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Discussion on Top Management Commitments in Tourism Firms

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Abstract

Tourism, which contributes more than 6% to Vietnam's GDP annually, is one of the most important driving forces for Vietnam's economic development. The domestic tourist market is still the main driving force of Vietnam's tourism industry today (Phuong Loan, 2023) ^[17]. Vietnamese tourism in general and tourism businesses in particular must face fierce competition in destinations, products, and services, selling prices, and quality in order to have enough capacity to attract the international tourist market. Tourism is a service industry, so human resources play an important role in the development of the industry and firms, especially

senior managers. Vietnam's tourism industry in general and provinces across the country in particular must be self-aware and try to build sustainable development. At the same time, previous limitations must be overcome to attract more tourists (Phuong Loan, 2023) ^[17]. The aim of the research is to discuss the top management commitments of tourism firms to using qualitative research methods. Based on the research results, we propose a number of recommendations to help tourism firms improve their human resources policies, especially those of senior personnel.

Keywords: Top Management Commitments, Workers, Human Resource Management (HRM), Labor Economics, Tourism Firms

JEL Codes: O15, J01, O15

1. Introduction

The team of senior managers in firms is one of the topics that has been attracting the attention of many researchers. Because the team of senior managers plays an extremely important role in the success or failure of the firm.

Senior managers are individuals who hold positions at the organization, are responsible for the overall governance of the organization, and are the highest executives responsible for achieving goals through and with the other members of the organization (Wheelen & Hunger, 2006) ^[19].

The role of senior managers is especially important because they can make the necessary resource allocation and implementation decisions to create change (Bansal & Roth, 2000; González-Benito & González-Benito, 2010) ^[2, 9].

Vietnamese tourism in general and tourism firms in particular must face fierce competition in destinations, products, and services, selling prices, and quality in order to have enough capacity to attract the international tourist market.

Tourism is a service industry, so human resources play an important role in the development of the industry and firms, especially senior managers. After a period of staff reduction due to the pandemic, the tourism industry is still facing a shortage of human resources in both quantity and quality while the number of tourists is recovering, causing a shortage of human resources and thereby affecting service quality. To overcome the above situation, many tourism firms have plans to organize the recruitment of additional personnel to fill missing positions when tourism activities are restored to normal. In addition, human resources policies have also been improved by firms, including senior personnel.

2. Literature review

The role of management commitment

The role of senior managers is important in organizations and plays a decisive role in the success or failure of the organization in most issues here (Wheelen & Hunger, 2006) ^[19].

Management commitment is an important determinant of employee behavior in creating greater efforts in production and services (Hartline & Ferrell, 1996)^[13].

Finkelstein (1992)^[6] believes that to be able to convince other senior managers to implement acquisition and merger strategies, that manager needs to have higher decision-making power than others in the group of senior administrators.

When the composition of the senior management team includes one or several managers with financial knowledge, this team of managers often tends to implement acquisition and merger strategies (Hambrick, 2007)^[11].

According to Hambrick (2007)^[11], the actions of senior management teams when implementing business strategies or dealing with specific situations can be explained through the personal characteristics of the senior management team. The actions of the senior management team can be explained as the influence of applying experiences, value systems, and personal characteristics in the process of performing functions and tasks in the job. Thus, to be able to explain why firms choose such business strategies or why firms act in the market and react to competitors the way they do, researchers focused on clarifying the role of senior managers in firms.

The senior management team, with their roles and responsibilities, needs to identify and select specific business strategies and risks that may be encountered during the restructuring process in order to come up with corrective measures. Timely adjustments are needed to ensure short-term stability and long-term development (Finkelstein *et al.*, 2009)^[7].

For the team of senior managers, when building and implementing strategies, they can share information together and make decisions based on collective intelligence and capacity. This is an important condition to unify the implementation of the business strategies of the enterprise (Hambrick, 2007)^[11].

Thus, the commitment of senior managers is considered the key to promoting success or change in many aspects of the firm, including the level of commitment to the firm of employees.

Top management commitment

According to Greenwood and Hinings (1996)^[10], commitment within top management requires both a high level of dissatisfaction with the status quo and the clarity of a pattern that differs from the current practice. While high levels of dissatisfaction with the status quo provide the impetus for change, a vision of change provides direction.

Commitment to an employee's organization is a psychological state characterized by the relationship between members and their organization, and this affects the decision to continue or discontinue maintaining that membership status with said organization (Meyer & Allen, 1997)^[14].

Top management commitment means that managers are involved throughout the development process and fully support innovation activities (Song *et al.*, 1997)^[18].

Amoako-Gyampah *et al.* (2018)^[1] used the term top management commitment to capture the different ways in which top management participation, supervision, leadership, and support occur in a project management environment.

According to Forrester (2000)^[8], there should be new research examining the topic of management commitment from the perspective of employees. Because, in most published studies, management commitment is seen, evaluated, generalized, and measured from the perspective of the administrator.

Oakland (2004)^[18] clearly states that leadership vision is the factor that guides the organization in adopting new organizational systems or activities.

Leadership and management capacity of senior management

Leadership and management capacity, in its own sense, includes the knowledge, skills, and attitudes necessary for individuals in leadership and management positions in organizations (Chung-Herrera *et al.*, 2003)^[4].

When Boyatzis (1982)^[3] published the competency framework of an effective leader and manager, he was among the first scholars to thoroughly investigate leadership and management competencies. Numerous experts have since conducted studies to determine the essential skills of a manager and leader.

According to experts, leadership capacity refers to the ability to direct, lead, and motivate. Management capacity is the ability to manage and solve arising tasks.

According to Woodruffe (1993)^[20], necessary competencies for senior managers include: (i) information awareness; (ii) quick thinking; (iii) vision setting; (iv) effective work organization; (v) goal orientation; (vi) confidence in work; (vii) ability to listen and understand; (viii) effective work cooperation; and (ix) strategic vision.

Müller & Turner (2010)^[15] believe that the capacity of senior managers in an enterprise is a decisive factor in the survival and development of the enterprise. Among the 15 leadership competencies that Müller & Turner (2010)^[15] pointed out, 5 are management competencies, including communication ability, resource management ability, delegation, and team building. Crawford (2003)^[5] affirms that capacity for managers is a combination of knowledge, skills, and personal personality. The author's research also shows that management capacity and leadership capacity have certain things in common.

3. Context of the tourism industry and tourism firms

According to Phuong Loan (2023)^[17], which contributes more than 6% to Vietnam's GDP every year, tourism is one of the most important driving forces for Vietnam's economic development. The domestic tourist market is still the main driving force of Vietnam's tourism industry today. As of November 2022, domestic tourism activities have recorded impressive growth with 96.3 million domestic tourists, exceeding the total domestic tourist arrivals of 2019 at 85 million.

After the end of the restriction period due to the COVID-19 epidemic, international visitors to Vietnam continued to recover at a high growth rate. The number of searches for Vietnam tourism has skyrocketed after 1 month of opening international tourism. Notably, since fully opening on March 15, 2022, this search index of Vietnam has continuously maintained the highest growth rate in the world, showing a very strong recovery speed of the country's tourism industry. Since officially opening all tourism activities on March 15, 2022, the government has issued policies to create the most

favorable conditions for international tourists when traveling to Vietnam, such as: Restoring the visa exemption and immigration policy as before the epidemic; and no longer requiring a COVID-19 vaccination certificate.

Vietnam currently has about 132 hotels and resorts under the brands of operating corporations. Over the next three-year period, the market is expected to record about 80 additional hotels and resorts coming into operation (Phuong Loan, 2023)^[17].

Mr. Tran Le Bao Chau, Chairman of the Vietnam Small and Medium Tourism Business Forum (VTF), said that although Vietnam has reopened international tourism since mid-March, some key tourism markets—China, Japan, and Russia—which once accounted for more than half of international visitors to Vietnam before the pandemic—have not fully reopened until the end of the third quarter.

Mr. Nguyen Ngoc Toan, Director of Images Travel Travel Company, also had an opinion. Focusing on European visitors, he said the tourism industry is facing challenges with international flight restrictions and soaring airfare prices, causing foreign tourists to consider choosing nearby destinations more to save costs.

Vietnam's tourism industry in general and provinces across the country in particular must be self-aware and try to build sustainable development. At the same time, previous limitations must be overcome to attract more tourists (Phuong Loan, 2023)^[17].

4. Discussion and implications

The positions of senior managers are often clearly regulated and described in the charter of the tourism firm. Senior managers are often the highest decision-makers in a tourism firm.

Organizational commitment is an individual's rational, argumentative thinking process about emotions, interests, and obligations.

In tourism firms, the commitment of senior managers plays a very important role because the management culture in these firms also has many characteristics of a hierarchical structure, where employees often rely on the administrators to make decisions.

The activities of a team of senior managers in a firm are one of the important reasons for firms to implement strategies and actions like the way they did Hambrick & Mason (1984)^[12].

The autonomy of a team of senior managers in a tourism firm can only be maximally effective when closely combined with work requirements and the demands that tourism organizations and firms schedule for them. In order for the team of senior managers in tourism firms to have the highest initiative in building, choosing, and implementing strategies, they need to have the capacity to do that job.

Senior managers play a huge role in the business process and development of tourism firms. Therefore, it is recommended to improve leadership and management capacity for senior administrators based on the application of the capacity framework model in needs analysis and assessment.

Senior managers in firms are paying more attention to management and operational capabilities. However, the ability to see the overall and long-term picture of the firm in terms of its importance in the group of management and leadership capabilities has not been given enough attention. Furthermore, the capacity of senior managers in terms of

qualities such as commitment and focus on sustainability still seems to have not received attention.

Senior managers in firms should use a modern competency framework to evaluate the abilities of each individual in the senior management team. Through assessing each individual's capacity, the senior management team has a basis for effectively assigning work to each individual administrator.

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