

MEKELLE UNIVERSITY
INSTITUTE OF PALEO-ENVIRONMENT AND
HERITAGE CONSERVATION

Department of Tourism Management and Hospitality Studies



**Dynamics of Hotel Owners and Management Team Relationships in Star
Rated Hotels in Mekelle, Tigray Northern Ethiopia**

A Thesis Submitted to the Mekelle University Institute of Paleo Environment and
Heritage Conservation in Partial Fulfillment of the Requirements for the Degree of
Master of Hospitality Management

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**MEKELLE UNIVERSITY INSTITUTE OF PALEO ENVIRONMENT AND
HERITAGE CONSERVATION**

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DECLARATION

I, the author of this thesis, declare that this research, titled “**Dynamics of Hotel Owner and Management Team Relationships in Star Rated Hotels in Mekelle**” to be submitted to Mekelle University as a partial fulfillment of the Master of Degree in Hospitality Management. I declare that it is my original work prepared under a close supervision of my advisor Yemane Berhe (PhD Candidate). All sources of materials used for this thesis have been duly acknowledged and I assure that this study has not been previously submitted for any higher learning institute.

ADVISOR DECLARATION

I affirm that the preparation and presentation of this thesis were conducted in accordance with the guidelines for thesis supervision established by Mekelle University.

Advisor’s Name: Yemane Berhe (PhD Candidate)

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Date: _____

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ACRONYMS:

GDP- Gross domestic Product

GM- General Manager

KII_ Key informant's interview

KPI- Key Performance indicator

MOT- Ministry of tourism

RevPAR- Revenue per available room

SPSS- Statistical package for social science

ABSTRACT:

The primary objective of this research is to evaluate dynamics of owner and management team relationships in star rated hotels in Mekelle, Tigray Northern Ethiopia. The research methodology for this study on the dynamics of management and hotel owner relations in Mekelle star-rated hotels employs a mixed approach, predominantly qualitative approach to gain in-depth insights into the complexities of these relationships. For the purpose of the study 8 star rated hotels were selected namely, Planet , Noble Yehdega, Zemarias, Desta, Axum 1 & 2, Atse Yohannis and Ze-Yordanos Hotels. From these hotels 60 respondents including management teams, hotel owners/ representatives, senior line staffs and experts from tourism offices were approached. 8 key informants' interviews also were selected purposefully based on their knowledge and experience in the area of study. The findings reveal that the ownership styles of the hotels are sole proprietorship and partnership. The findings show that most owners failed to grant autonomy to the management teams in the decision making process. The finding also shows complex interplay between ownership objectives and management practices. Owners primarily focus on financial returns and adherence to local regulations, which include health and safety standards. This emphasis often leads to a top-down approach in decision-making, where owners may prioritize short-term profits over long-term strategic initiatives. In contrast, management teams stress the importance of guest experiences, reflecting the unique approach is characterized by a commitment to engaging with guests in a manner that builds trust and fosters loyalty. To address these challenges, the research emphasizes the necessity for enhanced communication and collaboration between hotel owners and management teams. By involving managers in strategic discussions and decision-making processes, owners can better align their financial goals with the cultural and operational imperatives that drive guest satisfaction. The findings offer practical recommendations for stakeholders seeking to optimize performance, enhance guest experiences, and foster sustainable growth in the competitive landscape of the hospitality sector.

Key words: Dynamics of management, management teams, guest experiences, strategic alignment, and cultural sensitivity, star rated hotels.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The hospitality industry plays a crucial role in the economic development and tourism sector of many countries, including Ethiopia. The dynamics between hotel owners and management teams are vital for ensuring the successful operation and sustainability of these establishments. In the context of Mekelle, a city in the Tigray region of Ethiopia, the Star Hotels represent a significant part of the local hospitality industry, making it an interesting case study for examining the owner-management relationship dynamics.

The ownership structure of hotels can significantly influence the decision-making processes, investment strategies, and the level of autonomy granted to the management team (Hodari & Sturman, 2014). In Mekelle, the Star Hotels may have varying ownership structures, ranging from sole proprietorships to larger corporations or investment groups. Understanding these ownership structures is crucial for comprehending the dynamics between owners and managers.

Management contracts play a vital role in defining the responsibilities, authority, and compensation of hotel management teams (Contractor & Kundu, 1998). Clear and well-defined contracts can help mitigate potential conflicts and ensure smooth operations in the Mekelle Star Hotels. These contracts outline the expectations and terms of engagement between the owners and the management teams, setting the foundation for their working relationship.

Strategic alignment between hotel owners and management teams is essential for achieving common goals, such as maximizing profitability, maintaining high service standards, and enhancing the guest experience (Enz, 2010). Regular communication, periodic reviews, and shared decision-making processes can help ensure that both parties are working towards aligned objectives in the Mekelle Star rated Hotels.

Investment and reinvestment decisions are critical for maintaining the competitiveness and attractiveness of hotels (Okumus, Altinay, & Chathoth, 2010). Hotel owners may need to allocate funds for renovations, upgrades, or expansions, and the management team's input is crucial in identifying areas for investment. Disagreements over investment decisions can potentially strain the owner-management relationship in the Mekelle Star rated Hotels.

The local context and cultural considerations in Mekelle, with its unique historical and cultural background, may require hotel owners and management teams to navigate local regulations, customs, and expectations (Lashley, 2015). Effective communication and mutual understanding of these factors can contribute to successful operations and positive guest experiences in the Mekelle Star rated Hotels.

Regular performance evaluations and monitoring of key metrics, such as occupancy rates, revenue generation, and guest satisfaction, are essential for assessing the effectiveness of the management team (Sainaghi, 2010). Transparent reporting and open discussions can foster trust and facilitate constructive feedback between hotel owners and management teams in the Mekelle Star rated Hotels.

1.2 Statement of the problem

The hospitality industry in Ethiopia, particularly in Mekelle city, plays a crucial role in fostering economic growth and promoting tourism. However, the dynamics between hotel owners and management teams present several challenges that may impede the effective operation and development of these establishments.

One primary concern in the owner-management relationship is the potential misalignment of strategic goals and objectives. Hotel owners often prioritize short-term profitability, while management teams focus on long-term sustainability, guest satisfaction, and brand reputation (Enz, 2010). This divergence can lead to conflicts during decision-making processes, adversely affecting the overall performance of the hotel. Additionally, a lack of clear communication and transparency can strain this relationship. Ineffective communication channels may result in misunderstandings and a breakdown of trust between the two parties (Contractor & Kundu, 1998). Such issues can exacerbate existing tensions and hinder collaborative efforts aimed at achieving shared goals.

Investment decisions and resource allocation also represent significant points of contention between hotel owners and management teams. Owners may exhibit reluctance to invest in renovations, upgrades, or staff training, opting instead for cost-cutting measures that may compromise high service standards (Okumus et al., 2010). In contrast, management teams typically advocate for these investments to enhance the guest experience and maintain market competitiveness. Furthermore, the unique local context and cultural considerations in Mekelle can pose additional challenges for hotel owners and management teams. Navigating local

regulations, customs, and expectations can be complex; a lack of understanding or sensitivity to these factors can lead to operational inefficiencies and subpar guest experiences (Lashley, 2015).

Lastly, the absence of regular performance evaluations and monitoring can exacerbate tensions between hotel owners and management teams. Without clear metrics and transparent reporting mechanisms, it becomes challenging to assess the effectiveness of management and make informed decisions (Sainaghi, 2010). This lack of clarity can breed mistrust and hinder constructive feedback, ultimately impacting the overall success of the hotel.

1.3 Objective of the Study

1.3.1 General Objective

The general objective of this study is to examine the dynamics between hotel owners and management teams relationships in Mekelle Star Rated Hotels.

1.3.2 Specific Objectives

- To analyze the relationship between hotel ownership structures and the autonomy granted to management teams.
- To investigate the extent of strategic alignment between hotel owners and management teams
- To assess the communication between hotel owners and management teams
- To analyze the key challenges and areas of conflict between owner and management teams

1.4 Research Questions

- What ownership structures and management contracts were prevalent among star-rated hotels in Mekelle?
- To what extent were hotel owners and management teams aligned in their strategic goals
- How effective were the communication channels and transparency mechanisms between hotel owners and management teams?
- What key challenges and areas of conflict arose within the dynamics of the owner-management relationship?

1.5 Scope of the Study

The scope of this study is to comprehensively examine the dynamics between hotel owners and management teams in the Mekelle Star Rated Hotels, a significant segment of the hospitality industry in the city of Mekelle, Ethiopia. The study will encompass the following key areas:

The research will investigate the various ownership structures of the Mekelle Star rated Hotels, ranging from sole proprietorships to larger corporations or investment groups (Hodari & Sturman, 2014). It will also analyze the management styles in place, including the responsibilities, authority, and compensation of the management teams (Contractor & Kundu, 1998).

1.6 Significance of the study

The proposed study has significant importance for the hospitality industry, particularly for the Mekelle Star Rated Hotels. The findings of this research will contribute to a deeper understanding of the dynamics between hotel owners and management teams, which is crucial for the long-term success and sustainability of these establishments.

One of the key significance factors lies in the potential to identify strategies and best practices that can foster effective collaboration and alignment between owners and managers (Hodari & Sturman, 2014). By addressing the challenges and areas of conflict that often arise in these relationships, the study can pave the way for improved decision-making processes, efficient resource allocation, and enhanced overall performance.

Moreover, the study's emphasis on communication, transparency, and collaborative efforts between owners and management teams is of paramount importance (Contractor & Kundu, 1998). Establishing robust communication channels and fostering trust can not only mitigate conflicts but also promote a shared vision and strategic alignment, ultimately benefiting the hotel's operations and guest experiences.

Evaluating the investment and resource allocation priorities of hotel owners, and their alignment with the management teams' perspectives on service standards and competitiveness, is another significant aspect of the study (Okumus et al., 2010). By addressing potential disparities in these priorities, the research can contribute to the development of strategies that balance profitability with guest satisfaction and long-term sustainability.

Furthermore, the study's exploration of the local context and cultural considerations in Mekelle holds significance for tailoring operational strategies and meeting guest expectations (Lashley,

2015). This understanding can empower hotel owners and management teams to navigate the unique challenges and opportunities presented by the local environment, ultimately enhancing the overall hospitality experience.

Assessing the effectiveness of performance evaluation and monitoring processes is also a significant aspect of the study (Sainaghi, 2010). By identifying areas for improvement in these processes, the research can facilitate the development of robust mechanisms for evaluating management performance, fostering constructive feedback, and building trust between owners and managers.

Collectively, the significance of this study lies in its potential to provide actionable insights and recommendations that can bridge the gaps between hotel owners and management teams in the Mekelle Star Hotels (Enz, 2010). By addressing the challenges and leveraging the opportunities inherent in these relationships, the research can contribute to the long-term success and competitiveness of these hospitality establishments, ultimately benefiting the local economy and tourism industry.

1.6.1 Definition of terms

- **Hotel Owner:** An individual or entity that holds legal ownership and rights over a hotel property or establishment.
- **Management Team:** A group of professionals responsible for overseeing the day-to-day operations, strategic planning, and overall management of a hotel.
- **Ownership Structure:** The legal and organizational framework that defines the ownership rights, responsibilities, and control over a hotel property.
- **Management Contract:** A formal agreement that outlines the responsibilities, authority, and compensation of the management team in operating a hotel on behalf of the owner.
- **Strategic Alignment:** The coordination and coherence between the strategic vision, goals, and approaches of hotel owners and management teams.
- **Decision-Making Autonomy:** The degree of independence and authority granted to the management team in making operational and strategic decisions for the hotel.
- **Communication and Transparency:** Open and clear channels of information exchange, as well as the sharing of relevant data and decisions between hotel owners and management teams.
- **Collaborative Efforts:** Joint initiatives and coordinated actions undertaken by hotel owners and management teams to achieve common goals and address challenges

- **Resource Allocation:** The distribution and deployment of financial, human, and material resources within a hotel, based on priorities set by owners and management teams
- **Service Standards:** The established benchmarks and expectations for the quality of service, facilities, and guest experiences provided by a hotel.
- **Competitiveness:** The ability of a hotel to maintain a favorable position in the market, attracting guests, and outperforming competitors.
- **Local Context:** The unique cultural, social, economic, and regulatory environment in which a hotel operates, influencing its operations and guest expectations.
- **Performance Evaluation:** The systematic process of assessing the effectiveness and efficiency of the management team in achieving predetermined goals and objectives.
- **Trust:** The confidence and reliance placed by hotel owners in the management team's abilities, integrity, and commitment to act in the best interests of the property.

Chapter Two

Review of Related Literature

2.1 Introduction

The relationship between hotel owners and management teams is a critical factor that significantly influences the success and sustainability of hospitality establishments. This review of literature explores the existing research on various aspects of this relationship between hotel owners and management team in the hotel industry. This will provide a comprehensive understanding of the key factors that positively or negatively affect the relationship between hotel and management team in the hotel industry.

The hospitality industry is a multifaceted sector dedicated to providing exceptional customer experiences across various services such as accommodation, food and beverage, recreation, travel, and event management. This industry plays a crucial role in the global economy, contributing significantly to job creation and tourism development. Accommodation services, including hotels and resorts, focus on guest comfort and satisfaction, while food and beverage establishments prioritize quality, service speed, and dining ambiance. Additionally, recreation and entertainment sectors, such as theme parks and sports venues, offer leisure activities that enhance guest enjoyment. As the industry evolves, it faces challenges such as labor shortages and economic fluctuations, while also adapting to trends like technological advancements and sustainability practices. Professionals in the hospitality field must remain agile and innovative to meet the diverse needs of an increasingly discerning clientele (Walker, 2016; Brotherton, 2003). The owner and management team relationships are highly affected for the successful operation of the hotel business.

2.2 Definition of the Hotel

At the heart of the hospitality industry lies a simple idea: providing hospitality, which includes offering people food, drink, and a place to sleep (Jones, in Buhalis & Costa, 2021). According to Medlik's updated definition, "A hotel is an establishment providing for reward accommodation, food and drink for travelers, temporary residents, usually also meals and refreshments and sometimes other facilities for other users" (Medlik, 2020, p. 4). Furthermore, Henkin (2021) emphasizes that "hotels are not only places where one can get good food and comfortable rooms; they are also centers of community life, with facilities for meeting, entertainment, communication, and personal service

A hotel is a commercial establishment that provides lodging, meals, and various services to

travelers and tourists, primarily catering to individuals who are away from their homes for short periods. Hotels typically offer a range of accommodations, from basic rooms to luxurious suites, and may include amenities such as private bathrooms, air conditioning, and internet access. In addition to lodging, hotels often provide essential services such as housekeeping, front desk assistance, and food and beverage options, which can range from casual dining to fine dining experiences. The classification of hotels can vary based on size, service level, and target market, including luxury hotels, mid-range hotels, budget hotels, and boutique hotels, each designed to meet the diverse needs of guests (Walker, 2016). The operational structure of a hotel usually involves a general manager overseeing various departments, such as front office, housekeeping, and food and beverage services, ensuring that all aspects of the guest experience are managed effectively (Brotherton, 2003). The evolution of hotels from simple inns to modern establishments reflects significant changes in travel patterns and customer expectations, highlighting the importance of service quality and operational efficiency in the hospitality industry.

2.3 Importance of hotels

Hospitality is recognized as one of the major industries and one of the largest employers globally (Kotler et al., 2021). Hotels play a significant role in the development of economies and societies, as well as in transportation, distribution systems, and communication networks within a country. They provide essential facilities for recreation and entertainment, business transactions, corporate meetings, and conferences. In many regions, hotels serve as important attractions for visitors and are significant earners of foreign currency. Additionally, hotels employ a substantial workforce and act as product outlets for various industries; for instance, construction industries contribute to building and modernization, while various manufacturers supply equipment and furniture. Hotels also serve as sources of amenities for local residents, offering services such as restaurants, bars, conference halls, and party venues (Medlik, 2020).

Hotels are crucial for the economic development of a region. They generate revenue through room bookings, food and beverage sales, and various services, which in turn supports local businesses. According to the World Travel & Tourism Council (2020), the travel and tourism sector, which includes hotels, accounted for 10.4% of global GDP, focusing on the economic impact of this industry. By employing local staff and sourcing goods and services from nearby suppliers, hotels stimulate economic activity and foster community growth (Baker & Hsu, 2019).

Besides that, hotels facilitate cultural exchange and understanding. They act as connecting places where people from diverse backgrounds meet, promoting interactions that enhance cultural

appreciation. This aspect is particularly important in an increasingly globalized world, as hotels often provide a space for visitors to engage with local customs, traditions, and cuisines. As noted by McIntosh and Siggs (2005), such interactions can lead to greater awareness and tolerance among different cultures, enriching the travel experience for guests.

Moreover, the hotel industry is a significant source of employment. Hotels offer a wide range of job opportunities, from management roles to entry-level positions in housekeeping and food service. According to the American Hotel and Lodging Educational Institute (2021), the U.S. hotel industry alone employs approximately 8.3 million people. This employment not only supports individual livelihoods but also contributes to the overall economic stability of communities.

Additionally, hotels are increasingly adopting sustainable practices, recognizing their responsibility towards the environment. Many establishments are implementing eco-friendly initiatives, such as reducing waste, conserving energy, and sourcing local products. This shift towards sustainability is not only beneficial for the planet but also resonates with the growing number of environmentally conscious travelers. As noted by the Global Sustainable Tourism Council (2019), sustainable practices in hotels enhance brand loyalty and attract a demographic that values corporate responsibility.

2.4 Type and Classification of Hotels

The classification of hotels is a crucial aspect of the hospitality industry, as it helps consumers make informed choices based on their needs and preferences. Hotels can be categorized in various ways, including by service level, location, target market, and facilities. Below is a detailed overview of these classifications.

2.4.1 by Service Level

Luxury Hotels: Luxury hotels provide high-end services and amenities, catering to affluent guests seeking comfort and sophistication. These establishments often feature upscale restaurants, spas, and personalized services (Brotherton, 2003).

Upscale Hotels: Upscale hotels offer premium services and accommodations but at a slightly lower price point than luxury hotels. They typically include amenities such as fitness centers, business services, and fine dining (Walker, 2016).

Mid-Range Hotels: Mid-range hotels cater to travelers looking for comfort without the higher costs associated with luxury or upscale hotels. They often provide essential services and

amenities like complimentary breakfast and Wi-Fi (Kwortnik & Thompson, 2009).

Budget Hotels: Budget hotels focus on providing basic accommodations at lower prices. These hotels usually have fewer amenities and services but are ideal for cost-conscious travelers (O'Fallon & Rutherford, 2011).

Boutique Hotels: Boutique hotels are typically smaller, stylish establishments that offer unique designs and personalized services. They often reflect the local culture and appeal to guests seeking a distinctive experience (Baker & Hsu, 2021). These hotels emphasize individuality and character, providing an atmosphere that is both intimate and inviting. Many boutique hotels incorporate local art, cuisine, and design elements, enhancing the guest experience and fostering a deeper connection to the destination. This focus on authenticity and personalized service makes boutique hotels a popular choice for travelers looking for more than just standard accommodations.

2.4.2 By Location

Urban Hotels: Located in city centers, urban hotels cater to business and leisure travelers. They often provide convenient access to local attractions, dining, and transportation (Baker, 2006).

Resort Hotels: Resort hotels are situated in vacation destinations, offering recreational activities and amenities such as golf courses, pools, and spa services. They focus on providing a comprehensive leisure experience (Kwortnik & Thompson, 2009).

Airport Hotels: Airport hotels are designed for travelers with layovers or early flights. They offer shuttle services to and from the airport and cater to short-term stays (Brotherton, 2003).

2.4.3 By Target Market

Business Hotels: Business hotels cater specifically to corporate travelers, providing amenities such as meeting rooms, high-speed internet, and business centers (Walker, 2016).

Family Hotels: Family-oriented hotels offer amenities and services designed for guests traveling with children, such as family rooms, kid-friendly activities, and dining options (O'Fallon & Rutherford, 2011).

Eco-Friendly Hotels: Eco-friendly hotels focus on sustainability and environmentally conscious practices. They may implement green technologies and promote local culture and products (Baker & Hsu, 2014).

2.4.4 By Facilities

Full-Service Hotels: Full-service hotels offer a wide range of amenities, including restaurants, bars, fitness centers, and concierge services. They are designed to meet various guest needs (Kwortnik & Thompson, 2009).

Limited-Service Hotels: Limited-service hotels provide fewer amenities and services, focusing on comfortable accommodations at lower prices. They typically do not have on-site restaurants or extensive facilities (O'Fallon & Rutherford, 2011).

Extended Stay Hotels: Extended stay hotels cater to guests needing accommodations for longer periods. They often include kitchen facilities and laundry services, appealing to business travelers and families (Walker, 2016).

2.4.5 Classification of Hotels based on Star Rating

The star-rating system, used generically by hotels across the world, is out-of-date, inconsistently measured and does not reflect the needs of today's traveler, a study by QUO reveals. The study concentrates on the hotel industry in Asia, and includes interviews with experts from across the region. The research findings conclude:

- The official rating system is a one-dimensional metric to communicate the hardware facilities of the property that allows for disparity, meaning there is a lowest score to achieve in order to reach a certain star level.
- The systems include criteria that are no longer relevant, failing to address many hotels' strategic needs to differentiate and serve a niche market
- The official language is not that of the consumer, and the star rating system does not reflect the guest experience.

“Traveler's need to be able to rely on a system that is objectively measuring criteria in the same way across the world. The star-system does not do that. That's why social media has replaced the ratings and is critical to most consumer choices,” states David Keen, CEO of QUO. The study suggests the hospitality industry needs to adapt to today's travelers with a more consumer friendly language and approach. “Through this study we can see the industry perspective has shown a shift in the right direction, signaling the agreement that the star-rating system is out of date. Hotels are aware that the system needs to be reviewed and mirror the global perspective,” claims Enlin Zhou, brand strategist at QUO and author of the study. Hotels are an important component of the tourism product. They contribute to the overall tourism experience through the standards of facilities and services offered by them. With the aim of providing contemporary standards of facilities and services available in

the hotels, the Ministry of Tourism has formulated a voluntary scheme for classification of operational hotels which will be applicable to the following categories: Star Category Hotels: 5 Star Deluxe, 5 Star, 4 Star, 3 Star, 2 Star & 1 Star.

One-star hotels represent the most basic level of accommodation, offering minimal amenities and services, often appealing to budget-conscious travelers. These establishments usually provide clean, functional rooms but lack additional facilities such as on-site dining or extensive guest services (Walker, 2016). Two-star hotels offer slightly enhanced services, including basic amenities and often a continental breakfast, making them suitable for travelers seeking affordable options with some added comforts (Kwortnik & Thompson, 2009).

Three-star hotels are considered mid-range accommodations that provide a balance of comfort and affordability. They typically feature on-site dining options, fitness facilities, and a range of guest services, catering to families and business travelers alike (O'Fallon & Rutherford, 2011). Four-star hotels offer upscale accommodations with a focus on service and amenities, including high-quality restaurants, room service, and concierge services, targeting affluent travelers who seek premium experiences (Brotherton, 2003). Finally, five-star hotels epitomize luxury, providing exceptional service, premium amenities, and personalized experiences, often including spas and fine dining options, appealing to high-end travelers looking for exclusivity (Baker & Hsu, 2014).

In addition to star ratings, hotels can also be classified by size, which is generally determined by the number of rooms available. Small hotels, typically defined as having 1 to 50 rooms, offer intimate settings and personalized service, often focusing on unique experiences that reflect local culture (Walker, 2016). Medium hotels, with 51 to 150 rooms, strike a balance between personalized service and a broader range of facilities, making them suitable for both business travelers and families (Kwortnik & Thompson, 2009). Large hotels, which accommodate 151 to 500 guests, provide extensive services and amenities tailored to larger groups, including multiple dining options and large conference facilities (O'Fallon & Rutherford, 2011). Finally, mega hotels, defined as having over 500 rooms, are often part of international chains and offer comprehensive services, including entertainment options and large event spaces, catering to tourists and business travelers seeking a wide array of amenities (Brotherton, 2003).

2.5. Owner and Management Relationships in Hotel industry

The relationship between owners and management in hotels is a critical area of inquiry that influences operational effectiveness, service quality, and overall success. This dynamic is

particularly relevant in emerging markets, such as Mekelle, Ethiopia, where the hospitality sector is experiencing rapid growth. Effective owner-management relations are essential for fostering a collaborative environment that enhances guest satisfaction and financial performance (Kwortnik & Thompson, 2009). The literature suggests that the nature of ownership whether independent, corporate, or franchise significantly shapes management practices and decision-making processes (Baker et al., 2014). In many Mekelle hotels, independent ownership often leads to a hands-on approach by owners, which can both enhance personal investment in the hotel's success and create potential conflicts due to differing visions for the hotel's direction.

A critical element of this relationship is the alignment of goals between owners and management. Successful hotel operations often result when both parties share a common vision and objectives, leading to enhanced performance outcomes. Research indicates that hotels with aligned goals tend to outperform their competitors, with the general manager (GM) playing a pivotal role in this dynamic (Baker & Thompson, 2016). The GM acts as a liaison between the owner and the management company, and their autonomy in decision-making has been linked to improved hotel performance (Kwortnik & Thompson, 2009). However, conflicting interests can arise, particularly when owners prioritize short-term profitability while management focuses on long-term brand integrity and guest satisfaction. Such tensions can complicate strategic decision-making, making it essential for both parties to engage in open communication and collaboration (O'Neill & Mattila, 2010).

Conflicts between owners and managers frequently arise from misaligned goals. Owners typically prioritize financial returns, while managers focus on operational excellence and guest experience (O'Neill & Mattila, 2010). This divergence can lead to tension if not managed effectively. For instance, Baker et al. (2014) emphasize that successful hotels often adopt a participative management style that involves owners in strategic decisions while allowing managers the autonomy needed to handle day-to-day operations. This balance is particularly crucial in star-rated hotels, where service quality directly impacts reputation and profitability.

The evolving landscape of the hospitality industry, including the rise of online travel agencies and alternative lodging options, has further complicated owner-management dynamics. Owners must navigate these complexities while ensuring their management partners remain competitive and effective (Baker & Thompson, 2016). The increasing trend towards flexible management structures, such as the emergence of third-party operators focusing on individual assets, allows for more tailored management solutions that align closely with specific ownership goals (Kwortnik & Thompson, 2009). As the industry continues to change, the importance of clearly

defined roles and responsibilities within the owner-management relationship will become increasingly critical. Stakeholders must prioritize effective communication and adaptability to meet changing market demands and consumer preferences, ultimately fostering a productive partnership that enhances the overall success of the hotel.

Cultural factors also play a significant role in shaping owner-management relations. In Ethiopia's collectivist culture, which emphasizes relationships and community, the dynamics can either facilitate cooperation or exacerbate tensions if expectations are not clearly communicated (Hofstede, 2001). The importance of communication cannot be overstated; effective channels between owners and management are critical for aligning objectives and ensuring both parties work towards common goals (Baker et al., 2014). However, establishing these channels can be challenging in Mekelle's burgeoning hotel sector due to varying levels of experience and expertise among owners and managers.

Training programs aimed at enhancing managerial skills and promoting an understanding of the hospitality industry's intricacies can help bridge the gap between owners and managers (O'Neill Mattila, 2010). Such initiatives not only improve operational effectiveness but also foster a culture of collaboration that benefits both parties. Ultimately, the dynamics of owner and management relations in star-rated hotels in Mekelle are shaped by various interrelated factors, including ownership structure, cultural influences, and communication practices. Further research is needed to explore specific case studies that highlight successful strategies for fostering positive owner-management relations. Insights from such studies could contribute significantly to improving operational effectiveness and enhancing the overall guest experience in Mekelle's hotels.

2.6. Ownership Structures and Management Contracts

The ownership structure of a hotel significantly influences its operational dynamics and financial performance. Typically, hotels can be categorized into several ownership models: independent ownership, franchise, leasehold, and management contracts (Kwortnik & Thompson, 2009). Independent hotels are owned and operated by a single entity, which may provide greater control over operations but often leads to challenges in brand recognition and marketing. In contrast, franchise hotels allow owners to leverage an established brand's identity and marketing strategies while maintaining ownership. Leasehold arrangements enable owners to lease property from a landlord, focusing on hotel operations without capital investment in real estate. However, management contracts have gained prominence due to their flexibility and reduced financial risk for owners.

Research by Contractor and Kundu (1998) has delved into the different ownership structures prevalent in the hotel industry, ranging from sole proprietorships to larger corporations or investment groups. These ownership structures often dictate the nature of the management contracts, which outline the responsibilities, authority, and compensation of the management teams (Hodari & Sturman, 2014). Understanding these contractual arrangements is crucial in analyzing the decision-making processes and the level of autonomy granted to the management teams.

Management contracts involve an agreement between hotel owners and management companies, where the latter operates the hotel on behalf of the owner for a fee (Morrison, 2019). This structure allows owners to benefit from the expertise of professional management firms without needing to engage directly in day-to-day operations. The management company typically receives a base fee, along with an incentive fee based on the hotel's performance, aligning the interests of both parties. This relationship can enhance operational efficiency and profitability, especially in competitive markets. However, the success of management contracts hinges on effective communication and alignment of goals between owners and managers (Brotherton, 2003).

In Mekelle, the capital of the Tigray region in Ethiopia, the hospitality industry has witnessed significant growth, influenced predominant ownership models in this region are independent ownership. Independent hotels, often family-owned or operated by local entrepreneurs, provide a unique cultural experience and personalized service. However, these hotels may face difficulties in accessing broader markets and resources compared to branded franchises (Ethiopian Investment Commission, 2020).

Management contracts are increasingly popular in Mekelle, as they enable hotel owners to leverage the expertise of professional management firms. These contracts typically involve a fee structure that includes a base fee and performance-based incentives, aligning the interests of the management company with those of the owners. This arrangement allows for improved operational efficiencies and can enhance the overall guest experience (Sahni, 2021). However, the success of management contracts relies heavily on effective communication and alignment of objectives between the owners and management firms.

Furthermore, the choice of ownership structure and management contract can impact hotel branding, customer service quality, and overall guest experiences. Owners must carefully evaluate their strategic goals, market conditions, and potential managerial partners to determine

the most suitable approach. As the hospitality industry evolves, understanding these dynamics remains crucial to ensure long-term success and sustainability in an increasingly competitive landscape.

2.7. Strategic Alignment and Decision-Making

Strategic alignment between hotel owners and management teams is essential for the successful operation of hospitality businesses. Effective collaboration ensures that both parties work towards common objectives, blending the owners' long-term vision with the management team's operational expertise. This alignment is particularly crucial in a highly competitive environment where market dynamics can shift rapidly, necessitating agile decision-making processes (Heskett & Schlesinger, 1994). Studies by Enz (2010) have emphasized the importance of aligning the strategic vision, goals, and approaches of both parties. Hodari and Sturman (2014) further explored the decision-making autonomy of hotel general managers, highlighting the impact of ownership structures on their ability to make operational and strategic decisions.

The decision-making framework in hotels typically involves a combination of data-driven analysis and experiential insights. Management teams are responsible for daily operations and often rely on key performance indicators (KPIs) to guide their decisions regarding pricing, staffing, and service improvements. For instance, through analyzing guest feedback and occupancy trends, management can propose initiatives aimed at enhancing customer satisfaction and operational efficiency (Kwortnik & Thompson, 2009). These operational decisions must align with the owners' strategic goals, such as revenue targets and brand positioning, to ensure coherent business direction.

Regular communication is a cornerstone of effective strategic alignment. Scheduled meetings between owners and management teams provide a platform for discussing performance metrics, market developments, and potential operational adjustments. This dialogue fosters a culture of transparency and accountability, allowing both parties to express concerns and collaboratively explore solutions (Morrison, 2019). For example, if the management team identifies a need for renovation to meet guest expectations, owners can assess the financial implications and determine the feasibility of such investments in line with their long-term strategy.

The strategic alignment and decision-making processes between hotel owners and management teams in star-rated hotels are critical to achieving operational success and enhancing guest satisfaction. Effective collaboration between these two parties ensures that the hotel adheres to its vision and mission while navigating the complexities of the hospitality market. Owners

typically focus on long-term financial objectives and asset management, while management teams concentrate on daily operations, guest experiences, and brand reputation. This divergence in focus necessitates a well-defined framework for communication and strategic alignment (Heskett & Schlesinger, 1994).

Strategic alignment is often facilitated through regular meetings and performance reviews, where both parties can discuss operational challenges, market trends, and guest feedback. These interactions promote a shared understanding of the hotel's objectives and allow for the adjustment of strategies as needed. For instance, if market data indicates a shift in guest preferences towards sustainable practices, both owners and management can collaboratively decide to implement eco-friendly initiatives, thereby enhancing the hotel's appeal and competitiveness (Kwortnik & Thompson, 2009).

Moreover, potential conflicts can arise when there is a misalignment of priorities between owners and management. For instance, owners may prioritize cost control to maximize profitability, while management might focus on enhancing service levels, which could involve higher operational costs. To mitigate these conflicts, establishing clear roles and responsibilities, along with a well-defined decision-making process, is essential (Brotherton, 2003). When both parties understand their respective contributions and constraints, it fosters a collaborative atmosphere that enhances overall hotel performance.

2.8. Communication, Transparency, and Collaboration between Hotel Owners and Management Teams

Effective communication, transparency, and collaboration between hotel owners and management teams are fundamental components of successful hotel operations. These elements foster a constructive environment that enhances decision-making, operational efficiency, and guest satisfaction. In the dynamic hospitality industry, where rapid changes in market conditions and consumer preferences are commonplace, maintaining open lines of communication is crucial for adapting strategies and ensuring alignment of goals (Heskett & Schlesinger, 1994).

Communication must be both frequent and structured to facilitate effective collaboration. Regular meetings, whether formal or informal, allow both parties to discuss performance metrics, market trends, and operational challenges. Through these interactions, management teams can present data-driven insights regarding guest feedback, staff performance, and financial outcomes, while owners can provide strategic direction and resource allocation (Kwortnik & Thompson, 2009). This two-way communication helps to build mutual

understanding and respect, enabling both parties to address potential issues proactively before they escalate.

Open communication channels, transparency, and collaborative efforts are vital components of a successful owner-management relationship. Contractor and Kundu (1998) have examined the role of communication and transparency in fostering trust and mitigating conflicts between owners and managers. Okumus et al. (2010) have investigated the importance of collaborative efforts in achieving common goals and addressing challenges within the hospitality industry.

Transparency in operations is equally vital. When hotel owners are transparent about their financial goals and expectations, management teams can make informed decisions that align with these objectives. Conversely, when management shares operational challenges and successes openly, owners can better appreciate the complexities of hotel management and support necessary initiatives (Morrison, 2019). For instance, if management identifies a need for staff training to improve service quality, transparent discussions regarding the associated costs and benefits can lead to collaborative decisions that enhance overall performance.

Collaboration extends beyond communication and transparency; it involves a shared commitment to the hotel's vision and mission. When owners and management work together towards common goals, such as enhancing guest experiences or increasing profitability, it creates a unified approach to decision-making. This collaborative spirit can be cultivated through team-building activities and joint strategic planning sessions, which reinforce the partnership and align efforts toward mutual success (Brotherton, 2003).

2.9. Investment and Resource Allocation

The investment and resource allocation priorities of hotel owners often dictate the operational strategies and service standards of the establishment. Okumus et al. (2010) have explored the alignment between owners' investment priorities and management teams' perspectives on maintaining high service standards, enhancing guest experiences, and ensuring competitiveness in the market. This collaborative approach not only enhances the quality of investment decisions but also ensures that resource allocation aligns with the strategic objectives of the hotel. Engaging management teams in these processes allows for the integration of operational insights and market intelligence, which are crucial for informed decision-making (Morrison, 2019).

Management teams possess firsthand knowledge of day-to-day operations, guest preferences, and emerging market trends. Their involvement in investment discussions enables hotel owners to gain a deeper understanding of the implications of proposed investments. For instance, when

considering renovations or expansions, management can provide data on occupancy rates, guest demographics, and feedback on existing facilities, which can significantly influence the feasibility and design of the project (Kwortnik & Thompson, 2009). This data-driven approach ensures that investments are not only financially sound but also tailored to meet the specific needs of the hotel's target market.

Moreover, the inclusion of management in resource allocation discussions fosters a sense of ownership and accountability. When management teams are consulted on how resources should be distributed, they are more likely to commit to the implementation of the planned initiatives. This participatory approach can lead to enhanced motivation and morale among staff, as they see their input valued in strategic decisions (Heskett & Schlesinger, 1994). For example, if management advocates for additional training resources to improve service delivery, owners can assess this need within the context of overall budget constraints and strategic goals, leading to more effective resource allocation.

Effective communication and clearly defined roles are essential for maximizing the benefits of this collaboration. Hotel owners should articulate their strategic vision and financial parameters, while management teams must provide transparent assessments and realistic recommendations. Establishing structured processes for collaboration, such as regular investment and budgeting meetings, can facilitate ongoing dialogue and ensure that both parties remain aligned in their objectives (Brotherton, 2003).

2.10. Local Context and Cultural Considerations

The dynamics between hotel owners and management teams are significantly influenced by local context and cultural considerations. Cultural norms and values play a pivotal role in shaping communication styles and decision-making processes. For instance, in cultures that prioritize indirect communication, hotel managers may be hesitant to voice concerns or suggestions, leading to misunderstandings and potential conflicts (Hofstede, 2011). Conversely, cultures that embrace direct communication can facilitate open dialogue, enabling management teams to address issues promptly. Moreover, decision-making processes vary widely; hierarchical cultures may expect decisions to flow from owners to management, while in open cultures often involve management teams in collaborative discussions (Trompenaars & Hampden-Turner, 2012).

Local market conditions also impact the relationship dynamics between hotel owners and management. Economic factors such as tourism trends, competition, and local regulations can

shape expectations on both sides. For example, in a booming tourist destination, owners may push for aggressive growth strategies, while management might prioritize sustainable practices that enhance long-term viability (Kwortnik, 2003). Additionally, regulatory environments can dictate operational strategies, influencing how owners and managers align their goals. A thorough understanding of local laws, such as labor regulations and health codes, is essential for both parties to ensure compliance and operational efficiency.

Trust and role clarity are vital components of a successful owner-management relationship. Owners must have confidence in their management teams to execute the hotel's vision effectively, while managers seek support and resources from owners to achieve operational objectives (Miller & Lessard, 2000). Clear definitions of roles and responsibilities can foster this trust, reducing the likelihood of conflicts arising from misunderstandings. Furthermore, aligning on performance metrics is crucial, as local expectations regarding profitability and service quality can vary. In some cultures, emphasis is placed on financial performance, while others may prioritize guest satisfaction and service excellence (Berry, 1995).

Cultural hospitality practices further influence the dynamics between hotel owners and management teams. Different cultures have unique standards for service, which can affect how both parties set expectations and train staff. For instance, in cultures with a rich tradition of hospitality, owners may insist on maintaining specific local practices that resonate with guests, while management may seek to modernize these approaches to attract a broader clientele (Lashley, 2000). Additionally, cultural attitudes toward employees can shape management styles, impacting relationships with staff and, subsequently, guest experiences. In cultures that emphasize respect and collectivism, management may adopt a more participative approach, fostering a sense of belonging among employees.

Conflict resolution strategies are also influenced by cultural backgrounds. Different cultures have varying approaches to handling disputes; some may prefer to avoid confrontation, while others might address issues head-on (Gelfand et al., 2006). Understanding these differences is essential for resolving conflicts and aligning goals between owners and management. Furthermore, negotiation styles can vary significantly across cultures, impacting how agreements are reached and maintained.

Finally, community engagement is an essential aspect of the hotel industry that can enhance the relationship between owners and management. Building partnerships with local businesses and communities not only improves a hotel's reputation but also contributes to its operational success

(Baker, 2014). Social responsibility initiatives that reflect local values can strengthen brand loyalty and foster a positive image. Aligning on community engagement strategies ensures that both owners and managers contribute to a shared vision that resonates with the local context.

2.11. Performance Evaluation and Monitoring

Effective performance evaluation and monitoring processes are essential for assessing the management team's effectiveness and fostering trust between owners and managers. Sainaghi (2010) has evaluated various performance evaluation methods and their impact on hotel operations. Constructive feedback and open communication are key to building trust and improving performance. Effective performance management systems not only assess operational effectiveness but also enhance accountability, foster collaboration, and contribute to the overall success of the hotel. This process involves the establishment of clear performance metrics, regular feedback mechanisms, and the alignment of both parties' strategic objectives.

Establishing clear performance metrics is fundamental to effective evaluation. Hotel owners and management teams must collaboratively define key performance indicators (KPIs) that reflect both financial and operational goals. These may include occupancy rates, revenue per available room (RevPAR), guest satisfaction scores, and employee turnover rates (Walker, 2016). By agreeing on these metrics, both parties create a shared understanding of what constitutes success. This alignment is crucial, especially in diverse cultural contexts where interpretations of performance may vary. In collectivist cultures, for example, the emphasis might be on team performance, whereas individualistic cultures may focus more on personal accountability (Hofstede, 2011).

Regular performance monitoring is essential for maintaining transparency and fostering trust in the owner-management relationship. This typically involves periodic reviews where management presents performance reports that highlight achievements, challenges, and areas for improvement. These reviews not only serve as a platform for accountability but also facilitate constructive dialogue between owners and managers (Miller & Lessard, 2000). Such interactions can help identify potential issues early, allowing for timely interventions and adjustments in strategy. Furthermore, effective communication during these evaluations can strengthen relationships by demonstrating mutual respect and a commitment to shared goals.

Feedback mechanisms play a crucial role in performance evaluation. Constructive feedback should be provided not only from owners to management but also in the reverse direction. Management teams should feel empowered to communicate their insights and concerns

regarding operational challenges and market conditions. This two-way feedback loop enhances the overall decision-making process and ensures that both parties are actively involved in shaping the hotel's direction (Kwortnik, 2003). Moreover, incorporating guest feedback into performance evaluations can provide valuable insights into service quality and operational efficiency, reinforcing the importance of a guest-centered approach.

Aligning strategic objectives is another critical aspect of performance evaluation in hotel management. Owners and management teams must ensure that their goals are not only aligned with each other but also reflective of the broader market context. This alignment can be achieved through strategic planning sessions that involve both parties in setting long-term goals and adjusting them based on market trends and performance data (Baker, 2014). By fostering a collaborative approach to strategic planning, owners and managers can ensure that their efforts are synchronized, leading to more cohesive operational strategies.

In addition to financial metrics, the evaluation process should also consider the qualitative aspects of hotel management, such as employee engagement and organizational culture. High employee morale and a positive workplace culture are instrumental in delivering exceptional guest experiences. Tools such as employee satisfaction surveys and performance appraisals can provide insights into the internal dynamics of the hotel, informing both owners and management about areas that require attention (Berry, 1995). By prioritizing these qualitative measures, hotels can enhance their overall performance and create a more engaged workforce.

2.12. Challenges and Areas of Conflict

Despite the importance of owner-management relationships, conflicts and challenges often arise. Contractor and Kundu (1998) have identified common areas of conflict, such as differing priorities, communication breakdowns, and lack of trust. Addressing these challenges is crucial for maintaining a productive working relationship and achieving long-term success.

The relationship between hotel owners and management teams is often fraught with challenges and potential areas of conflict. These conflicts can arise from differing priorities, communication gaps, and varying expectations regarding operational performance and strategic direction. Understanding these challenges is essential for fostering a collaborative environment that enhances overall hotel performance.

One of the primary sources of conflict stems from differing priorities between owners and management. Owners typically focus on financial returns and maximizing profitability, while management teams may prioritize guest satisfaction, employee engagement, and operational

efficiency. This divergence can lead to tensions, particularly when management's emphasis on quality service and employee welfare appears to conflict with the owner's immediate financial objectives (Miller & Lessard, 2000). For instance, owners may push for cost-cutting measures that can compromise service quality, creating friction with management teams committed to maintaining high standards.

Communication gaps also contribute significantly to conflict in owner-management relationships. Effective communication is crucial for aligning the goals and expectations of both parties. However, if owners fail to articulate their vision clearly or if management does not effectively convey operational challenges and needs, misunderstandings can arise. This lack of clarity can result in misaligned strategies and hinder the ability to respond to market changes effectively (Kwortnik, 2003). Regular communication and feedback mechanisms are vital to bridge these gaps and ensure that both parties remain aligned on key objectives.

Another challenge involves the evaluation and measurement of performance. Owners often rely on financial metrics, such as revenue per available room (RevPAR) and occupancy rates, to assess success. In contrast, management teams may advocate for a more holistic approach that includes qualitative measures, such as guest satisfaction scores and employee morale (Walker, 2016). This difference in perspective can lead to conflicts over what constitutes successful performance and how to prioritize competing goals. Establishing agreed-upon performance indicators that reflect both financial and operational success is critical to mitigating these conflicts.

Cultural differences can also play a significant role in the dynamics between owners and management teams, particularly in international hotel operations. Variations in cultural norms regarding authority, teamwork, and communication can lead to misunderstandings and conflicts. For instance, in cultures with a strong hierarchical structure, management may feel compelled to defer to owners, potentially stifling innovation and responsiveness to guest needs (Hofstede, 2011). Conversely, in more egalitarian cultures, management may expect a collaborative decision-making process that owners might not fully embrace, leading to frustration and disengagement.

Finally, the issue of trust and role clarity is crucial in mitigating conflicts. When roles and responsibilities are not clearly defined, it can create ambiguity and tension within the owner-management relationship. Owners must trust their management teams to execute the hotel's vision effectively, while management needs to feel supported and empowered to make

operational decisions (Berry, 1995). Establishing clear expectations and fostering an environment of mutual respect can help build trust and reduce potential areas of conflict.

2.13. Strategies and Best Practices in Strengthening Hotel Owner and Management Team Relationships

Based on the existing literature, several strategies and best practices have been proposed to strengthen the relationships between hotel owners and management teams. These include fostering open communication, aligning strategic goals, establishing clear performance metrics, and promoting mutual understanding and trust (Enz, 2010; Hodari & Sturman, 2014; Okumus et al., 2010).

Establishing clear communication channels is fundamental to a successful relationship between hotel owners and management teams. Regularly scheduled meetings should be established to discuss operational performance, strategic initiatives, and any arising challenges. These meetings provide a platform for both parties to express their views, share insights, and align their objectives. Utilizing technology, such as project management tools and communication platforms, can enhance ongoing discussions and ensure that all stakeholders are kept informed and engaged. Open and transparent communication fosters trust and helps mitigate misunderstandings, allowing both parties to work collaboratively toward common goals (Kwortnik, 2003).

Aligning goals and objectives is crucial for ensuring that both hotel owners and management teams are working towards the same vision. Collaborative strategic planning sessions can be employed to define shared objectives, such as enhancing guest satisfaction, improving service quality, or increasing revenue per available room (RevPAR). By establishing common goals, both parties can foster a sense of ownership and commitment to the hotel's success. This alignment not only reduces the potential for conflicts but also enables both owners and management to adapt to market changes more effectively (Miller & Lessard, 2000).

Clearly defined roles and responsibilities are also essential for minimizing conflicts and misunderstandings. Owners should articulate their expectations regarding financial performance and strategic direction, while management should specify their operational responsibilities and decision-making authority. This clarity ensures that both parties understand their contributions to the hotel's success and helps prevent overlaps that can lead to confusion. When roles are well-defined, it allows for smoother operations and enhances accountability within the team (Berry, 1995).

Fostering a culture of trust is another important factor for nurturing a healthy owner-management relationship. Owners should demonstrate confidence in their management teams by granting them the autonomy to make operational decisions. In turn, management should respect the owners' investment and financial objectives. Building this mutual respect can be accomplished through team-building activities and informal gatherings that strengthen personal relationships. Trust is further enhanced when both parties acknowledge and value each other's expertise and contributions to the hotel's operations (Hofstede, 2011).

Establishment of performance metrics that can reflect both financial and operational success is also another vital strategy for improving the owner-management relationship. A balanced scorecard approach that includes key performance indicators (KPIs) related to guest satisfaction, employee engagement, and financial performance can provide a comprehensive view of the hotel's success. Regularly reviewing these metrics together helps both parties identify areas for improvement and celebrate achievements. This practice enhances accountability and reinforces the commitment of both owners and management to achieving the hotel's objectives (Walker, 2016).

Investing in the professional development of management teams is also essential for enhancing their capabilities and strengthening the owner-management relationship. Owners should support training programs focused on leadership development, customer service excellence, and financial management. By empowering management with the necessary skills and knowledge to excel, owners can cultivate a more competent and confident team that aligns with their strategic vision. This investment in human capital is critical for navigating the evolving demands of the hospitality industry (Al-Sabi et al., 2019).

Proactive conflict management is vital in any business relationship, including between hotel owners and management teams. Establishing a conflict resolution process that encourages open discussion and problem-solving can help address issues before they escalate. This process may involve mediation by a neutral third party if necessary. By tackling conflicts head-on, both parties can maintain a positive working relationship and focus on achieving shared goals. Proactive conflict resolution fosters a collaborative atmosphere where both parties feel valued and heard (Moghaddam et al., 2018).

Finally, recognizing and celebrating achievements can significantly enhance the owner-management relationship. Whether reaching a financial milestone, receiving positive guest feedback, or successfully launching a new service, acknowledging these successes fosters a

sense of teamwork and shared purpose. Owners should take the time to express appreciation for the management team's efforts, reinforcing the value of their contributions to the hotel's success. Celebrating achievements together strengthens the partnership and creates a more cohesive working environment (Antunes et al., 2017).

Chapter Three

Research Methodology

3.1 Introduction

This chapter deals with research methodology. Topics such as description of the study area, the research approaches used in this study, data collection tools and data sources, research design, sampling and sampling size, data analysis etc. topics will be covered.

3.2. Geographical Survey of the Study Area

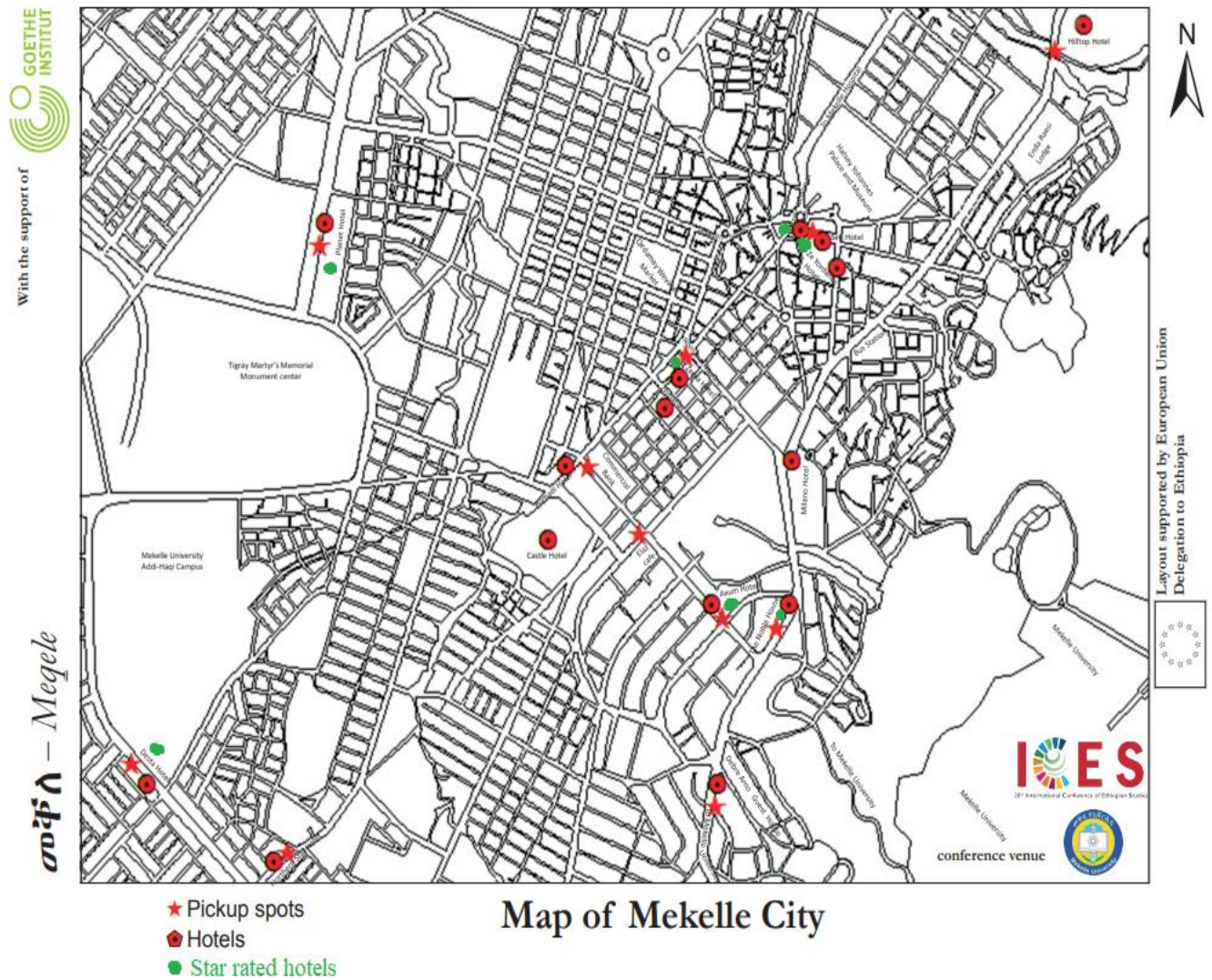
Tigray National Regional State is one of the regional states under the Federal Democratic Republic of Ethiopia. It is situated between 12° 15' N and 14° 57' N latitude and 36° 27' E and 39° 59' E longitude (Tsegay, 2005, p. 24). Covering an area of 53,638 km², Tigray accounts for about 6% of Ethiopia's total area. Located at the northern tip of the country, Tigray lies between two extremes: the Semien Mountains, also known as the "Roof of Africa" (4,620 meters above sea level), and the Dalul Depression (126 meters below sea level). This unique geography contributes to Tigray's ecological diversity and climatic variations (Ibid).

Mekelle, the capital city of the Tigray region in northern Ethiopia, has experienced significant demographic growth and economic development over the past few decades. As of 2023, the estimated population of Mekelle is approximately 545,635, making it the second-largest city in Ethiopia after Addis Ababa (World Bank 2024). The population has seen remarkable growth from just 61,000 in 1984 to 170,000 in 2006, reflecting a rapid urbanization trend. According to the Central Statistical Agency, the demographic profile of Mekelle is characterized by a youthful population, with a substantial percentage under the age of 25, which presents both opportunities and challenges for the city in terms of employment and education (Central Statistical Agency 2021)

Economically, Mekelle serves as a vital hub in northern Ethiopia, with its economy primarily driven by agriculture, trade, and emerging manufacturing sectors. The surrounding highlands are fertile and support the cultivation of various crops, including cereals and pulses, which are essential for local consumption and trade. In recent years, the city has seen the establishment of new industries, including engineering, cement, and textile factories, which cater to both local and international markets. The service sector has also expanded, with retail and hospitality industries contributing to the economic landscape.

Despite its growth, Mekelle faces significant challenges, particularly due to the ongoing conflict

in the Tigray region, which has disrupted trade and affected local businesses. This situation has led to increased poverty and displacement among the population. Nevertheless, efforts are underway to revitalize the economy and restore stability, focusing on sustainable development and resilience-building initiatives. The same is true in the hospitality and tourism sector.



Source: Mekelle University

3.3. Research Methodology

The research methodology for this study on the dynamics of management and hotel owner relations in Mekelle star-rated hotels employs a mixed approach, predominantly qualitative approach to gain in-depth insights into the complexities of these relationships. The study was utilized a descriptive research design, focusing on selected star-rated hotels in Mekelle, which have been identified based on their operational scale and significance within the local hospitality industry. The qualitative nature of this research is deemed appropriate, as it allows for a comprehensive exploration of the perceptions, experiences, and interactions between hotel

management and owners.

In the qualitative approach semi-structured interviews, qualitative questionnaires and personal observation were deployed to purposefully select key informants of star rated hotels general managers, department managers, Tigray Tourism and Culture Bureau staffs and Mekelle City Tourism office. In the quantitative approach, close questionnaires were deployed to hotel owners, managers and management teams of selected star rated hotels.

3.4. Research Design

This study was employed a qualitative research design to achieve an in-depth understanding of the dynamics of management and hotel owner relations in Mekelle Star rated Hotels. Qualitative research is particularly suited for exploring and interpreting complex social phenomena (Creswell, 2014).

Qualitative research allows for a comprehensive examination of the deep and contextual factors that influence the owner-management relationship in the hospitality industry. It enables the researcher to delve into the experiences, perspectives, and subjective interpretations of the participants, providing a rich and detailed understanding of the research topic.

By adopting a qualitative research design, this study was employed methods such as semi-structured interviews and document analysis to gather and analyze data. These methods were allowed for a nuanced exploration of the dynamics between hotel owners and management, shedding light on the factors that shape their relationship and the challenges and opportunities they encounter.

The qualitative research design will enable the researcher to obtain a holistic view of the owner-management relationship in Mekelle Star Hotels, capturing the complexities and subtleties that may not be evident through quantitative approaches. It was provided a deeper understanding of the social and organizational dynamics that influence the relationship, contributing to knowledge in the field of hospitality management

3.5. Sample Design

Sample design refers to the technique or the procedure the Researcher adapts for selecting samples from the population. This is very helpful to decide the sample unit to be included in the sample, i.e. the size of the sample from the sample frame. In this respect, the researcher has employed convenience sampling in selecting hotel owners and management teams in star rated hotels in Mekelle. A convenient way in which a sample would be selected purposefully to deploy questionnaires based on their

knowledge to the study area.

Accordingly, a total of 65 respondents purposely selected to fill the questionnaires based on their knowledge and interests on issues raised by the researcher. The respondents are selected from different stakeholders including hotel managers, hotel line staff, and owners, tourism offices both Tigray and Mekelle city. From those respondents, the questionnaires of 60 respondents are chosen for further analysis. The researcher selected these respondents whose responses best fitted for the purpose of the study. The remaining 5 questionnaires were unfilled and unreturned.

3.6. Data collection and, data sources and Target Population

Data collection was conducted using mixed questionnaires, semi-structured interviews and focus group discussions. Semi-structured interviews were carried out with key stakeholders, including hotel managers, owners, and employees, to explore their perspectives on the relationship dynamics. This method is advantageous as it provides flexibility to probe deeper into specific areas of interest while ensuring that core topics are covered (Creswell, 2014). Additionally, focus group discussions were organized to facilitate collective dialogue among participants, which can uncover shared experiences and varied viewpoints that may not emerge in one-on-one interviews (Kitzinger, 1995). The selection of participants will be based on purposive sampling, ensuring that individuals with relevant knowledge and experience are included in the study.

Data collection was also conducted through self-administered questionnaires distributed at both hotels. In the course of the study, the writer employed mixed approaches though predominantly of qualitative research approach. An in-depth personal observation of the study area was made so as to know the dynamics of owner and management team relationships. While an intensive interview of key informants was made using snowball sampling, qualitative questionnaires are also forwarded to selected respondents.

3.6.1 Data Sources

The primary data for this research was collected through semi-structured interviews with key stakeholders, including hotel owners, senior management, and employees of Mekelle Star rated Hotels. These interviews were served as the main source of qualitative data and provide valuable insights into the dynamics of management and hotel owner relations in the study area.

The interviews were conducted face-to-face, allowing for direct interaction and in-depth exploration of the research topic. A semi-structured interview guide was utilized, incorporating open-ended questions to encourage respondents to provide detailed and rich responses.

Furthermore, case studies of specific hotels can serve as a rich primary data source, offering contextual insights into how different ownership structures and management styles influence operational outcomes. Observational studies within the hotel environment can also provide valuable data on day-to-day interactions between owners and management teams, highlighting the practical implications of their relationships. By triangulating these various primary data sources, researcher can develop a nuanced understanding of the factors that shape owner-management dynamics and their impact on hotel performance.

The Primary sources used in this study were field surveys were conducted to a key informant of this analysis, aimed at quantitatively measuring guest satisfaction and service quality at both hotels. Targeting guests who have stayed at either hotel within the last six months, surveys can be distributed online or conducted in-person during check-in or check-out. This survey was included Likert scale questions assessing various aspects of service, such as cleanliness, staff responsiveness, and overall satisfaction, alongside open-ended questions for qualitative feedback (Kumar et al., 2019). In addition to surveys, conducting interviews with both hotel staff and guests will provide qualitative insights into the experiences related to service provision. Semi-structured interviews with hotel staff, including managers and front desk personnel, will help uncover internal perceptions of service strengths and weaknesses. Similarly, interviewing a diverse selection of guests will yield personal accounts of their experiences, offering a deeper understanding of customer expectations (Creswell, 2014).

Focus groups can also be employed to facilitate discussions among guests about their experiences at the hotels. By organizing focus group sessions with guests from both hotels, researchers can explore collective perceptions of service quality and areas for improvement. This method allows for rich dialogue and can reveal insights that individual surveys or interviews might not capture (Morgan, 1997). Observational methods will further enhance the analysis by allowing researchers to assess real-time service delivery and customer interactions. Direct observations during peak and non-peak hours will provide valuable information on staff behavior, responsiveness, and the overall atmosphere within each hotel setting (Patton, 2015).

Customer feedback forms are another essential data source. These forms can be made available to guests during their stay or digitally through hotel apps and websites. The feedback collected

will focus on specific services used by guests, offering immediate insights into satisfaction levels and areas needing attention (Oliver, 2010). Additionally, analyzing social media and online reviews will provide a broader perspective on guest opinions and experiences. Platforms such as TripAdvisor and Google Reviews often contain valuable qualitative data regarding customer satisfaction and complaints, which can highlight trends over time (Liu Park, 2015).

Lastly, reviewing internal hotel records and reports will contribute statistical data on operational efficiency metrics. This includes occupancy rates, average length of stay, and customer complaint logs. Such quantitative data is crucial for understanding service performance in both hotels (Baker Cameron, 2008).

Relevant documents and records related to the management and operations of Mekelle Star rated Hotels may serve as secondary sources of data. These documents can include organizational policies, financial reports, performance evaluations, and other relevant materials that shed light on the owner-management relationship within the hotels.

The secondary data sources used in this study were published sources encompassing a range of materials, including books that offer comprehensive insights on specific topics and academic journals that feature peer-reviewed articles presenting findings and discussions relevant to various fields. Additionally, conference proceedings serve as a repository for recent research presented at academic gatherings, highlighting emerging trends and discoveries. Besides that, government publications are significant sources of secondary data, featuring statistical reports that include census data, economic indicators, and health statistics compiled by government agencies. These documents often also include policy papers that outline governmental regulations and initiatives pertinent to specific sectors.

Industry reports were also used because it provides critical market insights, with market research firms analyzing consumer behavior and industry trends. Trade publications further contribute by offering news and developments within specific sectors, facilitating a deeper understanding of the market landscape. Another essential category is in the second data sources were non-governmental organization (NGO) reports, which often focus on social issues, environmental concerns, or humanitarian efforts. These reports typically include research studies and policy briefs that summarize findings and offer recommendations for policy changes. Online resources have become increasingly important in the digital age. Websites can host a wealth of information from organizations or government entities, including reports and white papers.

Social media platforms also serve as a source of user-generated content that can reveal public sentiment and trends.

Historical records, such as archival materials and historical databases, provide context for research topics through documents, letters, and photographs that inform longitudinal studies. Collectively, these diverse secondary data sources enrich the research landscape, enabling scholars to gain broader perspectives, validate findings, and enhance the overall quality of their studies.

The combination of primary data from interviews and secondary data from documents will provide a comprehensive understanding of the dynamics of management and hotel owner relations in Mekelle Star rated Hotels.

3.6.1.1 Target Population

The target population for this study was consisted of owners of star rated hotels, their management teams, tourism offices of Mekelle city and regional culture and tourism bureau. Based on the Ethiopia Ministry of Culture and tourism now named as Ministry of tourism in Mekelle there are only eight hotels listed as star rated hotels. Namely Planet, Noble Yihdega Axum, Desta, Zemarias, Zeyordanos, Atse Yohannis Axum 1 and 2 hotels. For the purposes of this study the hotel owners and management teams of the above mentioned hotels were fully targeted. These target populations were direct and indirect business relationships with the under study hotels and are helpful for the study.

3.6.2 Sample size

Accordingly, a total of 65 respondents were purposely selected to fill the questionnaires based on their knowledge and interests on issues raised by the researcher. The respondents are selected from different stakeholders including hotel managers, hotel guests both domestic and international, and hotel owners, tourism offices both Tigray and Mekelle city. From those respondents, the questionnaires of 60 respondents are chosen for further analysis. The questionnaires of these selected respondents were complete and fitted for the purpose of the study. The remaining 5 questionnaires were unfilled and unreturned.

3.7 Data Analysis

Thematic analysis was employed as the primary method to analyze the interview data. The transcripts were undergoing a systematic coding process to identify recurring themes and patterns concerning the dynamics of management and hotel owner relations (Braun & Clarke, 2006). The coded data was organized into meaningful categories and subcategories to facilitate a comprehensive understanding of the relationship dynamics.

CHAPTER FOUR

DATA INTERPRETATION AND ANALYSIS

4.1. Introduction

This chapter presents an analysis of the study results derived from comprehensive data collection methods, including questionnaires, interviews, and fieldwork conducted by the researcher. The analysis focuses on identifying opportunities and challenges inherent in the dynamics of relationships between hotel owners and management teams in selected star-rated hotels in Mekelle.

The findings aim to draw empirical conclusions and formulate recommendations that can enhance the collaboration between hotel owners and their management teams. By addressing these dynamics, the study seeks to provide valuable insights that can contribute to the improvement of service quality and competitiveness within the hospitality industry in Tigray, with a particular emphasis on the city of Mekelle.

Furthermore, the results of this research will serve as a foundation for developing strategies that hotel owners and management teams can implement to foster better operational practices, ultimately leading to an elevated standard of service and increased market competitiveness in the region.

4.2. Demographic Profile of Respondents

No	Demographic variables	frequency	percent	Remark	
1.	Age	18-25	10	17.5	
		26-35	20	33.4	
		36-50	12	18.2	
		51-65	10	17.5	
		66 and above	8	13.4	
		Total	60	100.0	
2.	Sex	Male	40	60	
		Female	20	40	

		Total	60	100.0	
3.	Marital status	Single	18	30	
		Married	38	63.3	
		Divorced	4	6.7	
		Total	60	100.0	

Table 4.1 demographic characteristics of respondents

The researcher has examined six demographic variables to gain insights into the background information of the respondents. According to the data presented in the table above, the largest segment of respondents, comprising 20 individuals or 33.3%, falls within the age group of 26-35 years. This is followed by the age group of 36-50 years, which accounts for 12 respondents, representing approximately 18.5% of the total sample. Furthermore, the age groups of 18-25 and 51-65 each constitute 17.5% of the respondents, contributing a combined total of 35%. This indicates a notable interest among younger and older participants. The remaining respondents, totaling 66, consist of 8 individuals, which equates to 13.4% of the overall sample. This demographic breakdown provides information for understanding the perspectives and experiences of the respondents, enabling a more detailed interpretation of the study's findings.

The background information collected from the respondents through the questionnaires included key demographic factors, specifically sex and marital status. Analyzing the gathered data reveals that out of the total number of respondents, 40 individuals, or 60%, identified as male, while 20 individuals, accounting for 40%, identified as female. This distribution indicates a notable predominance of male respondents in the sample, which may have implications for understanding their perspectives and experiences.

In addition to sex, the marital status of the respondents provides further insight into the demographic characteristics of the group. Among the respondents, 18 individuals (30%) reported being single, 38 individuals (63.3%) indicated that they were married, and 4 individuals (6.7%) identified as divorced. The data suggests that the majority of the respondents are married, which reflects a significant segment of the population engaged in long-term relationships. The relatively small proportion of single and divorced respondents emphasizes the stability of the marital status among the majority.

From this information, it can be inferred that most respondents are likely middle-aged adults. This demographic profile is crucial for contextualizing the findings of the study, as it highlights the potential life experiences and perspectives of the respondents. Understanding the interplay of sex and marital status is essential for a comprehensive analysis, as these factors can influence attitudes, behaviors, and responses within the study's framework.

No	Demographic variables		Frequency	percent	Remark
1.	Nationality	Ethiopians	60	100	
		Others	0	0	
		Total	60	100	
2.	Occupation	hotel and tourism	45	875	
		other fields	15	257	
		Total	60	100.0	
3.	Educational background	High school	10	16.67	
		Diploma	15	25	
		Degree	25	41.67	
		Master	10	16.67	
		Total	60	100	

Table 4.2 Background information of respondents

Besides the above information of respondents information related to age, sex, and marital status, questionnaires were distributed to assess the nationality, profession, and educational level of the respondents. As detailed in Table 4.2, all 60 of the respondents (100%) were identified as Ethiopian. Regarding the occupational backgrounds of the participants, 45 respondents (75%) are employed in hospitality and tourism-related professions, while the remaining 15 respondents (25%) are engaged in various other professions. In terms of educational qualifications, the breakdown is as follows: 10 respondents (16.67%) are high school graduates, 15 respondents (25%) hold diploma certifications, 25 respondents (41.67%) have obtained bachelor's degrees, and 10 respondents (16.67%) possess master's degrees. This comprehensive analysis provides a

clear overview of the demographic and professional profiles of the respondents, highlighting their nationality, occupational distribution, and educational achievements.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Owner	7	11.66	11.66	11.66
General Manager	7	11.66	11.66	11.66
Dep't head	46	76.67	76.67	76.67
Total	60	100.0	100.0	100

Table 4.3 Role of respondents in the hotel.

The above table provides an overview of the roles of respondents in each respective hotel. Among the 60 purposely selected respondents 7 (11.66%) respondents are categorized as hotel owners and/or their representatives representing a small segment of the workforce. An equal number, also 7 respondents (11.66%), reported their role as general managers, indicating that both owners and general managers comprise a similar proportion of the respondents. The majority of the respondents 46 (76.67%) are department heads and served as management teams in each selected hotel. This significant concentration of department heads highlights the importance of managerial positions within specific areas of hotel operations. Overall, the data shows the predominant number of department heads in the management roles in the hotel sector, with a notable distinction between the smaller representation of ownership and general managers compared to the larger pool of department leadership.

Years of experience in hotel and as department manager

No	Demographic variables	frequency	percent	Remark
4.	years of experience	<2	2	3.33
		2-5	10	33.4
		5-10	28	46.66
		above 10	20	33.33

Table 4.4 management experiences

The experience levels of the respondents within the management team reveal a diverse range of tenures in their roles as department managers. According to the data presented in Table 4.4, a small segment of the respondents, specifically 2 individuals, representing 3.33%, have less than two years of experience in management positions. In contrast, a larger group, consisting of 10 respondents or 33.4%, reported having between 2 to 5 years of experience as department managers.

The majority of the respondents, 28 participants, account for 46.66% of the total, indicating that they possess between 5 to 10 years of management experience. This significant proportion highlights a considerable depth of knowledge and expertise within this segment of the management team. Additionally, 20 respondents, which is equivalent to 33.33%, have over ten years of experience in various management roles, including positions such as department managers and general managers.

This distribution of experience underscores the varying levels of expertise within the team, suggesting a well-rounded management structure capable of leveraging both seasoned insights and fresh perspectives. The combination of these experience levels is likely to contribute positively to the overall effectiveness and decision-making capabilities of the management team.

4.3. Types of Hotel

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Luxury	5	8.33	8.33	8.33
Upscale	30	50	50	50
Mid-range	20	33.33	33.33	33.33
Budget	5	8.33	8.33	8.33
Total	60	100.0	100.0	100.0

Table 4.5. Category of hotels in Mekelle

The illustrated table presents the perceptions of 60 respondents regarding their hotel categories: luxury, upscale, mid-range, and budget. Among these options, upscale hotels emerged as the most favored choice, selected by 30 respondents, which constitutes a substantial 50% of the total responses. In addition, a significant portion of respondents, specifically 20 individuals or 33.33%, identified their accommodations as falling within the mid-range category. Conversely, only 5 respondents, representing 8.33% of the total, classified their hotels as luxury

accommodations. Lastly, another 5 respondents, also accounting for 8.33%, classified their hotels as budget options, indicating a minimal interest in lower-cost accommodations. Based on the key informant interviews to date there are no luxury hotels in Mekelle and they said these hotels can fall under upscale and mid-range hotels. I also share this idea because most of the hotels in Mekelle fall under mid-range and some of them may fall under upscale.

4.3.1 The ownership Structure of your Hotel

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Soleproprietorship	50	83.3	83.3	83.3
Partnership	10	16.67	16.67	16.67
Corporation	--	--	--	--
Franchise	--	--	--	--
Total	60	100.0	100.0	100.0

Table 4.6 ownership types of hotels in Mekelle

Table 4.6 provides a comprehensive overview of the ownership types of hotels in Mekelle, as reported by the respondents. A significant majority, comprising 83.33% of the participants, indicated that the hotels in which they work operate under a sole proprietorship model. This dominance suggests a favorable environment for individual ownership, where single proprietors may have greater control over operations, decision-making, and the overall direction of their establishments. Such a structure often allows for a more personalized approach to management and customer service, which can enhance guest experiences and foster loyalty (Hisrich, 2014).

In contrast, the data reveals that the remaining 10 respondents, accounting for 16.67%, classified their hotels as being structured under a partnership ownership style. This indicates a smaller but notable segment of the hotel industry in Mekelle that embraces collaborative ownership. Partnership models can bring diverse expertise and shared resources into the management of the hotel, potentially leading to innovative strategies and improved operational efficiencies (Scarborough, 2016).

Overall, the findings from Table 4.6 states a clear trend toward sole proprietorships ownership within the local hotel sector in Mekelle, reflecting the characteristics of the hospitality market. Understanding these ownership dynamics is crucial for stakeholders aiming to navigate the

business landscape effectively and develop strategies that align with the predominant models of ownership in the industry.

The researcher also distributed a qualitative questionnaire to 60 respondents to know whether ownership styles and organizational structures have an impact on the decision making of the hotel business operation. Most of the respondents agree the ownership structure of a hotel significantly influences decision-making. In such cases, decision-making may become overly reliant on the owner's personal preferences and biases, leading to a lack of diverse perspectives. This can hinder innovation and limit the input of management and staff, who may feel their insights are undervalued. Additionally, the focus on short-term financial gains by the owner can result in decisions that prioritize immediate profitability over long-term sustainability and guest satisfaction. Such an environment may discourage risk-taking and experimentation, as managers could fear repercussions for deviating from the owner's established vision. Consequently, this can hinder the hotel's ability to adapt to changing market conditions or evolving guest expectations, ultimately impacting overall performance and guest experiences negatively.

4.4. The level of autonomy granted to the management team in decision-making process

Questionnaires were distributed to the management teams of hotels to assess the level of autonomy granted to them in the decision making process and their feedback is reflected below.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid very low	28	46.67	46.67	46.67
Low	21	35	35	35
Medium	6	10	10	10
High				
Very high	3	5	5	5
Total	2	100	100	100

Table 4.7 Level of Autonomy granted by hotel owners to the management teams in decision-making process.

The above data presented reflects the levels of autonomy granted by hotel owners to management teams in each hotel in the decision making process. The level of autonomy granted to the management teams are categorized into five variables such as Very low, low, medium, high and very high. From the survey results, 28 respondents (46.67%) reported a "very low"

level of autonomy, indicating that nearly half of the hotel management teams operate under strict oversight from owners. This suggests a centralized decision-making approach where owners likely retain control over significant decisions, possibly due to concerns about risk or a desire to maintain brand consistency. Such a low level of autonomy can strain innovation and responsiveness, as management may feel constrained in their ability to adapt to changing circumstances or to implement new ideas that could enhance guest experiences.

Following this, 21 respondents (35%) indicated a "low" level of autonomy. This group still experiences limited freedom, which may allow some degree of input in decision-making, but major decisions still require owner approval. This scenario can lead to frustration among management teams, who may have valuable insights and ideas but are unable to act on them without lengthy approval processes.

Only 6 participants (10%) reported a "medium" level of autonomy. This level suggests a more balanced approach, where management has some freedom to make decisions but still operates within certain boundaries set by the owners. While this can foster a sense of empowerment among managers, it also indicates that there is still a significant reliance on the owners for strategic direction.

The high category is represented by just 3 respondents (5%), indicating that a very small number of management teams enjoy considerable autonomy. In this scenario, management is likely making many decisions independently, leading to quicker responses to market changes and the ability to implement innovative practices. However, this also implies a level of trust from the owners, which may not be universally present across all hotels.

Finally, only 2 respondents (3.33%) reported a "very high" level of autonomy. This suggests that in these cases, management teams operate almost entirely independently, with little to no oversight from the owners. This level of autonomy can significantly enhance creativity and operational efficiency, but it also requires a strong alignment of vision and values between the owners and the management team to ensure the hotel's overall objectives are met.

The findings indicate that the majority of hotel management teams operate under low to very low autonomy, which can hinder their ability to be active and innovative in a competitive industry. A greater delegation of decision-making power to management teams could lead to improved operational effectiveness and guest satisfaction, as management would be better equipped to respond to the dynamic needs of the hospitality market. The key informants

interviewed also support this and they said the level of autonomy granted by the owners to the management teams in decision making is low.

4.5. Strategic alignment of owner’s vision and objectives with the management team’s goals.

Questionnaires were distributed to investigate whether the owners' visions and objectives strategically aligned or not and their responses are described below.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	not aligned	20	33.33	33.33	33.33
	Less aligned	10	16.67	16.67	16.67
	Neutral	10	16.67	16.67	16.67
	Aligned	15	25	25	25
	fully aligned	5	8.33	8.33	8.33
	Total	60	100.0	100.0	100

Table 4.8 Strategic alignment of hotel owner’s vision and strategic objectives and management team’s goals.

The table in the above data goes to the question to what extent the hotel owner’s vision and objectives are internalized by the management teams. Based on responses from 60 participants, 20 respondents (33.33%) reported that the owner’s objectives were not aligned with the management team, indicating a disconnect between the management teams and organizational vision and objectives. Their reasons were owners craft the hotel vision and objectives without involvement and participation of the management teams. Additionally, 10 respondents (16.67%) felt less aligned, suggesting that while there is some degree of alignment, significant gaps remain.

A neutral stance was taken by 10 participants (16.67%), indicating uncertainty or a lack of strong opinion regarding the alignment of objectives. In contrast, a substantial majority, 15 respondents (25%), responded they are aligned and shared with the owners' vision and objectives which reflects a positive level of cohesion between the management team and ownership. And their discourse is they discuss with the owners about what organizational objectives should be achieved? The owner incorporates their concerns and inputs before the

organizational vision and objective is endorsed. Finally, 5 respondents (8.33%) stated that they were fully aligned, indicating an optimal state of strategic alignment where both parties are working in concert toward common goals.

The interviews with key informants revealed a significant misalignment between the owners and management teams regarding strategic direction. These disconnect primarily stems from the owners' lack of consultation with their management teams on strategic vision and objectives. Consequently, the management teams feel isolated and insecure in making critical decisions related to the hotel's strategy. Addressing this gap is essential for fostering collaboration and ensuring cohesive leadership that aligns with the hotel's long-term goals.

The data reveals that while half of the respondents feel aligned with the owners' vision, there is still a notable portion of the management team that does not fully share this alignment. This disparity highlights the need for ongoing communication and collaboration to ensure that all members of the organization are working towards unified objectives. Addressing the concerns of those who feel misaligned could enhance overall strategic cohesion and improve organizational performance.

4.5.1 Schedule of strategic meetings held between owners and management teams

Below is an analysis of data gathered from hotel owners and management teams on strategic meetings held between hotel owners and their management teams and the result is discussed as follows.

	Frequency	Percent	Valid Percent	Cumulative Percent
Weekly	--	--	--	--
Monthly	12	20	20	20
Quarterly	18	30	30	30
Rarely	25	41.67	41.67	41.67

never	5	8.33	8.33	8.33
Total	60	100	100	100

Table 4.9 Schedule of strategic meeting between owners and management team

The above table 4.9 outlines the frequency of strategic meetings held between hotel owners and their management teams, based on responses from 60 respondents. There were no respondents reporting a weekly meeting schedule, indicating that such frequent interactions are either impractical or never conducted weekly.

A total of 12 participants (20%) indicated that strategic meetings between owners and management teams are conducted monthly, suggesting that some level of regular communication is maintained. However, the most significant portion of respondents, 18 individuals (30%), reported that strategic meetings between owners and hotel management teams are held quarterly. This frequency may imply a more structured approach to strategic discussions, allowing ample time for reflection and preparation between meetings.

Interestingly, a considerable number of respondents, 25 (41.67%), stated that meetings are held rarely. This indicates a potential gap in communication and collaboration between owners and management, which could lead to misalignment of strategic objectives and hinder effective decision-making. Furthermore, 5 respondents (8.33%) reported that meetings never occur, highlighting a critical absence of dialogue that could significantly impact the operational effectiveness and strategic direction of the hotel.

While some respondents engage in regular strategic meetings, a substantial portion experiences infrequent or nonexistent interactions. This disparity suggests a need for hotel owners and management teams to evaluate their meeting schedules and enhance communication practices. Establishing more consistent and structured meetings could foster stronger alignment on strategic objectives and improve overall organizational performance.

An open ended questionnaire and key informants interviews were also distributed and conducted to assess if there is any effective strategic initiative that resulted from collaboration between owners and management. Most respondents mention a notable example of a successful strategic initiative resulting from collaboration between owners and management is the renovation and

rebranding of hotels that boosts customer experience in the post-conflict hotel sector in Mekelle. Recognizing the growing trend of personalized travel and unique guest experiences, the owners worked closely with the management team to assess market demands and identify opportunities for differentiation. Together, they conducted market research and guest surveys to pinpoint desired amenities and design elements.

The initiative included updating guest rooms with modern decor, enhancing common areas with local art and international standards that emphasized regional cuisine. This collaborative approach not only aligned with the owners' vision for increased profitability but also empowered management to implement changes that improved guest satisfaction and loyalty. As a result, the hotel saw a significant increase in occupancy rates and positive reviews, ultimately leading to higher revenue and enhanced brand reputation in the competitive hospitality market.

4.6. Communication and Trust between Owners and Management Teams

An assessment was also conducted through key informants interviews and distributing questionnaires to the respondents on communication and trust between owners and management teams. Accordingly their reflections are discussed below as follows.

	Frequency	Percent	Valid Percent	Cumulative Percent
very ineffective	9	15	15	15
Ineffective	20	33	33	33
Moderate	18	30	30	30
Effective	8	13	13	13
very effective	5	8	8	8
Total	60	100	100	100

Table 4.10 level of effectiveness of communication between hotel owners and management teams.

The analysis of communication effectiveness between hotel owners and management teams in star-rated hotels in Mekelle reveals concerning trends based on the data presented in Table 4.10.

A significant portion of respondents, totaling 29 individuals (48%), rated the communication as either ineffective (20 respondents, 33%) or very ineffective (9 respondents, 15%). This indicates that nearly half of the participants feel that current communication practices fail to meet their needs, potentially leading to misunderstandings and misalignment of strategic objectives, which could adversely affect operational success.

In contrast, 18 respondents (30%) rated the communication as moderate, suggesting that while some perceive communication as adequate, this sentiment is not widespread. Only a smaller number rated the communication as effective (8 participants, 13%) or very effective (5 participants, 8%), indicating that satisfactory communication is not the prevailing experience.

The high percentage of negative perceptions highlights potential barriers to collaboration and strategic alignment, underscoring the need for significant improvements in communication strategies. By addressing these challenges and enhancing communication practices, hotel owners and management teams can foster better relationships, improve decision-making, and ultimately achieve greater operational success within the hotels.

4.7. The level of trust between owners and management teams

Based on the questionnaires distributed to the respondents to evaluate the trust of partnership between hotel owners and their management teams the result in the table is described below.

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Low	9	15	15	15
Low	27	45	45	45
Medium	11	18	18	18
High	8	13	13	13

very high	5	8	8	8
Total	60	100	100	100

Table 4.11 level of trust between hotel owners and their management teams.

The above table describes the level of trust between hotel owners and management teams in star-rated hotels in Mekelle. To assess the level of trust between hotel owners and management teams 60 questionnaires were deployed to management teams and hotel owners or their representatives to 8 star rated hotels. The findings reveal a concerning trend regarding trust, which is a fundamental element for effective collaboration and operational success.

Accordingly, 21(35%) respondents rated the level of trust as low. This indicates that a considerable number of participants perceive a lack of confidence in the relationship between owners and management, which could potentially hinder effective communication and decision-making. Additionally, 12 respondents (20%) categorized the trust level as very low, suggesting a serious concern that could create barriers to cooperation and alignment in strategic objectives.

Conversely, 14 participants (23%) reported a moderate level of trust, indicating that while there is some level of confidence in the relationship, it is not good enough to ensure a fully collaborative environment. This moderate perception of trust may lead to missed opportunities for synergy and innovation between owners and management teams.

Only 8 respondents (13%) rated the trust level as high, and just 5 participants (8%) classified it as very high. These figures indicate that only a small minority of respondents experience a strong sense of trust within their professional relationships. This limited positive sentiment underscores the need for substantial improvements in trust-building initiatives.

According to the respondents and key informants interviews the main challenges faced in communication with hotel owners or management often arose from a lack of trust and respect among them. This can lead to misunderstandings regarding expectations, priorities, and operational goals. When owners have differing visions or are not actively engaged in regular discussions, management may struggle to align their strategies with the owners' objectives, which can create friction and confusion. Additionally, if feedback from management is not solicited or valued, it can result in a disconnect between the day-to-day operations and the

strategic direction set by ownership. This disconnect may foster a culture of disengagement among staff, as they feel uncertain about the priorities driving their work. Consequently, ineffective communication can hinder collaboration, decrease morale, and ultimately impact the quality of service provided to guests, undermining the overall success of the hotel.

The above data highlights a critical need for fostering trust between hotel owners and management teams in Mekelle. The significant percentage of respondents reporting low and very low levels of trust points to potential barriers that could impede effective collaboration and strategic alignment. To enhance trust, it is essential for both parties to engage in transparent communication, establish mutual respect, and actively work towards shared goals. By prioritizing trust-building efforts, star-rated hotels in Mekelle can improve their operational effectiveness and create a more conducive working environment.

4.8. Investment and Resource allocation

This shows investment and resources allocation of management teams to the hotel owners. Based on the key informants interviews and the questionnaires distributed various reflections were collected. Accordingly, each and every reflection will be interpreted and discussed below.

	Frequency	Percent	Valid Percent	Cumulative Percent
Very Low	2	3	3	3
Rarely	9	15	15	15
Occasionally	14	23	23	23
Frequently	23	38	38	38
very frequently	12	20	20	20
Total	60	100	100	100

Table 4.12 the extent of management teams propose investment initiatives to owners

The above table outlines the frequency that management teams propose investment initiatives to hotel owners. The results reveal insights into the dynamics of communication and initiative-taking within these relationships. According to the finding, 23 respondents (38%) indicated that they propose investment initiatives frequently to the hotel owners. This shows that a significant portion of management teams is actively engaging with hotel owners to discuss potential investments, reflecting a proactive approach to enhancing hotel operations and competitiveness. This frequency of proposals indicates a level of confidence among management teams in their ability to identify and advocate for investment opportunities that could benefit the hotel's performance.

Additionally, 12 respondents (20%) reported proposing initiatives very frequently. This emphasizes the active role that some management teams play in driving investment discussions, indicating a strong belief in the value of their proposals. The combination of those who propose initiatives frequently and very frequently accounts for over half of the responses, suggesting a culture of initiative-taking within a substantial segment of the management teams. On the other hand, a smaller number of respondents reported less frequent proposals. Specifically, 14 participants (23%) indicated that they propose initiatives occasionally, which may reflect a more cautious or reserved approach. This is due to a lack of confidence in their relationship with the owners and uncertainty about the owners' receptiveness to new ideas.

The data reveals that 9 respondents (15%) indicated they propose investment initiatives rarely, while 2 participants (3%) reported that they never propose such initiatives. These lower frequency barriers may force certain management teams from engaging actively with hotel owners regarding investment opportunities. One of the primary barriers is a perceived lack of support from the owners. If management teams feel that their suggestions are often dismissed or not taken seriously, they may be reluctant to invest time and effort in proposing new initiatives. This perception can create a culture of disengagement, where management hesitates to advocate for innovative ideas that could benefit the hotel. Such an environment may originate from previous experiences where proposals were met with indifference or outright rejection, leading to a lack of trust in the decision-making process.

Additionally, as per the key informant's interviews, fear of rejection plays a crucial role in this dynamic. Management teams may worry that their investment proposals will not align with the owners' vision or financial goals, which can discourage them from presenting new ideas. This fear can be exacerbated by a hierarchical structure where the owners hold significant authority, making it challenging for management to voice their suggestions without fearing negative

repercussions. Consequently, this fear can stifle creativity and initiative, resulting in missed opportunities for growth and improvement.

Furthermore, a disconnect in strategic priorities between owners and management can also contribute to the infrequency of proposals. If management perceives that their goals and the owners’ objectives are not aligned, they may feel that their initiatives would not resonate with the owners. This misalignment can lead to a lack of motivation to propose new investments, as management may doubt the relevance or importance of their ideas in the broader context of the hotel’s strategy.

4.8.1. The importance of owner investment in enhancing guest experience

Owner investment plays a pivotal role in enhancing the guest experience in the hotel industry. By allocating resources toward facility upgrades, staff training, and innovative services, owners can significantly elevate the overall quality of the guest experience. Research indicates that well-invested hotels not only attract more visitors but also foster customer loyalty and positive reviews, which are crucial in a competitive market (Pine & Gilmore, 1999). As the landscape of guest expectations evolves, strategic investments by owners become essential in creating memorable experiences that resonate with guests and encourage repeat visits.

	Frequency	Percent	Valid Percent	Cumulative Percent
Not important	-	-	-	-
Less important	-	-	-	-
Neutral	-	-	-	-
Important	23	38	38	38
very important	37	37	37	37
Total	60	100	100	100

Table 4.13 importance of owner investment in enhancing guest experience

The data presented outlines the perceived importance of owner investment in enhancing guest experience in star-rated hotels. The results provide their view into how management teams view the role of investment in improving the overall quality of guest services. According to the findings from the data, 23 respondents (38%) rated owner investment as important. This indicates that a substantial portion of participants recognizes the value of financial contributions from hotel owners in enhancing the guest experience. Such investments could encompass various areas, including upgrades to facilities, staff training programs, and the introduction of new services or amenities that directly impact guest satisfaction. The acknowledgment of investment as important suggests a belief that financial support from owners is crucial for maintaining competitive standards in the hospitality industry.

Moreover, a significant majority of respondents, 37 participants (62%), rated owner investment as very important. This overwhelming consensus underscores the critical role that financial backing plays in shaping the guest experience. When owners prioritize investments that enhance service quality, it can lead to improved guest satisfaction, loyalty, and positive word-of-mouth recommendations. This finding highlights a strong correlation between owner investment and the overall success of the hotel, as well as the vital importance of aligning financial strategies with guest-centered initiatives.

Interestingly, there were no respondents who classified owner investment as not important, less important, or neutral. This absence of negative or ambivalent responses indicates a clear consensus among participants regarding the necessity of owner investment in enhancing guest experiences. It reflects a unified understanding that financial resources are essential for achieving high standards of service and guest satisfaction.

Open-ended questions and semi-structured key informants interviews were asked to respondents if there were any recent investment decisions made by the owners and their impact on hotel operations. Respondents reply that the owners made an investment to upgrade the hotel's technology infrastructure after the Tigray war and COVID-19 pandemic crisis, which included implementing a new property management system and enhancing the network connectivity throughout the premises. This investment aimed to streamline operations by automating various processes such as check-in and check-out, reservations, and billing, thereby reducing wait times and improving overall efficiency. Additionally, the upgraded network infrastructure has enhanced guest experience by ensuring reliable internet access in all areas, catering to the increasing demand for connectivity among travelers. As a result of these changes, the hotel has seen improved customer satisfaction scores, an increase in positive online reviews, and a

noticeable uptick in repeat bookings. Moreover, the staff can now focus more on delivering quality service rather than being bogged down by administrative tasks, ultimately fostering a more positive work environment and enhancing operational performance.

4.9. Local Context and Cultural Considerations

Qualitative questionnaires distributed to the respondents about how local cultural factors influence decision-making in the hotel. Almost all respondents agreed that local cultural factors influence decision making. Local regulations and cultural expectations have significantly shaped hotel operations in several ways. For instance, in Mekelle, compliance with regulations regarding health and safety standards has necessitated the implementation of rigorous cleaning protocols and staff training to ensure guest safety and satisfaction. This includes adhering to food safety regulations that dictate how meals are prepared and served, influencing the menu offerings and kitchen operations. Additionally, cultural expectations surrounding hospitality in the region emphasize warmth and personal connection; as a result, hotel staff are trained to engage with guests in a friendly, respectful manner that aligns with local customs. This cultural sensitivity is reflected in services such as personalized greetings and the incorporation of local traditions into guest experiences, such as celebrating regional holidays or offering local cuisine in the dining options. These adaptations not only ensure compliance with regulations but also enhance the overall guest experience by resonating with the cultural values of both local and international travelers.

The reflections gathered from key informants underline the critical role that local cultural factors play in shaping hotel decision-making processes. By prioritizing compliance with regulations and emphasizing cultural values, hotels can create an environment that is not only safe but also welcoming. This alignment with local customs fosters a deeper connection with guests, enhancing their overall experience and satisfaction. As the hospitality industry continues to evolve, it is essential for hotel management to remain attuned to these cultural nuances, ensuring that both local and international guests feel valued and understood in their interactions.

4.10. Performance Evaluation and Monitoring

Open-ended, key informant's interview and close-ended questionnaires were distributed to respondents to assess the frequency and effectiveness of performance evaluations conducted within the management teams of star-rated hotels in Mekelle. The respondents put their view into the current practices surrounding performance evaluation in these establishments. Most respondents indicated that performance evaluations are conducted for the management team on a

monthly basis. This regular frequency suggests a commitment to monitoring and enhancing management performance, which is essential for maintaining operational efficiency and accountability. The monthly evaluations provide an opportunity for management to receive timely feedback on their performance, enabling them to make necessary adjustments and improvements in their work. Furthermore, many respondents rated the effectiveness of these performance evaluations as effective, indicating that they believe the evaluations contribute positively to both individual and organizational performance. This perception of effectiveness is crucial, as it reflects a general satisfaction with the evaluation process and its outcomes.

However, a significant number of respondents expressed concerns regarding the irregularity of performance evaluations for certain members of the management team. Some noted that evaluations do not occur consistently across all individuals, leading to disparities in performance assessment and feedback. This inconsistency can create confusion and frustration among management staff, as it may result in some individuals receiving less oversight and support than others. Additionally, respondents highlighted that decisions regarding the retention or dismissal of management team members often rely heavily on the goodwill of the hotel owners. This reliance on owners' subjective judgments rather than a standardized evaluation process raises concerns about fairness and objectivity in performance assessments. When management evaluations are not consistently applied, it can lead to perceptions of favoritism or bias, undermining team morale and cohesion.

While the majority of respondent's report that performance evaluations are conducted monthly and deemed effective, there are significant concerns about the irregularity of these evaluations for some management members and the reliance on owners' goodwill for critical personnel decisions. Addressing these issues through the establishment of a more consistent and transparent performance evaluation process could enhance the overall effectiveness of management teams, foster a culture of accountability, and ensure that all members are evaluated fairly and equitably.

The respondents were also asked to reflect their views on what area of improvement they suggest on the performance evaluation and monitoring process. Accordingly, to enhance the performance evaluation and monitoring processes in the hotel, several key improvements should be implemented. First, establishing clear performance metrics is essential; well-defined Key Performance Indicators (KPIs) aligned with operational goals and guest satisfaction ensure that evaluations are objective and focused on measurable outcomes. Additionally, implementing more frequent performance reviews, rather than relying solely on annual evaluations, allows for

timely feedback and continuous improvement through regular check-ins. incorporating a 360-degree feedback system, which gathers input from various stakeholders, including peers, subordinates, and guests, can provide a holistic view of performance and highlight areas for development that may not be visible through traditional evaluations.

From the key informants interviews reveal that the focus of performance monitoring should shift from merely evaluating performance to fostering professional growth by providing actionable recommendations and support for skill development, ensuring that feedback is constructive and encourages a growth mindset. Training for managers on effective feedback delivery is also crucial, as it can improve the quality of interactions during evaluations, making them more productive and supportive. Leveraging technology such as, performance management software that tracks metrics in real-time, can streamline the evaluation process and enhance transparency and accountability through data analytics. Engaging employees in the evaluation process by soliciting their input on performance metrics and feedback mechanisms can increase buy-in and make staff feel more invested in their evaluations. Lastly, establishing follow-up procedures to ensure that feedback leads to actionable changes is vital; regularly checking on progress regarding the goals set during evaluations helps maintain momentum and accountability. By implementing these improvements, hotel organizations can foster a more effective and supportive performance evaluation culture.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1. CONCLUSION

This study examines the dynamics of owner and management team relationships in star-rated hotels in Mekelle, Tigray, Northern Ethiopia, and highlights the need for enhanced communication and collaboration between hotel owners and management teams to optimize performance and enhance guest experiences. The general objective of this study is to examine the dynamics between hotel owners and management teams relationships in Mekelle Star Rated Hotels.

The study employs a mixed approach, predominantly qualitative, to gain in-depth insights into the complexities of the relationships between hotel owners and management teams. The study involves 60 respondents, including management teams, hotel owners/representatives, senior line staff, and experts from tourism offices, as well as 8 key informants' interviews selected purposefully based on their knowledge and experience in the area of study.

The study reveals that the ownership styles of the hotels are sole proprietorship and partnership, and that most owners fail to grant autonomy to the management teams in the decision-making process. The study also finds a complex interplay between ownership objectives and management practices, with owners primarily focusing on financial returns and adherence to local regulations, while management teams stress the importance of guest experiences. The findings indicate that the majority of hotel management teams operate under low to very low autonomy, which can hinder their ability to be active and innovative in a competitive industry.

Trust and communication emerged as critical factors influencing the relationship between owners and management. The majority of respondents characterized communication as ineffective, and many expressed low levels of trust, suggesting a need for improved engagement and transparency. Investment and resource allocation practices further highlight the challenges faced by management teams in proposing initiatives, often due to perceived barriers such as a lack of support from owners.

The analysis revealed that many management teams operate with restricted decision-making power, which can hinder responsiveness to market demands and guest needs. The findings indicate that the majority of hotel management teams operate under low to very low autonomy, which can hinder their ability to be active and innovative in a competitive industry.

Despite these challenges, some positive outcomes were noted, particularly in instances of collaborative initiatives, such as hotel renovations and technological upgrades, which significantly enhanced guest experiences and operational efficiency. The findings underscore the importance of aligning owner investments with guest satisfaction and operational improvements.

Finally, fostering a more supportive and collaborative environment is essential for the growth of the hotels in Mekelle. By addressing the identified challenges and leveraging the opportunities for improvement, hotel owners and management teams can significantly enhance operational efficiency and guest satisfaction.

5.3 RECOMMENDATION

Based on the finding the following recommendation has been developed by the researcher.

First, it is essential to enhance autonomy in decision-making by delegating greater authority to management teams. Empowering managers will foster innovation and adaptability, enabling quicker responses to market changes. Clear guidelines should be established to define the parameters for independent operation, ensuring that managers have the necessary framework to make informed decisions.

Strengthening communication and trust is another critical recommendation. Regular and transparent communication between owners and management is vital for building trust and ensuring alignment on strategic objectives. Establishing a framework for open dialogue, including regular feedback sessions and informal discussions, will significantly enhance collaboration.

Implementing structured strategic meetings is also recommended. Quarterly meetings between owners and management should be established to discuss operational challenges, strategic initiatives, and performance evaluations. This structured approach will facilitate collaboration and ensure that both parties work toward common objectives.

In addition, investing in performance evaluation systems is crucial. Standardized performance evaluation processes with clear Key Performance Indicators (KPIs) will provide measurable benchmarks for assessing success and areas for improvement.

Cultivating a culture of initiative is essential as well. Management teams should be encouraged to propose investment initiatives confidently. Owners should actively solicit input from management and provide training on proposal development, creating an environment that values and promotes innovation.

Moreover, aligning investments with guest experiences should be a priority. Investments that enhance guest satisfaction should be emphasized, with regular assessments of guest feedback and market trends guiding these decisions. This approach ensures that resources are allocated to areas that drive customer loyalty and satisfaction.

Focusing on cultural sensitivity is also important. Hotel operations should reflect local cultural values, and training staff to engage respectfully with guests while incorporating local traditions will enhance overall guest satisfaction and align with regional hospitality norms.

Utilizing technology to improve management practices is another recommendation. Investing in tools that facilitate communication and streamline operations, such as project management software, customer relationship management systems, and data analytics, will enhance decision-making and operational efficiency.

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Annexes: Questionnaire

This questionnaire aims to explore the dynamics of relationships of hotel owner and management team in selected Star rated hotels in Mekelle. The purpose of this questionnaire is to conduct research for Master Degree fulfillment in Hospitality Management from Mekelle University only. Your insights will contribute to the successful completion of the research work. Your participation is completely voluntary and all responses will be kept confidential and will not be shared to third-party out of this researcher. Can I have your consent please?

Thank you for giving me your consent.

I: Demographics

1. Background of respondents

Name:

Age:

Marital Status:

Level of education:

Nationality:

2. Respondent Role:

- Hotel Owner

-General Manager

-Department Head

Other (please specify): _____

3. Years of Experience in the Hospitality Industry

-Less than 1 year

-1-5 years

-6-10 years

-More than 10 years

4. Type of Hotel:

- Luxury
- Upscale
- Mid-range
- Budget
- Other (please specify): _____

II. Ownership and Organizational Structures

1. What is the ownership structure of your hotel?

- Sole Proprietorship
- Partnership
- Corporation
- Franchise
- Other (please specify): _____

2. How would you rate the level of autonomy granted to the management team in decision-making processes? (1 = Very Low, 5 = Very High)

- 1 Very low
- 2 Low
- 3 Medium
- 4 High
- 5 Very High

3. Please describe how the ownership structure influences decision-making within your hotel:

III: Strategic Alignment

1. To what extent do you believe the hotel owner's vision aligns with the management team's goals? (1 = Not Aligned, 5 = Fully Aligned)

- 1 not aligned
- 2 less aligned
- 3 somehow aligned
- 4 Aligned
- 5 fully aligned

2. How often are strategic meetings held between owners and management teams?

- Weekly
- Monthly
- Quarterly
- Rarely
- Never

3. Can you provide an example of a successful strategic initiative that resulted from collaboration between owners and management?

IV: Communication and Trust

1. How effective are the current communication channels between hotel owners and management teams? (1 = Very Ineffective, 5 = Very Effective)

- 1 Very ineffective
- 2 ineffective
- 3 moderate
- 4 effective
- 5 very effective

2. How would you rate the level of trust between owners and management teams? (1 = Very Low, 5 = Very High)

- 1 Very low
- 2 Low
- 3 Medium
- 4 High
- 5 Very high

3. What are the main challenges you face in communication with hotel owners or management?

V: Investment and Resource Allocation

1. How frequently do management teams propose investment initiatives to owners?

- Very Frequently
- Frequently
- Occasionally
- Rarely
- Never

2. Rate the importance of owner investment in enhancing guest experience (1 = Not Important, 5 = Very Important):

- 1 Not Important
- 2 less important
- 3 somehow important
- 4 Important
- 5 Very important

3. Please describe any recent investment decisions made by the owners and their impact on hotel operations:

VI : Local Context and Cultural Considerations

1. How significantly do local cultural factors influence decision-making in your hotel? (1 = Not Significant, 5 = Very Significant)

- 1 Not Significant
- 2 less significant
- 3 Neutral
- 4 Significant
- 5 Very significant

2. Can you share specific examples of how local regulations or cultural expectations have shaped hotel operations?

VII: Performance Evaluation and Monitoring

1. How often are performance evaluations conducted for the management team?

- Monthly
- Quarterly
- Annually
- Other (please specify): _____

2. Rate the effectiveness of the current performance evaluation processes in fostering trust (1 = Not Effective, 5 = Very Effective):

- 1 not effective
- 2 less effective
- 3 moderate
- 4 Effective
- 5 Very effective

3. What improvements would you suggest for the performance evaluation and monitoring processes?

Thank you for your participation in this questionnaire. Your insights are invaluable for understanding the dynamics between hotel owners and management teams in Mekelle Star Rated Hotels.

Thank you for your participation!

INTERVIEW

Introduction

This guideline aims to facilitate a comprehensive discussion with the members of the hotel management team, providing insights into the dynamics that influence their relationships with hotel owners. This interview guideline specifically designed for hotel management teams, focusing on the dynamics between hotel owners and management teams in Mekelle Star Rated Hotels. This interview guideline is developed for Hotel owners or their representatives. Thank you for participating in this interview. Your insights are invaluable for understanding the dynamics of owner-management relationships in the star rated hotels in Mekelle. This interview will take approximately 60 minutes. Your interview is confidential and will not be shared with other third parties outside of the researcher and I will not mention your name by any means.

II: Background Information

Position:

Experience:

1. What is your current position within the hotel management team?
2. How long have you been in this role, and what prior experience do you have in the hospitality industry?
3. Organizational Structure
 - Can you describe the organizational structure of your hotel?
 - How is the management team organized in relation to the owners?
 - What roles and responsibilities do you believe are critical for effective management?

II: Ownership and Management Dynamics

4. Ownership Structure

- How would you characterize the ownership structure of your hotel? (e.g., sole proprietorship, partnership, corporate ownership)
- How does this structure influence your management practices and decision-making processes?

5. Decision-Making Autonomy

- To what extent do you feel you have autonomy in decision-making? Can you provide examples?
- How do ownership dynamics affect your ability to implement changes or new initiatives?

III: Strategic Alignment

6. Vision and Goals

- How aligned do you believe the management team's goals are with those of the hotel owners?
- Can you give specific examples of how strategic goals are developed and communicated between the two parties?

7. Collaboration in Strategy Development

- How often do you collaborate with the hotel owners in strategic planning?
- What methods do you use to ensure that both parties are working towards common objectives?

IV: Communication and Trust

8. Communication Channels

- What formal communication channels are in place between management and ownership?
- How effective do you find these channels in facilitating clear communication?

9. Trust and Transparency

- How would you describe the level of trust between the management team and hotel owners?
- Are there instances where a lack of transparency has impacted your operations or decision-making?

V: Investment and Resource Allocation

10. Investment Decisions

- How are investment and resource allocation decisions made? Who is involved in this process?
- Can you provide examples of recent investments made and the rationale behind them?

11. Perspectives on Service Standards

- How do you ensure high service standards and enhance guest experiences?

- What challenges do you face in aligning these standards with the owners' expectations?

VI: Local Context and Cultural Considerations

11. Cultural Influences

- How does the local context of Mekelle influence your management practices and strategies?
- What cultural considerations do you take into account when making operational decisions?

VII: Performance Evaluation

12. Performance Monitoring

- What processes are in place to evaluate the performance of the management team?
- How effective are these processes in providing constructive feedback?

13. Feedback Mechanisms

- How do you foster a culture of feedback and improvement within the management team?
- Can you share any examples of how feedback has led to changes in management practices?

14. Do you have any additional comments or insights regarding the dynamics between hotel owners and management teams that we haven't covered?

Thank you for your time and contributions. Your insights are invaluable to this research.