

# Leadership styles in a modern travel agency

**O P Berkova**

Department of international tourism and country studies, National Aviation University, 1 Liubomyra Huzara ave., Kyiv 03058, Ukraine

E-mail: 0987366872@ukr.net

**Abstract.** The article is devoted to the study of leadership styles in the organization of the travel agency on the example of the travel agency TUI "Krona". The purpose of the research was to study the theoretical and practical aspects of personnel management in the organization, in particular the study and analysis of leadership styles in a modern travel agency. To achieve this goal, a number of tasks were set, which required the use of such research methods as research of scientific literature, analytical review of literature, analysis of management styles in a travel company. As a result of the research, the leadership style in the travel agency "Krona" was analyzed, the shortcomings of personnel management in the travel agency were identified and proposals for its improvement were formed.

## 1. Introduction

To properly manage people in the organization, the leader must choose a certain type of behavior in relations with subordinates in the process of achieving the goal, in other words, he must choose the leadership style of the organization.

Each leader in the process of management performs its duties in its own style. The style of leadership is expressed in what techniques the leader encourages the team to take an initiative and creative approach to the performance of his duties, how he controls the results of subordinates.

The problem of the relationship of leadership styles and their effectiveness on productivity interested many foreign and Ukrainian scholars, including the fundamental works of R Blake and D Mouton, M Vinogradsky, V Vrum and F Yetton, O Donchenko and A Ovcharov, A Zhuravlyov, L Kudryashov, O. Kuzmin and V. Gladunsky.

The object of this study is a private company "Krona" - one of the travel agencies in Kyiv, which provides travel services in outbound tourism and has been operating in the market for about 10 years. And the subject of the study is the leadership styles used in this company.

The aim of the work was to study the theoretical and practical aspects of personnel management at the firm, in particular the study and analysis of leadership styles in a modern travel agency. To achieve this goal, a number of tasks were set:

- consider the essence of leadership styles in the enterprise and their types;
- to reveal the characteristics of the activity of the tourist private enterprise "Krona";
- analyze and evaluate management styles at the selected company;
- identify the shortcomings of personnel management in the travel agency "Krona" and formulate proposals for its improvement.

## 2. Results

### 1.1. Leadership styles: essence and characteristics

Each organization is a unique combination of individuals, goals and objectives. Every leader is a unique person who is distinguished from others by having a number of specific abilities and the ability to use them. Therefore, leadership styles cannot always be categorized.

There are the following main styles of leadership: authoritarian, democratic, liberal. This classification is based on the nature of the relationship between the manager and subordinates.

Historically, the first and still perhaps the most common leadership style in practice is **authoritarian**. It is considered universal, especially in the first persons.

Its characteristic features:

- centralization of all power in the hands of the head and his individual decisions, which are subsequently imposed on the executors;
- distancing the leader from subordinates and the predominance of official relations between them;
- return to executors in the order form of orders without explanation of their connection with the general purposes and tasks of the organization;
- widespread use administration punishment.

The authoritarian style of management of the company creates an unfavorable moral and psychological climate and the ground for the emergence of industrial conflicts [1].

Douglas McGregor, a well-known scholar in the field of leadership, described the relationship of an autocratic leader with subordinates as:

- people do not like to work at first and avoid work at the first opportunity.
- people do not have ambition, and they seek to escape responsibility, preferring to be governed.
- people want security.
- to force people to work, it is necessary to use coercive control and the threat of punishment.

McGregor called this theory the "X" theory [2].

Authoritarian style due to the concentration of all power in the hands of the leader provides maximum productivity in performing simple activities and allows you to quickly stabilize a difficult situation. But it does not form the inner interest of the performers to work, because unnecessary disciplinary measures cause fear and anger in a person, suppress initiative.

This style of leadership is effective if subordinates are completely in the power of the leader (for example, in military service) or trust him indefinitely (as actors, directors or athletes coach). And he is sure that they are not able to act correctly on their own.

Adherents of the authoritarian style of leadership are usually choleric, charismatic and creative individuals.

At present, the autocratic style of leadership is becoming more insensitive. Being an autocrat is a manifestation of weakness rather than strength. He often becomes confused and unable to adapt to changing circumstances and build relationships with subordinates on the trust and respect of man.

**Democratic leadership style** is a natural style. In this case, the leader distributes both responsibility and work among subordinates, delegating to them a fairly high or natural degree of freedom and power.

In a democratic style, the leader solves mostly important issues of the organization, routine work is entrusted to subordinates, who have wide freedom in choosing ways and methods of performing tasks. However, with the increase of crisis phenomena, the level of democracy decreases and the degree of autocratic style of leadership increases [2].

The manager often consults with subordinates, listens to the opinions of colleagues, does not emphasize their preferences and does not take offense at criticism. Such a leader never avoids responsibility for his own decisions or for the mistakes of performers.

In relations with subordinates, the manager-democrat always shows tact, understands their interests, makes extensive use of their opportunities to influence them with beliefs and psychological techniques. Thus, encouraging the initiative of subordinates and emphasizing his respect for them, he provides instructions not in the form of orders and instructions, but in the form of suggestions, advice or even requests, not only listens to their opinions, but also takes them into account. And when monitoring their activities, it focuses not so much on their compliance with formal requirements, but on the actual results.

The manager of the democratic style of leadership considers it his duty to constantly and widely inform subordinates about the state of affairs in the team. It instills in them a sense of true masters.

Democratic style encourages the creative activity of subordinates, promotes an atmosphere of mutual trust and cooperation, in which discipline is transformed into self-discipline of all employees. This style does not interfere with the implementation of sole leadership and in no way weakens the power of the manager. On the contrary, his real power and authority grow because he governs people without the pressure and display of attributes of administrative influence, relying on their abilities and taking into account their dignity.

All the above shows that the manager-democrat focuses on the capabilities of subordinates, on their natural desire for self-expression through the realization of their intellectual and professional potential [3].

There is also a **liberal style of leadership**, which provides for complete freedom of subordinates in making their own decisions. Liberal leadership style is sometimes called the style of non-interference or minimal intervention of the manager in the course of the task by subordinates.

The essence of this style is that the leader sets a task for the subordinate, creates the necessary conditions for its solution, determines the scope of independence and maintains a favorable moral and psychological climate. Subordinates independently make decisions based on discussions and look for ways to implement them. The head performs the functions of a consultant, arbitrator, expert, evaluates the results, rewards for success [1].

All this allows employees to express themselves, brings satisfaction, generates mutual trust and creates a favorable moral and psychological climate in the team.

In relations with subordinates, the liberal manager is very polite and friendly, treats them seriously, seeks to help solve their problems. He is always ready to listen to criticism and other opinions.

As a leader, he is not demanding enough of subordinates. Not wanting to spoil the relationship with them, the manager often avoids decisive action, more persuades them to do a particular job. As a result of such behavior, the effectiveness of the work performed may be unsatisfactory.

### *1.2. Analysis and evaluation of leadership styles in the travel agency "Krona"*

Krona Travel Agency is a competitive player in the tourist market of Kyiv, increasing the number of regular customers and tour sales. "Krona" annually leads to the TOP best travel agencies of the tour operator TUI. During its operation, the company has established itself as a reliable business partner with extensive experience, strictly fulfills all its obligations, work and services in a short time at the highest level.

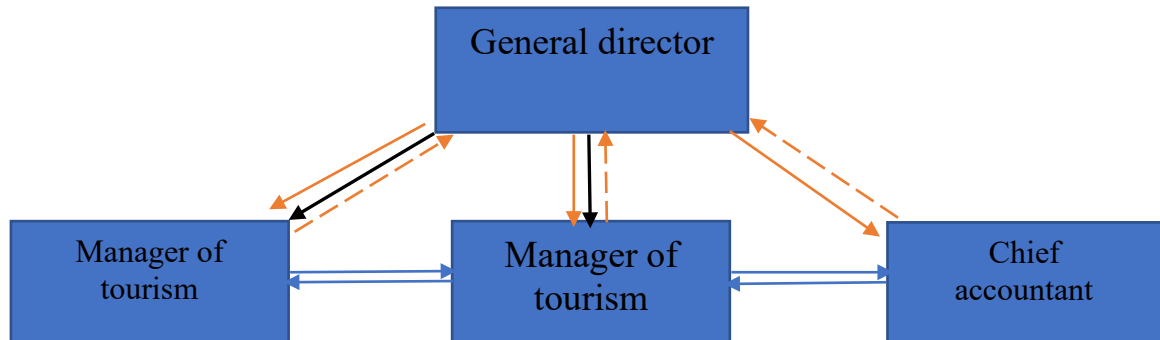
The main activities of the enterprise:

- realization of a tourist product of tour operators;
- consultation on the subject of the tourist product;
- sale of air and railway tickets;
- registration of tourist insurance policies;
- visas;
- organization of transfer;
- replenishment of the account of the mobile operator Travel-SIM.

Travel company "Krona" works only in the field of outbound tourism and can offer tours to more than 30 countries. As this is a travel agency, "Krona" is only a seller of a tourist product, not its

producer. This company is a franchise travel agency of the TUI Ukraine network (owned by the international tour operator TUI GROUP) and operates under its brand name.

The travel agency has four employees: a general director, a chief accountant and two managers of tourism.



**Figure.** Organizational structure of company "Krona"

As you can see, the company has a linear organizational structure, which maintains the hierarchy and centralization of management. The diagram also shows that there is a two-way connection between all parts of the structure, which means that all the staff of the tourism company cooperate with each other.

Analyzing and evaluating the leadership style at the travel company "Krona" the following criteria were used:

**Methods of decision making.** The director of a travel agency usually makes decisions not alone. When resolving certain issues, he first consults with subordinates, giving them the opportunity to express their own opinion and vision of solving the problem, listens to the workers and only then makes decisions. However, if the decision requires immediate adoption, the director as a professional manager is able to resolve this issue independently.

**The way to bring decisions to the performers.** When entrusting tasks and instructions, the director uses a democratic model of behavior. He does not give a clear and strict order, but conveys instructions in the form of a proposal or request, very rarely in the form of an order. In this way it does not cause subordinates anxiety and fear of failing the task.

**Distribution of responsibilities.** Responsibility in the travel agency "Krona" is distributed according to the position and the powers and responsibilities assigned to the person. The CEO is responsible for making management decisions related to the company's activities and image. The financial statements and all cash procedures are the responsibility of the chief accountant. Tourism managers are responsible for the quality of customer service, compliance with all conditions prescribed in the contract for the provision of tourist services, and the compliance of the purchased tourist product with its reality.

**Attitude to the initiative.** The director encourages and supports the initiative of his own subordinates. He believes that tourism is an area in which it is worth giving free rein to imagination and creativity, because new ideas will not only not harm the company, but will also be able to attract new customers.

**Attitude to recruitment.** When selecting an employee for the team, the director personally conducts an interview and decides on hiring. The director prefers candidates who are educated, purposeful, literate and sociable. The availability of higher education in the field of tourism plays an important role, but this criterion is not decisive. More important for the director is the desire to learn and develop, as well as a person's love for tourism and travel. However, sometimes when selecting employees, the director gives preference to the person with whom he is on friendly terms, without paying attention to his professional skills and knowledge. Such behavior often has a negative impact on the further effectiveness of teamwork.

***Attitude to lack of knowledge.*** As mentioned above, the CEO believes that not having enough knowledge, the main thing is the desire to get them. It is also necessary to take into account the specifics of the tourism industry, because it is constantly evolving and deceiving, and therefore knowledge must be constantly updated. For example, tourism managers and the director regularly attend seminars, meetings and courses organized by various tour operators to close information gaps and increase efficiency.

***Communication style.*** The director has good relations with all his subordinates. He is always polite and friendly in conversation. Communicates not only about work issues, but also interested in human life and interests. There is always an atmosphere of friendliness and lightness in the office. Thanks to the director, there is a very good friendship between everyone in the team and we all maintain communication even outside of work.

***The nature of relations with subordinates.*** As mentioned above, we have a friendly atmosphere in the team. The director always behaves openly and friendly, not showing by his behavior that he is the head of this team, and others are only his subordinates. In some situations, the director behaves like a liberal, gently and compliantly. However, subordinates always retain subordination and respect for him as a director, not a friend.

***Attitude to discipline.*** In this respect, the director acts as a democratic liberal. Although formal discipline is always maintained in the team, it is loyal to minor infrequent violations by subordinates (for example, lateness or short absence from working hours).

***Attitude to moral influence on subordinates.*** The director most often uses the reward, using different methods: cash (bonuses and additional interest on sales), sends in promotional tours at the expense of the travel agency, gives additional days off, let's go home earlier. Instead of punishment, he prefers a conversation in which he reveals his dissatisfaction with a certain situation.

### **3. Discussion**

The director of the Krona travel agency uses a democratic management style to manage the staff. Thanks to this model of leadership in the company created a favorable psychological climate, the goals and objectives of the organization are accessible and understandable to subordinates, and the basis of cooperation of the whole team is mutual assistance, trust and respect. And although the democratic style of management is the most effective, because the efficiency of work at the enterprise is high and at the same time there are good relations between all workers, there are shortcomings in the management of the director of "Krona" which should be got rid of.

***Most decisions are made after the head of the council with subordinates.*** On the one hand, the method of collective decision-making is a positive factor in the activities of the enterprise, because all members of the group participate in the discussion, have the opportunity to take the initiative and express their own opinions. However, this style requires a lot of time to develop and agree on a management decision, which sometimes negatively affects the activities of the travel agency, suspending the implementation of certain tasks and goals. And during this time, while the decision-making process continues, competitors will be able to work faster and better and move forward. Because management decisions with the team take a long time, the company manager needs to identify a number of issues that he or she can address on his or her own without the advice of other team members, and which issues are best addressed at organizational meetings. Thus, the amount of time spent on some decisions will be completely reduced, and the pace of the team will not be suspended.

***The head of the company is not demanding enough of subordinates.*** Having in the style and displays of the liberal, the director, generally does not demand strict and exact observance of all conditions of formal discipline. Not wanting to spoil relations with subordinates, he avoids decisive action, and shows loyalty to violations. And such a sometimes low level of demands on subordinates can lead to low quality performance of production tasks and the destruction of discipline in the team. It is necessary to reduce loyalty to violations to a minimum, not to allow the lack of strict control for

their own benefit and to apply methods of punishment when subordinates excessively violate discipline in the team.

**Lack of regulated decentralization of power.** Although the company has a clear division of responsibilities according to the position held, the management functions are not always performed only by the head. Thus, in some situations, the chief accountant assumes the authority. And this is a disadvantage, because informal leaders can continue to assign the functions of leader to themselves and enjoy great influence on team members, thereby destroying centralization. In order not to disturb the decentralization of the enterprise, the director must clearly divide the powers and define the scope of authority of each employee.

**Unsuccessful delegation of responsibilities and tasks.** As the director of a travel agency is also the current manager of tourism, in addition to his own managerial powers, he also assumes the responsibilities of a travel agent. Such a saturation of tasks and responsibilities can negatively affect the main function of the director as a leader - personnel management. You need to give up the responsibilities of a travel agent and focus all your attention on management functions. If two managers can not cope with a lot of work, it is better to hire another specialist who will also be able to perform their work well, than to neglect the management functions, which are the responsibility of the director of the tourism company.

## Conclusions

For decades, outdated methods have been preserved in the practice of personnel management in tourism enterprises in Ukraine, and effective economic methods have been ignored. Improving the organizational structure of tourism management is an important factor in accelerating its development. Therefore, the issue of tourism management, in particular the study of effective leadership styles, should be given much attention and further explored.

In the travel agency "Krona", the director uses a democratic style of leadership. This management model is the most effective for use in a travel company. As can be seen from the above analysis, a democratic leadership style has its advantages over other styles, but it also has its drawbacks, which is also associated with minor manifestations of a liberal leadership style. With this style, staff discipline may suffer, team productivity may decrease, and the authority and influence of the manager on subordinates may decrease.

Therefore, the chosen leadership style is correct. However, a modern manager, if he wants to be effective, cannot be limited to just one management style. He must take advantage of each of the styles, be flexible and change the style according to the situation and development of the enterprise and the tourism industry as a whole. Modern managers must first of all put pressure on the development and independence of employees, implement their own competencies in personnel management, use management philosophy based on elements that affect the environment, social resources, training, balance power and trust between manager and subordinates, strive to achieve the goal.

## References

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- [2] Fedorenko V 2015 *Management* p 132-134
- [3] Vinogradskaya M 2002 *Organization of work of the manager* p 121