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THE IMPACT OF MANAGEMENT STYLE ON FINANCIAL PERFORMANCE IN THE LODGING INDUSTRY

Islam "Sam" Karadag

ABSTRACT

Management style plays a key role in the success of every organization. Based on their leadership characteristics, business leaders use different activities and management tools to improve financial performance.

Hotel general managers occupy a crucial role in the midst of hotel operations. The decisions they make in this strategic position play a large part in determining the effectiveness of the hotel staff and the satisfaction of the hotel guests. A hotel's success is largely a function of the general manager's expertise. Effective hotel general managers need specific management skills and personal characteristics.

Although many studies have investigated the relationship between management style and financial performance of different organizations, little research has been performed to date that has investigated the effect of management styles on financial performance in the lodging industry. The aim of this study is to fill this gap by providing a profile of the hotel general managers that would identify the personal characteristics of the GMs.

The main objectives of this study are (1) to identify common leadership characteristics of general managers in successful lodging properties and explore the impact of management style on profitability in lodging properties in United States and (2) to report the results of hospitality industry field research as it relates to problems of leadership and suggest a strategy that can be helpful in choosing the most appropriate management style for hotel enterprises.