Chapter 10

Tourism Company’s Values Profiles: The Case of a Russian Tour Operator

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ABSTRACT

This paper presents the results of research into the values which are adhered to a Russian tour operator and the employees’ personal business values. The empirical data of this research includes the company’s internal documents, four in-depth interviews with senior management employees, and a survey of 98 employees. The value profiles of the organization and its employees were identified, as well as the areas in which they converged and diverged. This research shed some light on those values which are characteristic of a tourism organization, and attempted to fill the gap in the extant knowledge on this topic in the academic literature.

INTRODUCTION

Hospitality and tourism are a rapidly growing global industry. In the past few decades, the hospitality and tourism (hereinafter H&T) industry has made a significant contribution to the global economy. Currently, the H&T direct contribution to the World GDP accounts for 3.1% (WTTC), and direct contribution to employment accounts for 3.5% . The annual number of international tourists is about 1.2 billion (Worldbank). The Russian H&T industry also demonstrates a rapid pace of development, which is accompanied by an increase in competition between the industry players.

Competiveness of companies operating in various sectors including the H&T can be improved through management by values (MBV), which supplements or replaces the management by instructions (MBI)
and management by objectives (MBO) (Dolan, & Garcia, 2002). The role of values in MBV is to regulate the employees’ conduct, in order to achieve the company’s goals. The results of studies which examined the relationship between employees’ personal values, their perception of organizational values and the organization’s performance, indicated that the convergence of an employees’ personal values and the organization’s values, is beneficial both for the employee and for the organization (Hoffman, & Woehr, 2006). According to Dolan et. al (2006), values implicitly and explicitly direct the behavior of employees at all levels. The formation of organizational culture with shared values is aimed at “humanizing” a strategic vision, to ensure the survival and development of the organization in order to eventually maximize its profits and satisfy the interests of all stakeholders (Dolan, Garcia, & Richley, 2006).

It has been maintained that human resource management is a key success factor in an H&T organization (Baum, 2007; Okumus, 2004). Most research, which examines values as an element of human resource management in the H&T industry, tends to be focused on hotels and restaurants, rather than travel companies. The Russian H&T industry and the internal processes within individual companies remain a new and relatively understudied area of research, and research focused on understanding the values of travel companies which operate in Russia has hardly ever been conducted. It is this gap that this paper intends to attempt to fill.

This paper highlights the results of studying the value profiles of a Russian tour operator and its employees, which was conducted in the winter-spring of 2014.

THE RUSSIAN HOSPITALITY AND TOURISM INDUSTRY

The socio-economic changes that have occurred in Russia over the past decades had a profound effect on the H&T industry. In 2014, the H&T industry’s contribution to the Russian GDP was around 2.5%, and the number of people employed in the tourism industry exceeded 1 million (Federal State Statistics Service).

The total number of trips made by Russian citizens to non-CIS countries increased from 6,405,000 in 2005 to 17,259,000 in 2014 (Federal State Statistics Service). According to expert estimates of domestic tourism, around 30% of Russians spend their holidays within the country, while only 5% go abroad annually (AIF). Therefore, domestic tourism is the only holiday option for the majority of Russians. However, the flow of people coming into the country is several times smaller than the outbound flow, and shows virtually no positive trend. The number of international tourist trips to Russia in 2005 and 2014 was 2,251,000 and 2,408,000 respectively (Federal State Statistics Service). According to the Travel & Tourism Competitiveness Index (TTCI) presented at the World Economic Forum, Russia in 2015 holds 45th place out of the 141 countries listed (WEForum). As a result, the data indicated above demonstrates that Russia is more of a generator of international tourism flows, than a recipient.

Despite this, although the H&T industry has not traditionally been a flagship of the Russian economy, since last two decades it has nonetheless demonstrated quite a high rate of growth.

The most important driving forces of H&T industry development in Russia are predominantly in outbound tourism, which includes (Furmanov, Balaeva, & Predvoditeleva, 2012):

- Government’s support for tourism businesses (primarily a law which was introduced on “The Fundamental Principles of Tourist Activities in the Russian Federation”).
- The increasing income of Russian households, particularly in large cities.
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