

INTERACTION BETWEEN MANAGEMENT STYLE AND CORPORATE CULTURE IN TOURISM

ВЗАИМОДЕЙСТВИЕ МЕЖДУ УПРАВЛЕНСКИЯТ СТИЛ И ФИРМЕНАТА КУЛТУРА В ТУРИЗМА

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ABSTRACT

The formation and development of value system and corporate culture within the tourism companies is to a large extent determined by the respective management style and the climate created on that basis. The management style is an original characteristic expressing the peculiarities of the manager's activities. The major objective of this paper is to study the basic management styles in the tourism company and their relation with the corporate culture.

The major research methods used for that paper are inquiry research, method of comparison, method of analysis and synthesis. The major result to be achieved is the clear differentiation of the management styles that the tourism company managers can apply to exert influence on the employees and to secure the performance of the individual or team assignments and the attainment of the set goals.

KEYWORDS

Management Style, Tourism Company, Corporate Culture, Types of Management Styles, Employees of the Tourism Company.

АБСТРАКТ

Формирането и развитието на ценностната система и на фирмената култура в туристическите предприятия в значителна степен се определя от съответния стил на управление и изградеността на тази основа климат. Управленският стил е своеобразна характеристика, която изразява особеностите на дейността на ръководителя. Основната цел на настоящата разработка е да се изследват основните управленски стилове в туристическото предприятие и тяхната връзка с фирмената култура.

Основните изследователски методи използвани в разработката са анкетно проучване, метода на сравнението, метода на анализа и синтеза. Основният резултат, който ще се постигне е ясно разграничени управленски стилове, които ръководителите в туристическите предприятия могат да прилагат, за да влияят върху служителите и да осигурят изпълнението на индивидуалните или груповите задачи и постигането на поставените цели.

КЛЮЧОВИ ДУМИ

Управленски стил, туристическо предприятие, фирмена култура, видове управленски стилове, служители в туристическо предприятие.

1. INTRODUCTION

Each management combines the processes of formation and implementation of particular volitional, purposeful activities, at which planning, organizational, control and regulatory measures and activities are performed. They in a certain way change the condition of one or other social system. "Bulgaria's recent experience as tourism country raised the question about the importance of the effectiveness of different strategies and processes and the necessity of their regulation and stimulation." (e.g. Stankova, 2010: 109) People and organizations having the required methodology, technology and instruments available take part in these processes. At that, they can choose their set of instruments in order to be able to achieve the desired influence on the management constituting phases, respectively on the concerned participants included in the implementation of these phases. The different variants under which this choice is made present the variety of the management style exercised in an organizational unit – bearer of responsibility and competences. The formation and development of the value system and of the corporate culture within the tourism companies is to a significant extent predetermined by the respective management style and the climate created on that basis.

2. MANAGEMENT STYLE

Recognizing that no accurate interpretation of the concept of management style can be provided some authors reasonably consider it one of the most important criteria, and even the core of the entrepreneur's policy. (e.g. Baumgartner, 1991: 644) Other authors emphasize that the management style is rather a choice of a management technique and of a management approach in regard to the management of the subjective factor. (e.g. Kilgus, 1994: 293) A third group of authors give priority to the circumstance that the management style reflects „the distribution of plan theses, concerning the decision making, the disposition and control competences in regard to the different hierarchical levels. Consequently, on the one hand, it definitely expresses behaviour and value-related notions of the managers and on the other hand it aims at stimulating and fostering the subordinate hierarchical levels to maintain a uniform and relatively constant model of action and behaviour." (e.g. Knecht, 1991: 110)

The management style of the managers leaves its mark on the general development of the tourism companies. It is considered that it is an "original characteristics expressing the peculiarities of the manager....it is the way in which a manager tries to influence his/her subordinates." (e.g. Zahariev, 1999: 398) In specialized literature a view is maintained that "the effective management and use of the function of organizational culture for employees' development depend to a large extent on the managers' and leaders' competence. Specific skills are required, the grade of compliance between the dominant individual and group cultural values with the organization is important." (e.g. Usheva, 2010: 37) At the same time, it is necessary to consider the fact that the organizational culture is a significant lever for influencing staff. Containing the values, ideas, norms and rules guiding the company and setting the style, behaviour and the communication between staff and customers, the activity of staff, it affects the effective operation of the tourism enterprise. (e.g. Kyurova, 2011: 75)

The management style pre-determines the way of running of the plan and budget processes, the manner in which the assortment of products and services and individual projects should be innovated to stimulate the introduction and implementation of a strategy (at the level of the head office and/or in the branches of the tourism company), the shortest and relatively the safest way for the attainment of company goals, etc. The style pre-determines the further running of controlling in the company, the range and contents of reporting, and with a particular strength – the interpersonal relations within the company, etc. At the same time the said management elements and dimensions themselves exert a serious influence on the formation of the management style (e.g. Kilgus, 1994: 293)

A series of aspects affect the type and quality of the management style, and such aspects at the same time are expressions of the management style:

- How much the management style reflects the degree of managers' trust in employees and vice versa, the employees' trust in the operational and strategic management;
- What the communication skills and the business activity of the company are;
- To what extent it is identified by community (its image) and to what extent the company itself is self-identified as such (identity from the inside outwards);
- If the individual sub-cultures change within the frames of the unified corporate culture and to what extent they change.

3. TYPES OF MANAGEMENT STYLES

Among the variety of styles that could hardly be fixed in quantities, two profiles typify to the largest extent the **corporate culture – management style** relation, the analysis of which provides good opportunities for its more complete clarification. These are the **authoritarian** and **cooperative** management styles. (e.g.Knecht, 1991: 110)

The major criteria for the differentiation of these styles from one another are:

- The way in which the manager's management philosophy, respectively his/her mission, has formed;
- His/her approach to employees and the employees' attitude to their own duties;
- The organizational structure of the tourism company, pre-determining the grade of formation, distribution and delegation of competences;
- The grade of formalization of the interrelations within the company and its role for the employees' isolation from or association with the management (related to the issue of formal and informal groups within the company);
- The preparation and decision making;
- The implementation of the management decisions;
- The managers' communicative skills;
- Their personal motivation in regard to the establishment of authority;
- The control mechanism in the company, etc.

Regardless of the implicit clarity with which these restrictive criteria could be interpreted, in none of the tourism companies the style – authoritarian or cooperative – is identical to the style in some other company. In all the cases there are deviations from the standard criteria specified by the theory for the differentiation of the respective styles. Besides the historical development of the tourism company, respectively its economic and cultural evolution, provide grounds for the formulation of some general style-typifying findings.

Authoritarian management style features a high concentration of power exercised in regard to the employees preliminarily stricken with respect (for that purpose). They are only recipients of orders and ordinary technical performers. Their value system determining their culture or sub-culture localized in one organizational unit or another is under the influence of the constant control "from above". The bureaucratic regulations impose the traditions, restrict and even eliminate the creative freedom, the will for self-expression or self-development. The employee lacks motivation to improve his/her qualifications. His/her priorities are chiefly material – salary based not on the quality of services he/she provides but rather on what must be mechanically done by the imperative requirement of the managers. The routine culture supports the authoritarian management style almost "forever and for whatever price", and its demonstration in the "outside" as an identity is done under the coverage of requirements for finality, respect and necessary earnestness.

The traditional or classical types of organizational structure "produce" all the time traditional framework conditions for the corporate culture and stimulate the exercise of the authoritarian management style. All the assignments are being clarified from the upside down on the hierarchy

and they simply should be executed. Delegation of competences is an absent or rare phenomenon - „the management body is able of and knows everything”. (e.g. Cramer, 1994: 20) In the upside – down direction the information is highly restricted, fixed in doses. It is limited only to the most necessary information for the specialists employed mainly in the front offices. Their colleagues of various functional and logistic offices and directorates are not insured against information deficit, too. It is easy to suppose and establish that such a management style does not demonstrate the culture of the tourism company desired or expected with regard to its customers and shareholders.

In the course of time the authoritarian style establishes its own model, a basic scheme of management which would hardly become a reason for any kind of confusion, while the cooperative management style is not able to achieve that. Besides we should also take into consideration that within the variety of the so-called basic or derivative styles of cooperative management one can often encounter modified versions of the authoritarian style. (e.g. Veit, 1992: 227- 228) However, the distinguishing features of the cooperative style are recognized after a more careful analysis. On the one hand here the degree of formalization is smaller. On the other hand, the competences are more equally distributed with a view to the order – performance phases.

They can further be delegated so that the strategic and mainly the operational management will be relieved from some commitments on the account of greater attention focused on other issues – quality of information, control on the decisions and various pilot projects, improvement of the marketing strategy and marketing-mix of the tourism company, etc. It is not a question of misunderstood liberalism in management under any circumstances. The cooperative style stakes mainly on the adequate involvement of everyone in the performance of the assignments of importance for the tourism company. In other words an important advantage of its is the maximum use of the synergic potential of this type of social organizations. Skilfully managed on collective basis they are opened to public, taking into consideration its opinion, no matter if it is pleasant, supporting, correct, constructive or highly critical.

Exercising the cooperative management style the managers demonstrate their expressive ethics before the employees of the tourism company. This ethics is an important pre-requisite, ground for the legalization of the corporate culture of the tourism company. At the same time the operational and strategic management legitimize the corporate culture in and through the mission of the company. (e.g. Kreutzer, 1990: 121) The extent to which the mission shall be actually an action platform leading and associating the employees depends on the extent to which the managers bring it to every single member of staff and this in fact is done with the active help of the management style, too.

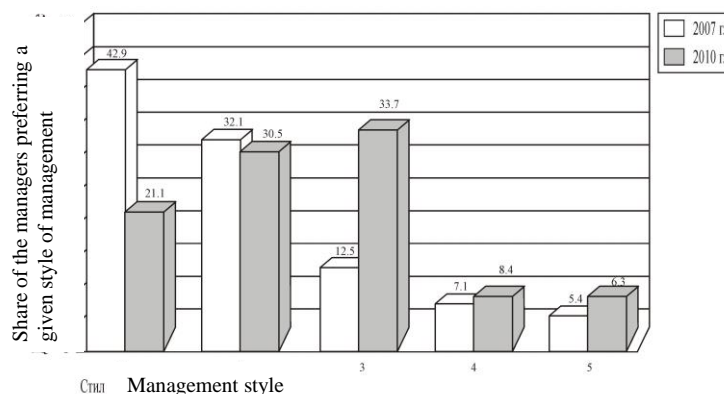
For that purpose the employees should not be treated as mechanical performers. The decisions should take into consideration the local peculiarities of the corporate culture in the branches of the tourism company within the country and abroad, with the stimulating for the culture in general impulses coming from environment. Based on the presentation hereto we can draw the conclusion that the legalization and identity of the culture are possible and successfully applicable tasks if the corporate mission is accepted by all the employees of the tourism company. The cooperative management style advantages the bringing of mission to every individual member of staff. Only this way every culture could support the establishment of the mission and the democratization of the management style. „The new leader provokes the human energy and directs it into a particular manifestation through “motivation”, liberates the “intellectual power of his/her collaborators” and manages the “stability and change” of the organization. (e.g. Usheva, 2010: 38-39)

4. STUDYING THE MANAGEMENT STYLE IN THE BULGARIAN TOURISM COMPANIES

In order to trace the dynamics of application of the various management styles in the tourism companies in Bulgaria the author carried out an inquiry research in the period 2007- 2010. It

covered 100 companies conducting business in the field of hotel and restaurant keeping and tour operator's services in the Bulgarian cities/towns of Sofia, Blagoevgrad, Varna, Plovdiv and Burgas. The obtained results are shown on Figure 1.

Graphic 1: Dynamics of preferences of various management styles demonstrated by the managers of the tourism companies in Bulgaria for the period 2007 - 2010 in percentages.



Source: Author's systematization

Note: 1- authoritarian style, 2- democratic style, 3 – cooperative style, 4- liberal style, 5- some other management style.

The presented results give grounds to draw the conclusion that the authoritarian style is currently not effective and more than 20% of the tourism companies' managers have changed their positions in regard to its implementation. This is a result also from the fact that this management style is characterized by disrespect for personality and professionalism, no personal collaboration and independent thinking are allowed. In some of the questioned tourism companies this situation has brought the greater part of employees (98%) to disappointment. The democratic style has almost retained its positions throughout the period of research, and the share of the cooperative management style has increased, in year 2010 leaving behind all the management styles studied. This shows that, first, the strength-gaining competition makes the tourism company turn to strategic management, and, second, that the companies in tourism industry need to rationalize their activities subject to the general idea and the active participation by the part of employees in the decision-making process. The data on figure 1 show that the liberal and the rest styles of management are rarely used in the management practice of the Bulgarian tourism companies. The results obtained make it obvious that they have encountered no substantial changes throughout the period studied.

5. INTERACTION BETWEEN MANAGEMENT STYLE AND CORPORATE CULTURE IN TOURISM

It is significant to note that management will be able to produce more and better corporate culture if it specifies as far as possible its first steps: defining the strategic objectives, developing basic strategies, making them feasible assignments at an operating level, choosing a management style, appointing management and performance staff, forming a system of symbols, deciding the company sign, etc. Hence **management style – corporate culture** dilemma is exhibited from two sides. The management style selected has a particular direct influence on the corporate culture, and the culture as a foundation of values, norms, experience, etc., pre-determines the scales and trends of strategic orientation and manner of influence on the employees. Therefore „companies paying attention to the specific needs of their staff always have loyal and motivated employees“. (e.g. Yaneva, 2006: 57) A similar relation is observed in regard to the corporate culture attitude to environment or to the organizational structure of the enterprise. The mutual absorption between corporate culture and management could be illustrated, as follows:

- If the corporate culture is to look ideal, this means that it can be complied with the rules of the system of “enterprise”, respectively with its strategy, organizational structure and management style;
- The corporate culture should be compatible with and tolerable in regard to the company environment regardless of its individuality and uniqueness;
- The general corporate culture of a tourism company should be sufficiently and solidly recognized, i.e. the essential decisions of its management are to be made within the context of the company cultural profile.

In the course of time corporate culture starts to experience more and more sensibly the influence of the existing norms and regulations, too. Some authors even reckon that „from a systematic point of view corporate culture itself is nothing else but a normatively established management system. On its part the normative management is presented as a complement to the so-called classical management of the company.” (e.g. Ulrich, 1989: 24) According to this opinion there is grounding and legitimizing running from the bottom upwards, and in the reverse direction – concretization of the normative management. It becomes a point of intersection between the company and its environment defining norms of behaviour resulting from the influence of every environment segment on the company. According to this theory followers the normative criteria grow into operating and strategic solutions, legitimizing de jure the tourism company before the public presenting its socially useful mission. Therefore its corporate culture is regarded a normative regulated management system.

6. CONCLUSIONS

The entire corporate culture is impossible without understanding the mission presenting the major trends of company development. The understanding of mission and its implementation in the everyday work means that every employee in the tourism company has to bear his/her own responsibility fully and tangibly. This requires also the active interaction between the employees and individual organizational units of responsibility. The fellow-feeling in management stimulates such an involvement and interaction. This substantial and regretfully scarce attribute of the management style is the support of ethical norms and values. When combined with objective personnel policy the fellow-feeling of management body aids to the production of talented management cadres, and this way to the establishment of more and better culture. Furthermore, the accent of the control system of the company is shifted from the directive beginning to the self-control of the subjective factor at all the organization-structural levels where it is possible, and the management factors takes the coordination functions.

Based on the presentations herein we can draw the conclusion that the efficiency in the activity of the Bulgarian tourism companies is attained in the cases when the manager is oriented to his/her subordinates and has a positive attitude to the opinions and recommendations they submit. The focus of attention onto the scope of business results in poor productivity and provokes internal company conflicts as a consequence of the occurring tension. The managers should work flexibly and encourage every positive manifestation, every sign of positive development of their subordinates and this way to contribute to the full development of all the employees' capabilities. Various studies have unambiguously proven that there is no management style which is equally applicable in any situation and in regard to all the people. It is very important for the tourism industry managers to find out the optimum management style.

In the search of the **optimum management style**, the strategic and operational management of the leading tourism companies aim at finding the reasonable balance between the human values, professional knowledge and norms on the one hand, and the used management techniques and approaches on the other hand. It becomes clear that the strategy and corporate culture are mutually connected. The customers feel satisfied and safe when attended by the satisfied and motivated employees of the tourism company. These employees are motivated by the management

style of the management cadres, which has a favourable influence on their everyday behaviour and on the development of their value system. The corporate culture is a serious factor of success only for tourism companies that respect traditions but at the same time enrich them with new values and behaviour, which are susceptible to rationalization and adoption. Corporate culture forms a model of behaviour in employees by establishing a sense of belonging to a “corporate family”. Such behaviour is realized by establishing a correspondence between the employees’ notions of their role and place in the organization structure and the options provided by the organization.

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