

DIRECT RESEARCH ON THE PERFORMANCE ASSESSMENT METHODS USED IN ROMANIAN TRAVEL AGENCIES IN ORDER TO EVALUATE THE TRAVEL AGENTS' PERFORMANCE

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ABSTRACT

The purpose of this research was to point out the methods used nowadays to evaluate the Romanian travel agents' performance. Such a research has never been conducted in the branch of Romanian travel agencies and this study represents a starting point for the specialist who are interested of the performance evaluation process in travel agencies. The representative sample was calculated and a quantitative research was conducted in order to find out the most important aspects which characterized the evaluation process of Romanian travel agent's performance. 170 respondents participated at this study. The instrument for collecting the data was a questionnaire, which was first tested on a pilot sample composed of ten travel agency managers. The results of the research showed that the most important criteria taken into account when it comes to evaluate the performance of travel agents are: the sales volume achieved by the employees, the number of customers who purchase the travel packages, the average time for solving the customers' demands, the number of customers who return to buy a new travel package from the same employee, the number of complaints received, the image and behavior of the employees. The direct manager and the general manager are mainly, the ones responsible of the performance assessment process. In travel agencies, the assessment of the employees' performances happens once or twice per year. The managers are interested both on individual and team performance. As future directions it is recommended to repeat the research after one or five years to see how the performance assessment process has changed through time.

KEYWORDS: *Assessment Process, Check List, Employee Performance, Essay Appraisal, Management by Objectives, Performance Evaluation Method, Travel Agency, Travel Agent.*

1. INTRODUCTION

The performance evaluation of the employees represents one of the key activities in a travel agency. The purpose of the present research is to identify in practice the following elements: which are the assessment methods used nowadays in Romanian travel agencies, who is responsible for evaluating the employees' performances in travel agencies, how often are evaluated the employees and what are the purposes of this process. Also, another aspect that is followed is to observe if the travel agents truly understand the criteria based on which they are evaluated and the impact of this aspect on the employees' behavior.

Such a research study has never been conducted so far in Romanian travel agencies domain and this paper could represent a base for further researches which have the purpose to evaluate the performance of the employees who work in travel agencies. The current research is important especially for the travel agency managers and all the specialists responsible of the performance evaluation process.

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2. LITERATURE REVIEW

Edward Deming considered that managers focus on elaborating performance measurement systems which are too sophisticated to be understood by the employees. Deming suggested that a performant system for measuring the employees' performance should include the most representative criteria and everyone should understand the way in which the system works. Deming wanted to point out that a complex system of evaluation is not necessary a performant one. Milan Kubr also considered that the performance appraisal inside organizations focuses on too many criteria, losing the representative aspects (Manolescu, 2001).

G. A. Cole on the other hand had another vision, different from the one of Kubr and Deming. He considered the performance appraisal as an essential element for the well-being of any organization. Cole suggested that a key element in defining the evaluation is represented by the discussion between the manager and his subordinate, which has the purpose of identifying the aspects that should be improved and to elaborate an action plan (Mathis et al., 1997).

Based on the data gathered in the employees' assessment processes, decisions are taken concerning transfers, promotions and resignations, in conclusion one can state that the system of measuring the employees' performances represents an instrument of monitoring the progress (Manolescu et al., 2007).

The assessment process of evaluating the employees' performances could play an important role in consolidating the relationship between the employee and his manager. In a company where everyone is preoccupied with his own job, the employees don't have the time to talk to each other and to develop interpersonal relationships. The assessment process, and especially the assessment feedback, brings together the employee and his manager. They can openly discuss about the suggestions of activity improving or about the promotion opportunities that exist within the organization.

One of the purposes of a performance management system is to help the employees to develop by identifying the needs of development and the training programmers (Manolescu et al., 2007).

Another purpose of the performance evaluation system is represented by the reward and recognition system. These recognitions are made based on the data gathered from the performance measurement (Cole, 2000).

The theory and the managerial practice demonstrated that the assessment methods used in tourism vary depending on the purpose, the organizational resources, the number of employees which are going to be evaluated, etc. (Savlovschi, 2011).

From the multitude of evaluation methods, the following methods are recommended to be used in travel agencies: the essay appraisal, the check list method and the management by objectives.

It is recommended to implement the essay appraisal method in travel agencies because the majority of Romanian travel agencies are small agencies, with maximum five employees and the managers could write detailed essays about the activity of their employees. An important step is represented by the communication of the evaluation feedback to the employees. The managers should discuss face to face with each employee about the report elaborated on their activity.

Another method easy to be implemented in travel agencies is the check list. It is easy to be implemented in travel agencies because it checks the degree in which the travel agents accomplish the objectives, they have in their job descriptions. These objectives are clear for all employees and the evaluation has a high degree of objectivity because it is done by a person from the HR department with whom the employees do not have work relationships.

Last but not least, another method suitable to be implemented in travel agencies to evaluate the employees' performance is the management by objectives. The advantage of this method is represented by the fact that the objectives, the action plan, the resources and the deadlines are established and communicated from the beginning. One could say that the employees have all the necessary requirements for meeting the objectives.

Next, a quantitative research was done in Romanian travel agencies in order to identify the way in which the assessment process takes place. The methodology and the results of this research are presented below.

3. THE METHODOLOGY

Next, a quantitative research was conducted in Romanian travel agencies. One of the objectives was to determine the methods used in travel agencies in order to evaluate the performance of the employees. Another objective was to find who is responsible for this process within travel agencies and also the frequency of these evaluation processes. In order to establish the details expressed, the first step is represented by the determination of the representative sample. In order to determine the representative sample, the above formula was used:

$$n = (z^2 * \sigma^2) / E^2 \quad (1)$$

n = the size of the sample

z = the trust level, which in majority of the cases is established at 95%, it indicates the probability that the statistical values of the sample to be found in the established confidence interval (in the current case the z distribution will be chosen because $n > 30$)

E = the size of the allowed error (E), based on this error the confidence interval is established, which shows the level of precision of the estimation; usually its value is 0,05.

σ = standard deviation of the population

To determine the representative sample the total number of travel agencies which are authorized to function in 2016 was taken into consideration. In 2016, 2.620 travel agencies were authorized to function, according to the Romanian Tourism Minister (The Tourism Minister, 2016).

Because the standard deviation of the general collectivity is unknown, the following formula was applied to determinate it:

$$\sigma = (X_{\max} - X_{\min}) / 6 \quad (2)$$

X_{\max} = the maximum value obtained within the general collectivity

X_{\min} = the minimum value obtained within the general collectivity

In the current case, the maximum value is represented by the maximum score obtained at the questionnaire that evaluates the performance of the employees. For calculating the performance scores, the Likert scale with five choices of answer was used, the maximum score that could be obtained was five points and the minimum was one point.

By applying the below formula, one can obtain the value of standard deviation:

$$\sigma = (5-1)/6=0,66$$

$$n = (0,952 * 0,662) / 0,052$$

$$n = 157$$

As the sample to represent a real image of the general collectivity, the research should have at least 157 answers from the employees who work in 157 different travel agencies.

For the present research 170 Romanian travel agencies were selected from Bucharest, Constanța, Brașov, Cluj, Iași. All these cities have in a common a population larger than 200.000 inhabitants. In these agencies it was applied a questionnaire with the purpose of finding out the methods and the procedures used nowadays in travel agencies to evaluate the performance of travel agents. The data were collected on the field and online (for the agencies which were not in Bucharest, the questionnaire was sent by email as a link). For the travel agencies located in Bucharest, the researcher participated in travel fairs. He interrogated also travel agents from travel agencies located in Bucharest. The travel agencies were chosen from the data base of the site listefirme.ro from the cities mentioned, filtering both the field ("Activities of travel agencies and tour-operators; other reservation services and touristic assistance), and the counties. The questionnaire was sent by email to all the travel agencies mentioned on the data base listefirme.ro from the analyzed counties.

In this study participated employees from big tour-operators on the market and employees who work for small agencies. The market of Romanian travel agencies is characterized by the presence of small agencies, who have about five employees each. Despite all that, the highest turnovers are registered by the big tour-operators, which already have a name on the market. In elaborating the questionnaire whose purpose was to determine the methods used by travel agencies to evaluate the performance of travel agents, a pilot study was conducted first, in which participated ten agency managers. The pilot study was conducted in Bucharest. Its purpose was of finding out the criteria which are taken into consideration by the managers when they evaluate their employees. The method used for collecting the data was the investigation based on the interview. It was elaborated a questionnaire based on the answers given by the ten managers. Its purpose was to find out the methods used nowadays in Romanian travel agencies for estimating the performances of the employees.

Following the items in the questionnaire, the results are presented below.

4. RESULTS AND FINDINGS

After the data were analyzed, one could find out that out of 170 travel agencies who participated in this study, only 158 of the respondents stated that they have been evaluated. It was possible to find out this aspect, by applying a filter question: Inside the organization you are working for, you took part in an assessment process? If the answer is No, there is no need to continue to complete the questionnaire. The twelve agencies that do not apply assessment methods for evaluating the performance of their employees are small ones. They have less than five employees. They do not put accent on the performance evaluation process (Figure 1).

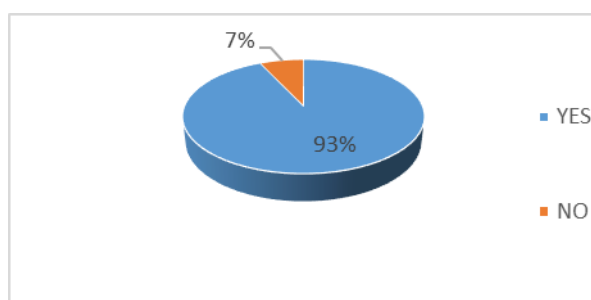


Figure 1. You took part in a performance evaluation process inside the organization you are working for?

Source: Figure made by the author based on the collected data

From the 158 travel agents who answered that they took part in a performance evaluation process, 149 stated that they are evaluated based on performance standards.

Concerning the criteria used in evaluating the travel agents performances, the most important criterion taken into consideration by all the agency managers when they evaluate the performances of their employees is the sales volume achieved by the employees in a certain time. The 158 respondents stated that the sales volume is the most important criterion taken into consideration by the managers in the performance evaluation process.

The second criterion which is often used in the assessment processes is the number of customers who purchase travel packages from an employee in a specific period of time. 92% of the respondents stated that in the appraisal they took part this aspect was taken into consideration. Nevertheless, the number of customers is not as important as the sales volume (a travel agent could have three customers, who could buy travel packages with a high economic value, and another travel agent could have many customers who would be interested in city breaks and who will buy travel packages that have a small economic value).

55.18 % of the respondents told they were evaluated based on the average time spent for solving a customer demand. From the interviews with the travel agency managers, they consider this criterion not to be a very relevant indicator for the employee's performance, because in this field the only thing that matters is the quality of the service provided, the care and attention manifested by the travel agent for his customer. Despite all of these general opinions of the managers, many of them include this indicator when they evaluate the performance of the employees.

There are also employees who manage to retain the customers. A part of the customers return in the agency to buy another travel package, from the same travel agent, being very satisfied of the service offered by the agent in the past. The managers pay attention to these aspects and 59% of them include in the evaluation ratings also "the number of customers who return in the agency for buying another travel package from the same employee". This indicator represents a proof of the good work practices applied by the employee.

69% of the respondents declared in the performance evaluation process it was taken also into consideration the number of complaints received by an employee for his activity. The complaints are translated into dissatisfied customers and financial losses for the travel agency. If an employee register a high number of customer complaints, that signifies he is less performant and he could endanger the image of the organization he works for. The indicator "the number of complaints received by an employee for his activity" could represent a starting point for important decisions such as: dismissing an employee, that is the reason why many agency managers include this indicator in the assessment of employees' performances.

For a travel agent the image and behavior represent key elements of the activity they do. A travel agent who treats his customers with superiority, who makes bad jokes, should not have the role of selling travel packages. The customers who were treated improperly will associate the way in which they were treated with the organization itself. Not only the agency will lose a client, but that client will tell other people about the negative experience he had and he will damage the company's image on the market. That is the reason why the managers pay attention to the way in which the employees treat their customers.

Another important aspect which plays an important role in the evaluation process is the way in which the travel agents answered to the customers' needs. 83% of the respondents stated that this criterion was used when they were evaluated.

74% of the respondents answered that in their activity they are also evaluated based on the way in which they manage difficult situations. The travel agents get in touch with all kind of people and situations. Face to face interaction implies to manage some situations less pleasant such as: dissatisfied, aggressive and stubborn customers, who do not want to listen other points of view. The travel agents who manage to control these type of situations are very well perceived by their managers.

54.55% of the respondents stated that they were evaluated for certain abilities considered to be very important for a travel agent. These are: having a positive attitude, focusing on finding the best solutions, having initiative, being creative and being a good listener. On the other hand, a significant percentage of managers consider these abilities quite hard to be measured.

67% of the respondents are evaluated based on the tasks they have to accomplish (tasks that are described in the job description).

We will refer bellow to the people responsible of the appraisal process in the Romanian travel agencies.

The direct manager is the one who does the evaluation in the majority of the cases (43.6%) (As it can be noticed in the Figure 2):

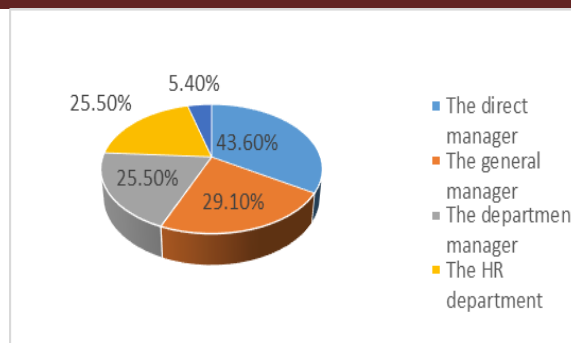


Figure 2. Who is responsible of evaluating the performance of travel agents inside the Romanian travel agencies?

Source: Figure made by the author based on the collected data

The direct manager is the one who carefully observes how the subordinates carry out their daily activities. The general manager comes second after the direct manager in being responsible for evaluating the employees' performances in 29.1% cases. Then, the department manager and the HR department are responsible for evaluating the employees in travel agencies (both having percentages of 25.5% cases). Travel agencies rarely hire persons outside the organization to assess the performance of travel agents, because it is expensive to hire specialists.

Lately, in order to obtain complete evaluations on employees' performances, the managers include in the assessment process other people who interact directly with the travel agents: customers, work colleagues, business partners. 51.8% of the respondents said they were evaluated by their customers (as one could see in the Figure 3):

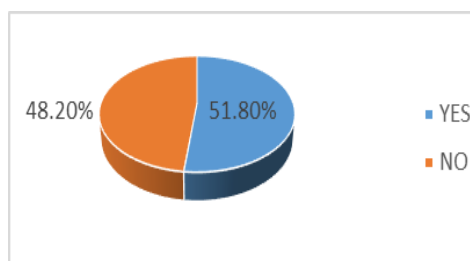


Figure 3. Were you evaluated by the customers?

Source: Figure made by the author based on the collected data

In the customer assessments, the most used evaluation instrument was the online survey (53.5% of those who said were evaluated by the customers pretended to be evaluated based on the online survey). Other methods used by the customers were the paper survey that was completed in the agency and the assessment interview (Figure 4):

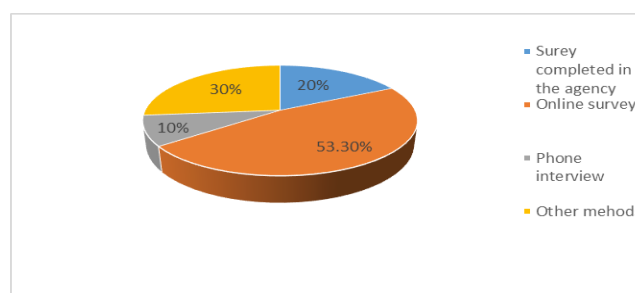


Figure 4. In what manner you were evaluated by the customers?

Source: Figure made by the author based on the data gathered

39% of the respondents are evaluated by their colleagues, and 33.3% are evaluated by their business partners (transport organizations, staff from hotels). The tendency is to include people who interact with travel agents and who could offer information about the way in which the employees behave in certain circumstances. The direct manager and the general manager could omit some important aspects and they do not interact daily with travel agents. The customers are the most suitable to express opinions about the employees' activity, because they are the direct users of the services offered by the travel agents.

Regarding the frequency of the performance evaluation process, the majority of the respondents suggested they were evaluated once a year (51.9%) or twice a year (24.1%), as one could see in the Figure 5:

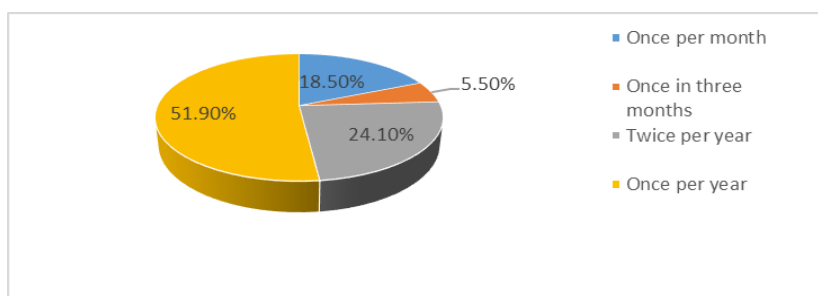


Figure 5. How often is evaluated the performance of the employees in Romanian travel agencies?

Source: Figure made by the author based on the data gathered

63.6% of the respondents consider that the appraisals are relevant to express the activity results, while 31% of them consider that the appraisals are somehow relevant.

61.8% of the respondents think that the assessments have development purposes. They help the employees to improve their abilities and skills, while 52% consider the main purpose of the evaluation process is to improve the organization's productivity.

In 60% of cases the results of the evaluation are used to implement training programs, to help the travel agents to improve their skills and to increase their performances. The managers should focus more on adopting new training programs for their employees and to have well trained staff, ready to answer the sophisticated customers' demands. The investment in teaching and training for the travel agents will bring an increase of the organization's performance.

The participants in this study were asked questions about the way in which the evaluation is done: individually, per team or both. The data is presented in the Figure 6:

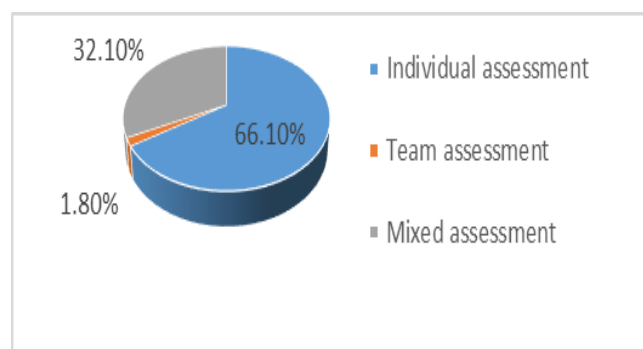


Figure 6. The type of performance appraisal based on the number of persons who participate in the assessment process in Romanian travel agencies

Source: Figure made by the author based on the data gathered

66.1% of travel agents declared they are individual evaluated, and 32.1% said that in the performance evaluation process are followed both the individual and team performance. The tendency is to increase the importance given to the team performance in the performance evaluation process. In nowadays society the accent focuses on the way in which the employees accomplish the objectives and not only on the final result. This aspect could be daily seen inside travel agencies, where the managers pay attention to the way in which the travel agents behave in certain circumstances.

The data which refer to the methods used in Romanian travel agencies to appraise the employees' performance are presented in the Figure 7:

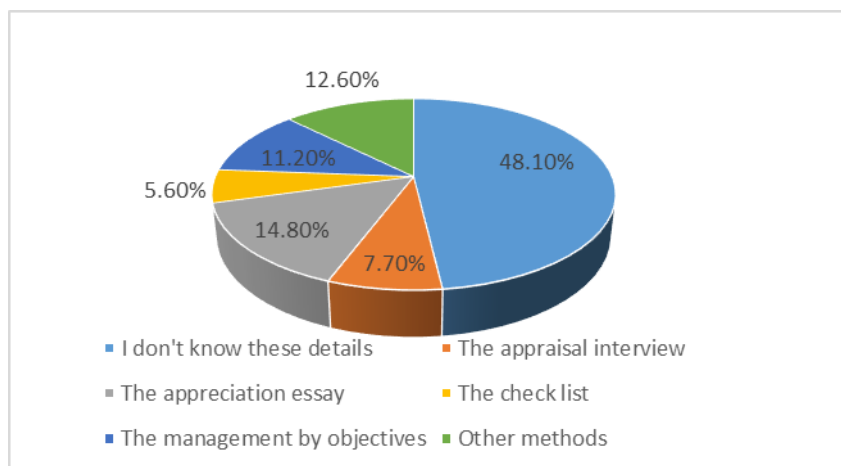


Figure 7. The methods used nowadays to evaluate the performances of Romanian travel agents

Source: Figure made by the author based on the data gathered

From the Figure 7, one could notice that the majority of the employees who are working in travel agencies are not familiar with the name of the methods used to evaluate their performances (almost half of the respondents are in this situation). From the ones who know the name of the used method in their appraisal, 14.8% declared they are evaluated with the appreciation essay, 11.2% are evaluated using the management by objectives method, 7.7% are evaluated based on the interview and 5.6% are evaluated using the check list. 12.6% of the respondents declared they are evaluated based on other appraisal methods.

Many employees are not familiar with the name of the method used in their appraisal. Therefore, the managers should understand the impact of this aspect on the organization. One of the consequences of the travel agents not knowing how they are evaluated is that they do not understand how they could be rewarded and promoted. This leads to frustration, and in time to dissatisfaction. The managers should discuss with the employees about how the evaluation is done inside the organization and the importance played by the assessment process.

Regarding the identification data, from all the people who participated on this study, 75% are women and 25% are men. 2.2% have PhD degrees in the tourism field (4 respondents), while others have university degrees (bachelor and master degrees).

Regarding the age distribution: 30.3% have ages between 25 and 31 years old, 11.6% have ages between 18 and 24 years old, 25.2 % are aged between 32 and 38 years old, 19.8 % are aged between 39 and 45 years old and 12.8% have ages between 46 and 52 years old.

One could notice that a high percent of those who work as travel agents are women, aged between 25 and 38 years old, who have college degrees.

5. CONCLUSIONS

After a careful analysis, one could say that the most suitable methods recommended to be used to evaluate the performance of travel agents are: the essay appraisal, the check list method and the management by objectives.

The current research revealed the majority of travel agents do not know the name of the method used in their appraisal. In consequence, the managers should inform the employees regarding the methods they use to evaluate their performance and on the objectives they follow in the appraisal process.

The employees, who are familiar with the criteria used in their evaluation, mentioned that the managers are interested of: the sales volume achieved by their employees, the number of customers who purchase travel packages, the average time for solving the customers' demands, the number of customers who return to buy a new travel package from the same employee, the number of complaints received, the image and behavior of the employees. Lately, the managers appreciate the employees who manage to handle difficult situations and who possess certain important abilities for a travel agent.

In general, the direct manager and the general manager are the ones responsible of the performance assessment process. Furthermore, half of the interviewed respondents declared that they have been evaluated also by the customers, especially via online questionnaires. More and more travel agencies take into consideration the customer's feedback about the activity of the front office employees. Some travel agencies included in their performance assessment process, people with whom the travel agents communicate on a daily basis. In travel agencies the assessment of the employees' performances happens once or twice per year.

This research could represent a starting point for all the specialists who are interested of the employees performance appraisals in travel agencies. Also, this study is very useful for the travel agency managers who should understand that they must explain to their employees the appraisal methods used to evaluate them and the criteria on which they based the most important decisions. If they fail to do so, the travel agents will not be able to understand how the promotions are made inside the travel agency, and why is so important to focus on certain aspects which are considered to be representative for the job of travel agent. In time, not understanding these aspects could lead to dissatisfaction and demotivation among employees, that could affect their productivity.

As a conclusion, the evaluation process plays an important role inside tourism organizations, because the majority of the key decisions are taken based on the results from the evaluation process. The managers of the travel agencies have the obligation to present and explain to their employees the methods based on which they are evaluated. In order to obtain more accurate data for the evaluation process, the tendency is to include other persons in the evaluation, such as customers and business partners.

The results of this study showed also the fact that the managers pay attention to both individual and team performance. Nowadays, not only the final results are important but also the way in which they were achieved. The ability of an employee to communicate and collaborate closely with his colleagues is appreciated by the manager, who pays attention also to the team's performance. The team's performance could be influenced by every employee's ability to interact with his colleagues. The job of travel agent is appealing especially for women, with ages between 25 and 38 years old, who have bachelor and master degrees. This aspect could be explained by the fact that a travel agent should possess certain abilities such as : empathy, good listening, positive and can do attitude, friendly attitude, good communicator. In general women tend more to have these abilities than men. Being the only elaborated study which was done so far in this field in Romania, the data could be use a a starting point for other researches on this topic.

LIMITS OF THE RESEARCH

It was difficult to collect the data from the online questionnaires, because the answer rate was quite reduced. The advantage of using an online questionnaire is that the researcher does not have to lose time with transportation, but the disadvantage is that the travel agents are reluctant when it comes to offer information about their activity to a person they do not know.

It was also difficult in general to collect the answers, because the travel agents were afraid to lose time filling in the questionnaire and they were afraid they would be scolded by their managers. Many travel agents asked the researcher to return in the agency later to collect the questionnaires, but they did not complete it.

To collect enough answers, the researcher had to send the questionnaire to as many respondents as possible and it took a lot of time to gather and interpret the answers. That is the reason why this study represents an analysis of the performance evaluation methods used in travel agencies only in 2016.

FUTURE DIRECTIONS

This study could be extended to other cities from Romania to include more travel agencies. It is also recommended to repeat the research after one or five years to see the way in which the performance assessment process has changed during time.

The future researches could be more elaborated, including also the study of other variables that could influence the performance of the employees.

ACKNOWLEDGMENT

I want to thank all the people that helped me to carry out this research, to the travel agents who participated in this study and who helped me to gather the data, to the managers who answered the pilot survey that helped me to elaborate the final questionnaire, and also to my friend Olivia Ciubuc, who helped me with the translation of the text.

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