



Assessing the Contributions of Top Management Team on Organization Performance in Tourism Industry, Tanzania

Li Wuwei^{1,2}, Shayo Nancy Tobias^{1*}

¹Zhengzhou University of Aeronautics, Zhengzhou 450046, China

²Collaborative Innovation Centre for Aviation Economy Development, Zhengzhou 450046, China

***Corresponding Authors:** Shayo Nancy Tobias, Zhengzhou University of Aeronautics, Zhengzhou 450046, China

Abstract: The top management plays an important role in performance of a company, top management can result to higher or lower performance of a company. Tourism industry is one among the sector that experiences the contribution of top managers in performance of companies. The study aimed to assess the contribution of top management in performance of companies in tourism industry. Two companies in tourism industry in Tanzania that are Leopard Tours and Wonderland Tours were taken as the case study. The study found that top managers are the drivers of the performance of the companies in tourism industry in Tanzania. The study recommended that tour companies should focus on employing high experienced top managers and periodically sending them to trainings so as to increase skills and capabilities.

Keywords: Top Management, Firm Performance, Tourism Industry, Tanzania

1. INTRODUCTION

Management is the art of maximizing efficiency as a social process, a means of getting things finalized with the help of others, a plan of action, and its direction by a cooperative group working toward a common objective. Management is the efficient use of available resources to attain the same goal (Engwall, 2000). Management is a comprehensive function of Planning, Organizing, Forecasting Coordinating, Leading, Controlling, Motivating the efforts of others to achieve specific objectives (Crucini, 2000).

Organizational management is concerned to top management as the core driver of the organization. Top Management is a person or group of people who directs and controls an organization at the highest level (Kipping, 2014). Within the organization, top management has the authority to delegate authority and give resources. Top management is in charge of the company's authority, resources, and decision making power (Hargadon, 2001).

Top management is responsible for establishing policies, guidelines and strategic objectives, as well as for providing leadership and direction for quality management within the organization. It should also establish those responsible and hold them accountable for a wide variety of management system processes (Crucini, 2000).

Since then management concept has been expanding rapidly, it plays a crucial role in performance of the firm. Top management's job has expanded beyond making decisions that affect all personnel. It's also to set the standard for how managers treat their employees and interact with one another, which has an impact on the company's success. Understanding the consequences of their actions allows the senior management team to make appropriate adjustments to the way they make choices, interact with other managers and teams, and are regarded by employees. Employees who believe their contribution is valued are more likely to accomplish their work joyfully and contribute to the company's success (Hargadon, 2001).

Among the sector which has been contributed by management is tourism industry, the industry has been expanding worldwide. Today tourism is rapidly exceeding the global level, there are new destinations, facilities tourism products and services of a travel company that wants to survive and

succeed. The rate of change and the changes of trends carries the need for more frequent review and altering strategies and plans in order to maintain harmony with the demands of the market.

Tourism management is defined as the management in general, but with the use of the tourism business: management is the process of planning, organizing, hiring, management control and the evaluation of human, financial and physical resources to achieve organizational goals the management of tourism is defined in the literature, and strategic management in tourism a well elaborated.

Management of tourism teamwork organized within certain structures and hierarchies where everyone works for the common interests, and they are the realization of the interests and needs of management (profit and growth), employees (meeting the financial needs and development), tourists (or users of services and products) that are the result of teamwork of management and employees in the tourism society. With regard to development trends, natural resources, infrastructure condition, current level of development of tourism, as well as strategic focus, to develop in the future as an ecological tourist country, tourism is a long-term one of the most promising industries in Kosovo.

Tourism development is determined primarily by natural and geographical characteristics and culture, along with appropriate development and engagement of human factors and quality management of tourist destinations. In terms of geography, for example, is the most important concentration of natural resources and the variety of the small geographical area (on the one hand and the attractiveness of the continental hinterland, on the other side of the cultural traditions and natural richness).

In the management of tourism industry, however there are various challenges which are involved which can either be negative or positive thus interfering with the organizational performance of various industrial sectors especially tourism sector. Among the challenges which have been facing top management in managing tourism industry includes lack of communication poor teamwork, Pressure to perform, absence of structure, time management, inadequate support, Skepticism, difficult employees, transition from coworker to manager and weak workplace culture.

2. STUDY OBJECTIVE

Generally, the study aimed to assess the contribution of top management in performance of the companies in tourism industry.

3. LITERATURE REVIEW

3.1. Definition of Management

Drucker (1979) defined management as a multipurpose organ that manages a business, manages managers and manages workers and work. Management is seen by others to be a body of knowledge about the activity or science and art of managing which is regarded as a profession.

Necker (1981), defines management as the process of acquiring and combining human, financial and physical resources to attain the organization's goal of the community.

3.2. Managers

Manager defined by Pene (2003) as the person employed in the administration position, which has comprehensive knowledge necessary to leading people and managing the organization, in order to achieve optimal realization of their tasks in the confined conditions.

Griffin (2000) defines manager as a person who first of all is responsible for realization of management process. Manager makes plans and decisions, organizes, supervises and controls human, finance and information resources.

Manager has roles of planning, organizing, leading and controlling the efforts of organizational members, making use of organizational resources to achieve stated organizational goals. Managers initiate organizational activities, use organizational resources, projects, allocate budgetary resources and carry out performance evaluation of their managerial activities. So Managers provide leadership at the various levels of organizational/operational activities.

3.3. Principles of Administrative Management Theory

The theory was developed by Henri Fayol who was the senior executive and mining engineer. He developed the theory when examining an organization through the perspective of the managers and

situations they might encounter. Fayol believed that leaders had six main functions that are forecasting, planning, coordinating, commanding and controlling (Griffin, 2010)

The theory attempts to find a rational way to design an organization as a whole. The theory generally calls for a formalized administrative structure, a clear division of labor, and delegation of power and authority to administrators relevant to their areas of responsibilities (Grimsley, 2020).

The theory developed principles that outlined how leaders should organize and interact with their teams (Pindur, 2018). The theory suggested that the principles should not be rigid but that it should be left up to the manager to determine how they use them to manage efficiently and effectively.

Fayol developed 14 principles of management, he particularly focused on the five management functions of an organization which are .planning, organizing, commanding, coordinating and controlling (Engwall, 2000). These are the basic guidelines for the management of the organization as a whole. Even though the principles were not created on the basis of experiments, they were created by the experience of Henry Fayol. These principles are universal and can be applied to any organization in any part of the world

The principles include, Division of Work, Authority, Discipline, Unity of Command, Unity of Direction, Collective Interest over Individual Interest, Remuneration, Centralization, Scalar Chain, Order Fayol, Equity, Stability of Tenure of Initiative, Esprit de Corps. (Fayol, 1959)

4. EMPIRICAL REVIEW

Study of Marimuthu (2018) that conducted at Malaysia aimed to assess the Impact of Top Management Team Diversity on Firm Performance. The study used quantitative research design to examine top 200 largest non-financial companies listed on the Bursa Malaysia Main Board for the period of 5 years from the various sectors. The study found that each organization exists to achieve the goal of the company and the key person to run the strategy to achieve the goal will be top management of the firm. Therefore, the characteristics of top management will be reflected on the running of the company in short term and long term. Overall the study closed the knowledge gap that exists between top management behavior and the selection of strategic choices and firm performances. The study conclude that top management role is important in order to set the mission, formulate the strategic, running the business operation by thinking in different way, measure the fitness of the strategy and coordinate until the input process is converted to outcomes which means company will have a more profitable performance.

The study of Shilingi (2017) was set out to investigate the influence of top management and organization resources on implementation of strategic plans in public sector using selected executive agencies as a case study; and carried out in five executive agencies in Tanzania. The study used simple random sampling to select five (5) agencies and convenient sampling to obtain fifty (50) respondents. The study showed that, 70% of respondents agreed that, the top management involve employees in implementation process of strategic plan, while 8% of respondents disagreed on the issue. The study concluded that top management positively affects implementation of strategic plans as over average of 68% of respondents agreed on the importance of supports from top management for successful implementation of Strategic plans.

4.1. Conceptual Framework

The study had two variables that have two variables which are dependent and independent variables. Independent variable was top management while dependent variable was organization performance in tourism industry. The top management impact performance of organization through function of top management that is planning, organizing, commanding, coordinating and controlling (i.e., Figure 1).

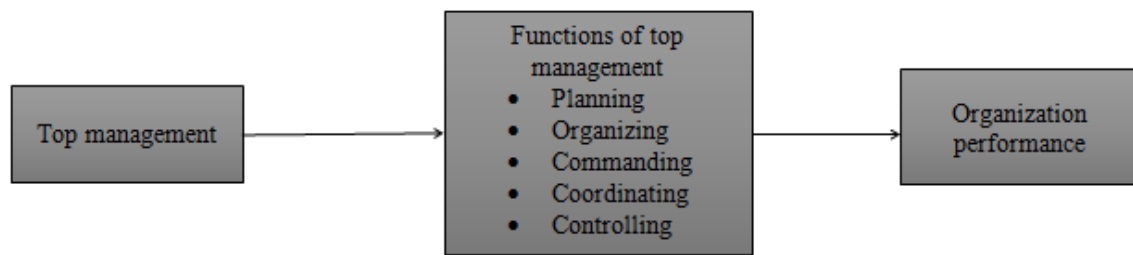


Figure1. *Conceptual Framework*

4.2. Methodology

The study adopted a cross-sectional study attempting to understand how top management affects performance of the companies in tourism industry. According to (Kothari, 2004), a cross section design entails to collect data from multiple cases once at a time.

The study was conducted in Tanzania were by two companies in Tourism industries were taken as case study which are leopard tours and wonderland car hire and tours. The study used secondary data whereby documentary review was used as the means of data collection.

The study used both qualitative and qualitative methods in data analysis whereby numerical data presented in numbers while descriptive data presented in descriptive way.

5. FINDINGS

5.1. Tourism Industry Trend in Tanzania

The study found that In Tanzania the number of tourist arrivals increased to 1,527,230 in 2019, consolidating impressive performance in 2018 which recorded 1,505,702 tourists' arrivals. The modest growth of tourism industry in Tanzania corresponds to uncertainty surrounding the global economy (Tanzania Immigration Department, 2020). The industry earnings sustained increasing trend, mainly associated with higher spending by holidaymakers under package tour arrangement. Tourism industry earnings rose by 7.9 percent to USD 2,604.5 million in 2019 from USD 2,412.3 million in 2018. The growth was largely driven by increased average expenditure per night and the length of stay. Leisure and holidays accounted for 90.1 percent of the total earnings, largely visitors under package tour travel arrangement from the United States of America, China, the United Kingdom, Canada and Norway. (National Bureau of Statistics , 2021).

5.2. Management Function of Decision Making

One of the functions of manager in organization is decision making for organization development. Developing interpersonal relationships and faltering information are important within organization, but they are not ends in themselves. Top managers serve as the basic inputs to the process of decision-making in an organization.

According to available data from two tour companies in Tanzania that are leopard Tour and Wonderland Tours ad Car hire, top managers are the one who play a role of making final decision on matters concerning to the companies.

The study found that the purpose of the entrepreneurial role is to change the unit for the better. The effective first-line supervisor is continually looking for new ideas or new methods to improve the Units performance. In the disturbance handler role, managers make decisions or take corrective action in response to pressure that is beyond their control. Usually the decisions must be made quickly, which means that this role takes priority over other roles.

The resource allocator places a manager in the position of deciding who will get what resources. These resources include money, people, time and equipment. Invariably there are not enough resources to go around, and the manager must allocate the scarce goods in many directions. Resource allocations, therefore, is one of the most critical of manager's decisional roles. A first-line supervisor must decide whether an over time schedule should be established or whether part-time workers should be hired.

5.3. Management Function of Center of Information

The study found that, top managers play part of as the central point for receiving and sending non-routine information. According to the data gathered from Leopard Tours Limited, the manager builds a network of inter personal contacts, the contacts aid manager in gathering and receiving information as a monitor and transmitting that information as the disseminator and spokesperson. Manager as a monitor, his/her role include examining the environment in order to gather information changes, opportunities, and problems that may affect the business.

According to the available data from Wonderland Tour and Leopard Tour, the disseminator role includes providing important information to subordinates. The managing director (manager) of a company may learn during a lunch conversation that a large customer of the company is on the verge of bankruptcy or anything that affect company.

According to data from the company as the spokesman, the manager represents the company to other people outside the Company. This representation may be internal when a Manager makes the case for salary increases to top management. It may also be external when an executive represents the organizations views on a particular issue of public interest to local civic organizations.

5.4. Manager Role in Internal and External Affairs

According to available data from tours companies in Tanzania managers influences the bigger mark for the internal or external context of functioning of the company. The managers influence for internal context have: the leader role, monitor role, disseminator role, entrepreneur role, disturbance handler role and resource allocator role. However, remaining manager’s roles influence the external context, example figurehead role, liaison role, spokesperson role and negotiator role.

Among the most important roles of the manager is leading, which influences a lot the internal and indirectly and external context of functioning of the company. According to Stogdill (1975), the process of the lead consists in unconstrained guiding and co-coordinating of work members of the organized group to reach group purposes. Leading is also defined by Robbins (1998) as the ability to influence the group so that the group can gain determined goals. Leader will be evaluated before everything for one’s effectiveness in reaching intended purposes.

According to the available data from tours companies in Tanzania, manager is the leader of all companies within the company. He or she organizes, controls, and evaluates all activities of the company within or outside the companies.

6. TOP TEN PERFORMING TOURISM COMPANIES IN TANZANIA

Top management team plays a great role in performance of the business (Crucini, 2000), argued that managers are the core body for the business to perform. When manager have little experience and leading ability, there is higher possibility of underperforming. The study reviewed top ten high performing tourism companies in Tanzania in 2021, the results shows that top management play a great role in making a companies on top. The following Table 1 shows the top performing tourism companies in Tanzania and their respective managing directors (top managers).

Table1. Top ten performing tour companies in Tanzania

Company	Start Date	Top Manager	Rank
Gosheni Safaris Africa	2009	Peter Roberts	1
Roy Safaris	1989	Sanjay Pandit	2
Selous Safari Company	1988	Charles Dobie	3
Africa Natural Tours L.t.d	2008	Godfrey Ngaiza	4
Satguru Travel Tanzania	1989	Ashish Tilwani	5
Leopard Tours LTD	1985	F.H. Fazal	6
Soul of Tanzania	2001		7
Andbeyond Tanzania	1991	Mike Campbell	8
Easy Travel and Tours Ltd	1987	Musaddiq Gulamhussein	9
Zara Tours Kilimanjaro Tanzania	1986	Zainab Ansell	10

Source: afrikta.com (2022), sheleadsafrica.org (2021).

The study also reviewed the top managers in Tanzania tourism industry so as to understand role played by managers in leading the teams. The study found that managers who perform well in tourism industry are those with high integrity, managing skills, and experience in the industry, hardworking etc. the following Table 2 shows the top managers in Tanzania tourism industry.

Table2. *Top managers in Tanzania tourism industry*

Top Manager	Company	Profile	Award
Peter Robert	Gosheni Safaris Africa	Certificate in safari guiding from Mweka College of African Wildlife Management, More than ten years in tourism industry whereby he started as the tour guide	Excellent in Trip Advisor Reviews.
Zainab Ansell	Zara Tours Kilimanjaro	Started as the employee of air Tanzania for 8 years, started Zara tour in 1987, managed to create reputable and remarkable achievement in tourism industry in Tanzania	Best Mountain Tourism Hiking Award
Ashish Tilwani		Experienced Country Manager with a demonstrated history of working in the leisure, travel & tourism industry. Skilled in Leisure Industry, Business Relationship Management, Customer Service, Car Rental, and Team Management. Strong sales professional with a Bachelor of Commerce - BCom focused in Business/Commerce, General from Maharshi Dayanand Saraswati University	Leaded company to achieve Tanzania's Leading Travel Agency 2021
Sanjay Pandit	Easy Travel and Tours Ltd	Experience more than 10 years in management	Helped Easy Travel and Tours Ltd to achieve Trip Advisor's Certificate of Excellence

Source: *afrikta.com (2022), linkedin.com (2021), zainabansell.blogspot.com (2021).*

7. RELATIONSHIP BETWEEN TOP MANAGERS AND ORGANIZATION PERFORMANCE

The study found that top manager support correlate with performance of the company, the study convene with the study of Taylor (1995) who demonstrated that argued that radical change is managed by strategic leaders in order to achieve improved organizational performance. Good management encourage involving employees through communicating targets and values for team and individual contributions. The study findings reveled that top management support is very vital for effective implementation of strategic plans in public sector through timely decision making regarding strategy executions, involving employees in day to day decision making, and encourage employees to make decisions in their daily operations. Effective decision making by top management has positive influence on successful implementation of strategic plans in Tanzania's executive agencies.

The study of Shillingi (2017) indicated that the Pearson correlation (R) of top management support on implementation of strategic plans. R is 0.690 at 0.05 level of significance; this implies that there is a strong positive linear correlation between top management support and implementation of strategic plans. The strength of the relationship being clear, allows the study to use other tests to test the contributions of top management support on execution of strategic plans in Tanzania's executive agencies.

Table3. Correlations of Top Management Support and SP Implementation

		Implementation of SP	Top Management
Implementation of SP	Pearson Correlation	1	.690
	Sig. (2-tailed)		.000
	N	146	146
Top Management	Pearson Correlation	.690	1
	Sig. (2-tailed)	.000	
	N	146	146

Correlation is significant at the 0.01 level (2-tailed)

The study also established the relationship of top management support and implementation of strategic plans in Tanzania’s executive agencies. The following was the null hypothesis of studying this variable: H_0 : There is no $= 0.05\alpha$ significant relationship between top management support and implementation of strategic plans; where

Table4. Model Summary for Top Management Support

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.690	.477	.473	5.626

Predictors: (Constant), Top Management

The study findings as portrayed in table 4 in respect to coefficient of determination $R^2 = 0.477$ at significance level of 0.05 indicates that, 47.7 percent of the total variations in implementation of strategic plans is influenced by top management support. This implies that, there is positive contribution of top management support by 47.7 percent on influencing implementations of strategic plans in Tanzania’s executive agencies; and 52.3 percent is contributed by other factors not considered in this study.

8. RECOMMENDATIONS AND CONCLUSION

Companies especially in tourism industry should ensure that they employ high experienced employees in top management so as to increase performance. Having experienced top managers can help company to increase performance by ensuring the resources are well utilized. Periodical trainings especially to top managers can help them to increase skills in management and leading so that company can achieve its goals due to good management.

The top managers set the tone for the rest of the organization by defining trends for the lower ranks and serving as role models for the workers. Their job is to create rules that enable effective performance management in a business, as well as to define and act on the organization’s core principles. Top management is critical in persuading line managers that performance management can help them achieve corporate goals, and in ensuring that they take this component of their work seriously in order to maximize employee satisfaction and productivity.

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AUTHORS' BIOGRAPHY



Li Wuwei, is an associate professor and a master supervisor who graduated from Huazhong University of Science and Technology, Majoring in Business Administration. Simultaneously, he is a researcher of Collaborative Innovation Center for Aviation Economy Development, and his research interests focus on innovation and entrepreneurship management.



Shayo Nancy Tobias, Is a graduate student at Business School of Zhengzhou University Of Aeronautics, China. She received her Bachelor Degree of Arts in Tourism and cultural Heritage from the University of Dodoma, Tanzania. Her research interest focuses on Management and technological innovation.

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