

Tourism Management- 21-22. Class- 6 A, Paper- 6.1

Topic- Principles of Management in Tourism

1. Management theories

In the world of management there are several management theories which describes ideas which set general rules on how to manage a business or organization. Management theory addresses how managers and supervisors relate to their organizations in the knowledge of its goals, the implementation of effective means to get the goals accomplished and how to motivate employees to perform to the highest standard.

For the more understanding of the management theories let's pay attention on one of them which is called General administrative theory. This theory is based on 14 principles of management and it emphasizes 5 basic functions of manager's performance. This theory was created by Henry Fayol (1841-1925) was a French management theorist. Henri Fayol was one of the most influential contributors to modern concepts of management.

Picture 1 (The names of 14 principles of management)

See Below



(Source: (Robert E.Quinn, 2007)

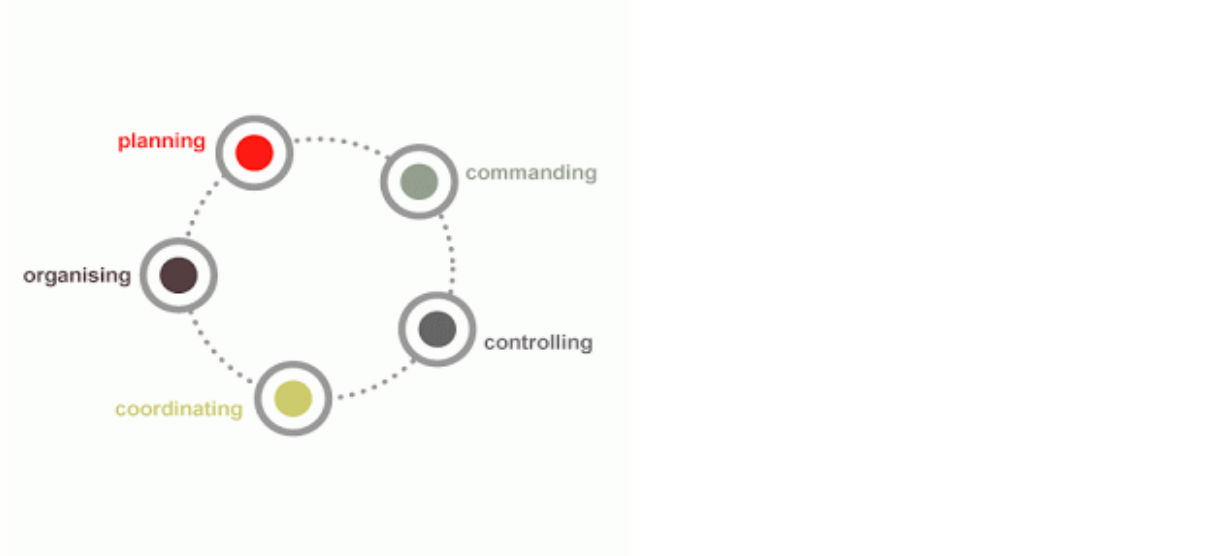
There is an explanation of these principles:

1. Division of work. –The object of division of work is to produce more and better work with the same effort.
2. Authority and responsibility.- Authority is the right to give orders, and responsibility is its essential counterpart. Whenever authority is exercised, responsibility arises.
3. Discipline. – It implies obedience and respect for the agreement between the firm and its employees. These agreements are arrived by discussion between an owner or group of owners and worker’s associations.
4. Unity of command. - An employee should receive orders from one superior only.
5. Unity of direction. - Each group of activities having one objective should be unified by having one plan and one head.
6. Subordination of individual interest to generate interest. - The interest of one employee or group of employees should not prevail over that of the company or boarder organization.

7. Remuneration of personnel. - to maintain their loyalty and support, employees must receive a fair wage for services rendered.
8. Centralization. -Like division of work, centralization belongs to the natural orders of things. It's a problem to find the measure that will give the best overall yield.
9. Scalar Chain. -The scalar chain is the chain of superiors ranging from the ultimate authority to the lowest ranks.
10. Order. - A place for everything, and everything in its place.
11. Equity. -equity is a combination of kindness and justice.
12. Stability of tenure of personnel. -High turnover increases inefficiency. A mediocre manager who stays is infinitely preferable to an outstanding manager who comes and goes.
13. Initiative. —initiative involves thinking out a plan and ensuring its success.
14. Esprit de corps. - Union is strength, and it comes from the harmony of the personnel.

More than that, according to Henri Fayol, there are five functions of management.

Picture 2 (five functions of management)



There are descriptions of these functions.

Planning-managers must be able to plan for the future, develop objectives, and secure the achievement of future goals.

Organizing-managers must organize the work in an official manner and structure.

Commanding –managers must supervise subordinates in their daily work, and inspire them to achieve company goals.

Coordinating-Managers must harmonize the procedures and activities performed by company and each organization unit should enrich work of another.

Controlling- managers must control activities of company with general policies and rules.

For example, let's take the chain worldwide hotels "Hilton". HMS is one of the largest management companies in the industry with over 575 managed properties globally of which over 340 in the Americas with total America's Team members exceeding 69,000. There is a division of work, which consist of differentiation between leaders and managers which are under the leading of their headers in every chain of hotels. Their general managers – who are in daily communication with Operations Area Vice Presidents – are required to attend orientation, which consists of a rigid introduction to all aspects of knowledge and leadership skill training. General Manager Appointments are carefully selected and recommended to ownership based upon skill, talent and experience levels that a particular property may require. They have hybrid 'Hub and Spoke' approach, which combines experienced corporate-level leadership and an acclaimed regional presence in the field with a firm focus on providing the very best staffing, training and oversight.

Moreover, there is a Graduate Management Development Program which is a comprehensive, 6- to 18-month fast-track program designed to prepare graduates for a rewarding hospitality career. The program started in 1998 with a small and highly motivated group of 15 enthusiastic people. Since then, every year a new group of Hilton Worldwide's future top managers have taken up the challenge – with great success. This program gives graduates hands-on hotel experience. Participants rotate through all areas of the hotel, i.e. operations, business development, human resources and finance, giving graduates a feel for the entire operation. There are some opportunities in work after such as front office, food & beverage, sales or events.

There are some similarities which I noticed between my taken theory and Hilton's management. For instance, there is a division of work inside of their organization and also coordinating and training their employees within the special programs.

(Source: (Hilton, 2013))

2. Leadership styles

In addition to management theories, there are also different types of leadership which play a big role in a planning of organization structure. Leader behavior influence not only on the process of work in organization, but also on employee's encouragement to make their work better and to build good relationship inside of the collective.

Leadership is the will to control events, the understanding to chart a course, and the power to get a job done, cooperatively using the skills and abilities of other people.

In our case, let's take two different styles of leadership which are called Transactional leadership and Transformational leadership. These two types are contained in Cutting-Edge Approaches to the leadership.

Transactional leadership.

It's a style of leadership that is based on the setting of clear objectives and goals for the followers as well as the use of either punishments or rewards in order to encourage compliance with these goals.

Transactional leadership focuses on managing and supervising their employees and on group performance. Transactional leaders focus closely on their employees' work in order to carefully assess any deviations from organizational standards. The main aim is to guide and motivate workers in the direction of established goals by clarifying roles and task requirements.

Additionally, with using of the rewards and punishments the leaders stimulate their managers to achieve success. The positive actions as well as negative reinforcement are the tools of the trade for transactional leaders. Obviously, transactional leaders work within existing organizational structures and shape their work according to organizational culture. These kinds of leaders use negotiation to attain their management goals.

For example, I want to refer to Hilton's group chain again. Their leader which name is Conrad Hilton created the Hilton Hotel chain of hotels. Beginning with his first hotel in 1919, Hilton grew his enterprise to a nationwide chain of hotels catering to business travellers. By 2000 there were more than 500 Hilton hotels worldwide. Conrad Hilton hired strong managers and allowed them to make important decisions regarding hotel policies. Moreover, he established Conrad N.

Hilton College of Hotel and Restaurant Management at the University of Houston for who are desire to be hoteliers.

Next type of leadership is **Transformational leadership**. It's a Style of leadership in which the leader identifies the needed change, creates a vision to guide the change through inspiration, and executes the change with the commitment of the members of the group.

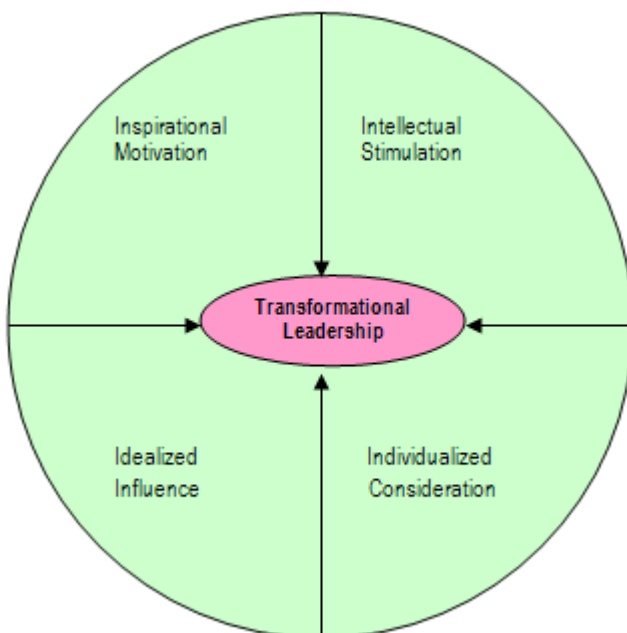
The main markers of this style are:

-inspiring followers to transcend their own self-interests for the good of the organization by clarifying role and task requirements.

-capability of leaders to have a profound and extraordinary effect on their followers.

For more understanding, transformation leadership based on 4 components:

Picture 3 (components of transformation leadership)



(Source: (guide, 2013)

These components can be described as:

Idealized Influence (also known as Charismatic Leadership) - Transformational leaders act in ways that make them role models. These leaders are willing to take risk. They can consistently be relied upon to do the right thing, displaying high moral and ethical standards.

Inspirational Motivation - These leaders embody the term "team spirit". They show enthusiasm and optimism, providing both meaning and challenge to the work at hand. They create an atmosphere of commitment to goals and a shared vision.

Intellectual Stimulation - a Transformational Leader encourages creativity and fosters an atmosphere in which followers feel compelled to think about old problems in a new way. Public criticism is avoided.

Individualized Consideration - Transformational leaders act as mentors and coaches. Individual desires and needs are respected. Differences are accepted and two-way communication is common. These leaders are considered to be good listeners, and along with this come personalized interaction.

3. Quality control

Quality control-A process through which a business seeks to ensure that product quality is maintained or improved and manufacturing errors are reduced or eliminated. Quality control requires the business to create an environment in which both management and employees strive for perfection. (Investopedia, 2013)

There are three basic elements which make up the process of quality control. They are:

1. Control inputs-it's made for being sure that all items (which were supplied) are required and conformed by firm.
 - items used by organization must be inspected. There should be checking of quality. Of course, there is an inspection of documents.
 - the organization must purchase items only from known suppliers for receiving acceptable items. There is also control of quality of packaging and price.
2. Control of process-it's a process of checking that faulty or defective items do not proceed to the subsequent operations, but also in order to predict when the process is likely to produce defective items so that necessary preventive adjustments can be made.
3. Control of outputs -Quality inspection of output items is essential because unless defective outputs identified by the procedure it will be passed on to the customer. Final inspection may involve only a sampling procedure, or exhaustive checks. Suitable procedures must be designed for the collection and retention of inspection data.

4. Total quality management and ABC tour operators

TQM is: **Total**-means that everyone in the organization is involved in the final product or service to the customer.

Quality-conformance requirements; the standard of something which is measured in comparison with the same types.

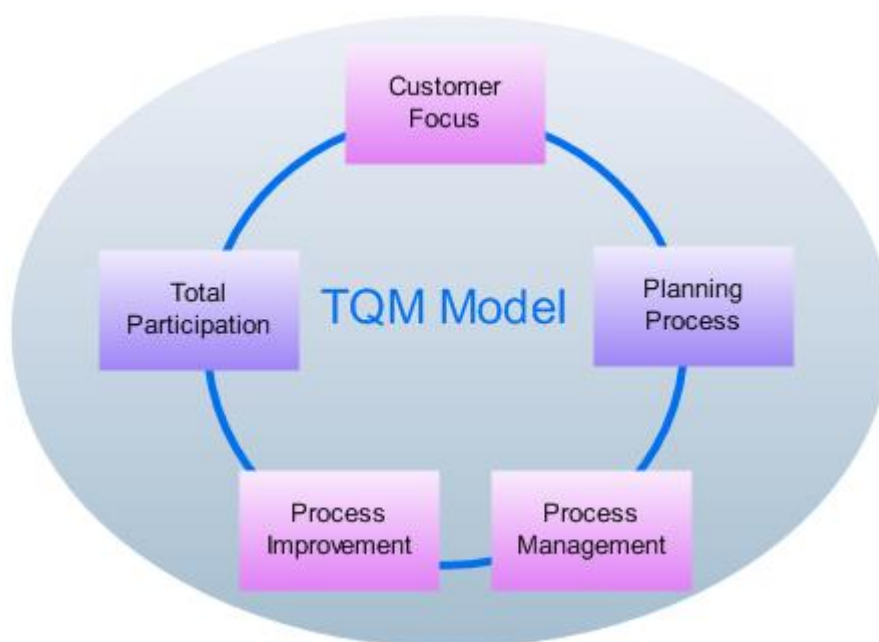
Management-process which involves people, systems, supporting tools and techniques.

(Source: (Macdonald, 2003))

Total quality management model

Total quality management requires accomplish strategy of managing outcomes, and the process of its creation. Each part of work depends on another and if one department is not work properly, then a whole system will be collapse. Also, the process of improvement is focused on achieving benefits for customer satisfaction.

Picture 4. (Total quality management model)



Customer Focus- The orientation of an organization toward serving its clients' needs. Having a customer focus is usually a strong contributor to the overall success of a business and involves ensuring that all aspects of the company put its customers' satisfaction first.

Planning process-the development of goals, strategies, task list, and schedules requires achieving the objectives of business. The planning process is a fundamental function of management and should result in the best possible degree of need satisfaction given the resources available.

Process management-administrative activities aimed at defining a process, establishing responsibilities, evaluating process performance, and identifying opportunities for improvement.

Process improvement-systematic approach to closing of process or system performance gaps through streamlining and cycle time reduction and identification and elimination of causes below specification quality, process variation, and non-value-adding activities.

Total participation- joint consultation in decision making, goal settings, profit sharing, team work, and other such measures through which a firm attempts to foster or increase its employee's commitment to collective objectives.

In our case, ABC tour operators have suffered from adverse reports in the media regarding the quality of their overseas package holiday product. Let's connect quality control system and the situation that happened.

First of all, if there is some dissatisfaction from customers, better to check how does your system of quality work. For example, control of inputs must regulate what tourist's products were provided by hotels and tourist agencies at the place where your travelers went. There must be double check of what customers disliked about received services and how this products or services were done by your partner abroad.

Secondly, the process of control identifies which negative actions were received by customers, and how to get rid of it. It helps to predict the same situations in future and how to improve quality of entire packages.

Thirdly, process of outputs shows, that even if consumers finally received dissatisfaction and there was not prevent of receiving bad services, now time to analyze what happened and how to compensate this problem. Here you can see mistakes of your partners abroad and your own mistakes when you promise one thing but happened another.

There should be some quality circles, which can help tour operators to make situation better even if they heard some disappointment about packages. Usually it's a group of people which prepare special program for problems solving. Of course, this process is started from identifying a problem and after that, finding the solution.

There are some solutions in case if customers did not like the service which was provided by these tour operators:

1. Improve communications with your partners which work with your customers abroad. Only by this way you can built mutual trust and know the truth what have been really happened.
2. Reduce errors immediately. It depends of your relationship with partners, because if they care about their reputation and reputation of tour operators, they will find a way how to solve problems fast.

3. Promote cost reduction. Sometimes it's better to make some compensation for people which really were harmed by bad services or products. That's why tour operators must know how to make people happy again even when everything was spoiled.

Conclusion

Obviously, that is quite difficult to invent the good system of operation management. If organization wants to be successful, it must know which type of employee it wants to hire, and how to teach them the basis of management. There are some aspects which are compulsory. They are: be able to find problems and to find solutions. It's very important to know what type of leadership is better for making one or another business, but also it is necessary to choose the right management theory which will build relationship between your employees.

