

MANAGERIAL STRATEGY FOR INCREASING THE PERFORMANCE OF TRAVEL AGENCY BY INCREASING THE JOB SATISFACTION AND JOB PERFORMANCE OF TRAVEL AGENTS

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Abstract

The purpose of this research is to elaborate a model that could be easily implemented in travel agencies, with the purpose of increasing the employees work satisfaction and performances, by implementing some strategic directions which focus on actions that will be implemented by the manager, actions related with the reward and compensation system, and actions linked to the image of the company on the market. This research brings new elements because until present days there were only a few studies that focused on a managerial strategy, which is interested in increasing the performances of travel agencies through its employees. Until now, the researchers that studied the relationship between job satisfaction and job performance haven't reached a conclusion about the type of relationship that exists between the two variables. The current paper starts from two hypothesis: the first assumes that by implementing strategic directions of increasing the employees job satisfaction, this variable will increase and will lead to the increase of employees work performance. The second hypothesis claims that the employees who register higher scores of work performances will help the travel agency to improve its financial outcomes. Concerning the research methodology, there were used qualitative methods of research, which focused on describing the phenomena. There were used indirect research methods: the consultation of the literature in the field of organizational psychology and consumer science. After that, the modeling method was used, with the purpose of elaborating an empirical model, based on analogies, that will present an image of some social-economical phenomenon which appear in real life, in other words, in what manner the strategic directions of increasing the employees job satisfaction influence the performance of travel agency. Starting from the March and Simon Scheme, it was elaborated a model for travel agencies, which has the client in its center. The model shows how a travel agency could improve its performance by implementing some strategies of increasing the employees job satisfaction. Later, another model was elaborated, which suggests how work performance and work satisfaction of the employees could help the business of travel agencies.

Keywords: managerial strategy, employees satisfaction, employees performance, strategic directions, customer, model

1.INTRODUCTION

The purpose of this research was to elaborate a managerial strategy, which could be implemented inside a travel agency in order to increase the job satisfaction and job performance of travel agents, which would help the travel agency to achieve better outcomes.

This research represents a major interest especially for the managers of travel agencies, who could implement the strategy suggested in this study, in order to develop their business and to situate themselves on top positions on the market. At the same time, the current research addresses to specialists in the field of organizational psychology and services, to teachers and students from the faculties specialized in tourism/services or psychology.

This research brings new elements because until present there were only a few studies that focused on a managerial strategy which follows to increase the financial outcomes of a travel agency, increase achieved through its employees.

2.LITERATURE REVIEW

The causal relationship between employees' job satisfaction and job performance has been studied by numerous researchers without reaching a conclusion on the type of relationship that exists between the two variables. Some researchers consider there is a small an positive correlation between job satisfaction and job performance: Vroom (1964) found a correlation coefficient $r=0,14$, and Iaffaldano and Muchinsky obtained a correlation coefficient $r=0,17$. Others, such as Steers (1988) considers there is no correlation between job satisfaction and job performance, and it is not mandatory that the most satisfied and happy employees to be also the most efficient. This opinion is also embraced by Porter and Lawler (1968) and Lawler (1973), who consider that satisfaction does not determine performance and performance does not cause satisfaction. Nevertheless, they think that job performance influences directly individual job satisfaction only if between them interfere various factors, the most important of them being the rewards. Mathis et al (1997) consider the relationship between job satisfaction and job performance has not been clarified yet, and the employees who register high levels of job satisfaction will not necessary be the ones who obtained the best results. Petty, McGee and Cavender (1984) claim that a conclusion could not be reached on the way in which the two variables influence one another, and the type of connection that exist between them should be the subject of future studies.

Based on the literature review on the causal relationship between job satisfaction and job performance of travel agents, the following hypotheses are advanced:

1. Hypothesis 1: By implementing strategic directions for increasing the employees job satisfaction this variable will increase and it will determine also an increase of the employees job performance
2. Hypothesis 2: The increasing of the employees performances will cause the increasing of financial outcomes of the travel agency

3. METHODOLOGY

Depending on the research nature, it was used a qualitative method of research in order to describe the phenomenon. First of all, it was used an indirect research method: the specialised literature in organizational psychology was consulted. Also, books that studied the consumer's behaviour have been taken into consideration. Then, it was used the modeling method, in order to elaborate an empiric model. The model was based on analogies and its purpose was to represent an image of a socio-economic phenomenon which takes place in real life, in other words to point out the manner in which the strategic directions of increasing the employees' job satisfaction influence the financial outcomes of travel agencies. The research method chosen, depending on the position occupied in the research chain represents a method of investigating the reality and of interpreting the results.

The variables used in this model were: the strategic directions of increasing the employees job satisfaction (independent variables) which lead to an increase of job satisfaction (in this case the job satisfaction is the dependant variable). Employees satisfaction is the variable supposed to influence directly the employees work performances (in this case the employees satisfaction is the independent variable and the employees performance is the dependent variable). Later, the employees performance will become the independent variable, which will influence the dependant variable, which in this case is the performance of the travel agency. The control variable in this case is the client's demand.

4.RESULTS

In every organization formulating a strategy implies knowing the organization's mission, purposes and objectives. A global look upon travel agencies shows that a priority of every agency, which offers stability on the market, a good reputation and possibilities to grow permanently, is represented by the attitude towards work and work performance of every travel agent. In travel agencies the human resource could assure its success or its failure, and knowing this aspect the current research focused on a strategic approach of

employees job satisfaction and job performance. The strategy should take into consideration the long term effects and the global vision on the purpose the travel agency tends to focus its attention in the future. The managerial strategy combines the knowledge of the present with perspectives and fundamental directions on social, psychological and organizational factors, which are more difficult to be measured.

The most important strategic directions for increasing the employees' job satisfaction and job performance will focus on: the manager's vision, on salary, rewards and recognition and on the impact of the travel agency's image on the market, as one can notice in the Table 1:

Table 1: Strategic directions of increasing job performance and job satisfaction in travel agencies

Focused only on the manager's vision	Focused on the salary, rewards and recognition	Focused on the impact of travel agency's image on the market
<ol style="list-style-type: none"> 1. Management style and the atmosphere within the work group 2. The importance of the communication process 3. The performance feedback 4. Training of the newly employees. 5. Manager's involvement in the recruitment processes 6. Employees' involvement in the decision-making processes 	<ol style="list-style-type: none"> 1. Salary - the main component of the recognition system. The implementation of a variable component for financial recognition: sales bonus 2. Correlation of individual performances with non monetary rewards: days off, incentive holidays, teambuildings 3. Holidays from the travel agency's package as a reward for the employees who achieved the best performances 4. Motivation strategies based on the balance between work and personal life style 5. Free access to gadgets and new technologies 6. Public recognition of the employees' accomplishments done by the manager 7. Strategies for public recognition of the accomplishments (done by the agency) 8. Possibility for the employees to possess travel agency's market shares 	<ol style="list-style-type: none"> 1. Promotion of travel agency's image on various channels 2. Promotion of the job of travel agent inside the travel agency 3. The place of the travel agency in the top performances in the branch

Source: Table made by the author

One can notice that lately travel agencies pay much attention to the manner in which they are perceived by the outside world. By comparison, an image capital is more important than an economic and financial capital.

Next, starting from the Scheme of March and Simon, which studied the consumer's behaviour, it will be presented a model that was adapted for travel agencies. The model establish the connection between the customer and the necessity of using some strategic directions for increasing the employees' job satisfaction and job performance. The model is preseted in the Fig. 1:

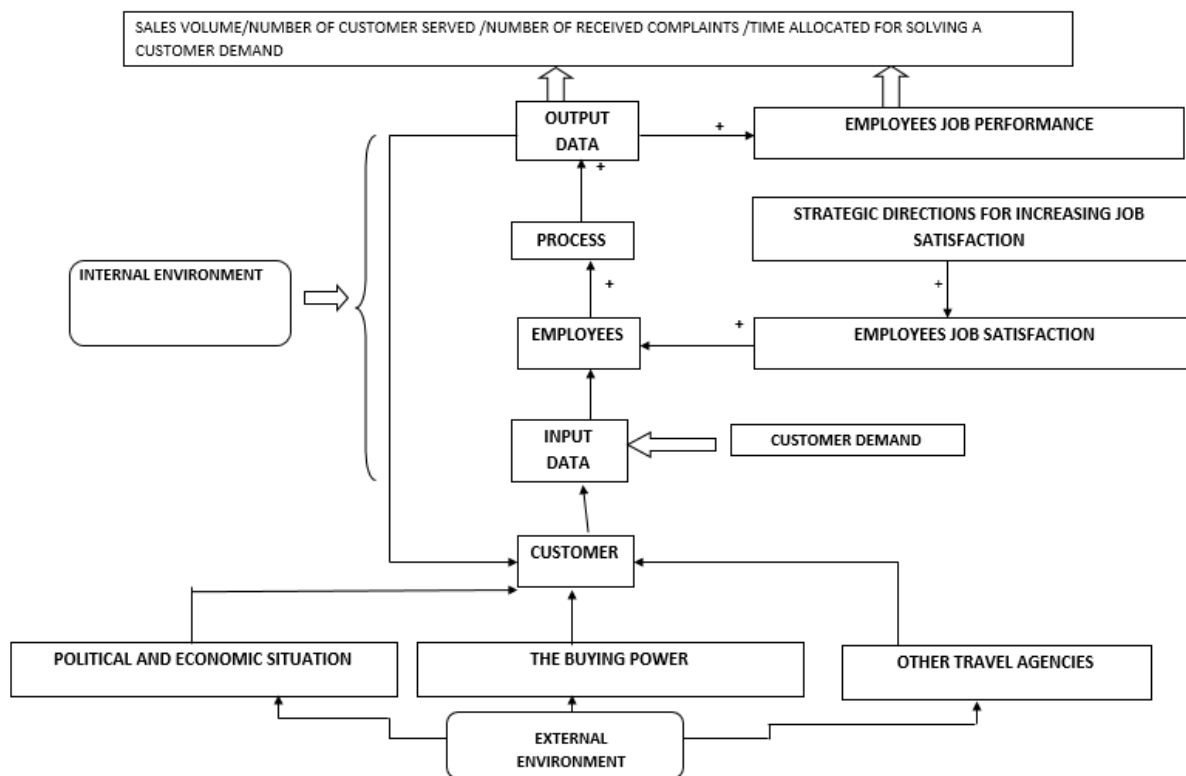


Fig. 1: Model for increasing the job satisfaction and job performance in travel agencies

Source: Figure made by the author based on the March and Simon's model (source: Neagu, V., Ștefănescu, V., Teodorescu, N., *MODELE ALE INVESTIGĂRII COMPORTAMENTULUI CONSUMATORULUI*, Ed. OIDCI, București, 1984)

In the center of the model is the customer, because he is the one who possesses the capital, the main actor who helps the travel agency to achieve its goal: to obtain profit. The customer option to choose a travel agency from the multitude of choices that exist on the market, is influenced by the presence on the market of other agencies (of the number and tipology that exists on the market), on the customer income (the money earned by the customer and the income allocated for travel packages), depends also on the inflation and of the political and economical situation (laws that establish the functioning of travel agencies and laws that protect the customers in case of bankruptcy; the current situation on the market of romanian travel agencies makes the consumers to be reluctant in buying travel packages from small travel agencies. The consumers prefer to buy from big travel agencies, who take advantage of this aspect and establish the prices by themselves. In this way they interfere and influence the market. Normally, it is desired that the travel agencies shouldn't control the market and the prices to be establish based on the demand and offer. In order to convince the customers to choose the services of a certain travel agency, they use some techniques to attract them:

- A more diversified range of offers : customised travel packages
- Discounts for certain travel packages
- Promotion in magazines, in media, booklets.

The main purpose in services is above satisfying the customers' desires at the expected level, the purpose is to delight them and the delight happens when a service is new, when is better and faster, when the mistakes are openly admitted and when they are corrected fast and without discussions. The true value of tourism services is created by the ability of customising the services. Alvin Toffler pointed out the interest of the service managers of adapting to the "psychological demands" of the customers. The most common service is transformed into an event offered in a background whose purpose is to captivate the customer's fantasy and to satisfy his demands for a longer period. The service will have now a new cover, a psychological packaging which will add colour, armony and contrast in the human existence. The emotions, feelings and instincts

become now the key elements (Brîndușoiu, 2012).

After the customer choose the services of a travel agency, he asks for a specific travel product - in the described model the demand represents the input data. The demand is carefully treated by the employees (travel agents) through a process of analysis and based on the research data the travel agents present the offers they found to the customers. Based on the suggestions presented by the travel agent, the customer has two options: to accept or to refuse the travel package. If he accepts, the acquisition contract is signed, in case he refuses the travel agent will have to ask further questions to better understand the client's demand and will come up with new offers. The purpose of a travel agent is to sign a contract, to gain a customer and to answer quickly and efficient to the customer demand. These represent the output of the described process, which are also the criteria based on which the employees are evaluated. If the performances of the employees will be better, then the customers will be satisfied of the services. If the job satisfaction of the employees will increase, the employees will be more involved in the work process, they will focus more on finding the best solutions, they will be more polite and kind with the customers, which will lead to better results, it will increase the number of signed contracts and their economic value, and the agency will extend its portfolio of customers.

The travel agency managers should be aware that every strategy that focuses on increasing the employees' job satisfaction will determine an increase of work performances and also an increase of customer satisfaction. The performance of travel agency and its position on the market is linked to its employees. It is usefull to analyse the Fig. 2, which shows the manner in which the performance of the travel agency is influenced by the increase in employees' job satisfaction.

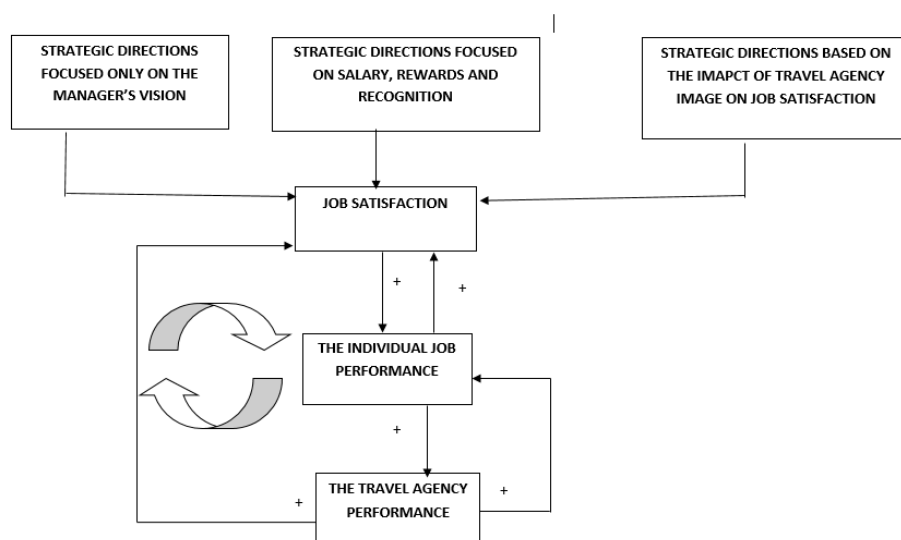


Fig. 2: Model that shows the correlation between the employees job satisfaction and job performance and the travel agency performance

Source: Figure made by the author

By applying the strategic directions whose purpose is to increase the job satisfaction, the travel agents will focus on providing high quality services, will answer faster to the client's demands and will be more implicated in the process of satisfying the customer demands. In the case of travel agencies, when one talks of providing a service, it is about actions that try to materialize the products, for example the internet help the travel agencies to offer a more realistic image of travel packages and to decrease the uncertainty level for the customer who buys the travel package. As a result of these actions, the work performance will improve and the travel agents will sell more travel packages and they will attract a larger number of customers, the number of complaints will decrease and the time spent with solving a complaint will improve. By increasing the work performances of travel agents, the agency performance will increase. Once the financial outcomes are better, this aspect will lead to an increase in job satisfaction among travel agents, who will be proud to work for an agency which has success on the market and it is famous in the branch. This feeling will determine the travel agents to wish to obtain better performances in order to keep the prestige of the travel agency on the market. This desire of exceeding the established goals will take place

only if the work performances of the employees are correlated with the reward system.

5.CONCLUSIONS

The two models, the one that focuses on the client and the model that suggests how the performance of the travel agency is influenced by the job satisfaction and job performances of the employees, could represent strategic directions to differentiate a travel agency from another in the market economy.

The main strategic directions focus on actions that will be implemented by the manager, actions related to the reward and recognition system and actions related to the image of the travel agency on the market.

The model which is based on the March and Simon Scheme has the customer in its center and showed that the performance of a travel agency could be improved if the managers focus on implementing strategic direction for increasing the employees' satisfaction. The second model demonstrates also that the improvement in the level of job satisfaction and job performance will generate an increase in the performance of the travel agency.

6.LIMITS

The two suggested models haven't been checked within travel agencies, there are for the moment theoretical models which could be applied in travel agencies. For this to happen it is necessary a complex research, to include many travel agencies from a specific region, to establish a representative sample and to implement the models. In the selected travel agencies, variables such as job satisfaction, job performance and the travel agency's performance should be measured before and after the implementation of the models.

This research needs more resources and a longer period of time (more than one year), because the implementation of some strategic directions inside a travel agency could be done only based on an analysis and a detailed plan conceived by the managers.

7.FUTURE DIRECTIONS OF RESEARCH

It should be studied the evolution in time of the strategic directions on the variables: job satisfaction and job performance of the employees. It is interested to notice for how long these strategic directions intervene in the sense of increasing the job satisfaction, which of the three directions brings to a significantly increase of the level of job satisfaction and job performance. It would be interesting to notice what would happen if the manager decides to implement only one type of strategic direction, neglecting the others (for example what if the manager decides to adopt measures that focus only on the reward and recognition system).

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