta matkailualalla ja strategisesta analyysista. Empiirinen osa puolestaan perustuu hotellin työntekijöiden haastatteluihin ja tutkijan omiin havaintoihin. Vastaukset jaettiin SWOT-analyysiin, ulkoisen toimintaympäristön analyysiin ja PESTE analyysiin.

Tutkimuksen lopulliset tulokset osoittavat, että hotelli ylläpitää hyvää palvelua ja imagoa. Kuitenkin muutamia pieniä asioita tulisi ottaa huomioon, liittyen organisaation rakenteeseen ja vuorovaikutukseen. Työntekijöiden mielipiteen mukaan hotellin johtamisessa ja tilojen laadussa olisi eniten parannettavaa. Organisaation rakenne osoittautui todella tärkeäksi työntekijöille. Heidän vastauksensa osoittivatkin sen olevan yksi tärkeimmistä tekijöistä, jotka vaikuttavat heidän suoritukseensa työpaikalla.

Asiasanat: strateginen johtaminen, hotelliala, SWOT, strateginen analyysi, PESTE

CONTENTS

1 Introduction

Strategy as a whole has always been important whether the organization is big or small. Every entrepreneur has to plan ahead in order for the organization to succeed. Short and long term objectives are the main points in a strategy .So when talking about strategy two questions can be raised; "What is our target?" and "How to achieve it? ".

While making a strategy, many factors have to be taken into account. Some of them are external, other internal. So, in addition to the above question one more can be added; "What factors have to be taken into account?".

The basis of this thesis has been the hotel in which I worked and the curiosity of seeing what a strategic plan includes and how it works in a constantly changing environment.

1.1 Reasons for the thesis

I have been very interested in company strategies and the impact they have on the organization in general, so this is a good opportunity to gain knowledge in the theme and develop my own knowledge in the matter. I can also apply theoretical aspects of strategies learned during courses.

Strategic management is nowadays getting more and more vital for organizations due to a lot of competition and a wide range of services for the customer to choose from. During the economic crisis around the world, many companies change their way of thinking and way of planning the future to adapt to the current situation. It is interesting to see if an organization, in this industry, has taken into account all the possible factors influencing its strategy and if it has identified the constant changes. This does not necessarily mean that all organizations are obliged to do a strategy. There is also the possibility that an organization has not been able or is not interested in making a strategy. Even if they have a strategy, it is not always sure that they use it correctly or have taken into account all the possible factors. This thesis is going through all the reachable factors and simple techniques to analyze the hotel's partial strategy.

Aim of this thesis is to examine closely the factors influencing an organization's strategy in the hospitality industry. In particular the thesis will focus on a hotel's environmental scanning and total effectiveness, both of which are methods for a strategic analysis. This will help them identify possible factors not acknowledged before and find possible loopholes in their current strategy.

1.2 Delimitations and research methods

Strategy and strategic analyses can be a very broad subject. So the theoretical part presents tourism and strategic management from hospitality industry's point of view. Basics of tourism and hotels are presented but the emphasis is given on how a strategic analysis is made, what challenges there are when making a strategic analysis for a company and what different kind of analyses there are. The theoretical part also includes an environmental scanning, which is one form of analysis.

The internal analysis is the empirical part of the thesis and focuses on the hotel's total effectiveness. It includes: structure of the organization, resources, recompensing system, knowledge, managerial manners, organization culture, ability to change, interaction abilities.

As a research method for the empirical part, hotel staff members are interviewed with a semi-structured questionnaire. This is a qualitative research so the quality of the answers is more important than the number of answers. The interviews are conducted in person at a place convenient to the interviewees during April 2012.

1.3 The Hotel

The company I am focusing on is a hotel in Corfu, Greece. It is a part of the Greek hotel chain that has hotels in various destinations around Greece. It is a four-star hotel, situated in the northern area of Corfu Island, right next to Dassia Beach. The capacity is 213 rooms divided into rooms in the main building and bungalows and villas along the seashore.

The main business idea of the hotel is to provide accommodation to the customers but it also has a wide range of other services, too; restaurant, fitness center, spa, sports, entertainment, hairdresser, conference facilities. I will only focus on the strategy of this particular branch not on the chain in general.

2 Tourism

Tourism may be defined as the processes, activities and outcomes arising from the relationships and the interactions among tourists, tourism suppliers, host governments, host communities and surrounding environments that are involved in the attracting and hosting visitors. It is a composite of activities, services and industries that deliver a travel experience: transportation, accommodations, eating and drinking establishments, shops, entertainment, activity facilities and other hospitality services available for individuals or groups traveling away from home. (Goeldner & Richie 2009.)

2.1 Definition of tourism

Tourism is really hard to define in just a few words. It has many different sectors and may not be accepted world-widely the same. There have been many definitions for it during the last years as it has become more and more popular. One simple description for tourism is that tourism is what tourists do. As said in "General guidelines for the development of foreign direct investment indicators on the tourism sector: "*Tourism is defined as the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.*" This is the official definition given by the United Nations World Tourism Organization (2004) first published in "Recommendations on Tourism Statistics" and it is accepted by most authorities around the globe. (World Tourism Organization 2005.)

The term "usual environment" used in the definition of the UNWTO refers to places outside residence or usual working trips. Tourism can be divided into four categories; international tourism, internal tourism, domestic tourism and national tourism. International tourism has two subcategories; inbound, which is traveling to a different country than your domicile and outbound which is travels of citizens to a country from another country. Internal tourism, travels of a country by both citizens and non-citizens. Domestic tourism is travels of citizens within their own country and national tourism which is the combination of both outbound and internal tourism. (Goeldner & Richie 2009.)

In 2010 the estimation was that about 251.6 million were employed in the tourism industry. The World Travel and Tourism Council (WTTC) have said that a large number of the employees are female and young people. Also many of the jobs are part time and seasonal. Characteristics of the industry are: low pay, low levels of training, difficulties in recruitment, high staff turnover rates, big number of part-time and seasonal workers, young employees and large number of females. (Evans, Campbell, Stonehouse 2003, p. 72.)

2.2 Definition of tourist

For the definition of tourist it is needed to understand tourism and what it includes. An exact definition cannot be given and tourists can be of different kinds. The starting point is to see what the tourist wants; purpose of the trip and if it is international or domestic. Nowadays it is relatively easy to travel and international traveling is almost as easy as domestic. International tourism usually requires visas and currency exchange but as globalization is more and more part of everyday life, in some parts of the world these are not an issue anymore, for example within the European Union.

There are many purposes for a trip. Considering the fact that we live in a very diverse world, each individual has a big variety to choose from. The most common purposes are leisure, sports and recreation and friends and family. Other purposes include business and professional such as meetings and conferences, and health related or study. There are numerous methods to give a classification to a tourist. These classifications take into account their habits, ways of lifestyle and consumer behavior. Age, sex, education, occupation, income, family status are some ways to classify tourists. Of course the tourist may have a special bond with or interest in the destination. (Cooper, Fletcher, Gilbert, Shepherd and Wanhill 1999, p. 11 – 15.)

3 Housing

Whenever traveling to another place or country, tourists will need a place to stay at their destination. The idea is that the tourist-guest pays a certain amount - agreed beforehand or when going to a hotel - in exchange of services and accommodation. It is the largest and most global subsector of the hospitality industry. It is also very important in developing tourism at a certain location and has a huge impact on the range and quality of the visitors.

Others subsectors included in the hospitality sector are: hotels, restaurants, cafes, night clubs, food bars, pubs, camping sites, canteens, short stay accommodation, university accommodation provisions and different catering services. The hotel sector is the most significant part of the hospitality sector because it is where tourists spend most of the time during a trip. It is the place where the purpose of traveling can be completed for example business meeting and conferences. (Page 2009)

3.1 Accommodation as a product

Accommodation sector has been listed by many as product. But it rarely stands on its own. Usually accommodation is a part of a bigger tourism product. There are many factors that influence the customers' decision to choose a particular establishment . Mostly the factors are in relation to the strategy and concept of the accommodation service. The figure 1 below shows these factors.
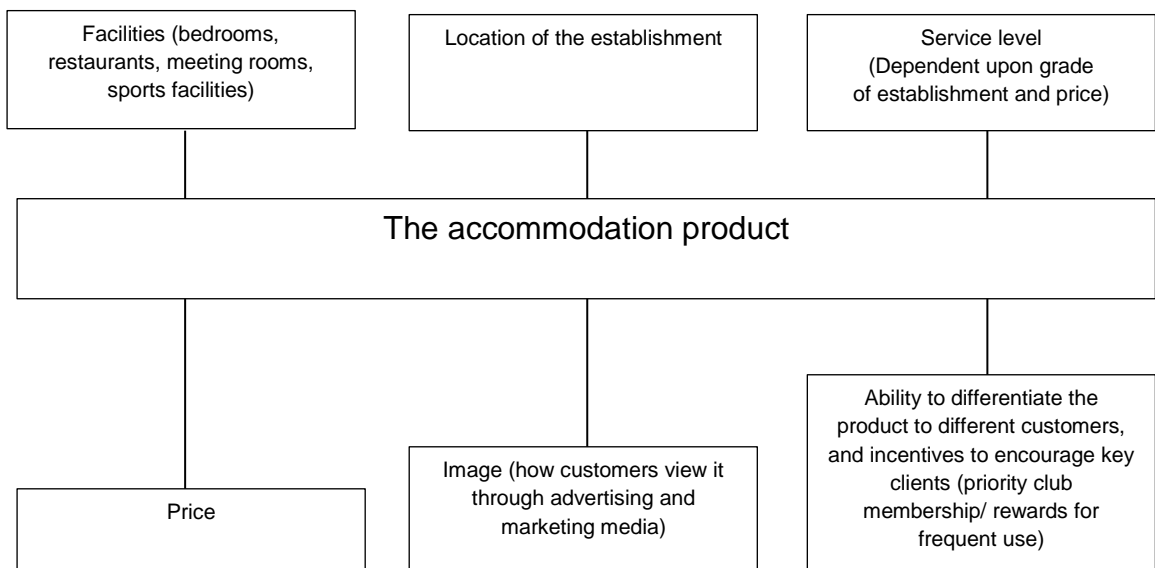
Facilities (bedrooms, restaurants, meeting rooms, sports facilities)	Location of the establishment	Service level (Dependent upon grade of establishment and price)

The accommodation product

Price	Image (how customers view it through advertising and marketing media)	Ability to differentiate the product to different customers, and incentives to encourage key clients (priority club membership/ rewards for frequent use)

Figure 1. "Accommodation as a product" (Page 2009 p. 261)

The factors influencing the accommodation as a product are very closely linked with the concept of the accommodation company itself. That is why each company will focus on certain services that they want to stand out so to determine their customer segmentation and hotel classification.

The accommodation sector through the years has also been getting wider and wider. Tourist demands have increased significantly so accommodation services have to follow through. Nowadays most tourists choose their hotel or other accommodation form not only with the accommodation in mind. Additional services and products have a great impact on the decision. These may include services within the hotel such as: gym, spa, food and drink, the training level of the staff. Intangible things like the atmosphere and the image of the hotel are very important, too.

3.2 Types of hotels

As said before, there are many different forms of housing in the accommodation sector. They can be defined into hotels, guesthouses, bed and breakfasts, farmhouse accommodation, inns, self-catering accommodation (apartments, cottages, gîtes which are self-catering type of accommodation where the owner lives close so to provide assistance), campus accommodation, time-share,

youth accommodation, camping and caravan sites, medical facility accommodation, cruise liners and ferries, trains and aircraft and finally visiting friends and relatives. (Cooper et al. 1999.)

Hotels are undoubtedly the most significant and prosperous type of accommodation. The length of the visitors' stay in a hotel may vary between one night to even a month's stay. Expectations are accordingly demanding, some people just want a place to sleep and others want an all-inclusive luxurious holiday. To answer all those demands, there are different types of hotels for example resorts, luxury, commercial and many more. (Medlik & Ingram 2000.)

Commercial hotels

These hotels are located within the city center and their services are usually targeted towards business travelers and travelers wanting to get to know the city and get back to the hotel easily.

Residential hotels

This type of hotel is usually targeted towards people staying for a longer period of time, for example business travelers. They do not focus on tourists although some of them may have a small amount of rooms for short time customers.

Transit hotels

This type serves as just a stop for the customers. There are two types of transit hotels: airport and motorway hotels, located either near an airport (or inside an airport as in Helsinki Vantaa) or a motorway. These are not final destination accommodations but designed to please the customers' needs on their way to their final destinations.

Resort Hotels

Resorts are the most rapidly growing type of hotel. It is not only the hotel that matters, the surroundings also have to be attractive. It offers a great deal of services including entertainment, recreational activities and more. The idea is that anything the guest wants can be found within the resort. Typical for this

type of hotel is the all-inclusive idea, which allows the guests to enjoy all kinds of services without needing to leave the premises. (Medlik & Ingram 2000 p. 10-13.)

4 Strategy

"Strategy is the pattern of objectives, purposes, or goals and the major policies and plans for achieving these goals, stated in such a way to define what business the company is in or is to be in and the kind of company it is or is to be" (Kenneth Andrews, 1980).

4.1 Definition of strategy

When talking about strategy in a business, it means winning. Strategy is the general uniting theme that leads to actions and decisions within an organization, a group or even to an individual. It does not give straight lines and instructions for planning. Generally strategy is the plan of how the organization will achieve its targeted goals and how the organization will survive and be prosperous.

The concept of business strategy derives from the military strategy. As the military needs plans and coordination for different decisions so do organizations in all industries to achieve goals. Decisions concerning strategy are difficult to change because everything is linked together. If one thing is changed the whole strategy must be either changed of altered. They require a lot of resources as the whole operation of the organization is based on its strategy and finally they are very important and have to be carefully planned. There are two stages of strategy in an organization: corporate strategy which defines the strategies in which an organization has competition. This includes investments, integrations and divestments. Business strategy, also referred to as competitive strategy defines how an organization behaves within an industry. It has to have an advantage over competitors to gain profit. Figure 2 shows the levels of strategy within an organization and how it affects the structure of the company.
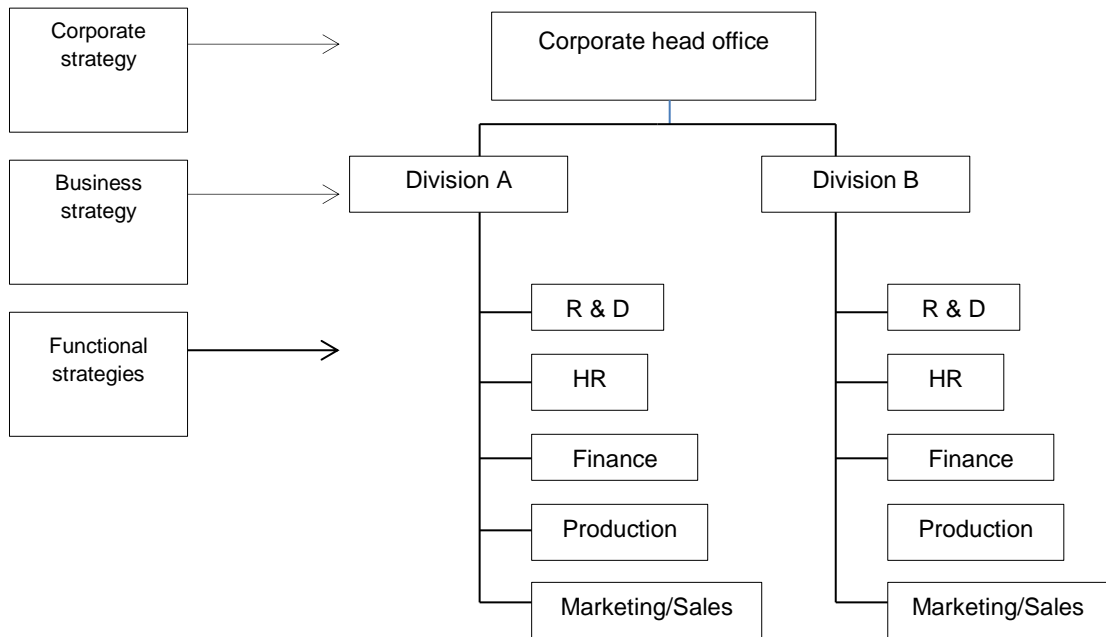
Figure 2. Levels of strategy and organizational structure (Grant 2005, p. 23)

Top management and corporate strategy staff are in charge of corporate strategy. Divisional management is responsible for business strategy. The difference between business strategy and corporate strategy applies to the most of large companies' organizational structure. (Grant 2005)

According to Evans et al (2003) the word strategy can be used in many different ways and not for a single purpose. Mintzberg's five P's are: a perspective, a position in respect to others, a ploy, a plan and a pattern of behavior. All these should be examined separately and it is possible for a company to use more than one of the explanations. A plan is what most use as an explanation for strategy, a ploy is usually a short-term strategy, a pattern behavior is typically when progress happens after adapting certain patterns of behavior, position is when the company focuses mostly on how it is positioned to its competitors and perspective strategy is about changing the culture and behavior of the company's members. (Evans et al 2003 p. 9-11.)

4.2 Making a strategy

"Strategic marketing planning involves careful analysis of an organization's environment, its competitors and its internal strengths, in order to develop a sustainable plan of action which will develop the organization's competitive advantage and maximize its performance within given resource availability (Ranchhod and Gurau 2008).

To make a strategy for an organization is not easy. There are a lot of things to take into consideration when compiling a strategy, for example the environment, the internal culture of the organization, the competitors, and the target goals. Mintzberg divided strategy into three subcategories: intended, realized and emerged. Intended is the strategy that the top management of an organization visualizes. It encloses negotiations and bargaining methods that involve a lot of people within the organization. Realized strategy is a part of the top management's intended strategy and it is the one that is carried out. Emergent strategy comes from the interpretation of intended strategy and adapted to the constant changes in the environment. (Grant 2005.)

When planning a strategy, the whole organization is involved. The top management gives guidelines and orders to their workers and the local businesses pass on to the top corporates their plans if they are part of a franchise businesses. It is very important when planning a strategy to have established certain stability in their environment. This way, the strategy will be more detailed and will give more positive results. (Grant 2005.)

Strategy is an important part of organization's management. It has quite a lot of purposes from which three are the most important: a decision support, a target and a coordination support. As a decision support, it helps put into guidelines decisions made within the organization and so improves the quality of decision making. As a target it gives certain disciplines which to follow and gives certain goal towards which the operation of the organization has to go. Finally, as a coordination support, it helps create a certain coordination of individuals' actions within big organizations. (Grant 2005.)

4.3 Mission, vision and values

For a company, it is vital to know what it stands for, the purpose of it and what their strategy consists of and works for. To start a company and make a strategy for it, one must answer the question of why do we need this company? This is where mission and vision come to answer these. They state what the purpose of the company's operation is and outline the company's main business. (Grant 2005, p. 61.)

Mission is often in the form of a formal statement that helps for example deliver the company's business idea to the stakeholders. It can be seen in very simple and multiple places such as framed in a company's offices, employees' business cards and promotional advertisements. (Evans et al. 2003.)

Vision is what the company visualizes to do in the future and what its goals are. Vision also includes a view of the organization's future developments. One way of doing it, is to write a clear description of the intentions. Values have a very big effect on the company's strategic management. They are tightly attached with what the company represents, what it wants to accomplish and how it will do it. (Grant 2005.)

5 Strategic analysis

Strategic analyses are a relatively new concept within the strategic management, as is the whole concept of strategy management altogether. Analysis does not give straight guidelines as to what to do to succeed but it gives a deeper look into the industry and the operation of the organization, which in turn helps management make decision towards success. It should be carried through when planning a strategy for an organization so as to recognize the factors influencing the organization's profitability. Analysis can be divided into two categories: external and internal analysis. In addition external and internal analysis can be divided into macro-environmental and micro-environmental. (Middleton, Fyall, Morgan, Ranchhod 2009.)

5.1 External analysis

The company's external environment analysis is said to be a lot more difficult than the analysis of the internal environment. This is because it includes all the factors outside the organization that can influence its operations. As mentioned in the previous paragraph, the external environment can be divided into macro-environmental analysis and micro-environmental analysis: macro level analysis deals with the external environment of the organization, global issues that affect the business not only in this particular organization but the whole industry too. In contrast, the micro level examines the organization's own factors that influence its operation, customers and competitors.

5.1.1 Macro environmental analysis, PESTE analysis

This type of analysis is also called remote or far environment because it cannot be influenced or changed. For managers, it is vital to be aware of these kinds of factors so they will be able to react when necessary. What is also significant is for them to be able to separate what is important for the organization and keep it in the analysis and what not to pay so much attention. Most companies use the PESTE (or STEEP) approach. In this, the influences are divided into five subcategories; political, economic, social, technological and environmental. Especially for travel and tourism, Moutinho(2000) along with Peattie in the book 'Strategic Management in Tourism' , have created a framework, similar to the PESTE, that they called the SCEPTICAL analysis. It stands for: social, cultural, economic, physical, technical, international, communications and infrastructure, administrative and institutional and legal and political. Figure 3 below shows clearly they PESTE environment and what each sector includes.(Evans et al. 2003, p.155,156).

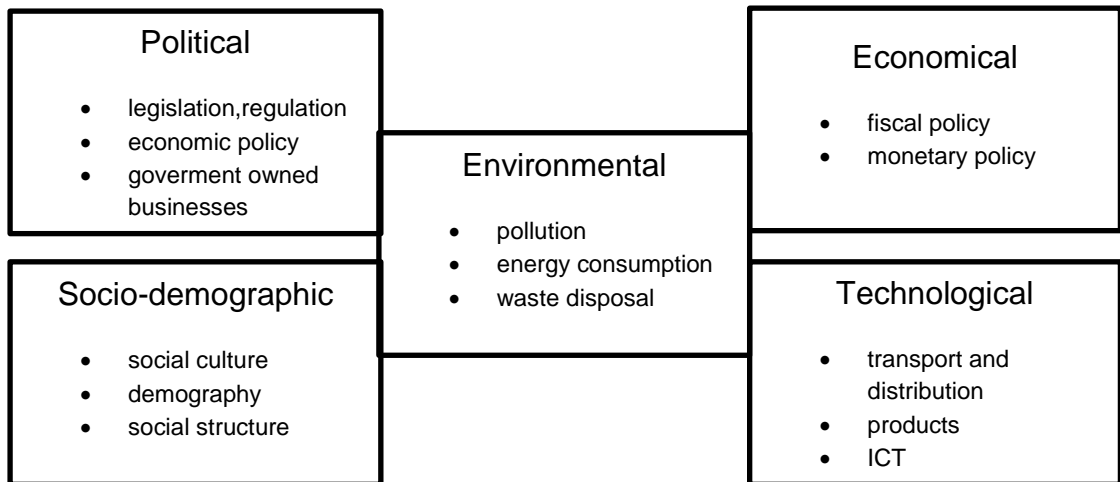| Political		Economical
• legislation,regulation • economic policy • goverment owned businesses	Environmental • pollution • energy consumption • waste disposal	• fiscal policy • monetary policy
Socio-demographic • social culture • demography • social structure		Technological • transport and distribution • products • ICT

Figure 3. the PESTE analysis framework.

Each sector in this analysis contains many subsectors. Fiscal and monetary policies that deal with governmental economies are very wide and need special attention from the organizations' managers so as to identify the correct ones that influence the company's operations.

When a PESTE analysis framework is used in a company's strategic planning, it is usually done in four steps: firstly scanning the macro-environment for changes in the political, economic, social, technological and environmental factors, secondly calculating the importance of the changes for the industry and the business, thirdly analyzing them deeper and understanding the possible similarities and connections between them and finally assessing the influence of these particular changes to the industry and the business itself. Managers should also examine how each factor impacts the organization's internal parts, the markets and the industry in which the organization is competing. (Evans et al. 2003, p.157-168.)

5.1.2 Microenvironment, Porter's five forces of competition

Microenvironment usually consists of the influences within the organization's industry. It may have some influence on it, depending on the level of the business. Mostly this environment consists of the customers, competitors and suppliers. Even though it is quite difficult to give a clear definition for industry, According to Evans et al.(2003), Michael Porter defined it as a group of businesses whose products are very similar. The organization must be able to analyze its competitive environment so as to be able to make a good strategy. This will help it know more about its customers, find new markets, identify possible threats from known competitors but also discover new ones and know its resource markets. (Evans et al. 2003, p. 171-173.)

Competitive analysis helps the business to gain a position in the industry with its products. Industrial organization determines the profitability within an industry and helps to build a structure to the competition. An industry can be structured into four different forms: perfect competition, oligopoly, duopoly and monopoly. Monopoly is formed when only one firm exists and there are high barriers for new entrants. Duopoly is when there are two firms within an industry and the barriers are quite high. When a few firms create an industry and the barriers created for new entrants are significantly high, it is called oligopoly and finally perfect competition means there are many firms, no barriers at all and any firm can enter the industry. (Grant 2005, p. 73.)

Michael Porter developed in 1980 a framework which helps analyze the competition within an industry. This frame work is called: Porter's five forces of competition. In this he said that there are five forces that control the competition within an industry. The five forces are: the rivalry of the businesses within an industry, the power of suppliers, the power of buyers, the threat of new entrants and the threat of substitutes. The figure 4 below shows the Porter's five forces framework and what each forces includes.

```
┌─────────────────────────────┐          ┌─────────────────────────────┐
│ THREAT OF NEW               │          │ THREAT OF SUBSTITUTES       │
│ ENTRANTS                    │          │                             │
│                             │          │   •  buyer propensity to    │
│   •  capital requirements   │          │      substitute             │
│   •  economies of scale     │          │   •  relative prices and    │
│   •  absolute cost          │          │      performance of         │
│      advantage              │          │      substitutes            │
│   •  product differentiation│          └─────────────────────────────┘
│   •  accessibility to       │                        │
│      distribution channels  │                        ▼
│   •  barriers by            │          ┌─────────────────────────────┐
│      government             │─────────▶│ INDUSTRY RIVALRY            │
│   •  retaliation by existing│          │                             │
│      produsers              │          │   •  cost conditions        │
└─────────────────────────────┘          │   •  exit barriers          │
                                         │   •  diversity of           │
┌─────────────────────────────┐          │      competitors            │
│ POWER OF SUPPLIERS          │          │   •  concentration          │
│                             │─────────▶└─────────────────────────────┘
│   •  the bargaining power   │                        ▲
│      of suppliers  in relation                       │
│      to producers is similar│          ┌─────────────────────────────┐
│      to the relationship    │          │ POWER OF BUYERS             │
│      between producers      │          │                             │
│      and buyers             │          │   •  competition between buyers│
└─────────────────────────────┘          │   •  product differentiation│
                                         │   •  cost  of product in relation to total cost│
                                         │   •  size of buyers in relation to producers│
                                         │   •  buyers' information    │
                                         │   •  buyers' ability to integrate backwards│
                                         │   •  buyers' switching costs│
                                         └─────────────────────────────┘
```
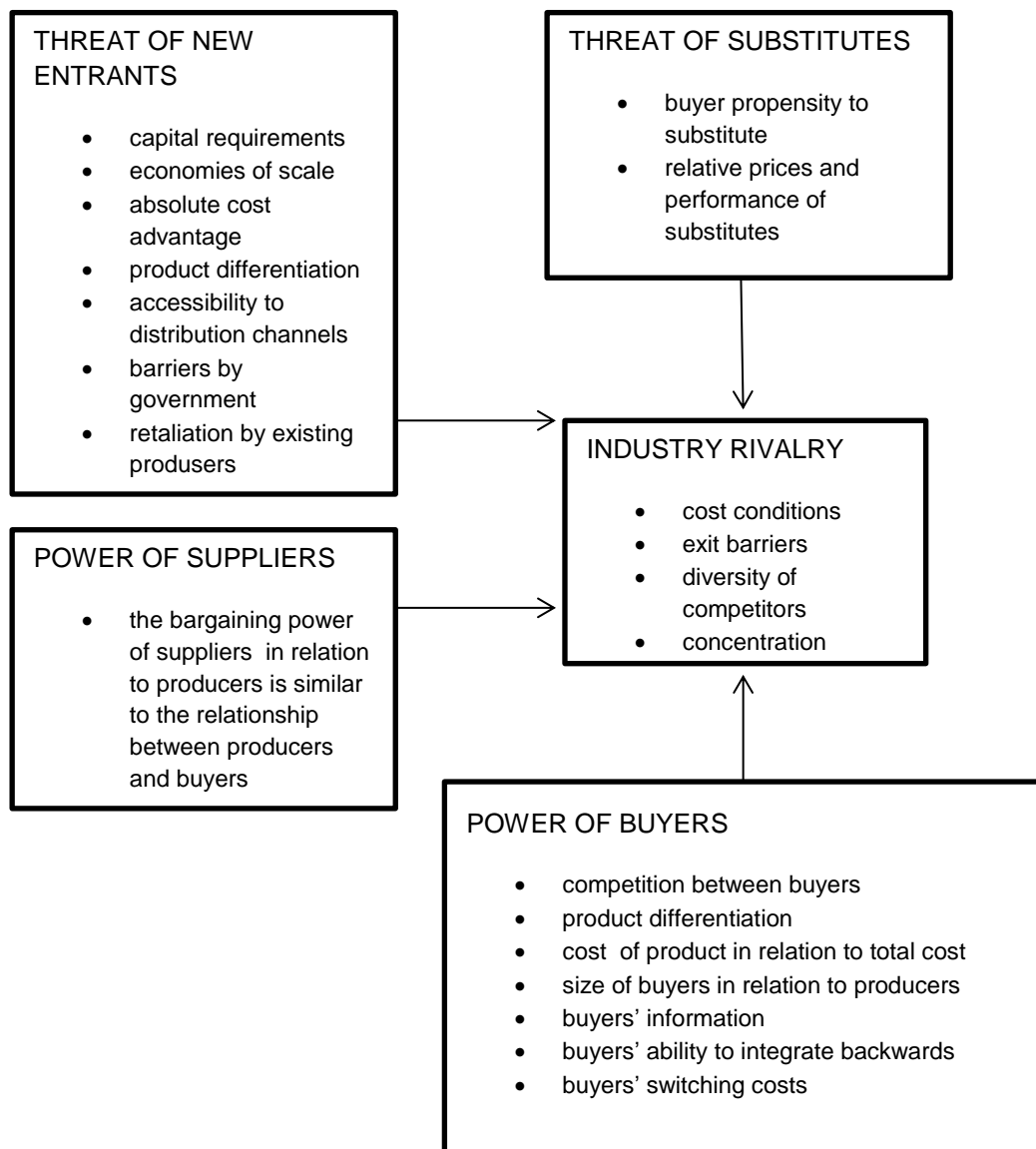
Figure 4. Porter's Five Forces of Competition Framework

This framework is a very good starting point for anyone who wants to identify the competition forces within an industry. However it has been said that is has certain limitations: it suggests that suppliers, buyers and competitors are a threat to the business, it says that this framework applies to all competitors in an industry which probably is not the case and Porter claims that it assesses profitability in an industry. (Evans et al. 2003.)

5.2 Internal analysis

Previously this thesis focused on the external environment of the organization. This chapter will now go into the internal environment of the firm, about internal analysis that helps the managers understand better their business, valuate previous strategies and gain new information to build new strategies. Reasons to carry out an internal analysis are:

- to get an evaluation of the financial performance,
- to make an evaluation of the products,
- to understand the areas in which the firm is weak and implement them successfully into the future strategy,
- to evaluate activities organized in the firm,
- to find out resources, competences that are to be established.

Some of the most important aspects covered in an internal analysis are: resources, competences, internal activities analyzed with Porter's value chain analysis, financial resources and performances and product positions in the markets. (Evans et al. 2003, p. 45-46.)

5.2.1 Resources, competences and core competences

What is competence? Competence is a group of qualities controlled by all or many of the organizations within an industry. Competences come from resources, human know-how and technology. In order to become above average within an industry, an organization must possess a core competence which is specific to the firm. If an organization has used its competences and resources correctly, a core competence will arise that will help the organization be distinguished in the industry.

Resources can be found in various forms in an organization. They can be tangible: financial, human, physical (buildings, equipment etc.), operational (ships, airplanes etc.) and intangible: legal rights, brand names, registered designs, patents, 'know-how', etc. These help the organization carry out its actions. Travel and tourism industry also has what economists call 'free resources' such as sea, climate, air and culture that are available naturally. Free

resources together with the other resources are what is called in the industry a 'tourist product'. Moreover, tourism has these resources: immobility, substitution, conflict and competition, ownership and control, seasonality, low rewards and time.

There are three ways to analyze resources: by category, by specificity and by performance. By category means you will categorize them into physical resources, financial resources, human resources and intangible resources and then evaluate them quantitatively and qualitatively. Analysis by specificity is when the resources are divided to specific and non-specific. Specific resources are the ones that have specific knowledge or skills and non-specific are usually the ones being the basis of core competences. Finally by performance, when they are measured how they contribute to the internal and external performance of the organization. (Evans et al. 2003.)

In figure 5 on the next page is shown the relationship between resources, capabilities and competitive advantage. The resources will have to be transformed into the organization's capabilities because as themselves they are not productive. Organizational capabilities are basically everything that helps the organization maintain good business and differentiates the organization in the industry. These capabilities and the industry's success factors will have to be taken into account to build a successful strategy. The good use of the capabilities of an organization and the creation of new ones in the strategy will lead to a competitive advantage in the industry. (Grant 2005)
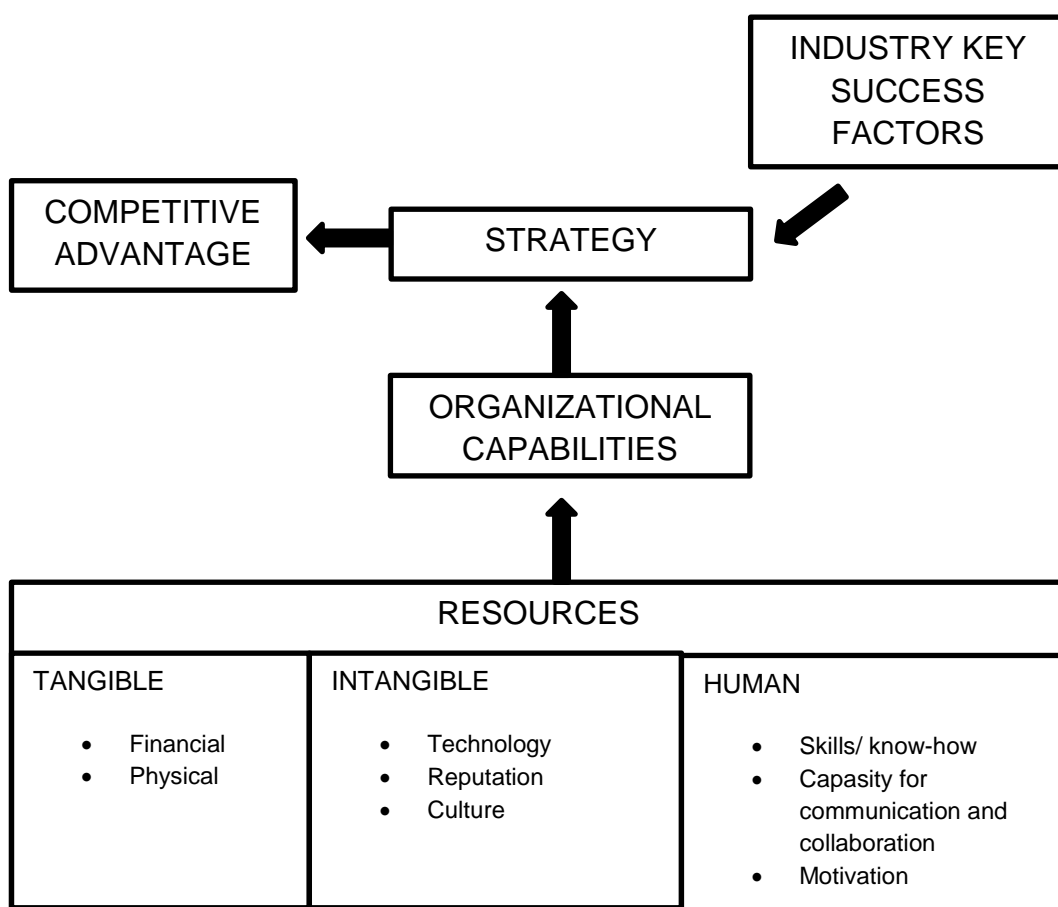
Figure 5. The links among resources, capabilities and competitive advantage (Grant 2005, p. 139)

Another very important part of resources are human resources. They are the skills, knowledge and decision making skills of the employees of an organization. The ability to understand and evaluate the human skills within an organization is complex and takes a lot of time. Over the years, companies have tried to establish a method to evaluate employees' skills and performance. (Grant 2005.)

5.2.2 Organizational culture

Human resources are closely linked with the organization's culture. Human skills need to be in synchronization with the company's situation in order to be able to show its best performance. Internal collaboration is closely affected by the organizations culture. The culture of an organization is its set of values, norms and beliefs. Some of the factors influencing an organization's culture are: the founder's philosophy, structure of the organization, the management style used within the different departments and in general and the nature of the interpersonal relationships and the relationships of the employees. Moreover influencing factors are: nature of the activities the organization is involved with, location of the organization and technology used.

The importance of culture in the organization is significant. It influences various things that are not always thought. Such things are: employees' motivation, creativity, quality of work, morale and goodwill of employees, productivity, employee and industrial relations, attitude of employees at workplace, attractiveness of organization as an employer and so the high rate of turnover. (Evans et al. 2003, p. 79-80.)

To understand better an organization's culture, one should study the cultural web developed by Gerry Johnson. In that web, each element of an organization's culture is presented in a way that shows how they influence one another. That cultural web includes:

- stories that are told within the organization and show what is valued within the organization,
- routines and rituals which are actions carried out every day that finally become essential to the organization,
- symbols which may be the logos, the cars, and positions within the company,
- power structure of the organization and formalities and who makes the decisions,
- control systems show what type of organization it is based on, how tight or loose the control is,

- organizational structures shows who reports to whom and the hierarchy of the organization .

The reaction of the employees to these shows very much the culture of the organization.
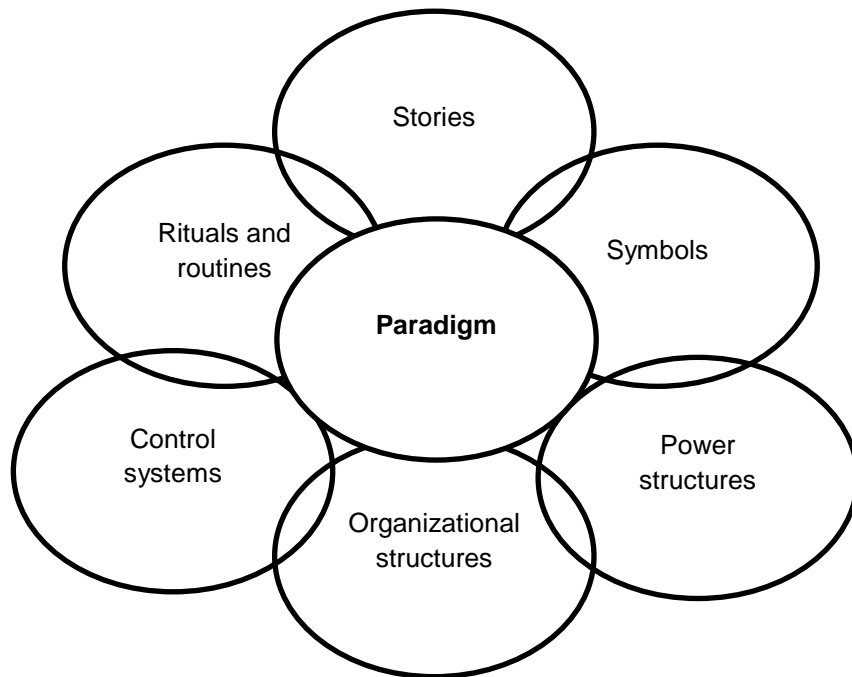

Figure 6. The cultural web (Johnson 2008.)

A paradigm situated in the middle is called a worldview. Generally it means a way of looking the world but in the situation of organizational culture, it is a possible circumstance. All the other elements will react accordingly to each circumstance, depending on what kind of culture exists in the organization. (Capon 2008.)

5.2.3 Situational leadership

A big factor influencing the hotel's performance is what kind of manager or managers are behind each department. The leadership style of a manager affects not only the performance of the employees but also the image of the organization to the customers. There are four major types of leadership according to the situational leadership model: directing, coaching, supporting and delegating. Directing type of a leader will be highly directive but very low in supporting his staff. A coaching leader will be giving both directions and support to his employees. These two types are the ones that give a lot of emphasis on the directive side of leadership. Supporting leadership is, as the word says, when the leader is supporting his staff a lot but not so directive. Finally, a delegating leader will choose to neither support nor direct his workers. These two are the opposite of directing and coaching leadership style and concentrate more on the supportive side of leadership.
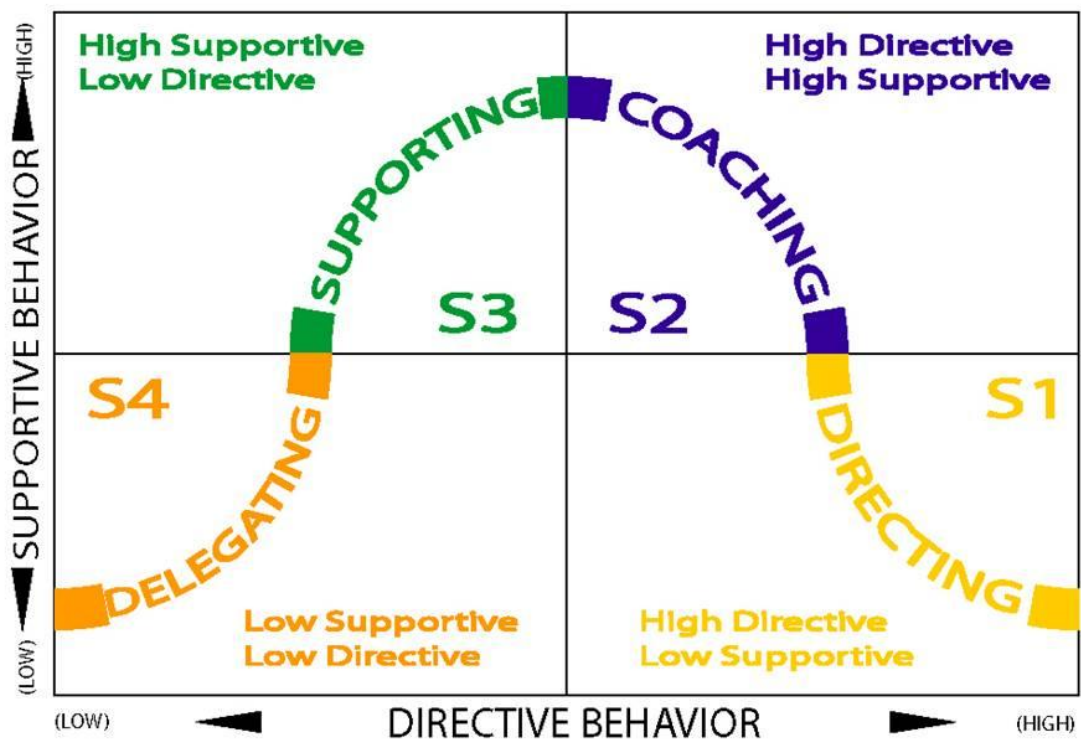

Figure 7. Situational leadership model (Google images)

5.3 SWOT analysis

A SWOT analysis is the most widely used analysis in the world. It consists of four parts: strengths, weaknesses, opportunities and threats. The first two (strengths and weaknesses) are a part of the internal environment of an organization and the last two (opportunities and threats) are part of the external environment of an organization. This is because managers and other leaders of an organization can affect the strengths and weaknesses, whereas the opportunities and threats it may face, such as governmental changes, wars, competition etc., they can do nothing. It is a synthesis of internal and external analyses, which were handled in the previous chapter.

Strengths within an organization are its abilities that make it strong in the industry and help it achieve set goals. These abilities could be a product, a service, a brand or anything that helps it gain advantage over competitors. An absence of certain strengths can be viewed as a weakness. Weaknesses can be of many kinds: poor building constructions, poor staff choice, managers that cause problems, poor vision made by some managers. It can be anything that keeps the organization from building strong front towards competitors. Strategies do not usually depend on weak points of an organization. Opportunities are what the organization identifies as means of achieving goals or helping achieve goals. Finally threats are factors that can cause a delay in achieving goals and objectives. Mostly, everyone sees that threats come from competitors, but they can also come from the government or the society. During the last years, many organizations have changed the way they operate because of big changes in environmental issues and legislation. (Katsioloudes 2006, p. 69-72, 100-103.)

The focus of a SWOT analysis should be on factors that have a great impact on the organization's previous performance, factors influencing the future performance and factors that differentiate the organization from its competitors. Because the outer environment of an organization changes constantly, SWOT analysis cannot be used as a base for permanent conclusions. It is a tool used widely around the world in different situations by managers and students.

6 Research

A research is an inquiry made to understand what organizations and individuals face in their everyday lives, during different situations. Accordingly, a research can be conducted by organizations, groups, individuals and institutions. It can be done for simple everyday aspects and in academic institutions. (Altinay & Paraskevas 2008, p. 1-2.)

6.1 Qualitative and quantitative methods

A research can be conducted with two different kinds of approaches: qualitative approach and quantitative approach. There are many different definitions on those two approaches made by researchers and some of them might be even confusing.

A qualitative research has a multi method focus and more emphasis is given on the quality of the information gathered and not on the number of the answers. The researcher gives more attention to characteristics of events without comparing them in amounts and gives interpretations to words according to what meaning people bring to them. (Thomas 2003, p. 1-2.)

Moreover this approach uses a small number of people as a sample group and the data collected cannot usually be presented in any numerical form. The data collection comes with general and participant observation and in-depth interviewing. (Veal 2006, p. 40.)

A quantitative approach is the opposite of a qualitative. Emphasis is given on measurements and amounts and not so on the interpretation of characteristic of events. This method uses statistical methods and numbers. This type of research requires the research to maintain an objective opinion. (Thomas 2003, p. 1-2.)

Quantitative research needs to use relatively large number of people and often, the use of a computer is necessary in order to be able to analyze the results. In addition to that, quantitative research can be divided into two subcategories: one type of a quantitative research uses statistical methods and tests and the other, although based on numerical information also, uses only the percentage

as a statistical method. The information is gathered through questionnaire surveys, observations including counts and secondary sources. (Veal 2006, p. 40.)

6.2 Research method

The research method chosen for this particular research was qualitative research. The objective was to have interviews with hotel staff from different positions within the hotel. It was also more suitable because only a small number of people were to be interviewed. A quantitative research would require more people to be interviewed which was not possible due to their schedules, as spring is a busy period for them. Primary data was collected through the interviews with the hotel staff. I have worked there also, so it was easy for me to understand the situations better and use my own knowledge when doing the research.

Secondary data was collected through literature on strategic management, strategic analyses, and tourism and hospitality management. The use of internet sources was very limited .

6.3 Questionnaire

Questionnaires are the most popular method used to perform researches. This form of data collection is particularly popular within the tourism and hospitality industry. The questions were prepared in advance, in order to gain the information needed from people. It is a low cost and systematic way of collecting data from a number of people. With questionnaires information can be collected concerning: attributes such as age, gender, education etc.- behaviors and attitudes like what the respondents' intentions are and finally opinions, for example what the respondent feels about a situation. When creating a questionnaire, it should always start with what are the aims and objectives of the study. (Altinay & Paraskevas 2003, p. 120-121.)

There are two formats of questionnaires: interview format or respondent-completion format. In interview format the interviewer reads the questions to the respondent and records or writes down the answers and the respondent-

completion format is when there is no interviewer and the respondent writes down the answers on the questionnaire. (Veal 2006, p. 100.)

In qualitative research, usually in-depth interviews are being used. They are not considered questionnaires because they seek to go further than simple questionnaire surveys that are usually used in quantitative researches. In this thesis was used a semi-structured questionnaire. The structure of the questionnaire is based on the parts used in an internal analysis of an organization. Therefore, subjects such as organization culture, monitoring, resources and leadership are being handled.

The aim of this questionnaire is to gain more information about the internal culture of an organization and how workers in different positions feel about it.

6.4 Reliability and validity

Reliability and validity are very important criteria when doing a research. Reliability is whether the methods and techniques used in a research were dependable. It also means if the results of the research are repeatable. This means that if the research was to be done a second time, the results should be the same, in order for it to be reliable. Reliability is particularly vital when doing a quantitative research.

Validity is sometimes even more important than reliability. It is the honesty of the conclusions drawn after a research. There are four different types of validity: measurement validity which has more to do with quantitative researches, internal validity which is whether a conclusion drawn from two or more causes can be reliable, external validity which examines if the results can be generalized beyond one particular research and finally ecological validity which is concerned with the question whether the results of a research can be applied to people's everyday lives. (Bryman & Bell 2007, p.40-42.)

In qualitative research method, the minimum number of people being interviewed is usually three to five people. This is in order to get reliable results. In this research, the total number of people interviewed is 4 which makes the results reliable enough. A larger number of people interviewed would have

made the results more accurate and reliable but that was not possible because of their timetables and the researcher's schedule. That is why the researcher interviewed 4 people from different positions within the organization, so as to get opinions from different departments.

The reliability of the results is increased by the fact that 3 of the respondents of the questionnaire have sufficient information of the hotel and have been working there for many years. The fact that the researcher has worked there can be a negative feature. Although having experienced the hotel herself brings more in-depth knowledge to the research, it may also cause problems on being objective. If the researcher had been someone who the respondents did not know personally, their answers may have been a little bit different and the results more reliable.

7 Results of the research

In this chapter, the information collected is being examined. The examination is not as close as a framework of a strategic analysis but the main points are taken into account. The framework used to help the researcher analyze the results is linked with the questionnaire's headings. The headings of the research separate clearly the questions into categories which makes the analysis of them easier for the researcher. A situation analysis is carried out based on the answers on each different section: resources, organizational culture, organization structure, leadership. A SWOT-analysis based on the answers will be made and after that the researcher will do a general SWOT-analysis for the results gathered. Answers were not looked upon individually because the number of respondents was small and this was not a close ended questionnaire, where answers were simple to distinguish. The complete form of the questionnaire is attached to this research (appendix 1). The aim of this research is to gather information about the internal environment of the hotel and see if it affects its actions. No detailed analysis is being made but rather observations of the hotel's operation.

7.1 External situation analysis

The hotel in question has a very good customer segment. It is popular among families, couples, groups and business travelers. It combines almost every segment available for hotels. This is because it has established an image that allows everyone to be interested in it. This is helped by the fact that it is a big hotel and due to its location and services can be called a resort.

As for competition, because the hotel is situated in Corfu, which is a very popular tourism destination, it has quite many competitors. In the immediate area of the hotel there are only a couple of other hotels that offer similar services but this hotel has the advantage of the location and the proximity of public transportation.

One factor that the hotel needs to pay attention to is the technology it uses. It should be up-to-date so as to be capable to offer best service to its customers but also to help the staff accomplish best performance. Along with the

technology comes the equipment. This is one factor that respondents of the questionnaire pointed out as a weakness of the hotel.

All in all the hotel has gained profit, so in that point of view it is a company that works well. It has good reputation and more importantly it can keep up with it. This way old customers keep coming every year and new customers find it through the distribution channels it chooses to use.

The external environment of the hotel is mainly influenced by the political, economic, social, technological and environmental situation of the country.

Political and economic influences

Politically and economically, Greece is not stable at the moment. The economy of the country has reached a point where it totally depends on the other EU countries. As the country needs more funds to prove and convince the EU, it has increased taxes and declared laws to gain money. This has affected the tourism industry and thus this hotel too. By law, salaries were lowered but working hours were not, so this leaves the employees dissatisfied. This may be a serious factor so the quality of the hotel's service may lower and leave customers unsatisfied. Moreover, as the industry is not so profitable as it used to be, the hotel's premises cannot be updated to please the customers modern needs.

Social

Socially, the hotel is well established within the market and carries a good name throughout Greece and foreign countries. As the hotel is Greek and it is situated within Greece, it cannot be uninfluenced by the image and place Greece has among other countries. The country has been depreciated in the media and in many European countries, citizens have been warned not to travel to Greece because of the situation there. This has affected the hotel as it may have lowered its status even though no radical changes, visible to the customer, have been made.

Technological

Greece as a country has been following trends set all over the world but it is not on the top of the list. Now that the country is economically and in consequence politically unstable, technological update has not been very good. Generally speaking, the hotel has been up to date in the technological industry but the last few years it has remained quite stable. Some good investments have been made, such as the renewal of the hotel's reservation system and conference equipment, but other sectors within the hotel have remained the same.

Environmental

During the last few years, environmental issues have been big news. This hotel in particular tries to be environmental friendly. Every year the hotel hosts a lot of conferences about environmental matters which many workers can participate in. In addition to the conferences, the hotel uses biological wastewater treatment which stabilizes bacteria in unstable organic matters.

7.2 Analysis of the internal environment

This subchapter will analyze the answers given to question concerning the internal environment of the hotel and how they as employees see it. The analysis is divided into five subcategories: organizational structure, use of resources, monitoring, training and organizational culture.

Organizational structure

Firstly the respondents were asked about the organizational structure of the hotel and whether they are satisfied with it. All of the respondents answered that they are not satisfied with the way the organization is structured. Departments are not effective, there are wrong people on wrong positions. Another question linked to the structure was if it affects their performance at everyday work. Again everyone answered that it affected, mostly negatively. Two things that arose from some answers were : more interaction between workers is needed and superiors and some employees need to gain more responsibilities.

Use of resources

Secondly, the questionnaire dealt with the resources in the organization and which ones the employees felt were the most important ones for them. Tangible resources included "financial" for example budget and "physical" like patience. Brand and reputation got many answers and different methods concerning the technological part of the hotel's operation, such as IT communication. Finally, on human resources, employee's own motivation was very important to most respondents, second was the competence of the employees in general and the level of communication between them.

Monitoring

Thirdly, monitoring is part of the analysis of an organization's internal environment and the researcher wanted to find out if, in the respondents opinion, there is enough monitoring in the organization; all of the respondents agreed that the level of monitoring in this hotel is good. On managerial level, the researcher was interested to note how the superiors control that the objectives set by the hotel managers are accomplished; through meetings and reports and comparisons of departments' current profits and sales to budgets of previous years. Furthermore, monitoring includes feedback conversations so the employees were asked if they have ever received feedback and how they have received it; all of the respondents have gotten feedback from their superiors and the most usual way to get it was face-to face with the superior.

Training

Moreover, the respondents were asked a question whether the workers have gotten any special training or update while working in the hotel, which is part of the competence part of an organization; all of them have received training or update through seminars. Managerial level, in addition to seminars, received training through travel exhibitions related to travel and tourism.

Leadership is a major factor in the internal environment of an organization because it influences the employees and their performance as well as the image of the hotel. The researcher asked what in the employees' opinion was

the style of their leader; they had to choose from five different types of leadership: autocratic, paternalistic, participative, delegative and free-rein. The style mostly risen from the answers is paternalistic style of leadership and one answer autocratic. This means that employees do not get to say almost anything in decision-making procedures concerning the hotel. The employees were mostly not satisfied with that method and wanted their opinions to be heard more.

Organizational culture

Finally, questions about the organizational culture of the hotel were included in the questionnaire regarding work with co-workers, how the relationship with the co-workers has affected their performance, if they are aware of the hotel's values and philosophy and if they agree with them. All of the respondents work well with their fellow workers and most of them do not get negative effect from them. Dealing with problems arising from co-workers was indicated as a very disturbing thing. All of the employees who answered the questionnaire, agree with the hotel's philosophy and values. Through one respondent, the researcher found out that the philosophy and values of the hotel are based on the values and philosophies of the renowned business family that owns the hotel.

Generally seen, the hotel is a well-established organization with good and loyal workers. It is situated in a very good location and although there are many competitors nearby, it has acquired a good position and reputation. The location of the hotel has significant tourism growth and the airport is within a 20km radius.

7.3 SWOT-analysis

A part of the interview was a SWOT-analysis which the respondents were asked to fill in. They were required to identify the strengths, weaknesses, opportunities and threats of the hotel.

7.3.1 Strengths

As strengths were mentioned:

- location
- brand
- services
- personnel
- competence of the staff
- reputation
- regular customers
- size of the hotel
- transportation connections
- classification of the hotel
- international meetings and conferences held in hotel's premises

Location

Everyone thought that the location of the hotel was the most important strength of the hotel. It is situated in a very popular area of Corfu, right next to the beach. The area of Dassia is located 14km north of Corfu Town with very good bus connections to the center, the airport and the northern part of the island. The bus stop is located right in front of the hotel. The area has shops and restaurants so it is very tourist-friendly.

Brand

The brand of the hotel has a very big effect on the hotel's success, especially with the Greek customers. It is a part of a hotel chain, owned by a very known and respected business family. The chain has managed to create an image of good quality and services not only within the Greek customers but among other European countries too.

Hotel services

Services were also listed as strength by all the respondents. Services of the hotel include: a fitness center, children's clubhouse, conference hall, two

restaurants and one tavern by the beach, open air cinema, tennis courts, four bars, a hairdresser, souvenir shop and a jewelry shop. All these services can be found within the premises of the hotel and all customers can use them. Not many hotels within the immediate area of the hotel can provide so many services for their customers.

Hotel staff

Another strength listed was the staff. They thought that the staff altogether is good and there is a good atmosphere among the employees. The level of their knowledge is another strength that was listed as most of them attend seminars to enhance their knowhow in the field. Also the fact that the hotel has regular customers who come every year is a really positive thing.

Premises of the hotel and name

The hotel itself is big. It has more than 210 rooms. Some of them are bungalows and some villas. The hotel area is very big with swimming pools and restaurants. Being a big hotel has advantages and disadvantages. An advantage is that there are a lot of services for the customer. IT also helps that this particular hotel is listed as a resort. The classification of the hotel (four stars), makes it popular among tourists who want to experience a holiday with quality.

7.3.2 Weaknesses

As weaknesses, respondents listed:

- physical condition of the buildings
- poor maintenance
- equipment
- paternalistic management
- non-local administration/managerial workforce
- old hotel product
- the economic and political situation of Greece

Physical condition of the buildings

Firstly, everyone stated that the physical condition of the hotel should be a lot better than it is. Many of the customers have stated that that is not a condition for a four-star rated hotel. As far as the researcher knows, there are being conducted renovations in the rooms of the hotel. In addition to the condition of the hotel, poor maintenance was another topic that rose from the interviews. There should be more careful maintenance as regards the public areas of the hotel as well as the rooms. The equipment used in the hotel should be renewed so as to be able to give the customers a better service.

Leadership style and management

In regard to the management part of the hotel, the paternalistic style of the leader was recognized as a weakness. Most employees would like to be able to influence more on the decision making process. This would improve their relationship with their leaders and probably would give other views for different situations. Another fact that rose was that the general administration of the hotel is not situated in the island. As this is a part of a hotel chain, the main administrators are situated in Athens or even London. So this make collaboration more difficult than it would be if they were based locally in Corfu.

Products

Furthermore, most agreed that the hotel product sold is quite old. Some competitors have renewed their hotel product so it is more suitable to the demanding customers. As tourism becomes more and more common, the demands of the tourists and customers change. So it is not profitable to keep the hotel product as it was 20 years ago.

Political and economic situation of Greece

Finally, the political situation in Greece does not give a very good reputation to the country. Tourism is an industry affected straightly by that. It is a weakness for the hotel, but the administrators cannot change it by themselves or by changing policies of the hotel.

7.3.3 Opportunities

The following were listed as opportunities:

- location marketing(transfer time, connections, beach)
- air carrier connections with major European cities
- affordable flights
- political stability and development strategies applied in the Tourism industry in Greece
- motivation of employees
- good distribution channels for marketing
- new ideas
- renewal of equipment and renovation of rooms

Marketing

Sometimes the weaknesses found for an organization can be reversed to be opportunities. In this particular SWOT-analysis, this happened and some of the weaknesses listed have become opportunities. New ideas concerning the product sold in general could help in marketing the hotel and of course renewal of the equipment and renovation of the rooms will help to hotel build a very strong image to the customers.

Finding new distribution channels is a very good marketing plan. Nowadays, most of the people use the internet, especially networks like Facebook, Twitter, YouTube. These could be some of the possible new distribution channels used by the hotel to attract new customers and at the same time keep the old customers up-to-date and interested in the hotel. The hotel has a big advantage to the competitors in regard to the location where it is. More marketing of that could attract people who want a sea view from their room for example, or easy connection to the center of Corfu.

Access

As Corfu attracts a lot of tourists each summer, it is quite easy to go there. A possibility listed here is that along with marketing the hotel itself, a possible marketing of the island and its flexible connections could attract customers even

more. Also, the flights to the island are quite affordable, so that increases the number of people interested in it.

Stability of Greece

The situation in Greece is not ideal and the media has in some cases shown a bad picture of the country. As a possibility for the hotel, employees mentioned the stabilization of the country and the further development of the Tourism industry. This will automatically improve the hotel's sales and income.

Motivation

Lastly, respondents said that increasing the motivation of all the employees will be a good opportunity for the hotel internally. If employees have high motivation, their performance will be much better and the customers will enjoy excellent service and quality.

7.3.4 Threats

As threats were mentioned:

- competitors' prices
- financial crisis
- competition
- innovative products make existing, old products not appealing
- Greek tourism weakening
- all-inclusive concept

Competitors and popular forms of accommodation

All of the respondents said that the prices of the competitors were a big threat to the hotel. Also products that are innovative appeal more to the customers and the existing product of the hotel in question could be old and boring. Generally, two topics arose from the interviews: the financial crisis and the weakening of the Greek tourism. The financial crisis affects a lot the operation of all the hotels as wages are lowered and people are fired because there are not enough customers.

The concept of all-inclusive, where beverages and food are offered to the customer without limitations, is an innovative way of attracting tourists and it is very popular even among the young customers. That is something that this particular hotel does not offer.

Situation of Greece

Generally, the situation of the Greek economy is weakening very much the tourism industry. Foreigners are afraid to travel to a country with economic problems and instability, so that in turn brings less income to the whole tourism industry. The image of Greece is weakening in many European countries, which in turns results in fewer tourists coming to Greece. This can already be seen in the hotel's reservations when compared for example to last year's reservations.

New concept of all inclusive accommodation

The last few years a new idea started to be promoted in many hotels around the world, the all-inclusive concept. This hotel does not have the possibility for the customers to choose all-inclusive. Many of the other hotels in the area have added all-inclusive to their packages. This can be a big factor for fewer reservations, especially families for whom this concept is more promoted.

New innovative products

The hotel has to offer good premises with good products but as ways of traveling become easier, the demands of the customers increase. This hotel has not had any innovative products for a while which may result in customers preferring a competitor's hotel with modern products.

8 Conclusion and recommendations

This thesis studied what a hotel's staff thought about the hotel's strategy and current situation. The aim was to get more information about the hotel's operation and see what are its strengths and weaknesses. This was done through a basic level strategic analysis that included a PESTE analysis made by the researcher and a SWOT-analysis based on the hotel's employees' answers to a questionnaire. Although basic strategic analysis tools were used, the intention of the researcher was never to form an official analysis but rather give the readers a framework on what should be taken into account.

The theory of the thesis will give the reader an easy but thorough look into the strategic management . This will also help to better understand the empirical part of the thesis that will apply some of the analysis tools used in strategic management. The research was completed through interviews with the hotel's staff, which helped to see the hotel as they do. The results of the research led to a situational analysis, an external environment analysis of the hotel and finally a SWOT-analysis that is part of the internal environmental analysis.

This research with its results will give an excellent opportunity to the hotel's staff to examine their possible problems and find ways of improvement. It offers a good framework and basis for their own official analysis.

Generally, the results show that the hotel needs to focus on improving their premises and add new innovative products that will differentiate them from their competitors. Attracting new customers but also keeping their regular customers coming back should also be on primary focus and can be managed though new methods and marketing.

Although the hotel is maintaining a good image and services, the hotel's organizational culture and leadership style need some changes. Superiors should find ways to increase employee motivation and create more interaction between different levels in the organization. This could lead to positive effects for the hotel such as better service, more ideas and insight look for the superiors on matters that they might not take into account. Moreover, this will

enhance relationships between employees and managers and create a good working environment.

This hotel has a lot of potential even though it has some disadvantages. It has strong foundations that are being used wisely. If some minor changes are made, it can continue offering some of the most upscale services the island has to offer.

9 Figures

10 List of references

Altinay, L. & Paraskevas, A. 2008. Planning Research in Hospitality and tourism. Amsterdam : Elsevier Butterworth-Heinemann.

Andrews, K.R. 1980. The Concept of Corporate Strategy. Homewood (IL): R. D. Irwin.

Bryman, A. & Bell, E. 2007. Business Research Methods. Oxford : Oxford University Press.

Cooper, C. & Fletcher, J. & Fyall, A. & Gilbert, D. & Wanhill, S. 1999. Tourism: Principles and Practice. Essex : Longman.

Capon, C. 2008. Understanding strategic management. Harlow : Pearson Education.

Evans, N. & Campbell, D. & Stonehouse, G. 2003. Strategic management for travel and tourism. Burlington (MA) : Elsevier Butterworth-Heinemann.

Grant, R.M. 2005. Contemporary strategy analysis. Malden (MA) : Blackwell Publishing.

Goeldner, C.R. & Richie, J.R.B. 2009. Tourism: principles, practices, philosophies. Hoboken (NJ) : John Wiley & Sons.

Johnson, G. & Scholes, K. & Whittington, R. 2008. Exploring Corporate Strategy. England: Pearson Education Limited

Katsioloudes, M.I. 2006. Strategic management : global cultural perspectives for profit and non-profit organizations. Burlington (MA) ; Oxford : Elsevier Butterworth-Heinemann.

Medlik, S. & Ingram, H. 2000. The business of hotels. Great Britain: Elsevier Butterworth-Heinemann.

Middleton, V.T.C. & Fyall, A. & Morgan, M. & Ranchhod, 2009. Marketing in travel and tourism. Oxford : Elsevier Butterworth-Heinemann.

Moutinho, L. 2000. Strategic Management in Tourism. UK ; USA. CABI Publishing

Page, S.J. 2009. Tourism management: managing for change. Amsterdam: Elsevier Butterworth-Heinemann.

Thomas, R.M. 2003. Blending qualitative and quantitative research methods in theses and dissertations. USA: Corwin Press.

United Nations and World Tourism Organizations. 2004. Recommendations on Tourism Statistics. (Accessed on 8 October 2012). http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83e.pdf

Veal, A.J. 2006. Research Methods for Leisure and Tourism: A Practical Guide. Great Britain. Pearson education limited.

World Tourism Organization. 2005. General Guidelines for the development of foreign direct investment indicators on the tourism sector. (Accessed on 8 October 2012). http://statistics.unwto.org/sites/all/files/docpdf/tfdi.pdf

Appendix 1

QUESTIONNAIRE

Organizational structure:

- Do you think the hotel's organizational structure (different departments) operates well? If not, why?
- Has it affected your performance in your everyday work?

Resources:

- What are your most important resources (productive assets) helping you in achieving goals?
  - Tangible:
    - financial
    - physical
  - Intangible:
    - Technology
    - Reputation
    - Brand
  - Human:
    - Capability(know how to do things)
   - Communication capacity
    - Motivation

Monitoring:

- How do you control that the objectives of the hotel are achieved?
- Do you think there is enough monitoring?
- Have you ever received feedback or been part of feedback conversations?
- How have you received it?

Competence:

- Have you or do you get any special training or update concerning your area of work while working in this hotel?

Leadership:

- How would you define the leadership style in your hotel?
    - Autocratic: leader decides everything
    - Paternalistic: leader gives attention to workers but still makes all the decisions (very similar to autocratic)
    - Participative: decision making by the group
    - Delegative: Leader lets workers make decisions but is still responsible for the decisions made (similar to free rein)
    - Free-rein: leader leaves the group to itself
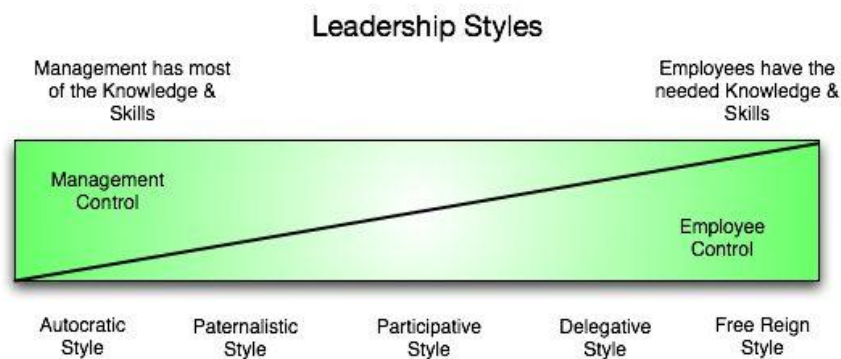
- Are you satisfied with it?
- Do you think it is the best possible to help staff show their best performance?
- Have you ever done any leadership tests? If yes, which one(or ones)?

Organization culture:

- Do you work well with your fellow co-workers?
- Has it affected negatively your performance?
- Are you aware of the hotel's values and philosophy?
    - If yes, do you agree with them?

SWOT Matrix:

List what are in your opinion the hotel's strengths, weaknesses, opportunities and threats:

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

.