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**Alexander Zhigulin,
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DEVELOPING A COMPETITIVENESS MANAGEMENT MODEL FOR ENTREPRENEURIAL STRUCTURES IN THE HOTEL AND RESTAURANT BUSINESS

The object of research is the organizational and economic processes of competitiveness management of entrepreneurial structures of hotel and restaurant business. One of the biggest problems today is the need to deepen the theoretical and methodological foundations, develop models and management mechanisms to increase the competitiveness of the hotel and restaurant business in times of crisis and information transformation of society.

In the course of the research a model of management the competitiveness of the hotel and restaurant business during the crisis and informatization of society was developed, the new elements of which are the areas of improving the theory and methodology of management processes. The prospects of applying an inclusive human-centric approach to the management of enterprise competitiveness, as well as a set of basic consumer properties of hotel and restaurant products are substantiated. Based on them, the characteristics of personnel, sets of basic competitive strategies and dissipative structures of management of production activities of enterprises are determined. It is established that the increase in demand and inclusive development of the hotel and restaurant business occurs if the main consumer property of its products («economy», «quality», «creative differentiation») coincides with the psychophysiological characteristics of workers («dynamic sensor», «static quality innovator», «intuitive creator») and the type of structure of management of production activities (economic-, quality-, differential-dissipative structure), which is enshrined in the standards. The joint action of the laws of supply and demand, increasing labor productivity, standardization and evolution of life can be traced.

An indicator of competitiveness is proposed, the components of which allow assessing the satisfaction of interests in the development of business, society and the state both in the short term and in the long term.

This provides an opportunity to quickly identify and correct inefficient management method («factor-minimum»), which makes it impossible for the hotel and restaurant business to compete in the market during the crisis and informatization of society.

Keywords: hotel and restaurant business, competitiveness, management methods, minimum factor, management model.

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1. Introduction

Informational transformations of society, as well as sanitary, political and economic crises, have changed the worldview of the XXI century people. In this regard, the theoretical and methodological foundations of business competitiveness management require generalization and in-depth study. For example, in Ukraine, the study of the hotel and restaurant industry deserves special attention, as more than 10 million Ukrainians are forced to eat, live, and rest outside their places of residence. The market situation has changed. People began to spend time and

money on necessary products and services that meet their lower and higher needs [1, 2]. Accordingly, the theory, methodology, and practical developments in the field of the competitiveness management of hotel and restaurant business at the time of crises and informatization of society need to be significantly adjusted.

The works of many scientists are devoted to the study of theoretical and methodological aspects of business (including hotel and restaurant) competitiveness management. At the time of physiological needs being dominant in society, the relevant theories of «price competition» [3], «cost minimization» [4], «price reduction due to increased

productivity with work separation» [5] and others were used. At the stage of security needs being dominant (most of the XX century), the theories of «basic competitive strategy», «5 forces of competition» [6, 7], «quality systems in hotels and restaurants» [8] began to gain traction. Currently, in the period of total informatization of society, the theory of «key competencies», «co-competition» [9], «kanban in hotels and restaurants» [10] are being developed.

In the field of hotel and restaurant business, it is recommended to use all theories of competition, selecting them depending on the basic competitive strategy of the enterprise. If its product meets the physiological needs of the consumer (self-service canteens, fast food businesses, McDonald's), then resource and price theories are used through the basic competitive strategy of «cost savings». When meeting the need for security (hotel), it is recommended to adhere to the theories of systemic quality and reliability of goods in a competitive strategy of «high quality». If the need for self-expression is met (restaurants, bars, nightclubs), the theory of co-competition is introduced with the help of the basic competitive strategy of «innovation and creative differentiation» [11].

The informatization of society and the global crisis have accelerated the process of increasing the competitiveness of the enterprise by adding consumer properties to the product. In the last century, the classics of management began to form a logistics chain to add consumer value to the product. Particularly, it substantiates:

- consumer qualities of the product and the processes of pricing, advertising, and sales [6];
- production [12];
- personnel activities [13];
- cost management [14];
- investment and financing [15].

Currently, the scientists consider the entrepreneur, employee, and developer of quality standards for products and services as a representative of the state to be the stakeholders of the process (in addition to the consumer). The emphasis is made on meeting the needs of business, society, and the state (the theory of inclusive development) [11].

The problem of generalizing and deepening the listed scientific positions in the conditions of crisis and informatization of society in the field of hotel and restaurant business remains unsolved.

Thus, *the object of this research* is organizational and economic processes of competitiveness management for entrepreneurial structures in the hotel and restaurant business. And *the aim of research* is to develop a model for competitiveness management for entrepreneurial structures in the hotel and restaurant business.

2. Research methodology

During the research, generic and special methods have been used:

- historical method (while generalizing the views of scientists on the concept of «competitiveness management of enterprises»);
- abstract-logical, analysis, synthesis, deduction, induction (in the process of studying the concepts of classic management for enterprise competitiveness);
- methods of scientific abstraction (to justify the development of economic systems under the influence of economic uncertainty);

- modeling method (when forming the model of competitiveness management in hotel and restaurant business);
- methods of financial and economic analysis, particularly, horizontal and vertical trend analysis (to assess the dissipative and structuring management of competitiveness and market stability);
- method of system analysis (during the study of the system of management methods for increasing the competitiveness of enterprises);
- method of expert assessments (in the process of formation and confirmation of theoretical and practical results).

3. Research results and discussion

It should be noted that the theoretical methodology principles and practical scientific recommendations for competitiveness management of hotel and restaurant business at the time of crisis and informatization of society need further research and deepening. Changes have taken place in the minds of consumers, entrepreneurs, workers, and civil servants who are forced to comply with the requirements of social, environmental, and economic standards. First of all, the approach to process management needs to be adjusted. Currently, the technological optimization approach needs to be replaced by an inclusive human-centered approach to business competitiveness management. Inclusion is seen as the development for all without exception and limitation. If in the last century businessmen took into account only the laws of supply, demand, productivity, and standardization, today they need to add the law of life evolution. Its characteristic features are irreversibility, acceleration of pace, and ethical and inclusive attitude to the development of all living beings. In the current conditions, everything that contradicts this law is closed [11]. The consequences of the sanitary and political crisis were felt by all players in the hotel and restaurant services market, which had a positive effect on the reorientation of both the minds of business owners and the set of strategies they use in their activities.

At present, restaurants and hotels are actively helping internally displaced people, which strengthens their competitive position in the market through the image of socially oriented business.

Anthropocentrism or the demands for inclusive business and personal development are not a temporary trend that will disappear after Covid-19 and the political crisis of 2022 are over. The new philosophy of thinking associated with them (not people for the development of production, but production for the development of people) came into human life forever and requires the adjustment of traditional concepts, theoretical and practical developments.

Symptoms of crises (regular warnings from the UN Commission on climate deterioration and other living conditions related to environmental dangers and inequalities in society) have led to 10 years of research in the hotel and restaurant business. The influence of the informatization of society and the inconsistency of the development pace of production means with the development pace of people's consciousness on the competitiveness of business structures was studied. The subject of the study was the hotel and restaurant sphere of Donetsk, Kyiv, Ternopil, and Chernihiv regions. The work was carried out with the participation of students and interns of the Kyiv National

University of Culture and Arts, Kyiv Institute of Culture, European University, and National University of Life and Environmental Sciences of Ukraine in the field of «hotel and restaurant business» and «management».

Employees, owners, and consumers of hotels, restaurants, bars, cafes, fast food establishments, McDonald's, kitchen factories, cafes, nightclubs, tea houses, bakeries were interviewed. The financial and economic, as well as horizontal and vertical trend analysis of enterprise performance indicators were conducted. The study revealed a «factor-minimum» or inefficient method of management, which made it impossible for businesses to compete in the market. The ultimate goal was to develop measures to neutralize its impact, which were tested in practice.

As a result of this research, theoretical methodology principles and practical scientific recommendations for competitiveness management of hotel and restaurant business during the crisis and informatization of society was deepened. The chosen research method assessed the effectiveness of competitiveness management for economic entities through the indicator of competitiveness:

$$P_k = (P_{sk}, P_{ks}),$$

where P_{sk} is the indicator of competitiveness assessment; P_{ks} is the indicator of assessing the level of competitive stability of the entrepreneurial structure. It was considered that if the planned performance indicators (income, production, costs, finances, profitability, quality/price ratio) are not met

and (or) the trend of sales dynamics is declining, it indicates an insufficient or lacking business competitiveness.

The logic of the study is shown in Fig. 1.

At the first stage of the study, it was established that there is a set of basic consumer properties of goods («economy», «quality», «creative differentiation»), which are produced by three groups of hotel and restaurant enterprises, respectively:

- 1) self-service canteens, fast food establishments, McDonald's;
- 2) hotels, kitchen factories, cafes;
- 3) restaurants, bars, nightclubs, tea houses.

In each product, the consumer is interested in «economy», «quality», and «innovation and creative differentiation», but one of the properties it identifies as the main one for further selection.

It is substantiated that «dynamic sensors», «static quality innovators», and «intuitive creators», respectively, are suitable for the production of goods with the listed qualitative properties. Employees of competitive enterprises were tested according to the TART method to establish their personality type. In this case, inclusion in consumer development is enhanced by the psychophysiological characteristics of employees. In other words, people expressing themselves through professional activities contribute to the development of consumers through the attributes of certain types of hotel and restaurant products and services. The management classics explain this strengthening through the application of a certain kind of basic competitive strategy in the enterprise.

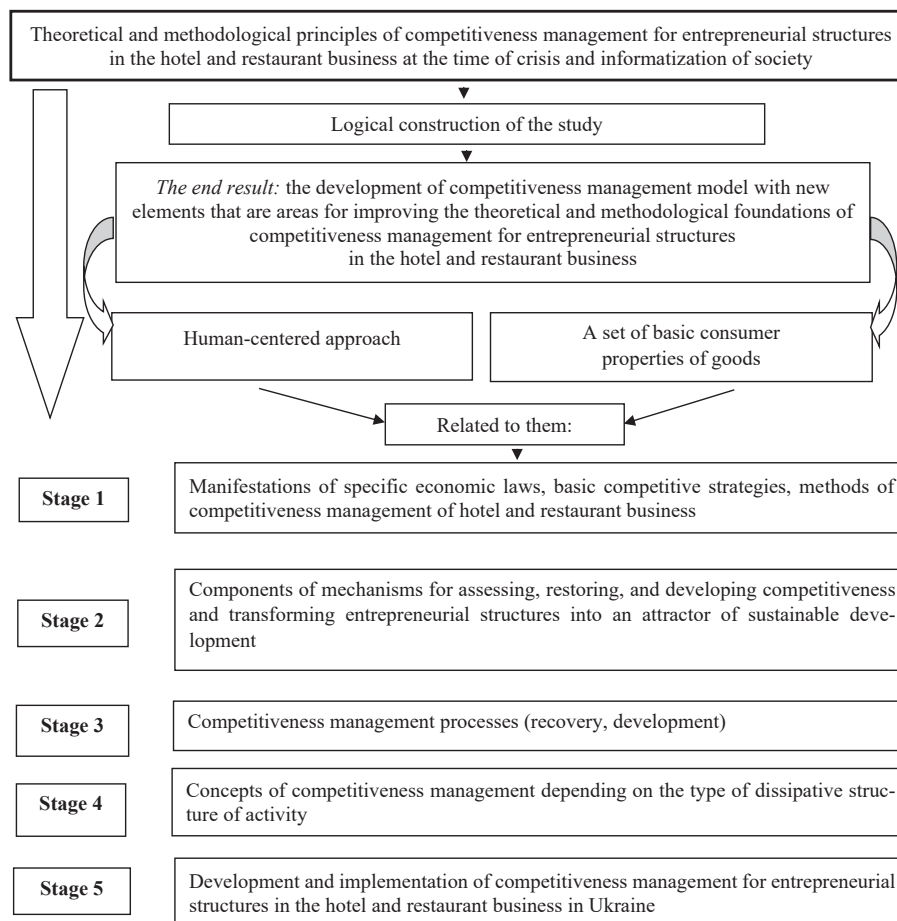


Fig. 1. The structure of the study of theoretical and methodological principles of competitiveness management for entrepreneurial structures in the hotel and restaurant business at the time of crisis and informatization of society (developed by the authors)

The set of basic competitive strategies of enterprises [6] during the study («cost leadership», «differentiation», «focus») is refined by strategies of «cost savings», «high quality», «innovation and creative differentiation». The latter strategy is recommended for enterprises in the creative industry, the existence and structure of which in Ukraine are regulated by the Order of the Cabinet of Ministers of Ukraine No. 265-p «On approval of economic activities related to creative industries» dated April 24, 2019.

It is established that the increase in demand and inclusive development of the hotel and restaurant business occurs if the main consumer property of its products («economy», «quality», «creative differentiation») coincides with the psychophysiological characteristics of employees and the type of management structure. The joint action of the laws of supply and demand, increase of labor productivity, standardization, and evolution of life can be traced.

The mechanism for assessing, restoring, and developing the competitiveness of the hotel and restaurant business was developed in the second stage of the study, and tested in the third stage, based on the indicator:

$$P_{sk} = P_e \cdot P_r \cdot P_n,$$

where P_e is the indicator of the ability of the business structure to maintain market share; P_r is the indicator of compliance of management methods with the basic competitive strategy; P_n is the indicator of conformity assessment of management methods with state standards.

Standardization of the values of each indicator was carried out using Boolean variables: 1 is a positive evaluation result, 0 is its negative result. It was considered that the state of the hotel and restaurant business structure can be considered competitive if all three tests of its management methods gave a positive result $P_{sk} = 1 \cdot 1 \cdot 1 = 1$ and uncompetitive if this does not happen. To organize the work of the mechanism, a detailed 12-month business project was used, where financial indicators alternated with management methods for marketing, production, personnel, budgeting, profits, and financial flows. Compliance with the plan was assessed on a monthly basis, and if there was a significant decrease in the level of profitability, an inefficient method of management («factor-minimum») was established, which was adjusted with a performance test in the following month.

The fourth stage of the study was devoted to the formation of requirements for dissipative structures of production management for three groups of hotel and restaurant businesses:

1. Economic dissipative structure (self-service canteens, fast food companies, McDonald's) is characterized by:

- highly standardized product, competitive prices, advertising of time and money savings, sales with an emphasis on savings, and high capacity of the enterprise;
- mass production, placement of production facilities by type of «product placement», «dynamic sensor» personnel, investment in high-performance equipment and technology, credit financial resources.

2. Qualitatively dissipative structure (hotels) differs from the previous one:

- serial quality product (luxury, semi-luxury, standard), the price proportional to the level of quality, quality advertising, sales with an emphasis on quality and comfort, serial production;
- capacity allocation according to the type of «technological process placement», personnel are «static quality

innovators», investments in quality technology, own financial resources.

3. Differential dissipative structure (restaurants, bars, nightclubs, tea houses) has the following differences:

- innovatively and creatively differentiated product, the price is proportional to new innovative properties, advertising of innovations, sales with an emphasis on innovations, individualized production by special order;
- placement of facilities by type of «fixed location», «intuitive creator» personnel, investment in equipment and technology that promotes the differentiation of services, own financial resources.

At the fifth stage of research, a model of competitiveness management for entrepreneurial structures in the hotel and restaurant business at the time of crisis and informatization of society was developed and tested (Fig. 2).

New elements of the model, which were developed, based on deepening and improving the theoretical and methodological foundations of competitiveness management for entrepreneurial structures in the hotel and restaurant business during the crisis and informatization of society, are:

1. Human-centered or inclusive development as an integral attribute of ensuring the competitiveness of the hotel and restaurant business during the crisis and informatization of society.

2. A set of basic consumer properties of the goods of hotel and restaurant business («economy», «quality», «innovation and creative differentiation»).

3. Based on the above groups of enterprises («fast food», hospitality, restaurant), it is recommended to choose a basic competitive strategy («cost savings», «high quality», «innovation and creative differentiation»).

4. During the implementation of strategies, personnel are selected («dynamic sensors», «static quality innovators», «intuitive creators») and the structure of production activities is formed (economical, qualitative, differential, and dissipative).

5. In general, a synergistic effect is provided by the influence of factors increasing demand and stimulating its supply.

6. Competitiveness indicator $P_k = (P_{sk}, P_{ks})$, the components of which help implement the processes of competitiveness management, assess the development of participants in the competitive process (P_{ks} is the consumer, P_{sk} is the entrepreneur, employee, and developer of standards), as well as in business.

7. The mechanism of evaluating and implementing management processes for the restoration and development of hotel and restaurant business allows quickly (within a month) identifying and developing measures to neutralize inefficient management method («factor-minimum»), which prevents business competitiveness. During a crisis, companies cannot afford to incur losses or invest net income for years without a quick return.

8. Systematic competitiveness management of hotel and restaurant business is implemented through a bank of management methods (product formation, pricing, advertising, sales, production, personnel management, budgeting, investment, financing), based on the work of the world's best hotels and restaurants.

The limitations of this study are related to the lack of time to research the situation in the hotel and restaurant service market during the political crisis in Ukraine.

A promising direction for the development of this study is to take into account the fundamental laws of competition and the evolution of life. This is due to the fact that only in this way humanity is able to get out of the global sanitary, political, and economic crisis.

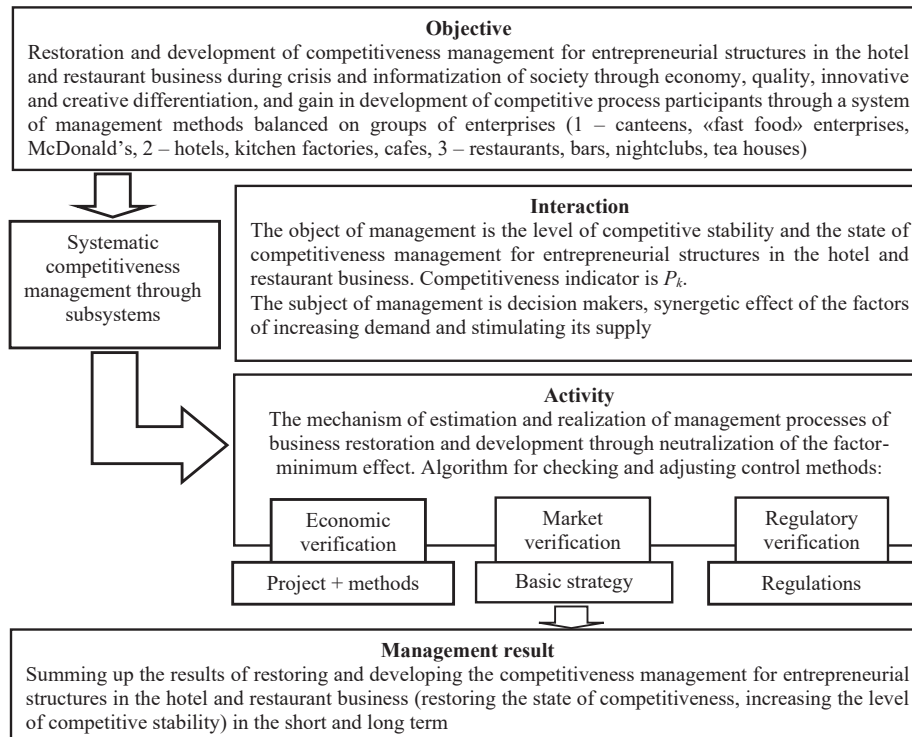


Fig. 2. Model of competitiveness management for entrepreneurial structures in the hotel and restaurant business at the time of crisis and informatization of society (developed by the authors)

4. Conclusions

Theoretical and methodological management principles for increasing the competitiveness management for entrepreneurial structures in the hotel and restaurant business in the conditions of crises and information transformations of society are generalized and deepened.

The management model of increasing the competitiveness management for entrepreneurial structures in the hotel and restaurant business at the time of crisis and informatization of a society is developed.

Approbation of the research results was carried out at the enterprises of Donetsk, Kyiv, Ternopil, and Chernihiv regions of Ukraine and gave a positive result.

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