

# [Appraisal systems in aitken spence travels tourism essay](https://assignbuster.com/appraisal-systems-in-aitken-spence-travels-tourism-essay/)

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## 1. 0 Introduction

Aitken Spence Travels (Pvt.) Ltd. is a subsidiary to Aitken Spence (Plc.), which is a blue chip company in Sri Lanka. Aitken Spence Travels (Pvt.) Ltd. is currently the market leader in travel sector handling more than 85, 000 tourists in 2011. The company has entered in to different agreements & contracts with leading tour operators in the world: TUI, Thomson Holidays, , Trailfinders, Club Med, Jet Tours, Voegele Reisen, Alpi Tours, Francorosso, Ventaglio, , Jetair, Holland International. All their tour operations have been automated in order to provide an efficient service to our principals and clients. Some of these operators are employing their own employees at Aitken Spence Travels in order to maintain the international standardized service.

## Vision

“ To achieve excellence in all our activities, establish high growth businesses in Sri Lanka and across new frontiers and become a globally competitivemarket leader ”

## Mission

“ To develop a closer understanding of the needs of our customers, and offer them products and services which will satisfy their needs in a way that is better than what our competitors offer and thereby, earn ourselves the desired return on investment. This will be achieved through trained and committed employees at all levels”

( Source : http://www. aitkenspenceoutbound. lk/aboutus. htm#v)

## 2. 0Research Techniques

## Data collection methods

## Primary DataSecondary Data

SurveyOne to one discussions Statistical ReportsWeb Articles

## 2. 1Primary Secondary Research Statics of Aitken Spence Travels Diversity

Figure 1 �" Ethnicity AnalysisASTL do have 65% Sinhalese , 15% Tamils, 10% Muslims , 5% Burgers & 5% others Employment Type AnalysisFigure 2 �" Employment Type AnalysisASTL do have 62% Permanent Employees & 38% Contract Employees

## 2. 2Secondary Research Statics of Aitken Spence Travels Diversity

## Employee Trained Category Analysis

Figure 3�" Employment Trained category AnalysisASTL do have 9% Managers , 30 % Executives and 60% non Executives

## DISCUSSION

## 3. 0The Organizational Hierarchy of Aitken Spence Travel (Pvt.) Ltd

Different officers in different level exhibit different leadership traits. This figure indicates the hierarchy of Aitken Spence Travels & the way authority is granted.

## Chart 1 - The Organizational Hierarchy of Aitken Spence Travel

## 4. 0Evaluation of Different Strategies being practiced by Aitken Spence Travels (Pvt.) Ltd.

## Corporate Strategy:

Hierarchy of Management of Aitken Spence Travels does practice this method of leadership. They consider elements that had a impact to the company at currently and in futuristic will take the decisions accordingly.

## Cost Leadership Strategy:

Aitken Spence Travels do have largest vehicle fleet in Sri Lanka, due this reason they are the cost leader in Travel Trade. They assured the best service with well trained chauffeurs and nicely maintained vehicles

## Differentiated Strategy:

Aitken Spence Travels already always offer variety of products for their valuable clients. Which clients had liberty to choose tailor-made product as per their requirement. Most of their hotel products do have sound variations which were their key feature.

## Defensive Strategy:

The most important data were kept secretly and known by the hierarchy of the company and down the layer had very limited access for these data. Competitors had very difficult time for access these data.

## 5. 0CRITICAL EVALUATION OF MOTIVATION THEORIES

## 5. 1Abraham Maslow’s Hierarchy of Needs , Maslow, A. (1954).

NOTE: This Theory Talks about Basic requirements, Psychological requirements and Self Full filament requirements, to employee in Aitken Spence Travels is a dream for a young executive which will have self actualization him or her. Chart 1 - Abraham Maslow’s Hierarchy of Needs

## 5. 2Expectancy Theory, Vroom (1964), Porter and Lawler

Appliance: Realistic Targets will be given for employees which end result will pay them back an incentive bonus schemes, due to such reason employees are more dedicated in their performance.

## 5. 3Social Learning Theory, Bandura (1977)

Appliance: Discipline and behaviors are highly observed by the Management of company , as this will have direct impact on employee promotions, salary increments. Those employees who miss behave were thoroughly punished.

## 5. 4Two Factor Theory, Herzberg et al (1957)

Appliance: Hygiene factors and motivational factors are highly regarded by the company. 5. 5McGregor’s Theory X & Theory Y Managers, McGregor (1960)‘” McGregor summarized two contrasting sets of assumptions made by managers in industry”

## Theory X managers believe that:

## Theory Y managers believe that:

“ Most of people do not like to work and will avoid it he/she could”“ Most of people need to pushed with threat of punishment to work towards company goals”“ Most of people like to be directed , to avoidResponsibility and needs security above all”“ Potential of average person is partially unitized”“ Most people usually accept and often look for responsibility ““ people have self control without external control ”“ commitment to objectives in a function of rewards associated with their achievements” Source: Theory X and Y Managers (McGregor, 1960)Table 01 �" X & Y ManagersAppliance: Most of the Managers in Aitken Spence Travels were X Managers, they intend to force people, due to this reason company had high turn offer as most of the junior employees could cope up the work pressure as well as management pressure upon them. Once in a blue moon could find a Y Manager in Aitken Spence Travels.

## 6. 0Motivation Techniques available at Aitken Spence Travels

## Rewards & Incentives

Aitken Spence Travels do have annual incentive bonus schemes for employees , this will depends on employee performance, if the company could achieve annual budget then employees will rewarded with incentive bonus. This is one of main methods being used by the company.

## Training

Human Resources department of Aitken Spence Travels do conduct monthly training programmers’ for their company employees , which will spend quite big amount for these training programs.

## Setting a Target

Realistic Target will be given for employees beginning of the year. Then management will evaluate the employees how well they had performed. As such employees well aware that their performance will affect their promotions/salary increments, etc … therefore they will give their best shot for achieve excellence.

## Job Enlargement

Job enlargement means increasing the scope of a job through extending the range of its job duties and responsibilities generally within the same level and periphery. Aitken Spence Travels use this method for selected high flying individuals as a motivational method. For example, a well performing individual will be given more responsibilities & more tour operators to handle with an attractive salary hike.

## Non-financial techniques

Aitken Spence Travels use non-financials techniques to motivate their clients. The non-financial techniques include: free hotel nights, free local & overseas tours, hampers, & other gifts.

## 7. 0MANAGING CULTURAL DIVERSITY AT AITKEN SPENCE TRAVELS

## Cultural Diversity at Aitken Spence �" Hofstede Model, Hofstede (1980; 2005)

The Aitken Spence Travels managers are using Hofstead model to analyze cultures in respect of following factors;“ Uncertainty avoidance”“ Power distance”“ Institutional collectivism”“ In group collectivism”“ Gender Egalitarian”“ Assertiveness”“ Future Orientation”“ Performance Orientation’“ Human Orientation”(Source : http://www. managementstudyguide. com/hofstede-model. htm)

## Ethnicity

“ Aitken Spence Travels’ customers being served by a highly diverse workforce. They have operations in Sri Lanka, India, Middle East, Europe, Benelux countries, Far-east countries etc. The company employs hundreds of employees from different countries. It has been a great challenge for the company to manage this workforce without penalizing their cultural norms & values. On the other hand, the management faces many obstacles with the different rules & regulations, especially labor laws available in other countries. It is the responsibility of the Aitken Spence Travels’ management to manage this diverse workforce carefully for the betterment of the business”(Source : http://www. aitkenspence. com/)

## 8. 0Different Leadership Styles Across Different Cultures in Aitken Spence Travels

According to the management practices of Aitken Spence Travels, three leadership styles are available; autocratic, democratic, & free-rein style.

## Autocratic Leadership in Aitken Spence Travels

The autocratic leadership is visible especially with certain situations, for example, handling a cruise ship or a charter flight at Aitken Spence Travels. This leadership is required when the processes get more complex & when an expert is handling the situation. There could be punishments & rewards according to their performance.

## Democratic Leadership in Aitken Spence Travels

The democratic leadership style is a very open and collegial style of running a team. Ideas move freely amongst the group and are discussed openly. Everyone is given a seat at the table, and discussion is relatively free-flowing. The Aitken Spence Travels use this style when situations change frequently, democratic leadership offers a great deal of flexibility to adapt to better ways of doing things. For example, during the conventions & exhibitions, the management recommends this type of leadership styles.

## Free-rein Style in Aitken Spence Travels

There are situations at Aitken Spence Travels that leaders/managers are hands-off and allow group members to make the decisions. For example, in Europe, the officers appointed to work to the company is not always followed & observed. It totally depends on the trust & mutual understanding that the employees in abroad & employer in Sri Lanka are having.

## Stereotyping style in Aitken Spence Travels

Stereotyping is a thought process that organizes beliefs about one group of people and assigns them to everyone in that group. An example of stereotyping would be that you believe that European officers people like working hard, & Indian officers are trying to skip the work as much as possible.

## 9. 0Different Motivation Techniques practice by Cultural Diverse Aitken Spence

It is an obvious fact that Aitken Spence Travels use different methods in motivating the different clients at different cultures. The best method is selected using their cultural values, believes & attitudes. Cultures with high standards of living always prefer outgoing motivational methods targeting the recreational factors. On the other hand cultures with middle standards of living always prefer pecuniary rewards. A summary of the motivational strategies used by Aitken Spence Travels (Pvt.) Ltd. all over the world is as follows; The officers at Asian countries like India, China, Japan, Korea & Pakistan are used to use

## 9. 1Goal Theory, Latham and Locke (1979) in Aitken Spence Travels

Aitken Spence Travels employees are given specific goals to achieve at the beginning of the season.

## 9. 2Cultural Identity & Noise in Aitken Spence Travels

It is a challenge for Aitken Spence Travels management to manage employees at different countries. Destinations like Maldives & Oman, the company has employed a large number of employees: local & foreign. The employees exhibit different characteristics based on their values, attitudes & perceptions. During such occasions the management prioritize the majority’s value respecting norms of the minority. However, it is not the best practice if the company tries to treat the employees equally.

## 9. 3 Cultural Taboos in Aitken Spence Travels

Cultural taboos can be defined as distinct behavioral patterns adapted by different societies. It can be certain words, symbols, gestures, postures etc, which cannot be understood by outsiders. Certain characteristics can be considered as very friendly in one society, while the same behavior could be an insult in another society. The Aitken Spence Travels faces a huge challenge to cultivate a standard way of behavior within the premises.

## 9. 4 Cultural Shock in Aitken Spence Travels

Aitken Spence Travels use job rotation as a tool to motivate their employees. As such employees are sent to different countries to perform different jobs within the chain. The employees face cultural shock by being in foreign countries & without being able to adapt to certain cultures. The employees at Aitken Spence Travel undergo special trainings which designed to strengthen them.

## 10. 0CRITICAL SOURCES OF APPRAISAL SYTEMS IN AITKEN SPENCE TRAVELS

“ Just as there are multiple standards by which to evaluate performance, there are also multi candidates for appraising performance.” (Bohlander. G et al, 2001, p. 325) The sources of appraisal are supervisors, peers, team members, subordinates, customers and self. Aitken Spence Travels staff is appraised only by the superiors of the department.

## METHODS OF APPRAISAL

Since the early years, the methods of evaluation have evolved with time. The current methods of performance appraisal are classified as measuring traits, behaviors and results. Aitken Spence Travels has adapted the trait, behavioral and results approach. Trait methods approach is designed to measure the extent certain characteristics such as creativity, leadership, initiative and more of employees. Behavioral method provides action oriented information which is the best for development. Results method is measuring the contributions of the employees to the organization. (Bohlander. G et al, 2001, p. 333, 334) One method of each appraisal method is adapted by Aitken Spence Travels and they are:

## PURPOSE OF PERFORMANCE APPRAISAL PROGRAM

There are two main purposes for performance appraisal program and they are:

## Development

The performance appraisal is performed to develop its human resources by identifying the individual strengths and weaknesses. This helps to identify training needs for Aitken Spence Travels staff. It recognizes individual performance to provide performance feedback to employees. It assists Aitken Spence Travels staff in goal identification and achievement. This also works in developing soft skills of employees. It is an opportunity created for the staff to identify issues for discussion and eliminate any problems adversely affecting the job holder and his performance.

## Administrative

Performance appraisal at Aitken Spence Travels is used as a basis for compensation decisions, as pay for performance is practiced. The performance appraisal determines the high performance employees for promotions and rewards. It identified poor performance staff to decide on layoffs or termination. It allows Aitken Spence Travels to determine the relative worth of a job under a job evaluation program. The results of performance appraisal are used for documents personal decisions and staff retention. Most importantly, the performance appraisal at Aitken Spence Travels influence employee behavior thereby leading to improved organizational performance.

## Performance Management and Employee Welfare & Benefit

Aitken Spence Travels has adapted Strategic Human Resources Management. SHRM generates strategic capability ensuring Aitken Spence Travels has skilled, committed and well-motivated employees it needs to achieve sustained competitive advantage. The approaches adapted to SHRM are best practice, strategic fit and resource capability. These approaches develop resource capability achieving strategic fit through with a set of superior of HRM practices. Aitken Spence Travels is using a mixture of Hard and Soft approaches. It ensures the right number of right sort of people are available when needed creating and shaping the culture of the organization. Aitken Spence Travels has applied a proper balance between the hard and soft elements. Aitken Spence Travels functions as a full business management process with all essential SHRM activities included. These key activities are carried out by the HR staff at ASTL and the functional line managers. Aitken Spence Travels performs forecasting of demand and supply, and balancing demand and supply. Demand forecasting allows Aitken Spence Travels to estimate the future needs of manpower and their likely skills and competences. Supply forecasting allows Aitken Spence Travels to measure the number of manpower likely to be available within the organization. Aitken Spence Travels brings a proper balance between demand and supply by matching HR requirements with the available HR. There are quantitative and qualitative methods of forecasting practiced at Aitken Spence TravelsThere are job descriptions and job specifications along with employment terms and conditions for each job. The number and categories of manpower has specified the recruitment program. Aitken Spence Travels seeks internally to replace job opening as it is a means of rewarding its current manpower. So the first consideration is given to the internal candidates. Selection decisions are wisely based on subjective and objective factors. Aitken Spence Travels does not believe in this concept of ‘ Pay Secrecy’ and does not have the policy to be followed by the corporate. Aitken Spence Travels takes great effort in appraisal and improvement practices of its staff. Performance appraisal is held at quarterly every Six months and annually.

## 11. 0RECOMMENDATIONS

## RECOMMENDATION 1 - Leadership Strategies for Aitken Spence Travels

Aitken Spence Travels produces tour packages, vacations, cruise trips & air transfers as their core product. Also the company has spreaded its’ products & services in most parts of the globe. Considering the nature of the tourism product, the company should practice all autocratic, democratic & laizze-fare leadership styles. As such, there is no one recommended leadership style.

## RECOMMENDATION 2 - Culture Colliding, Equality & Diversity

Cultural colliding is a challenge to Aitken Spence Travels. The company undertakes different strategies to make sure all employees are treated equally within the company. From the perspectives of the employees, equality in rewarding & promoting are main sensitive factors that they consider as the maintenance of equality.

## RECOMMENDATION 3 - Evaluation of Theories Related to Managing Cultural Diversity

Though Aitken Spence Travel is a well-established company, it is still growing. In order to match with the industry’s growth & company’s growth, the company got to employ a set of employees who exhibit same level of performance. However, different employees from different cultures do not perform similarly at a given situation. So the management has to implement different effective training programmes & workshops to standardize the employees.

## Example

The managers at Aitken Spence Travels lead the subordinates inspiring the rest of the workers. The subordinates inspired by managers will follow their path protecting the rights of the rest.

## RECOMMENDATION 4 -Personal Involvement

The managers can personally involve with certain labor matters of the employees thus standardizing their quality of service.

## RECOMMENDATION 5 -Trust

The managers can inculcate a trustworthy culture within the company using personal approaches. A trustworthy culture always enhances the quality of the service & employees’ productivity.

## RECOMMENDATION S 6 �" HUMAN RESOURCE PLAN

There are no flexibility plans included in the Human Resource plan. This flexibility component will bring greater operational flexibility, avoid compulsory redundancies, increase productivity and reduce employment costs. The HR Department at Aitken Spence Travels may consider including a component of flexibility to the Human Resource Plan.

## RECOMMENDATION S 7 �" HUMAN RESOURCE PLAN

There is only one employment test adapted in the selection process. It is essential to implement employment tests that meet sensitivity, standardization, reliability and validity. Aitken Spence Travels can achieve the standards required by developing at least one more employment test as psychometric test assesses job candidates on aptitude, ability and personality.

## RECOMMENDATION S 8 �" UNIQUE APPAISAL SYSTEM

Aitken Spence Travels staff is appraised only by the superiors. Given the complexity of the jobs at Aitken Spence Travels, it is unrealistic to presume that one person can fully observe and evaluate an employee’s performance.

## RECOMMENDATION 9 - Proper Induction Mechanism

There is no proper induction procedure within the Aitken Spence Travels. Once a new executive is hired, he or she has to work under the direct supervision of another senior executive, who is just one year experienced than him. The senior executive tries to train the newly selected employee according to the values& believes that they have.

## RECOMMENDATION 10- Grievance Handling & Employee Turn Over

Aitken Spence Travels employees face different stressful situations within the company that they are working to, for example, working long working hours, irregular hours, working under stressful conditions etc. The managers do not handle such situations properly. As a result the company is having the highest employee turn-over ratio in the travel & tourism industry. Since the HR division is not having a proper Human Resource plan, the managers select whoever they wish to select to the organization. The overall human resource quality decreases eventually.

## 12. 0 CONCLUSION

Currently organizations in Travel industry are more looking into employees who had different cultural background in order to cope up with diverse requirements. Managing Cultural diverse work force is a great challenge for the organization. Therefore organization need concrete various leadership’s methods to manage their employees. Furthermore Travel industry is a sensitive industry where the employees are supposed to exhibit right emotion at the right time. The managers have to exhibit different leadership traits when managing the employees. Basically we can define motivation as the inner power or energy that pushes toward acting, performing actions and achieving. Motivation has much to do with desire and ambition, and if they are absent, motivation is absent too. In order to get the maximum out of the employees, the employees should be workaholic & goal oriented. As such managers have to implement different motivational theories when employees are from different backgrounds & culture. The underlying argument is, one motivation method will work for one or many employees, but not for all.

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