

MANAGEMENT SUCCESSORS IN TOURISM- LEADERSHIP COMPETENCES, SKILLS AND KNOWLEDGE

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Abstract

A major challenge for any organization, which happens once in many years, is related to business succession. Given the specificity of the tourism industry, the takeover of a business depends on the managerial capacity of the successor. Leadership is considered one of the key success factors in the businesses and therefore of their transformation. Leadership is also very important when we talk about the relationship between the members of the organization and motivating staff within them. This paper proposes to establish which are the appropriate leadership key skills, competence and knowledge for micro and small enterprises managers, for successfully taking over enterprises, within Europe's tourism industry. For a clear picture about leadership competences, we considered the following key characteristics: management successors set an exemplary standard to co-workers and give directions both professionally and personally, management successors implement the necessary changes, management successors are open minded to new ideas and know how to assess risks, management successors check compliance of colleagues with professional, social and quality oriented standards, management successors are giving feedback and support personal development, management successors resolve conflict with and between co-workers. The secondary objective of the paper is to test correlation between leadership knowledge, skills and competences for a quantitative research, based on an online questionnaire. The results of this research can constitute a foundation to further policy papers for the business environment in European tourism.

Keywords

Leadership, management, quantitative research, questionnaire, Pearson coefficient

JEL Classification

M12, M54, C83, C87

Introduction

Unresolved company succession is one of the most threatening problems to Europe's economy in the near future and micro and smaller (especially family) companies are affected most. Tourism is one of Europe's largest economic sectors with very promising potential for development, and the problem mentioned is more evident than in other economic sectors. This paper proposes to establish which are the appropriate leadership key skills, competence and knowledge for micro and small enterprises managers, for successfully taking over enterprises, within Europe's tourism industry. The full results of the survey report can be found in "European Research Report", as an output of "Assessment Procedure for Micro and Small Sized Enterprises Successors in Tourism Industry" (BEST BOSS), an official EU-project in terms of Erasmus+, which enlightens a European developing status regarding concepts and experience in company succession.

Any study that has as main theme leadership starts from the multitude of definitions, which offers many keywords that complete the complexity of this concept. One of the consecrated definitions of leadership is provided by Rainey (1997): a person's ability to mobilize and coordinate the members of an organization capacity to achieve the goals. Romanian language dictionary (Romanian Academy, 2009) define leadership as an activity or a leading function. Although this definition is quite clear (if we talk about leadership, we talk about leading), it is not enough. Some definitions focus on the leadership concept as a process. As example, Jaques and Clement (1994) define leadership as a process by which a person sets a goal or direction for one or more people and get them to act with competence and dedication. Also, according to some Romanian authors (Nicolescu and Verboncu, 2002) through leadership is understood the process by which a person, the leader, influencing a group to focus their efforts on achieving goals in a given situation. Northouse (2004) define leadership as a process by which a person influences

on purpose a group of people to achieve certain objectives. As results from the above definitions, the influence is made consciously and intentionally by a leader. Kipins et al (1984) consider that can be identified 7 types of generic strategies to influence people: reason, friendliness, coalition, bargaining, assertiveness, higher authority, sanctions. Yukl (2010) offers a similar perspective regarding the types of influences exercised by a leader, starting with the assumption that this mainly refers to obtain cooperation between the organization members: negative influences (rational persuasion, apprising, inspirational appeal, consultation, exchange, collaboration), positive influences (legitimation, coalition, pressure, ingratiation, personal appeals).

Leadership and management, although having common elements, are different concepts. However, theorists have reached a consensus that provides a common vision, according to Bennis and Nanus (1985), managers are people who do things right, while leaders are people who do the right things. Furthermore, Bennis (1989) revealed 12 differences between a manager and a leader: the manager administers, the leader innovates; the manager is a copy, the leader is an original; the manager maintains, the leader develops; the manager focuses on systems and structure, the leader focuses on people; the manager relies on control, the leader inspires trust; the manager has a short-range view, the leader has a long-range perspective; the manager asks how and when, the leader asks what and why; managers have their eyes on the bottom line, leaders have their eyes on the horizon; the manager imitates, the leader originates; the manager accepts the status quo, the leader challenges it; the manager does things right, the leader does the right thing; the manager is the classic good soldier, the leader is his own person.

Although research has focused on large organizations, leadership problem in small and medium enterprises is a topic of great importance, given their weight in the economy. McCartney and Campbell (2006) examines the relationship among leadership skills, management skills and individual success and failure in formal organizations, and prove that is not one combination of management and leadership skills related to individual success. Bolden (2007) appreciate that leadership development and organisational development should be regarded as complementary and integrated activities comprising the development of leaders (“human capital”), leadership (“social capital”) and organisational structures, systems and procedures (“organisational capital”). Kempster et al (2010) studied, mostly in a theoretical manner, the implications of “individual leadership” and “distributed team leadership” concepts, respectively combination between them, “blended leadership”, in the context of SMEs.

Leadership is one of the key success factors in organizations and hence the transformation and their adaptation to socio-economic context. It is said that, when organizations have poor results, at economic or administrative level, is invoked leadership’s lack. Leadership is also very important when we talk about relationships among members of a company and its personnel motivation.

1 Research methodology

In order to identify the leadership competences, skills and knowledge needed for successful company succession in UE, it was conducted a quantitative research, using the statistical survey method. As instrument was used an online-based questionnaire and to accomplish the purpose of this paper were analysed different categories of questions (nominal and ordinal, factual and opinion):

- Nominal, factual – identification classification questions:
 - Age: 18-29 years, 30-45 years, 46-60 years, over 60 years
 - Gender: male, female
 - Education level: High school degree, Vocational education, Bachelor’s degree, Master’s degree
 - Type of managerial position: Owner, Middle management, Senior management
 - Length of leadership period: <5 years, 5-15 years, > 15 years, Company size: 0-9 employees, 10-49 employees, 50-249 employees.
- Ordinal, opinion - leadership competences (Management successors set an exemplary standard to co-workers and give directions both professionally and personally, Management successors implement the necessary changes, Management successors are open minded to new ideas and know how to assess risks, Management successors check compliance of colleagues with professional, social and quality oriented standards, Management successors are giving feedback and support personal development, Management successors resolve conflict with and between co-workers): scale - completely unimportant (-2), less unimportant (-1), more important (1), completely important (2).

To achieve the secondary objective of the paper - testing correlation between leadership knowledge, skills and competences for successful business succession, were used Pearson coefficients.

2 Results and discussion

2.1 Demographic data on the entrepreneurs

On the total of 259 respondents (148 are male, 57.1%; 111 female, 42.9%), most of them, 35.1% (91 persons) are between 30 and 45 years old, other 32,4% (84 persons) between 46 and 60 years old. Lower percentages are

registered for 18-29 years age group (17%, 44 persons) and over 60 years (8.1%, 21 persons). 19 persons, representing 7.3% of all respondents have not completed age.

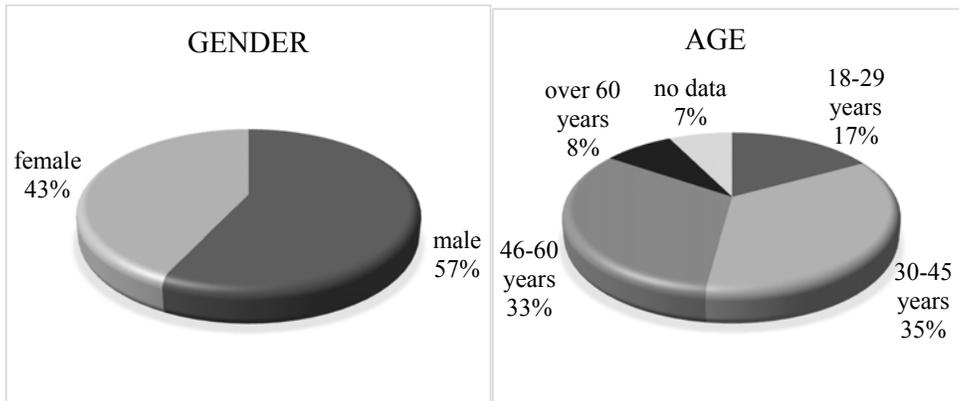


Figure no. 1: Distribution of respondents by gender and age
 Source: authors, according to research conducted

Regarding the education level of respondents, most of them (98, 37.8% of total) have Bachelor’s Degree, other 28.6% (74 persons) Master’s Degree. Vocational education have 20.5% of total respondents (53 persons), and a small percentage of 13.1% (34 persons) High school Degree.

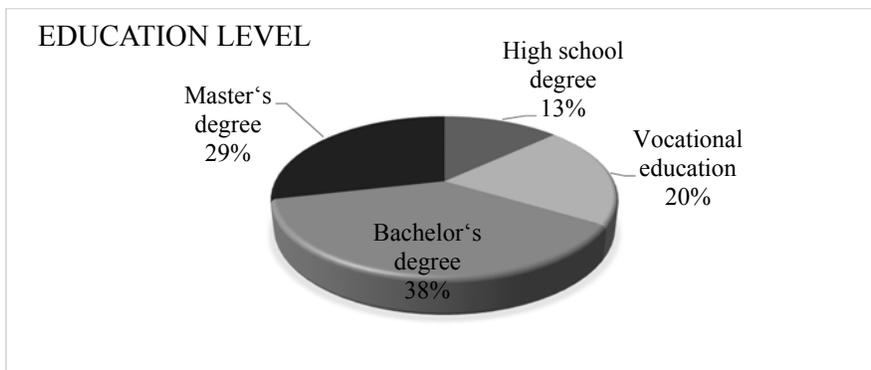


Figure no.2: Distribution of respondents by education level
 Source: authors, according to research conducted

After their position in the company, almost half (45.9%, 119 respondents) are owners, over a third (35.1%, 91 respondents) are in middle management, and almost 1 of 5 (18.9%, 49 respondents) are in senior management position. Of the total respondents, 35.1% (91 persons) are in the management of companies for over 15 years, other 34.7% (90 persons) between 5 and 15 years, respectively 30.1% (78 persons) less than 5 years.

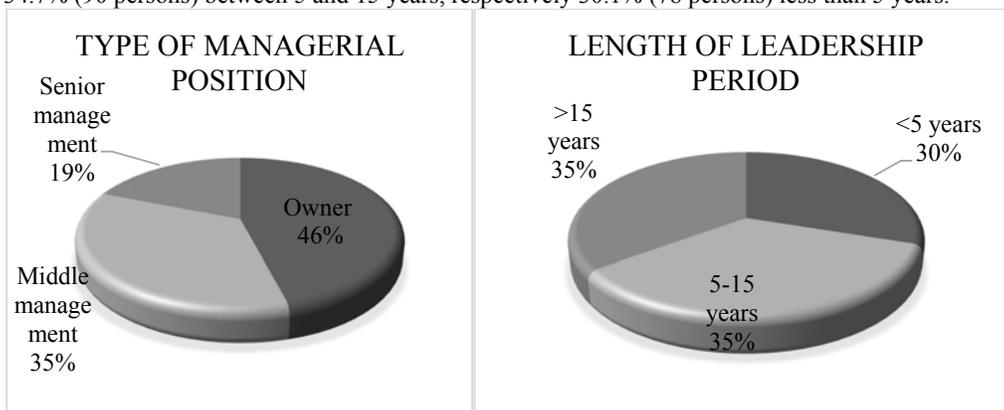


Figure no. 3: Distribution of respondents by managerial position and length of leadership
 Source: authors, according to research conducted

Almost half (117, 45.2%) of the companies included in the research have less than 9 employees, about a third (84, 32.4%) have between 10 to 49 employees, and 22.4% (58 companies) between 50 to 249 employees.

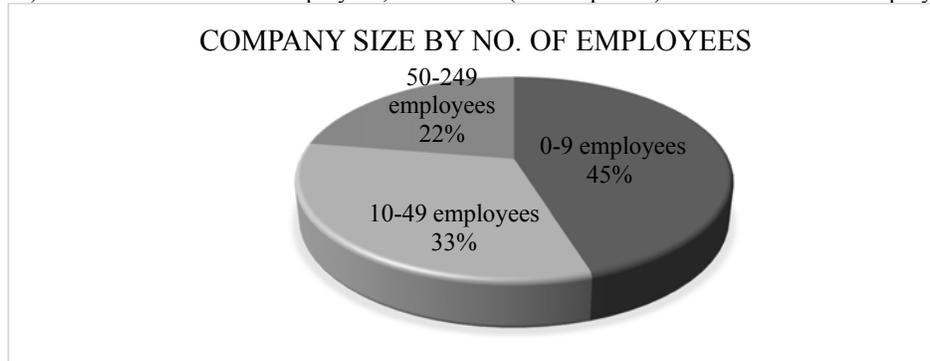


Figure no. 4: Distribution of respondents by company size

Source: authors, according to research conducted

2.2 Leadership competences of management successors

Among the 198 respondents (76.4%) who gave valid responses on “Management successors set an exemplary standard to co-workers and give directions both professionally and personally” question, 97 (37.5% of total sample, 49.0% of valid answers) consider this as “*more important*” and another 88 (34.0% of total sample, 44.4% of valid answers) that this is “*completely important*”. In order to achieve this, we notice the following results:

- 109 (42.1% of total, 55.1% of valid answers) of respondents consider that having professional and social skills is “*completely important*”, and another 83 (32.0% of total, 41.9% of valid answers) that this is “*more important*”
- 91 (35.1% of total, 46.0% of valid answers) of respondents consider that demonstrating their professional qualifications is “*completely important*”, and another 80 (30.9% of total, 40.4% of valid answers) that this is “*more important*”
- 108 (41.7% of total, 54.5% of valid answers) of respondents consider that having planning and organizational skills is “*completely important*”, and another 86 (33.2% of total, 43.4% of valid answers) that this is “*more important*”
- 129 (49.8% of total, 65.2% of valid answers) of respondents consider that having problem solving abilities is “*completely important*”, and another 60 (23.2% of total, 30.3% of valid answers) that this is “*more important*”
- 93 (35.9% of total, 47.0% of valid answers) of respondents consider that having a good standard of general education is “*more important*”, and another 82 (31.7% of total, 41.4% of valid answers) that this is “*completely important*”
- 108 (41.7% of total, 54.5% of valid answers) of respondents consider that acting as a role model is “*completely important*”, and another 74 (28.6% of total, 37.4% of valid answers) that this is “*more important*”.

The distribution of answers is reflected in mean for each attribute. So, according to this, setting an exemplary standard to co-workers and giving directions both - professionally and personally, the most important for management successors is having problem solving abilities (mean: 3.59).

Among the 198 respondents (76.4%) who gave valid responses on “Management successors implement the necessary changes” question, 100 (38.6% of total sample, 50.5% of valid answers) consider this as “*completely important*” and another 94 (36.3% of total sample, 47.5% of valid answers) that this is “*more important*”. In order to achieve this, we notice the following results:

- 96 (37.1% of total, 48.5% of valid answers) of respondents consider that being able to create and implement a vision is “*completely important*”, and another 92 (35.5% of total, 46.5% of valid answers) that this is “*more important*”
- 106 (40.9% of total, 53.5% of valid answers) of respondents consider that being able to lead difficult conversation with all involved is “*completely important*”, and another 84 (32.4% of total, 42.4% of valid answers) that this is “*more important*”
- 100 (38.6% of total, 50.5% of valid answers) of respondents consider that knowing how to compromise is “*completely important*”, and another 85 (32.8% of total, 42.9% of valid answers) that this is “*more important*”

- 91 (35.1% of total, 46.0% of valid answers) of respondents consider that having knowledge in change-management is “*more important*”, and another 90 (34.7% of total, 45.5% of valid answers) that this is “*completely important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, implementing the necessary changes, the most important for management successors is being able to lead difficult conversation with all involved (mean: 3.48).

Among the 198 respondents (76.4%) who gave valid responses on “Management successors are open minded to new ideas and know how to assess risks” question, 119 (45.9% of total sample, 60.1% of valid answers) consider this as “*completely important*” and another 75 (29.0% of total sample, 37.9% of valid answers) that this is “*more important*”. In order to achieve this, we notice the following results:

- 118 (45.6% of total, 59.6% of valid answers) of respondents consider that being able to motivate the human resources to be creative and participative is “*completely important*”, and another 71 (27.4% of total, 35.9% of valid answers) that this is “*more important*”
- 99 (38.2% of total, 50.0% of valid answers) of respondents consider that being able to collect and evaluate information from the employees is “*more important*”, and another 93 (35.9% of total, 47.0% of valid answers) that this is “*completely important*”
- 97 (37.5% of total, 49.0% of valid answers) of respondents consider that demonstrating calculated risk taking is “*completely important*”, and another 88 (34.0% of total, 44.4% of valid answers) that this is “*more important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, being open minded to new ideas and know how to assess risks, the most important for management successors is being able to motivate the human resources to be creative and participative (mean: 3.55).

Among the 198 respondents (76.4%) who gave valid responses on “Management successors check compliance of colleagues with professional, social and quality oriented standards” question, 113 (43.6% of total sample, 57.1% of valid answers) consider this as “*more important*” and another 74 (28.6% of total sample, 37.4% of valid answers) that this is “*completely important*”. In order to achieve this, we notice the following results:

- 100 (38.6% of total, 50.5% of valid answers) of respondents consider that practicing management techniques “by walking around” is “*more important*”, and another 66 (25.5% of total, 33.3% of valid answers) that this is “*completely important*”
- 92 (35.5% of total, 46.5% of valid answers) of respondents consider that promoting team spirit is “*more important*”, and another 91 (35.1% of total, 46.0% of valid answers) that this is “*completely important*”
- 93 (35.9% of total, 47.0% of valid answers) of respondents consider that having mentoring skills is “*more important*”, and another 83 (32.0% of total, 41.9% of valid answers) that this is “*completely important*”
- 127 (49.0% of total, 64.1% of valid answers) of respondents consider that having team leading skills is “*completely important*”, and another 65 (25.1% of total, 32.8% of valid answers) that this is “*more important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, checking compliance of colleagues with professional, social and quality oriented standards, the most important for management successors is having team leading skills (mean: 3.61).

Among the 198 respondents (76.4%) who gave valid responses on “Management successors are giving feedback and support personal development” question, 95 (36.7% of total sample, 48.0% of valid answers) consider this as “*more important*” and another 93 (35.9% of total sample, 47.0% of valid answers) that this is “*completely important*”. In order to achieve this, we notice the following results:

- 98 (37.8% of total, 49.5% of valid answers) of respondents consider that being able to provide both formal and informal feedback for work done is “*more important*”, and another 88 (34.0% of total, 44.4% of valid answers) that this is “*completely important*”
- 98 (37.8% of total, 49.5% of valid answers) of respondents consider that being able to systematically carry out evaluation meetings is “*more important*”, and another 76 (29.3% of total, 38.4% of valid answers) that this is “*completely important*”
- 115 (44.4% of total, 58.1% of valid answers) of respondents consider that investing in development of his employees is “*completely important*”, and another 77 (29.7% of total, 38.9% of valid answers) that this is “*more important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, giving feedback and support personal development, the most important for management successors is investing in development of his employees (mean: 3.55).

Among the 198 respondents (76.4%) who gave valid responses on “Management successors resolve conflict with and between co-workers” question, 104 (40.2% of total sample, 52.5% of valid answers) consider this as

“completely important” and another 87 (33.6% of total sample, 43.9% of valid answers) that this is “more important”. In order to achieve this, we notice the following results:

- 97 (37.5% of total, 49.0% of valid answers) of respondents consider that having skills in persuasion is “completely important”, and another 85 (32.8% of total, 42.9% of valid answers) that this is “more important”
- 117 (45.2% of total, 59.1% of valid answers) of respondents consider that having conflict resolution abilities is “completely important”, and another 73 (28.2% of total, 36.9% of valid answers) that this is “more important”.

The distribution of answers is reflected in mean for each attribute. So, according to this, resolving conflict with and between co-workers, the most important for management successors is having conflict resolution abilities (mean: 3.55).

According to the mean values for each of the six key characteristics who define the Leadership competences, we see that the most important are: being open minded to new ideas and knowing how to assess risks (3.58), implementing the necessary changes (3.48) managing and resolving conflict with and between co-workers (3.48).

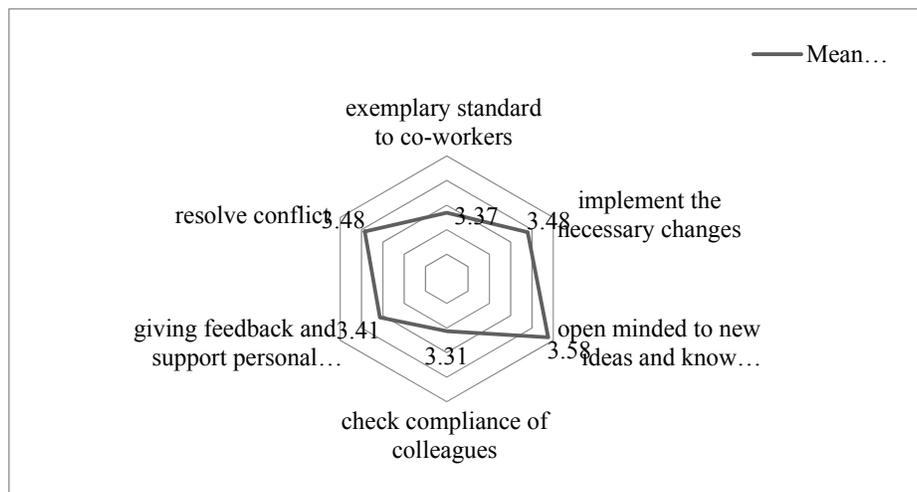


Figure no. 5: Leadership competences radar

Source: authors, according to research conducted (European Report, 2016)

2.3 Testing correlation between leadership knowledge, skills and competences for successful business succession

The strongest links - signalled by Pearson correlation indices with high values – identified for the Leadership competences are between: implementing the necessary changes and being open minded to new ideas and know how to assess risks (0.580), implementing the necessary changes and checking compliance of colleagues with professional, social and quality oriented standards (0.497), giving feedback and supporting personal development and implementing the necessary changes (0.491).

Table no. 1: Leadership competences - correlation matrix

| Leadership competences | set an exemplary standard to co-workers and give directions both professionally and personally | implement the necessary changes | are open minded to new ideas and know how to assess risks | check compliance of colleagues with professional, social and quality oriented standards | give feedback and support personal development | resolve conflict with and between co-workers |
|--|--|---------------------------------|---|---|--|--|
| set an exemplary standard to co-workers and give directions both professionally and personally | 1 | 0.456 | 0.431 | 0.488 | 0.300 | 0.430 |

| | | | | | | |
|---|-------|-------|-------|-------|-------|-------|
| implement the necessary changes | 0.456 | 1 | 0.580 | 0.497 | 0.491 | 0.419 |
| are open minded to new ideas and know how to assess risks | 0.431 | 0.580 | 1 | 0.471 | 0.482 | 0.388 |
| check compliance of colleagues with professional, social and quality oriented standards | 0.488 | 0.497 | 0.471 | 1 | 0.389 | 0.425 |
| give feedback and support personal development | 0.300 | 0.491 | 0.482 | 0.389 | 1 | 0.463 |
| resolve conflict with and between co-workers | 0.430 | 0.419 | 0.388 | 0.425 | 0.463 | 1 |

Source: authors, based on statistical analysis of research results (European Report, 2016)

Conclusions

This research emphasises the importance of business succession for the companies operating in the tourism sector, but also the challenges that are associated to this process. When we talk about business succession it is very clear that we approach the business in a strategic manner, paying attention to the sustainable development of a company. The impact of effective business succession is very high in tourism industry as we know that most of the companies are SME's and their resources pretty much limited, especially the human resources. This fact raises major challenges for the owners in terms of assuring an appropriate transition of the companies to the new generations of owners/managers.

According to the mean values for each of the six key characteristics who define the Leadership competences, we see that the most important are: 1. being open minded to new ideas and knowing how to assess risks, 2. implementing the necessary changes, 3. managing and resolving conflict with and between co-workers.

1. The leader of a company should be able to rely on every employee at any time in order to be able to succeed in a highly competitive environment. Acquiring, sharing and exchanging knowledge and information becomes a critical factor for survival and development of the tourism companies, having in mind their particularities. The management successors in tourism industry are expected to develop a culture of knowledge sharing for fostering the competitive advantage of organizations. A main challenge for them is to extract and formalize the implicit knowledge and to transform it in explicit knowledge that will be available to all or to the most part of the company's employees. A decentralized decision-making system with a flexible structure will be able only if we have free access and sharing of information that will build up a strong trust climate among the organization's members. This is a way in which management successors can motivate and reward the employee's initiatives, fostering the innovation to take place throughout the whole organization. In fact, this is the way that the organization can survive and develop, by continuous innovation, but also by assessing in a realistic manner the risks that are associated to different decisions and initiatives, especially associated with the process of change.

2. The tourism business faces a turbulent environment that places high pressures for the companies operating in this sector for preparing and implementing changes. If we take into consideration that any process of change needs time and asks for support from all members of the organization we can imagine the complexity that the company must overpass. Under these circumstances, the management successors are asked to reveal that they are able to identify and deal with the opportunities and threats created by a fast changing environment and lead the company to a good and comfortable position in its specific market. Of course that all these changes should be based on a clear vision of the desired future and the management successors should develop those levers that are able to stimulate the employees commitment to organization's changes and performances.

3. Managing and resolving conflict with and between co-workers represent not easy tasks for any experienced managers due to the multitude of factors that are usually involved. In the respondents opinions we could notice that there is the perception of a growing need for competencies related to the capacity of a leader for harmonizing the different visions and expectations from inside and outside of organization, but in a very peaceful way, able to direct the organization to meet its competitive objectives. Conflict management becomes a more attractive topic for tourism business as the leaders from industry must bring together people with different backgrounds, needs, values and behaviours. Creating collaborative networks inside and outside tourism companies is not an easy task and the fight for different resources as also the need for cooperation requires high capacity of negotiations from the organization's leaders. In this environment the management successors should be able to avoid corporate scandals, fights between different factions from organization, long term tensions or conflicts. They are asked to represent real business models for their co-workers and the other stakeholders and to promote and act with strong principles provided by the business ethics.

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