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Importance of organisational structure for the management of a small traveling company - Case Carisa Travel Group Oy

Metropolia University of Applied Sciences

Bachelor of Business Administration

International Business and Logistics

Bachelor's Thesis

09.05.2020

Author Title Number of Pages Date	Emil Shtefan Optimization of organizational management structure of the company, on example of Carisa Travel Group OY 62 pages + 1 appendices 9 May 2020
Degree	Bachelor of Business Administration
Degree Programme	International Business and Logistics
Instructor/Tutor	Kaija Haapasalo, Senior Lecturer
<p>This research and thesis was conducted while the author of the thesis worked in Carisa Travel Group OY as a Group Sales Executive in January 2019. Therefore, the topic and the case company was chosen by the author as the research objective. Carisa Travel Group operates in the tourism industry in Finland. The main objective of the thesis was to study and analyse the importance of organisational structure to a small company so that it can have better management and thus be more competitive in the very competitive tourism market. The author aimed at proposing recommendations on the development of the organisational structure and management policy to the case company as well as to other travel companies of similar size which operate in the tourism market in Finland. In order to reach the objective of the thesis the author formulated research questions to be answered with support of the theoretical research and results based on interviews to the top managers (CEO, Accounting and FIT Managers) of the case company.</p> <p>The theoretical research focused on the trends of global tourism and tourism in Finland and on basic management strategies and concepts of management and organisational structures in the tourism industry. Both secondary data and primary data were used to support the analysis. The research approach was qualitative and the data was collected by interviewing the CEO and other employees of the company and via personal observations of the author of the thesis. Information about the company provided online and literature sources were also used. The author conducted an SWOT analysis of the case company based on the results of the interviews, theoretical research and own observations while working for the company.</p> <p>As a results of this thesis, several recommendations on improvement of the organisational structure and management of the case company were made. These recommendations can be applied to other traveling companies of the same size in Finnish tourism market.</p>	
Keywords	Organizational structure, Management

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Glossary

CEO	Chief Executive Officer. The highest-ranking executive in a company, whose primary responsibilities include making major corporate decisions, managing the overall operations and resources of a company
DMC	Destination Management Company
HR	Human Resources. The company department charged with finding, screening, recruiting, and training job applicants, and administering employee-benefit programs.
FIT	Free Independent Traveller. Is an individual (or small group of < 10) traveling and vacationing with a self-booked itinerary.
WTO	World Tourism Organization

1 Introduction

In the global market tourism has shown a steady increase over the past few decades. Traveling and recreation is a pretty pleasant and profitable type of business. In order to run travel agency, entrepreneur just have to go through the usual registration procedure at the appropriate authorities, rent an office, connect to the Internet, then select staff and start working. The convenience of this type of business increases the level of competition and not all travel companies can withstand the attack from the outside. Therefore, there is a problem of strengthening and developing the tourism business sector to ensure an appropriate level of quality of tourism services and the development of an effective modern model of a competitive tourism company. (WTO 2019)

The global pandemic of Covid-19 brought a negative impact on the international as well as on domestic travel industry. According to The World Travel and Tourism Council, 50 millions of people in travel industry globally may be at risk due to the pandemic coronavirus. Due to the states restrictions restaurants, hotels, museums and attractions in countries are closed, as well as the transportation between countries. Some employees were sent to unpaid leave. Countries as well as the companies involved in the tourism industry suffering a huge loss. (Forbes 2020)

The organization function is an important management function. It consists of forming permanent and temporary relationships between all departments of the company, determining the order and conditions of the company. The function of the organization is implemented in two ways: through administrative and organizational management and through operational management. (Mintzberg 1983: 5)

The choice of the topic of this thesis is associated with the growing role of company development planning, one of the stages of which is the determination of the main directions of organizational structure and the second stage is management concepts. Combination of both factors improve the company's competitive advantage in the market. The author decided to do the research and conduct an analysis on the Carisa Travel Group. The case company plays an important role for the author since he was working there from May 2019. The author of the thesis saw right from the beginning of his career

in Carisa Travel that the company was continuously applying various practices of management in their operations. However, it is still facing limitations to a smooth growth. Therefore, the author decided to analyze the weak points of the case company and provide recommendations for improvement in its management and organization structure, which are hopefully also useful for some other small size companies in the tourism industry. The analysis and recommendations in this thesis are based on the theoretical research and interviews in the case company.

Carisa Travel Group is a tourism company with the head quarters in Helsinki, Finland. Company provides services and products for foreign travelers in Scandinavian and Baltic countries. According to the internal statistics in 2019 company provided products and services for over three thousand travelers from the World. According to the CEO's plan this number had to increase by 50 percent in 2020. The detailed information about case company provided in chapter 1.2.

The relevance of the study is justified by the fact that at the present stage Carisa Travel is an urgent need to determine the success factors of the company, for running and developing tourism business. Successful travel agency management has an effective policy, organizational structure, consisting of separate units and structural units, the management of which allows the company to achieve success in the market of travel services and solve many problems within the company. Also the basic management concept in tourism industry make an great impact on the company's operational work. (Pender & Sharpley 2005: 190)

1.1 Research objectives and scope

In this thesis author identifies the key problems that travel agencies in tourism industry in Finland are facing on the basis of the study made in the case company, Carisa Travel Oy. The author formulated the following research questions based on his personal experience and on an interview to the CEO, Finance Manager and FIT manager of Carisa Travel (see Appendix 1 for the interview questions). Based on theses interviews the author was able to identify some main challenges that small travel companies are facing in their operational management, such as in human resource management, marketing and operational management.

The main research questions can be formulated as the following:

1. What challenges small travel companies are facing in their operational management in Finland?
2. How travel agencies are organizing their work in human resource management?
3. What role does marketing play in the management of the travel company?

This research question is related to the development of management and organizational structures while marketing is one of the key functions in a traveling company like Carisa Travel and therefore important to the competitiveness of the company.

4. How human resource management can be developed in order to increase the efficiency and competitiveness?

By answering to this research question the author identified basic HR management activities, that should be implemented in the small travel companies in order to increase competitive advantage.

5. How small travel companies should develop their management and organizational structure in order to be able to compete better?

1.2 Case Company - Carisa Travel

Carisa Travel Group is a Scandinavian Destination Management Company (DMC) focused on providing tourism services for foreign customers. Carisa Travel Group offers services in the field of group and individual tourism in the Baltic and Scandinavian countries, and also provides assistance in obtaining visas and necessary documents, booking hotels, transfers, tickets, etc. Carisa Travel was founded in 2017. Turnover for the first year was over 1.1 million euro and it has increased every year rapidly until now. Currently Carisa Travel employs 8 people, include 3 senior managers. The main goal of the company is to help tourists to get best service in Baltic and Scandinavian countries

as much as possible, and before that help to decide on the right choice of a holiday destination that will fit both the emotional and financial capabilities of the client. (Carisa Travel 2020)

The mission of the company is to provide quality travel services to private and corporate clients, providing the required level of comfort in any country of the world, both on holiday and on business trips. The travel agency Carisa Travel provides the following travel services:

- organization of tours for individuals and groups
- event tourism
- corporate tourism
- corporate holidays
- airline tickets for flights of leading airlines / booking and sale
- car rental, transport and excursion services
- visa support for foreign citizens (Carisa Travel 2020)

1.3 Methodology

In this thesis in order to answer the thesis questions and find the solution for travel company development strategy, the author collected data from relevant literature and online sources as well as interviewed top management of the company. The methodology of the thesis is based on a qualitative study, deductive approach, observations, documentary analysis, interviews and personal experience.

In order to understand deeper, the management and organizational structure of the Carisa Travel author conducted interviews with CEO, Accounting and FIT managers of Carisa Travel on 15th January 2019. The interview was conducted in the office of case company in Helsinki and lasted approximately 25 minutes each. During the interview author asked prepared in advance questions which are presented in appendix 1 of this thesis. Interview answers were recorded on voice recorder. Then answers were systemized an author tried to identify key problems. Moreover, author collected additional data on company performance and sales statistics through the access to the

company's operational system. To analyze the answers received during the interview, the author listened to the recording and compiled a table with bullet points. Then the author compared the answers of the interviewees, highlighted the similarities in their answers, on the basis of which problem areas in the organizational management of the company were identified, as well as the strategies and plans of managers for the development of the company.

In order to conduct proper analysis of the case company and propose the suggestions author made a primary theoretical research via using the books from library, e-books, online articles, internal company documents and information, as well as the interview answers of the top managers of the company. The objective was to gain theoretical knowledge about organizational structures and management measures used in the tourism industry that are applicable for the small size travel companies in order to improve its operational activity and competitive advantage in the market. The data about tourism industry was collected from the World Tourism Organization, the Ministry of Economic Affairs and Employment of Finland and Business Finland online sources. The data about organizational structures and management was collected from the books written by Daft R. L., Pender, L. and Sharpley, R.

Then with the use of deductive approach author analyzed all gathered information about the case study, conducted analysis of the key management and organizational structures of the company and proposed the recommendations on improvement.

The thesis structure consists of introductory chapter, three chapters including theory, research and analysis and finally the conclusion. The introduction gives a general description of the thesis, the relevance of the topic, defines the objective of the research and gives a brief overview of the challenges in tourism market. The second chapter includes the theoretical research. Third chapter – analyses the case company's organizational and management structure, based on the research in second chapter and interviews. Fourth chapter gives recommendations on improvement based on the collected data and analysis completed in the second and third chapters. Conclusion is based on the research and the results of the study.

2 Literature Review

2.1 Global Tourism

In the global economy, the service market has recently become increasingly important, which is a complex system whose main task is to satisfy the population's needs for services. The services market is based on a vast and rapidly growing part of the world economy - the service sector. In a market economy and competition, the successful operation of service and tourism enterprises is possible only if they are properly managed.

The tourism industry is a combination of manufacturing, transport and trading companies that produce and sell tourist services and tourist goods. These include hotels and other accommodation facilities, different types of transportation, catering, companies producing souvenirs and other tourist goods. According to WTO the tourism industry in 2018 employed 25,9 million people worldwide. (Tourism Statistics Data Base 2019)

Tourism is one of the largest, highly profitable and most dynamic sectors of the global economy. Its successful development has a positive impact on such key sectors of the economy as transport, trade, production of consumer goods, construction, communication etc. (Dwyer 2015: 2) International tourism includes people traveling abroad from the place of their permanent residence. (WTO 2010: 15) International tourism is one of the main sources of currency for the state, and in many countries this income type forms the basis state budget. The tourism industry in terms of income is inferior to the oil industry and the automotive industry. It is very important that tourism provides jobs for millions of people around the world. (Pender & Sharpley 2005: 8)

Travel services in international trade are invisible goods. The peculiarity and advantage of tourism services as a product is that a significant part of these services is produced with minimal costs on the spot and without the use of foreign currency. Foreign tourists are using the services and products provided by travel companies of the destination country. Also international tourist consume or buy and export as souvenirs a certain amount of goods purchased in the country of visit. WTO 2019). International tourism is characterized by a rapid increase in the number of tourists and a sharp increase in cash

receipts from tourism. According to the Guardian in 2019, number of travelers was 1.45 billion people. Almost half of travelers arrived in Europe. (Guardian 2019)

According to the World Tourism Organization European countries has received 39.3 percent of the international tourists, Asia and the Pacific - 30 percent, and Americas - 23 percent. The growth of international tourism primarily based on economic and social progress. The amount of business trips and touristic trips is increasing, and transport is being improved, which leads to faster and cheaper trips. International relationship and cultural exchanges between countries are developing, the desire of people to better understand and get to know each other is growing. (WTO 2019)

Tourism industry makes a huge influence on the country's economy and development. First, it creates new work places in hotels and other accommodation facilities, restaurants, transportation companies and all related to tourism industry businesses. Second it tourism effect on the development on related industries, such as groceries, souvenirs, handcrafts etc. Third advantage of the tourism is the growth of the tax revenues. Also tourism stimulates export of local products which has an influence on the country's economy. (WTO 2014)

With successful development, the tourism industry can become one of the key elements that allows creating conditions for achieving the strategic goals of the country's development, namely, improving the welfare of the population through dynamic and sustainable economic growth, ensuring employment, increasing the level of satisfaction of social and spiritual needs, building capacity for the future development of the state and strengthening the international position of Finland. Subject to the implementation of an effective state policy, the tourism industry provides an increase in the quality of services, stimulates the development of human capital, improves the quality of life, creates and improves the infrastructure. (Ministry of Economic Affairs and Employment in Finland 2020)

2.2 Tourism in Finland

The flow of tourists to Finland is growing annually. One of the most popular destinations is the city of Helsinki. According to statistics of August 2019, accommodation

establishments in Uusimaa recorded 259,000 overnight stays by non-resident tourists. This is 13.5 per cent more than in the previous year. (Statistics Finland 2019) Finland is attractive to foreign tourists for even lakes, islands, beautiful northern nature, ski resorts, hot saunas, meetings with Santa Claus, winter forms of entertainment, etc.

In 2019, foreign tourists spent a total of 5.8 million nights in Finland. The number of nights spent by foreign tourists increased by 3.3 per cent from the previous year. Most tourists come from Russia - with 682,000 overnight stays, Germany - with 580,000 overnight stays, Sweden - with 502,000 overnight stays, United Kingdom - with 349,000 overnight stays and China – with 322,000 overnight stays. (Statistics Finland 2019)

According to the data from Statistics Finland on 2019, the tourism industry is estimated at 15 billion euros and accounts for 2.6 percent of the country's GDP. A significant increase is largely due to the demand for services from foreign tourists. Thus, an increase in the demand for tourism services has helped to create new jobs. The number of tourism workers in 2019 was estimated at 140,000, which is 5.5% of the entire Finnish workforce. (Business Finland 2019)

Tourism development in Finland is linked to the regional policies of the Ministry of Employment and the Economy of Finland. (Ministry of Economic Affairs and Employment of Finland) Ministry provides support to tourism companies for business development, training and research, as well as provide advisory services. In Finland, travel companies can take loans from banks, with guarantees and guarantees for export loans provided by the Finnvera. (Finnvera 2020)

The government pays great attention to the development of tourism in Finland. Therefore, organizations were created that collect statistics and also provide assistance to companies in the tourism industry. Visit Finland, an expert agency and tourism operator, responsible for enhancing the attractiveness of Finland as a tourist destination internationally. Visit Finland has a travel market database, which is available to travel companies in Finland. It existed strategic cooperation with representatives of the tourism industry, whose goal is aimed at maximizing the country's presence and influence in the international market. The most important tool for achieving this goal has become electronic information and communication technologies. (Visitfinland 2019) MiniMatka

Working Group includes representatives from various ministries and within the framework of which information is exchanged at the ministry level. The group holds meetings several times a year and contributes to the implementation of the Tourism Strategy. (Ministry of Economic Affairs and Employment of Finland 2018)

Travel business in Finland was growing rapidly until the end of 2019, which had a positive effect on companies operating in this industry. However after recent outbreak of Covid-19 pandemic in the world, Finland and other countries faced with the decrease in the international tourist numbers. According to VisitFinland (2020) number of the foreign overnights in Finland in 2020 is 4,5 million, which is 36% less than in previous years. (Business Finland 2020: 9)

2.3 Tourism Management Concept and role of marketing

The technology of tourism services is a combination of methods, forms of production and sale of a tourist product, as well as ways to influence the process of promoting a tourist product in the tourist market. Management in tourism is a set of principles, methods, means and forms of managing the production and service process in travel agencies. Meeting the changing needs of customers and stimulating their repeated calls are the most important areas in the activities of tourism industry companies in all countries of the world. The development of telecommunications, media and related technologies contributes to increased expectations from customers regarding the quality of service, professionalism of employees, and the variety of tourist services offered. Therefore, in the modern hotel and tourism business, only those organizations that can offer their customers high-quality service are very competitive, and this is impossible without the use of new approaches to management, marketing and the introduction of advanced technologies. (Pender & Sharpley 2005: 21-23)

Marketing in the tourism industry is often equated with sales and advertising. However, this is the wrong approach, as sales and advertising are only components of a marketing policy, and often not even the most important ones. In the field of tourism services, marketing department is the tool for studying the needs and requirements of customers and providing them with a service that can meet their expectations. Therefore, the most advanced world tourism companies are already recognizing that the need for one of the

components of marketing activity is to identify the needs and desires of consumers and, on this basis, improve their tourism services in such a way that they more effectively than competitors meet these expectations and become customer-oriented. Marketing in tourism means an integrated approach to managing the production, sale and organization of consumption of a tourist product, focused on taking into account the requirements of the tourist market and actively influencing demand in order to expand the sales of a tourist product. (Pender & Sharpley 2005: 102-104)

Management in a broad sense is a process of development and implementation of control actions. The control action refers to the impact on the control object, designed to achieve the goal of management. Tourism management at the industry level represents the impact of the subject of management on the object of management. At the industry level, the subjects of tourism management (the management subsystem) include the Government of Finland, the Ministry of Economic Affairs and Employment, local authorities, the committee (or department) for tourism, etc. The object of management (managed subsystem) are tourism companies, which process tourist services for citizens, etc. . (Ministry of Economic Affairs and Employment in Finland 2020)

Management is carried out through the circulation of certain information between the subject and the control object. According to tourism development plan for 2019-2028 The Ministry of Economic Affairs and Employment assigned primary roles to the public sector (central government, Metsähallitus, Centres for Economic Development, Transport and the Environment, regional councils, municipalities) which includes:

- development of the basis of state policy in the field of tourism;
- participation in the development of legislation of Finland on tourism;
- coordination of work on the examination of regulatory legal acts and programs in the field of tourism;
- analysis of the state of national tourism and development of proposals for its development. (The Ministry of Economic Affairs and Employment 2020: 31, 32)

The decisions of the Ministry of Economic Affairs and Employment are advisory in nature, its activities should be carried out on a voluntary basis and with the frequency necessary for setting goals and solving them.

The intensification of the competition between the organizations of the tourism industry leads to the fact that they face the problem of finding such methods of forming the company's competitive advantages in comparison with other companies that would strengthen its own position in the competition for the client. Competitiveness is a definition associated with pricing policy where characteristics such as quality, image of the organization, brand presence, individual approach, professionalism and uniqueness obtain particular value. Competition between companies of the tourism industry leads to the development of new models of organization and management of tourism activities. Competition is associated with the desire of company to obtain advantages in conducting marketing research, supplying, promoting, distributing and marketing services, in increasing professionalism of employees, in reducing various kinds of risks. The struggle for the survival and expansion of the business is becoming a daily concern for many tourism infrastructure facilities. For this, organizations need money, the delivery of which is possible by attracting customers, developing their loyalty and stimulating the cost of purchasing tourist services. (Pender & Sharpley 2005: 31, 115)

The employee in the tourism industry is significant part of the product, and therefore the quality of service depends on the professionalism and consciousness of the employees. Customer satisfaction in the travel industry as well as in any service related industry is achieved by the politeness of the staff, its responsiveness and ability to work in a team. Therefore, effective management of personnel resources turns into one of the most important functions of a tourist organization. Most companies in the tourism industry do not pay enough attention to human resources management, considering staff an auxiliary component. However, people in the field of tourism services are significant part of the company and the tourism product itself, for which companies receive their main income. (Pender & Sharpley 2005: 24-25)

In the future, companies in the tourism industry need to reform management along the way of increasing the efficiency of personnel use, improving their financial situation, and also conducting special programs for its development and motivation.

2.4 Creation of an organizational structure

Creation of an organizational structure is an individual matter for each company. According to Daft (2003: 151-154) this should be done in accordance with the specific situation in the company and it is closely related to corporate strategy. Organizational structure is the carcass of the company. Which defines functional roles and relationships of parties who involved in the business process. Roles and relationships within a company are clearly specified as well as the activities they will conduct. Creation of organizational structure helps employees to understand their functional duties and as a fact meet company's goals and objectives. Organizational structure simplifies the division of the labor and increase efficiency, also it avoids conflicts and mistakes in operational work of the company. As a fact company get more opportunities with less failures and problems. (Daft 2003: 151-154)

Depending on the stability of the economic environment, the creation of the organizational structure can be divided into mechanic and organic ways.

Mechanical way of creating an organizational structure is used in stable environment and it is more complex, the segments are more numerous, they communicate less with each other. The key features of mechanical way of creation are:

- tasks are divided into specialized single-industry parts
- tasks are fixed
- centralized authority and control, fixed rules
- prevalence of vertical communication (Daft 2003: 146)

An organic way of creating an organizational structure is used in the service industry, where a high intensity of change in the economic environment exists. As well as the int cooperation between segments of organizational structure are strengthened. The key features of organic way of creation are:

- employees work together on common tasks
- tasks are determined during the fulfilment of work
- decentralized authority

- control may be centralized if needed
- prevalence of horizontal communication (Daft 2003: 145)

2.5 Organizational management structures

Organizational management structure is one of the key management concepts. Which is associated with the functions, goals, management process, work of managers, employees and the distribution of authority between them. Within the organizational structure, the entire management process is carried out, in which the managers and employees of the company are involved. (Morgan 2015: 101)

The key concepts of management structures are elements, relationships, levels and powers. Elements of the organizational management structure are employees, services and management, which employ a certain number of professionals to perform a certain activities. Relationships between elements of the organizational structure are maintained by connections that are subdivided into horizontal and vertical. The vertical organizational structure is a internal management structure where certain hierarchy is present, this means that the lower levels of management are subordinate to the higher levels. The horizontal organizational structure of the company is a single-level. It represent the qualitative and quantitative differentiation of labor activity. This means the division of the general labor process into smaller private, separate types of activity, specialization of production and performers. (Daft 2003: 35-37)

The organizational structure of management in the tourism industry, as in any other companies, includes departments, levels of management and the links between them - horizontal and vertical. In small travel companies with a small staff, managerial units are represented by individual specialists. Large travel companies are divided into structural units focused on the implementation of the relevant management functions. Relations between structural divisions are horizontal. (Daft 2003: 182)

The levels of tourism management are a set of management links that reflect the hierarchical structure of the organization and the relationship of leadership and subordination between levels of different levels. The managerial tasks of managers in

the field of tourism, tour agents, tour operators who work at different levels of management depend on the position and specialization. For example, a catering manager concludes contracts with restaurants, canteens, cafes in a particular tourist region and monitors their compliance. In large travel companies engaged in tour operator activities, the manager can deal with this kind of tasks in all the tourist regions with which the company works. (Daft 2015: 18)

Vertical dependence and subordination of management levels allows to distribute responsibility for the adoption and implementation of management decisions among the employees of the organization. At the highest level of management - the director and his deputies (chairman of the board of directors, president, vice-president) develop strategic decisions that affect the organization's policy in the field of tourism development, expansion of geographical routes. In addition, managers coordinate the activities of their deputies - department heads and other subordinates. The specifics of one-man management or collegial management defines two sub-levels of management - authorized management and general management. The average level of management ensures the implementation of the functioning policy of the organization, developed by senior management, and delegates a certain amount of tasks to subdivisions and departments of the lower level. (Daft 2015: 33)

Mid-level specialists are responsible for the selection of workers to accomplish the task and providing it with the necessary resources and information, carry out control functions, as they are responsible for the timely completion of the tasks, and monitor the results in order to identify deviations from the planned indicators. For example, the head of the sales department plans the activities of sales managers, sets a work schedule for them, indicators of future sales, evaluates the results of their previous work, carries out current and final control, provides training and information support. Mid-level specialists need to know all the specifics of tourism activities, be good organizers, have the skills to work with staff. At the lowest level of management, managers perform not only managerial, but also executive functions. They are engaged in the implementation of weekly and daily tasks, work directly with the executive staff of the organization and are responsible for bringing specific tasks to the immediate performers. For example, an advertising manager searches for contractors for the production and placement of advertisements, sets specific tasks for them, concludes agreements with them, monitors their activities,

and is responsible for the quality of the advertising product. In small travel agencies sometimes, there is no lower level of management due to the small number of staff. Its functions are performed by middle-level managers. (Daft 2015: 27) In the following sub-chapters these different structures are explained in more detail.

2.5.1 Flat organizational structure

Montana & Charnov (1993: 165) define a flat organizational structure as the simplest form of hierarchical management organization, characterized by the fact that at the head of each link or unit (branch, department, workshop) is a sole leader, endowed with all the scope of power and authority. This structure is illustrated in figure 1 below.

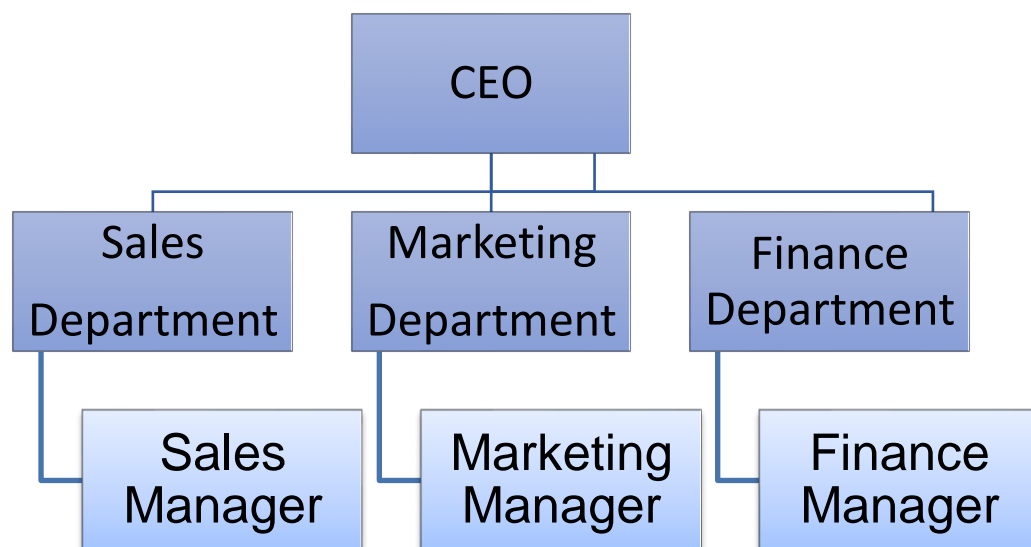


Figure 1. The flat organizational structure. Adopted from Montana & Charnov (1993: 165)

Advantages and disadvantages of flat organizational structure adopted from Montana & Charnov (1993: 167) and are presented in more detail below:

Advantages:

- ability to create clear coordination of the tasks, in order to achieve common goals
- simple relationship of submission and superiority
- clear and short chain of information links.

Disadvantages

- it is not appropriate for large companies with a big number of employees and units, because of the limiting factors of management complexity at higher organizational levels.

2.5.2 Functional organizational structure

Montana & Charnov (1993: 157) define functional creation of organizational units is the most common method of organizational activity. This structure exists in almost every business at some organizational level. The starting point for the creation of such organizational units, including the highest level, are the production, marketing and financial functions of the company. Coordination is achieved through rules and procedures, various aspects of planning (goals, budgets), organizational hierarchy, personal contacts, sometimes linking organizational units. This structure is illustrated in figure 2 below.

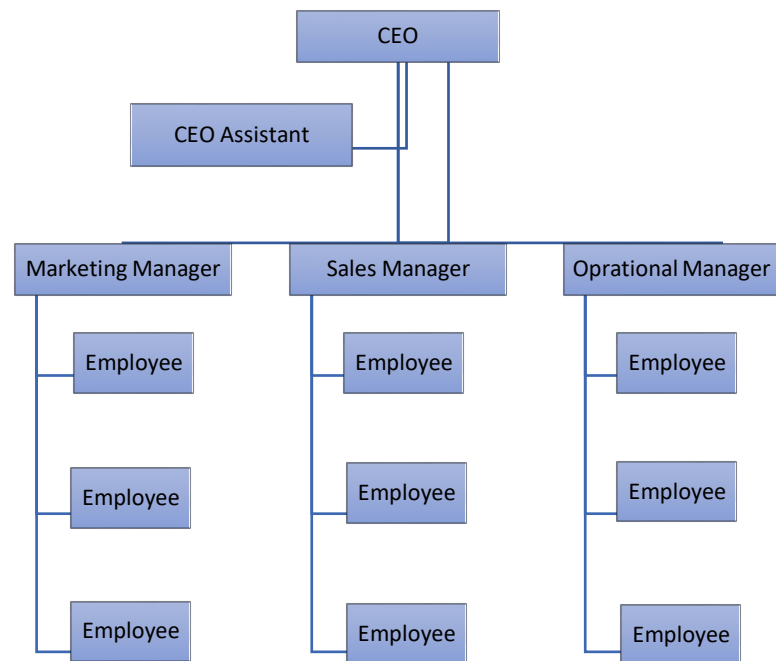


Figure 2. Functional organizational structure. Adopted from Montana & Charnov (1993: 157)

Advantages and disadvantages of functional organizational structure adopted from Daft (2003: 104) and are presented in more detail below:

Advantages:

- its greatest advantage is logic and authenticity, which creates confidence in a work flow
- professional specialization of department heads
- high coordination opportunities
- elimination of duplication in the performance of managerial functions

Disadvantages:

- slight focus on the company's overall goals
- over-specialized and narrow focus of key employees
- less coordination between functions
- only senior management is responsible for profits
- slowly adapts to changes in the environment

2.5.3 Matrix organizational structure

The matrix structure is built on the principle of double subordination of performers. This occurs when the structure of the line staff is expanded by another additional structure. For certain projects employees are divided into teams to work on a joint project. Employees report to line manager and project manager about the work process. Employees return to their original positions after the project is done. (Daft 2015: 112)

The matrix organizational structure is often used in construction (e.g. bridge construction), aeronautics and aerospace (e.g. in the design and manufacture of weather satellites), marketing (e.g. in planning and conducting an advertising campaign for a new product), in the creation of information systems or consulting companies where different professionals work together on different projects. (Kuprenas 2003: 52) This structure is illustrated in figure 3 below.

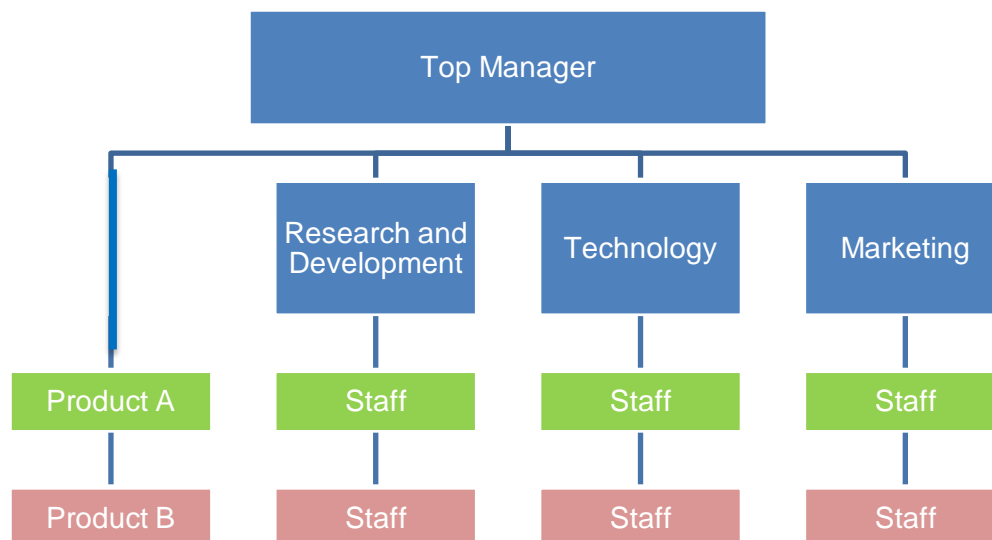


Figure 3. Matrix organizational structure. Adopted from Kuprenas (2003: 53)

Advantages and disadvantages of matrix organizational structure adopted from Daft (2003: 112) and are presented in more detail below:

Advantages:

- focus on project goals;
- high efficiency of operational management;
- independence of project teams, which contributes to the professional development of specialists;
- involvement of all specialists of all levels. Disclosure of creativity. The load on the senior manager is reduced. Higher organization of work.

Disadvantages:

- complexity for practical implementation;
- management expenses are increasing;
- decision-making process is delayed due to excessive meetings;
- difficulties in establishing responsibility for the results of work due to double subordination;
- high requirements for the qualifications of employees;
- conflicts between functional and project managers;

2.5.4 Team-based organizational structure

According to West and Markiewicz, (2008: 15) the main positive feature of this organizational structure is specialization and high experience of functional leaders. Unlike the functional structure, it abolishes the principle of a single responsible manager, crosses competences and leaves no focal points. A team is composed of specialists from various professions - managers, procurement, production workers, technologists, financial workers. The team has industrial independence and independence and is fully responsible for the results of its activities. This structure is illustrated in figure 3 and both advantages and disadvantages of it are presented in more detail after the figure.

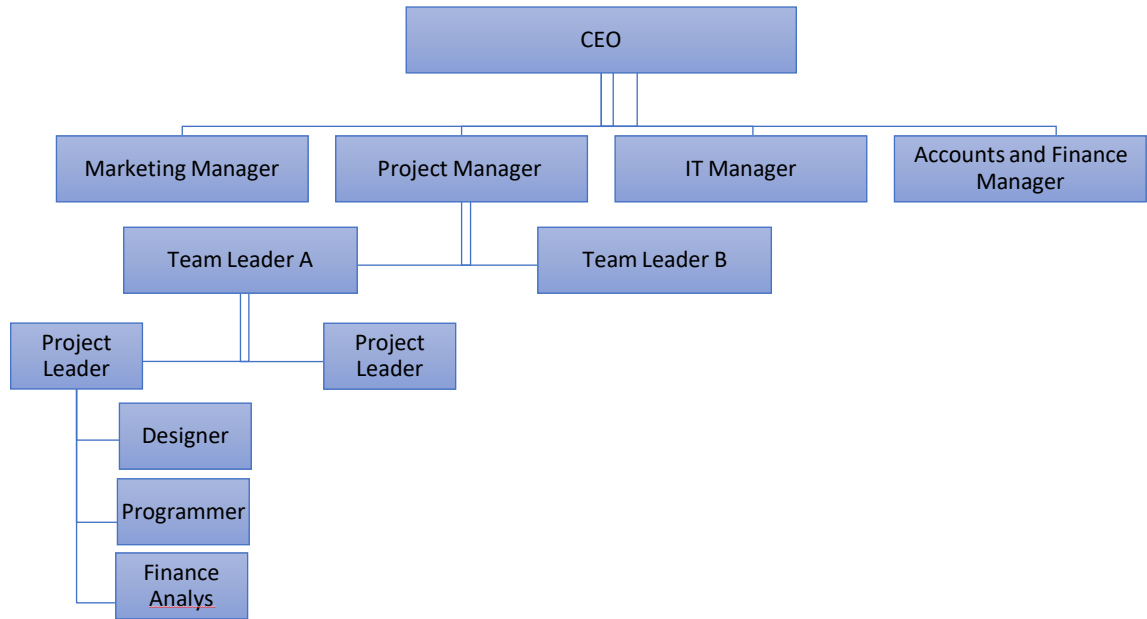


Figure 4 Team Based organizational structure adopted from West and Markiewicz (2008: 26)

Advantages and disadvantages of functional organizational structure adopted from West and Markiewicz (2008: 27) and are presented in more detail below:

Advantages:

- increase of management efficiency
- flexible use of personnel
- the possibility of applying effective methods of planning and management

Disadvantages:

- complication of interaction (especially for cross-functional structure);
- difficulty in the official work of individual teams
- high qualification and responsibility of staff
- high communication requirements.

2.5.5 Divisional organizational structure

As the organization grows, the number of products and services increases, the number of customers increases and the penetration of other territories. The current management is no longer able to cope with the growing needs. The solution is to decentralize management and create new independent units. In divisional organizational structure, a company's divisions have a control over their resources, essentially operating as a separate company. Each division can have its own marketing team, sales team, operation team etc. For example in travel company each division can be responsible for the particular geographical area where company provides tours and services. Most often, divisions are divided by product or service, customer or customer group, or location as can be seen in figure 4. (Daft 2015: 106) Also both advantages and disadvantages based on Daft (2015: 108) of this structure are presented in more detail after the figure.

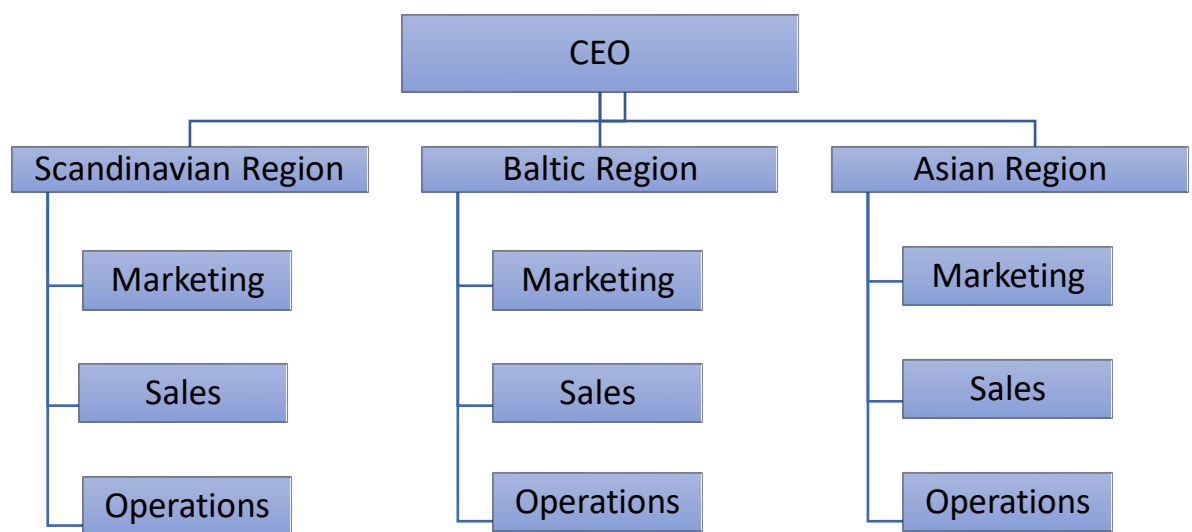


Figure 4. Divisional organizational structure. Adopted from Daft (2015: 107)

Advantages and disadvantages of divisional organizational structure adopted from Daft (2003: 108) and are presented in more detail below:

Advantages:

- quick reaction, good adaptability to unstable environment.
- stimulates increased attention to customer needs.
- excellent coordination of functional units

Disadvantages:

- duplication of resources in departments.
- low level of technical development and specialization in units.
- weak coordination of interaction between units.

2.5.6 Hybrid organizational structure

According to Daft (2015: 122) the use of a hybrid organizational structure is suitable for many large companies. This type of structure is used by multinational companies operating in the global market. Multinational companies can have their head office in the country of origin and divisional offices in other countries. The divisional offices are reporting to the CEO or president at the headquarters. International divisions can be grouped geographically as Europe, Asia. Each region may be subdivided into countries within geographical region. This structure is illustrated in figure 6 and both advantages and disadvantages of it are presented in more detail after the figure.

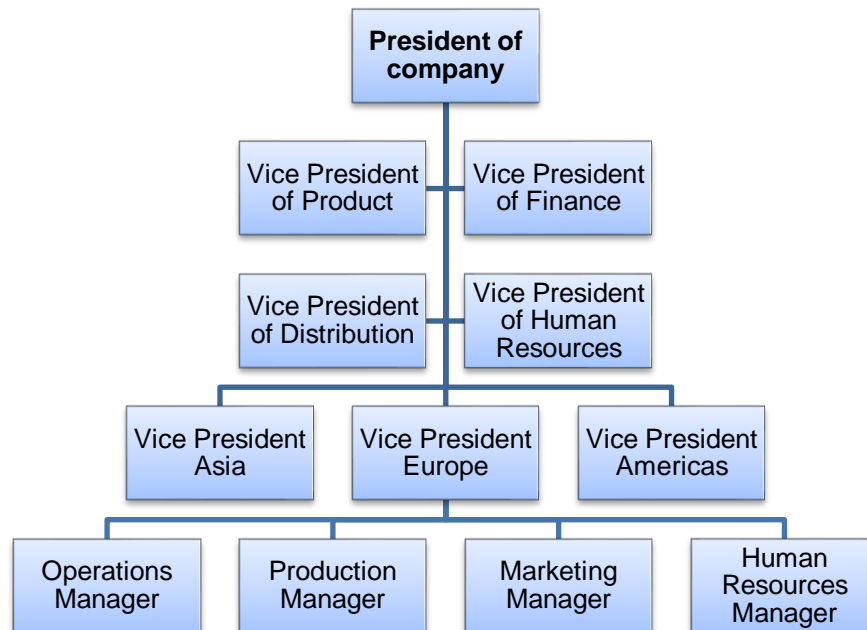


Figure 6 Hybrid organizational structure adopted from Daft (2015: 130)

Advantages and disadvantages of functional organizational structure adopted from Daft (2015: 131) and are presented in more detail below:

Advantages:

- arrangement of corporate and divisional goals
- functional expertise and efficiency
- adaptability and flexibility in divisions

Disadvantages:

- conflicts between company departments and units.
- excessive operating cost.
- slow response to special situations.

Flat organizational structure is the most suitable for the small companies, such as Carisa Travel. Since the connections between employees are clear, all decisions and directions provided by the manager of the company. In flat organizational structure In future when company will expand and increase its number of employees company can switch to the matrix organizational structure where the authority and the decision making process shifted to the department managers and the CEO of the company have the controlling functions. At the current stage case company can implement only flat type of organizational structure. However, on the way of the growth it will be valuable to implement other types of organizational structure. Which are suitable for the big companies with the large number of intermediaries, units and connections.

2.6 Centralization and decentralization of organizational structure

Centralization and decentralization in organizations means an individuality of the organizational structure by sharing decision-making power at certain levels of the organization. They express a qualitative aspect of the organizational structure. Centralized organizational structures rely on the individual (CEO, Manager and etc.) which provides directions for the company's work processes. Decentralized organizational structures rely on teams on different levels of organizational structure which have some rights to make a business decision. The degree of centralization and decentralization is determined by the depth of delegation in the organization. As lower is the levels of authority delegation management as higher is a decentralization measure. (McKinsey, 2011)

According to Daft (2015: 503) the delegation process includes:

- Identify the results that are expected in a specific position
- Setting tasks for a specific position,
- delegating authority to meet the targets
- appoint the person responsible for the task at hand.

In delegation of authority, the process should not be divided, and the end results must be known. Since it is impossible to delegate the responsibility of a leader, the leader must appoint his subordinates as responsible. The advantages and disadvantages of

both ways of structuring the decision-making are presented next. These lists are based on article by Sethy (2019)

Advantages of centralizing decision-making power:

- Creates favorable conditions for the organization to function as a single and consistently coordinated unit.
- Eliminates duplication of functions and management activities, the organization may be less expensive and work more cost-effectively than decentralized.

Disadvantages of centralization of decision-making power:

- Limited opportunity and time needed to obtain the information employee needs.
- Fast information is needed to get a lot of information, and a highly centralized organizational structure complicates it. As a result, the solution is ineffective.
- The length of communication paths is longer
- Decision-makers need more and more information to make right decisions. Work time and management efforts are also increasing.
- Excessive and inappropriate centralization of decision-making power can lead to higher costs of decision-making and management in general.
- Mechanical fulfillment of tasks weakens people's initiative and creativity in solving problems. There is no possibility to solve issues arising from sub-ordinates which can have a positive impact on them.
- Bureaucratization of activity - internal correspondence reaches a high level, the system of work with high formalization is used, it is less dynamic and adaptable.

Advantages of decentralizing decision-making power:

- Releasing senior management from operational tasks allows them to focus on conceptual issues.
- Bringing the decision point closer to a problem spot, that there is no need for as much information as the central decision-making process.
- This reduces the time it takes for the relevant executors to submit decisions and reduces the cost of information and decision-making.
- Sharing decision-making power allows you to develop the skills of managers and other employees.

Disadvantages of decentralization of decision-making power:

- There is a risk of a significant fragmentation of decision-making power and the independence of workers working at lower levels of government.
- Disrupt communication and rational relations between leaders at different levels of the organization.
- Difficulties with the control and management of decentralized units, lack of consistency in the implementation of operational activities.
- The ability to make wrong decisions. Wrong decision (or failure) may lead to the end of the dynamic development of the organization.

2.7 Management and planning in travel industry

According to Murphy (2004) management is a type of professional activity aimed at achieving certain goals through the rational use of material and labor resources. The goal of management is to ensure profitability in the company's activities through the rational organization of the production process, including the management of production and the development of the technical and technological base, as well as the effective use of human potential while improving the skills, creative activity and loyalty of each employee. The main functions of management are planning, organization, motivation and control.

Planning is one of the stages of the management process, which defines the goals of any travel company, as well as methods for achieving them. In some cases, the company ceases to exist after reaching its goals, in others, new, more significant goals are set. This indicates that planning is not a one-time action. This is a continuous process of studying new ways and methods to improve the company's activities due to the identified opportunities, conditions and factors. Usually the goal of most travel agencies is to conduct a profitable and long-term business. To achieve this goal, companies need to produce the product or service that will satisfy the needs of potential buyers and thereby ensure business growth. Product planning is an important component in developing a profitable and long-term business. Since it is a main source of the income for any travel company. (Sharma 2016: 169)

In a competitive environment companies should develop a long-term strategy of performance that would allow them to sustain with the changes in industry environment. Strategy is a set of standards, directions, areas of activity established for a long period of time that ensure the organization's high competitive ability to survive in the long run. The process of developing a strategy is the creation of general directions with a middle stages, the implementation of the planned activities will help the company to grow and strengthen its position in the market. Important parts of the strategy are focusing on certain areas and discard other opportunities which are not compatible with the primary strategy. (McCartney 2005: 143)

In strategic planning, it is impossible to foresee all the opportunities that will open up when developing certain development measures. Therefore, when planning, the manager must use general, incomplete, and inaccurate information about various development alternatives. Strategic management is the management of an organization based on human resources that carry out work to meet the needs of customers, manage processes to achieve competitive advantages. The combination of these processes allows the company to succeed in the market and achieve its goals in a long term. (Sharma 2016: 169)

According to Sharma (2016:170) important strategic planning functions are:

1. The strategic plan which sets the direction for the company's activities and allows it to understand the structure of marketing research, processes of consumer research, product planning, its promotion and marketing, as well as price planning.
2. The strategic plan provides each unit in the organization with clear objectives that are aligned with the overall objectives of the company.
3. The strategic plan stimulates the coordination of efforts of various functional areas.
4. The strategic plan forces the organization to evaluate its strengths and weaknesses in terms of competitors, opportunities and threats in the environment.
5. This plan defines the alternative actions or combinations of actions that the organization can take.

6. The strategic plan provides the basis for the allocation of resources.
7. The strategic plan demonstrates the importance of applying performance appraisal procedures.

To organize means to create a kind of structure that enables people to work effectively together to achieve its goals. Organizing is dividing into parts and striving to accomplish a common task by the correct distribution of responsibility and authority, as well as the establishment of relationships between different types of work. Here, the main thing to note for managers is working with staff, developing strategic and economic thinking, supporting employees who are creative, innovative, and not afraid to take risks and take responsibility for solving enterprise problems. In order for the plans to be implemented, management must find an effective way to combine the plans, that is, with the optimal result. In any plan drawn up in a travel company, there is always an organizational stage, a stage of creating real conditions for achieving the planned goals. It is about creating the structure of the company and providing it with everything necessary for solving problems and achieving goals. (Murphy 2004: 113)

A travel company that has many different plans and does not have a complete scheme for implementing them is doomed to failure. The main thing for an organization in a travel agency is the production and sale of tourism products and services that are accessible to a wide range of consumers with different income levels, solving customer problems, creating comfort and caring for their working and leisure conditions, and organizing the quality of products and services.

The work of travel companies represents the implementation of the organizational function. As a fact, travel companies deal with the production, trading, informational tasks, development of new regions, etc. For each of them, the manager establishes permanent and temporary relationships between all divisions of the company, determines the procedure and conditions for it functioning. The head of a travel company puts his priority in developing an organizational structure and bringing it in line with the organization's goals and the requirements of the external environment. This is also an essential part of organizational work. (Daft 2015: 39)

Tourism companies are faced with the problem of determining ways of managing human resources and developing labor potential. A special role is played by human resources services. Most important objective of human resources services is to help them grow their business by hiring highly qualified employees, planning their careers, evaluating employee productivity and raising salaries. (Pender & Sharpley 2005: 86)

The HR manager needs to know the business needs of the company and consider the integration of the HR service with other company structures. Thus, the manager will be able to more accurately select employees for vacant positions. Knowledge of the duties of employees will allow HR manager to develop labor potential and will positively affect the effectiveness of employees. Thus, the personnel manager will be not just an administrative employee who is engaged in the search and hiring of personnel but will directly participate in the economic development of the company. (Pender & Sharpley 2005: 24-25)

When planning and organizing work, the manager determines what exactly this organization should do, when, how and who should do it. If these decisions are made effectively, the manager gets the opportunity to transfer his decisions into action, via using the basic principles of motivation. Motivation is the process of motivating oneself and others to work to achieve personal goals or the goals of the enterprise. Most often, the motivation process includes the establishment or assessment of unmet needs; the formulation of goals aimed at meeting the needs and determining the actions necessary to meet the needs. (Smith 2012: 61)

According to the theory of Maslow, there are five basic types of needs, physiological, safety, social, success, and self-expression, all of them form a structure that determines the behavior of a person as a dominant. Maslow believed that the essence of a person is initially positive and is directed towards continuous development. In this case, the goal of psychology is to help a person to discover what is already laid in him. Therefore, the manager needs to decide what action needs to be implemented to drive people. Since these needs of people are changing over the time, management should not expect that that the motivation that worked once will work efficiently all the time. (Smith 2012: 62)

It is also necessary after setting tasks and goals for employees to control their work process. Control allows management to identify mistakes and shortcomings in the performance of work and solve problems at an early stage before they become too serious. Control functions can also be used to stimulate success and competently complete assigned tasks. However, the control function in classical management is a type of management activity, due to which it is possible to keep the organization on the right path by comparing its performance indicators with established standards or plans. Every manager should practice control functions as part of his job responsibilities, even if it was not assigned by the higher level manager. In its most general form, control can be defined as a process of comparing achieved results with planned ones. Control refers to the procedure for assessing the success of the organization's plans and meeting the needs of the internal and external environment, monitoring and verifying administrative activities, as well as prevent mistakes in the future. In any company, there are processes that deserve both positive and negative assessments, since there are both strengths and weaknesses of the activity. Therefore, the control system consists in establishing the shadow sides of the activity, the ratio of positive and negative phenomena. Poor control can do just as much harm as poorly done work. (Murphy 2004: 159)

2.8 Innovation management and tourism marketing

In a market economy, travel companies are increasingly aware of the need to develop new goods and services and the related benefits. Determining future profits from a new tourism product is the task of innovation management. This is a separate type of cultural, economic and entrepreneurial activity to achieve the goals of tourism companies based on the effective organization of innovative processes. (Pender & Sharpley 2005: 135)

In addition, innovative management involves the real and competent use of all available resources and the required introduction of new forms of work. The innovative manager will have to encourage and connect a large number of organizations and people to upgrade and create the necessary and sufficient economic conditions and incentives to achieve the goal of innovation. Innovation management is a combination of various functions such as marketing, planning, organization, development, control. The main objectives of innovation management are to study the state of the tourism industry and

the specifics of the innovation process. Innovation is an object implemented into production as a result of marketing and research made. (Daft 2015: 412)

Innovations in tourism naturally affect the state of the industry as a whole. A travel company in order to expand the market for its tourism product and services, must properly organize marketing activities. Tourism marketing is the field of activity of travel companies in the development of new, more effective types of tourism and excursion services. As well development in their production and marketing in order to make a profit on the basis of improving the quality of tourism products global tourism market. (Daft 2015: 428)

In the tourism business there is a conditional division into four seasons: the peak season (mainly the summer period and official holidays), the high season (this includes spring tours), the low season (vacation time in winter and autumn season) and the "dead" season (the rest of the winter time). So, the main task of tourism marketing is to bring to the consumer exactly the new product that would be able to partially support the "dead" season. (Ćorluka 2019)

The tourism industry is impossible without advertising. This is the most effective tool to convey information to your customers, draw attention to the services offered and create a positive image of the company. Therefore, effective advertising is the most important means of achieving the goals of marketing and communication strategies. The purpose of advertising is to attract attention, stimulate interest, convey information to the recipient and make him act in a certain way, for example, contact a travel agent, request additional information, etc. Advertising is a form of mass communication designed for a large number of people at the same time. (Pender & Sharpley 2005: 113)

Marketing of a travel company aimed on developing quality services, setting attractive prices for them and approaching consumers of the target market. It also creates an opportunity for the travel company to have continuous communication with existing and potential customers. Therefore, it is necessary to develop a set of marketing communications to increase the efficiency of the company. Travel companies should organize entire marketing services with a qualified staff that will deal with the strategy of improving the enterprise's activities, conduct marketing research, develop sales

promotion measures that are most suitable for the enterprise, find the most profitable sales channels, engage in advertising campaigns, PR and the formation of corporate style. The leader should stimulate and guide the employees of the marketing department. Consider their development and gather meetings based on the results of marketing research with the aim of further developing measures to solve the existing problem, etc. (Pender & Sharpley 2005: 102)

2.9 Methods of analysis

Studying the external environment, managers focus on figuring out what threats and opportunities the external environment is fraught with. A fairly popular method, also used to analyze the external environment, is the SWOT method. Along with the analysis of the external environment of the enterprise, it is important to conduct an in-depth study of its real state. Armed with this knowledge and a vision of what the enterprise should become in the future, the manager can develop an achievable strategy to make the necessary changes. The weaker the current position of the company, the more thoroughly critical its strategy should undergo. Since weak strategy might lead to the crisis of the company. The crisis at the company is a sign of either a weak strategy, or its poor implementation, or both. (Pender & Sharpley 2005: 129)

According to Daft (2015: 60-80) when analyzing the strategy of the company, managers should focus on the following five points.

1. The effectiveness of the current strategy

First management of the company needs to determine the position of the company among competitors, then the size of the market and consumers on which the company is oriented. And finally, define management strategies in marketing, finance, production and personnel. Evaluation of each element gives a clear idea of the company's strategy. The assessment is based on quantitative indicators such as the company's market share, market size, profit margin, loan size, sales volume, etc.

2. Strength and weakness, opportunities and threats of the company.

A SWOT analysis is an assessment of the strengths and weaknesses of a company, its opportunities and threats. Strength is the area where the company succeed, it can has such factors as human resources, advanced technologies, skills, experience, resources etc. Weakness show the lack of some important management functions that slows and sometimes does not give an opportunity to company to succeed. Opportunities and threats affect internal situation of the company and shows which improvement company need to implement. The strengths of the company can be used as the basis to eliminate weaknesses. However if there are not enough strengths, then the company management needs to create a foundation of the organizational strategy.

3. The competitiveness of prices and costs of the company.

Strategic cost analysis includes the preparations and analysis of the information about the expenditures of the company. It identifies company's position in terms of the costs in relation to its competitors. This analysis is conducted via using the method of the value chain. Value chain reflects to process of creating the value of services and products and includes activities and profits. The links between these activities are an important source of the corporate value. Each type of the activity related to cost and assets of the company. The prices and cost of the company are influenced by the activities of suppliers and end users. The process of determination of the value chain is the complicate process, however it gives the opportunity to better understand the cost structure of the company. It is also necessary to compare the costs of the company with the costs of its closest competitors to identify the most effective way to reduce the cost and on the basis of the value chain analysis create competitive costs.

4. Assessment of the strength of the competitive position of the company.

Assessment of the strengths of the company compared to its competitors evaluated by product quality, technological resources, financial situation. Evaluation shows strong and weak sides of the company compared to its competitors.

5. Identification of the problems that caused the crisis in the enterprise.

Managers need to analyze all results of the company activity during the crisis. To develop anti crisis measurements it is necessary to identify key problems affected the crisis, as well as prepare the statement with all failures and problems in operational work of the company. Evaluation of the prepared statement will help the manager to find the best and most suitable for the company at current stage measures in order to make improvements and development of the company. While the development of the strategy it is also important to revise company's strategies and goals.

3 Results and analysis of the case company

In this section author analyzed the case company's organizational structure and the management strategies used. The analysis was carried out based on the theoretical framework about basic management strategies and concepts of organizational structure and results of the interviews to the CEO and Finance Manager the case company and author's personal observations.

The interviews were conducted personally in January 2019 at the Carisa Travels office in Helsinki and it last approximately 25 minutes each. The interview consisted of 14 questions to the top managers of the case company. Questions were prepared on the authors personal observations. The case company was selected, because of the personal interest of the author, since he was working there from May 2019. The interview questions are concerned on the organizational and management activities implemented in the case company. All the answers were recorded by author. After that author prepared a table with the bullet points of the respondents answers. This gave the author opportunity to get insights about the management and organizational activities of the company. As a result, all three respondents pointed that the company is facing a problem with the operational, marketing and HR managements. As well as the organizational structure of the company is not clear for the employees since the instructions to employees of the company came from all three managers, and sometimes some activities were duplicated and not effectively implemented, due to the lack of the communication between managers and control over the employees work. Marketing functions are implemented by all three top managers, however they are partly involved in the marketing of the company. Since the essential functions of marketing are not fully implemented in the case company.

Analysis was made about six aspects. In the first part the author analyzes the existing organizational structure and identifies the limitations of it (such as lack of marketing department). In the second part, he presents findings on how the work with the personnel is done. In the third- and fourth-part company strategies and marketing activities are analyzed based on the interview with top manager of the case company, since they partly were responsible for the marketing. A SWOT analysis of the case company is summing up the strengths, weaknesses, opportunities and threats of the case company. This gives a clear picture of the current market situation of the company. Finally, an analysis of the competitors in the local market is also provided.

3.1 Case company's current organizational structure

The purpose of this chapter is to conduct a detailed analysis of the organizational structure and functional responsibilities in the case company. This section assesses the conformity of the existing organizational and functional structure. Also, identified duties of each employee of the company. The company is headed by a general manager. He organizes the work of the entire team, bears full responsibility of the company and its activities. Figure 7 presents the organizational structure of the Carisa Travel.

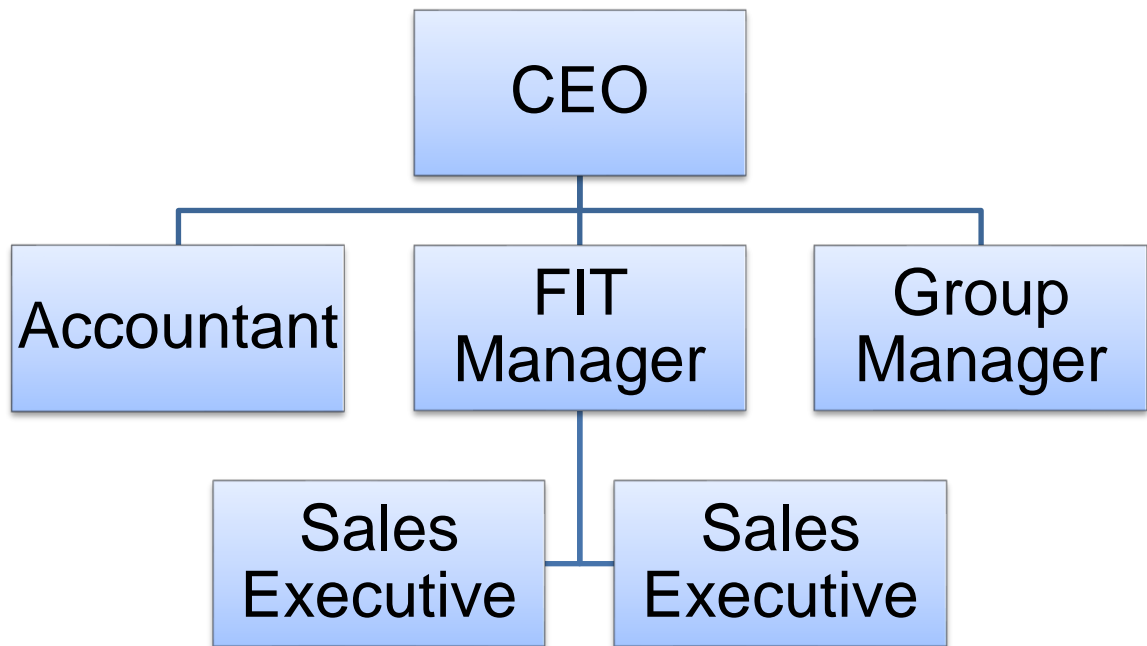


Figure 7. Current organizational structure of Carisa Travel Oy

The organizational structure of the case company cannot be called functional, since there are no functional departments or program-targeted units, such as marketing, finance, supply, personnel, accounting, production, etc. Existing organizational structure is flat, since there is only one management level and the CEO, who directly subordinates to all employees of the company. Flat organizational structure is characterized by a small number of management levels and a wide scope of authority.

Due to the small size of the company, it is difficult to determine the level of centralization or decentralization. The company at this stage combines both levels in its activities. The centralization of the company is expressed in the CEO's control over all operational decisions made by employees and the fact that he can influence the made decisions. A key decision is also made by CEO of the company. At the same time, the company is decentralized due to the importance, quantity and consequences of decisions made by managers. In this organizational structure the CEO of Carisa Travel combines his and subordinates functions.

Information about responsibilities of Carisa Travel's employees based on internal documents provided to author by the CEO of the company. Findings are presented below on table 2:

Table 2 Responsibilities of employees of Carisa Travel

CEO	Accounting Manager	FIT Manager	Group Manager	FIT Sales Executives
<ul style="list-style-type: none"> • Performs all key company processes • Concludes contracts with suppliers • Partly engaged in marketing • Staff recruitment • Tour organization • Solves operational issues during tours • Processing clients enquiries • Sending quotations • Financing and investment of new projects • Development of new tour products and tour destinations 	<ul style="list-style-type: none"> • Payment of the bills • Payroll • Monitoring and analyzing accounting data • Managing daily operations of accounting department • Performs basic functions of human resource manager 	<ul style="list-style-type: none"> • Tour organization • Solves operational issues during tours • Processing clients enquiries • Sending quotations • Organization of the tours • Tour Guiding • Development of new tour products for individual travelers • Development of new destinations 	<ul style="list-style-type: none"> • Processing clients enquiries • Sending quotations • Organization of the tours 	<ul style="list-style-type: none"> • Processing clients enquiries • Sending quotations • Organization of the tours

According to the interview with CEO of the company and theoretical research in second chapter of this thesis author thinks that the existing structure of the company does not meet the current goals and objectives of the company and this is a significant obstacle for on the further development of the company. The company does not perform several vital functions, which resulted in small amount of functions conducted by the employee and a lack of growth in the client base.

The existing organizational structure was analyzed based on the actual separation of rights and responsibilities, which has a discrepancy with the employees' rights and responsibilities. Therefore, when analyzing the organizational structure, the opinions of company employees and personal observations were considered. While analyzing the organizational structure of the company, based on the theoretical research author considers that the effective management structures must meet the following criteria was considered:

- Each employee must have specific responsibilities
- Delegating responsibilities, it is necessary to delegate responsibility for their implementation, control is not delegated
- When delegating duties, it is necessary to provide the employee with sufficient resources and authority

Analysis of the existing structure was carried out in following bellow directions:

- Fulfillment by employees of management functions required for the successful operation of the company;
- Existing information and communication links between employees.

Based on the interview with the top managers of Carisa Travel the company does not completely fulfill several functions such as operational and marketing planning, comprehensive research, collection and analysis of internal and external marketing information, financial planning. Several functions are not fully implemented, such as staffing and customer acquisition. There is also no clear separation of hierarchy levels. There is no work process control system within the company.

Based on authors observations, the company has insufficient manageability. Guidelines are not implemented in a timely manner. Some decisions are made haphazardly and are a late response to the existing situation. Thus, the existing organizational structure of management does not allow to effectively manage the enterprise.

3.2 Human resources in the case company

The purpose of Human Resource management is to achieve a determined level of efficiency of personnel activities while minimizing costs. Search, selection and hiring of personnel is mainly carried out based on personal contacts and connections. The company has developed and operates a system of material incentives for staff in the form of a system of bonuses based on work results. Staff training to improve the skills of employees and the quality of work performed is not carried out systematically. The human resource department in the organizational structure of the company is missing; these responsibilities are performed by the general manager of the company. This is due to the fact that the company has not felt yet the need for professional implementation of

HR management functions, since it was at the initial stage of its development. (Pender & Sharpley 2005: 86)

Work with staff is minimized and consists in the development and adjustment of the motivation system, payroll, staff selection. The company has an obvious problem with the staff: poor regulation of staff work, hence the lack of knowledge among some employees of their job descriptions, duplication of functions by various employees, and different workloads. Job descriptions should be created for each position. This also allows to distribute job responsibilities between employees, clearly define the functional relationships of the employee and relationship with other specialists.

3.3 Strategic management in the case company

Carisa Travel Group is a young company, because it exists in the market not for more than 3 years. Typical for young companies is the lack of an element in the organizational structure whose main task is to develop and evaluate company's development strategy. Usually, in small and relatively recently created companies, the strategic development functions are performed by the owners of the company. This situation is also existing in Carisa Travel Group.

According to the interview with CEO of the Carisa Travel Group the strategically important goals of case company are:

- Providing high quality travel services
- Attraction of new clients
- Utilization of the existing client data base
- Marketing company
- Opening new offices in other countries

To successfully achieve these strategic goals, the company is focusing on:

- striving for a stable market position by identifying and promoting competitive advantages.
- the possession of highly qualified, motivated and loyal managers and staff;

- manufacturability of all types of activities, optimal and regulated business processes;
- full informational support of the activity.

According to the CEO the key success factors to achieve strategic goals are:

- High motivation of staff to achieve results, tasks
- The use of modern technology.
- Good company reputation among customers
- The quality of the services offered.
- Highly qualified staff.
- Developed technologies for collecting and analyzing market information.
- Availability of complete market information.
- Availability of financial resources to solve new problems.
- Clear financial accounting of income and expenses.
- Highly qualified management staff.

Strategic planning for the company is important, however, it does not guarantee that the company will be in the aimed position in the future. Strategic planning strains the company on the particular way of the development in order to achieve aimed goals.

3.4 Marketing in the case company

To get familiar with the organizational structure of the marketing service, this company is not the best to consider, since the management of the company cannot allow the creation of an entire marketing department. Therefore, one employee is engaged in marketing processes of the company. He is responsible for advertising on social media, in newspapers, as well as on the Internet. In other words, he conducts basic marketing activities within a company. Which is not enough for stable development of the company in the current highly competitive market.

As a result of the lack of effectiveness of marketing activities, the company works according to the scheme developed in past three years, without studying the market,

without adapting to changes in the market environment, without monitoring the changing needs of consumers. Lack of marketing can harmfully affect company's performance. Most likely soon the company will not be able to compete with other companies which has the developed marketing strategy for analyzing the market and the advertisement of own products.

The author or the thesis believes that the current management strategy is not right. The marketing service should consist of at least several representatives for more detailed study, analysis and other marketing research. Company's products and offers should also be well presented and advertisement should be delivered to the correct group of people.

Based on the interview with CEO, disadvantages of existing marketing strategy are

- lack of customer data base analysis
- lack of information on the position of the company on the market.
- lack of the company and its products advertisement

The organizational structure of Carisa Travel has a drawback: the lack of a marketing department, which makes it difficult to conduct research in the tourism market, analyze sales performance, and organize effective advertising. However, the simplest solution to improve marketing in the case company is to hire an extra employee dealing with marketing.

3.5 SWOT analysis of the case company

The author of the thesis conducted a SWOT analysis about the case company to identify the strengths, weaknesses, opportunities and threats it is facing and in order to help the management see the development needs clearer.

Table 1 SWOT analysis of Carisa Travel

Strengths	Opportunities
<ul style="list-style-type: none"> • availability of the necessary financial resources 	<ul style="list-style-type: none"> • professional advantage over competitors

<ul style="list-style-type: none"> • long-term contracts with travel agencies • professional specialists • international staff • the possibility of direct access to the eastern market • professional quality of services offered • a wide range of services and products 	<ul style="list-style-type: none"> • development of new routes. • increase in the number of tour service providers • entering new markets or market segments • the ability to attract qualified professionals
Weaknesses	Threats
<ul style="list-style-type: none"> • lack of work on the customer base • the problem of internal management • lack of marketing • no company development plan • no access to the European and American markets 	<ul style="list-style-type: none"> • growing competitive pressure • unstable international economic situation • slowing growth in the tourist market • increasing pressure on prices from buyers and suppliers

3.5.1 Strengths

One of the strengths of Carisa Travel is the availability of the financial resources. Indicators of financial results characterize the efficiency of the enterprise. The most important among them are indicators of profit, which in a market economy is the basis of economic development of the enterprise. According to data available online in 2019 Carisa Travel made profit of 64 thousand euro. Profit growth creates a financial base for self-financing, solving the problems of social and material needs of employees. Thus, profit is the important measure for assessing the production and financial activities of the company. It characterizes the degree of business activity and financial well-being of the company. The profit gives the company an opportunity to invest in a management system for the development of the company. The director of the company can decide where exactly it is necessary to invest money in marketing management, staff training or the creation of new tourist destinations. In any case, the improvement of any of the above management systems will enable the company to compete in the services market. (Daft 2015: 507)

For last three years of work in the tourism market, the company managed to gain the trust of foreign travel agents and concluded long-term cooperation contracts. It is important for Carisa Travel to receive orders for services that ensure its work for a long period of time. In turn, the company's clients receive lower prices for services and products. Long term contracts with travel agencies provides the company with a constant flow of tourists and also allows to calculate estimated profit at the end of the year. This gives the company advantage to develop an improvement plan for the next year.

According to the second chapter of this thesis professional staff has a big influence on the organizational and management structure of the company. Since the basis of the company is staff who perform all management functions and work with the customers. Employees of the company studied in fields of management, business and hospitality. While providing a service to the clients of company, staff is ensuring the quality of the service. Currently Carisa employs people from different countries, which allows company to communicate with suppliers and clients on their own language.

According to authors work experience and observations Carisa Travel is providing good quality services. While planning the tour program for the clients staff is paying attention to quality of all single details of the tour package such as meals in the restaurants, comfortability of the transportation, professionalism of the guides and the hotels. All this is aimed at making the company's customers feel safe and relaxed during the trip. Also the client of Carisa Travel can find different types of tours, activities or excursions. Since in many Scandinavian and Baltic cities company developed certain tour programs for different people with different interests. (Carisa Travel 2020)

3.5.2 Weaknesses

Customer base for any travel agency is an important part of the activity. It is difficult to underestimate this element because without customers travel company does not have the opportunity to sell its tours. It is also important when company needs to notify customers about the release of a special offer, which could be interesting to a regular customer. As in any other business, regular customers for a travel company are main wealth, and it is necessary to work on the customer data base.

According to second Pender & Sharpley (2005: 111) marketing management is one of the important functions of the travel company activity. Without marketing research and advertisement company will face with a problem of selling its products and services. Also the marketing communications gives a company an opportunity to communicate their potential customers through the advertisements. Importance of the effective use of the marketing is the ability to deliver the information to the right customer. Lack of advertising leads the case company lose its potential customers and winning position in the market.. The company currently does not understand the needs and expectations from the tour of the clients. As well it does not promote its products in the Asian market. The management of the company needs to develop a marketing strategy for promoting the company's products, to make the web site much more convenient for users to attract new customers. Company needs to invest time and money to advertisement in order to increase recognition in the tourism market. In the market of growing competition, case company also needs to create the development strategy (plan) and follow it to grow

In order to succeed in the tourism market and achieve set goals company needs to have the development plan. Development plan does not show exact position of the company in the market after certain period. However, it indicates the direction where company need to move to make improvements as in internal management as well as in the marketing and sales.

Currently company does not have the access to the European and American markets in order to sell their products. According to WTO (2019) in 2019 Europeans and Americans were in top 5 of traveling nations globally. Therefore it is necessary for the case company to develop the strategy on entering these tourism markets.

3.5.3 Opportunities

Development of new routs will attract customers with different needs. Some travelers love to go on the sightseeing tours, another to the relax in the rural area, or do the active tourism as hiking. Therefore company can focus on the different types of travelers, and try to develop unusual tours for the customers with different needs.

The big variety of service providers is beneficial for the travel company, because the prices, service quality and types can be compared. And based on the analysis company can identify supplier with better products. As well company will be able via combination of the services provide different type of tour packages to their customers.

On the way of the company development company will face with the problem of lack of the qualified staff to cover particular areas of management. Therefore it will need do hire the human resource manager who will conduct personell select, hier and training processes within a company. As it was mentioned in second chapter employee for travel company is a crucial element in order to achiev set goals. Therofre company superior managers need to pay hig attention to this.

Entering in the new markets of travel industry is one of the essentials to increase the number of the customers. Comapny will be able to promote itself as well as its products and services in foreign markets. This will increase the brand recognition and strenghten the companys competitive position in the domestivc market. Which generate the profitability of the company.

3.5.4 Threats

Tourism industry depends on a various economic factor. Such as depreciation of the national currency, leading to a decrease in the purchasing power of, as a result, to a decrease in demand for tours. Also increase in unemployment and a decrease in wages, which lead to a decrease in the solvency of the population; therefore people will spend money on the purchase of essential goods, and tourism becomes an unachievable luxury product. Tourism according to Maslow's pyramid of needs is not on the top of needed activity for the people. With an increase in income, people will get more money to finance the life needs, also this increase the demand for tourism products and services.

One of the essential parts of choosing Finland as a destination country for traveling is the price. Finland among other European countries is one of the expensive for tourism. Author based on the internal information analyzed the prices of the suppliers of services

and the company's tour prices. In past three years prices are increasing from 10 to 15 percent. In authors opinion soon Finland will be the country of the high prices for tourism and only rich travelers will be able to visit. Which leads to the slowing of the growth of travel industry in Finland. According to Ministry of Employment and the Economy of Finland (2020) it is developing new air and road traffic links with the cheaper prices in order to attract people.

4 Recommendations to the case company

In this chapter the author proposes recommendations on how to improve organizational and management structure of the case company. Recommendations are based both on the theoretical research and on the analysis of the primary data of Carisa Travel Oy-

4.1 Recommendations to improve the HR

Case company does not have a clear organizational structure, and this causes many problems in the field of human resources management. According to the interview with CEO of Carisa Travel the main problem is the lack of personnel services, as well as a HR manager. It is necessary to highlight several areas for human resource management, the implementation of which will bring the company a positive effect:

- Creation of job descriptions regulating the work of staff.
- Development of an effective motivation system using a variety of methods of material and non-material incentives for staff.
- Building an effective system of search, selection and hiring of employees
- It is necessary to increase the interest of employees in their own effective work and in achieving personal results of work.
- Improve the professional level of employees. (Daft 2015: 18,33)

Motivation of staff is important and they need to be encouraged effectively fulfill their duties in order to achieve the goals set by the company management. As Pender &

Sharpley (2005: 92) suggest, the following could be done in the case company to motive employees better:

1. Increase the number of trainings

Trainings of various software such as booking engines, internal system are crucial in order to increase efficiency of work. Especially for tour reservation specialists, as young specialists are forced to deal with complicated reservation systems on their own or with the help of colleagues. Then company can expect an increase in profits, as well as cost savings that could be in hiring new employees with the necessary qualifications.

2. Organize advertising tours (Familiarisation trips) for agency employees (as an incentive).

This is important for sales workers to understand the product they offer to the client. Today via using internet and google maps sales managers can easily understand the features of the tours such as route, entertainment, hotels and etc. However, fam trips will give detailed information about each element of tour package. Thus, the company can expect increase in sales.

3. Supplement the official website of the company with a specialized section for internal use, where all employees will be able to express their proposals for improving the work of the agency.

Every employee daily observes certain features that have potential value for defeating competitors. When an employee is informed that he is considered as the source of the most important information in the competition, inspiration comes to him. The employee needs motivation. This creative project will allow company management to receive useful tips almost free of charge, as well as provide an opportunity for talented people to realize themselves. For the most successful proposals, company management can reward employees financially. Thus, this event will motivate employees and also it will save money and increase profits.

4.2 Recommendations on improving marketing activities of the case company

Marketing provides not only effective satisfaction of market needs, but also the success of the company among competitors. However, increasing competition leads to the need for the early implementation of the basic elements of marketing in the practice of a travel company. (McCabe 2009: 5)

Currently Carisa Travel Group does not apply marketing management in its activities. The company needs to create a marketing department that will be engaged in promoting the company and reach its goals. The author of this thesis feels that creation of such a department will increase the company's recognition in the market, thereby stimulating the growth of customers and profits. Also, when building competent marketing policy, the company will be able to take a leading position in the market of travel services.

Based on analysis of the case company in third chapter the implementation of the following marketing activities on daily base will help the company to succeed in marketing:

1. Establishing customer relationships

It is necessary to create a database of existing customers. The database will allow company to analyze the needs of customers and directly communicate with them. Send monthly emails about the new destinations, tour products and services.

2. Market Research

For a successful growth in the market, a travel company must monitor the conditions of the tourism market and timely modify existing or create new products and services. It is necessary to conduct marketing research to study specific situations in the market. During the research company determines its capabilities in the market and the problems that arise. During the research marketing manager needs to focus on analysis of the market share, determination of market characteristics, sales analysis, competitors' products, short and long-term forecasts, studying the collected market information and testing products.

3. Own website

It is important to have modern website. This is a business card of the company, where potential customers can find information about company, activities, products they sell, information about their partners, also feedbacks of the current customers. Through website marketing manager can track the visitors. The collected data will give information about user behavior – how they found the website, what pages they visited, how long they stayed on certain page and etc. Also, the design of the web site should be simple. Nowadays most successful brands have minimal website design with clear navigation, that makes visitors finding information easy. The web site should also contain links to the third party which sales company's product, as well social media profile links should be clearly visible. Since in modern world people share their experience on used product via social media platforms.

4. Social Media

The use of various tools for promotion in the social media allows business to effectively communicate with potential and current customers of products and services. Company will be able to deliver information about new tours and services to the right customer via using benefits of social media. It also solves other important tasks, such as increases brand recognition, builds loyalty among the audience, helps to line up with competitors, increases the volume of sales etc. Moreover, social media marketing techniques are more effective tools than traditional advertising. Indeed, information on social media is spreading with incredible speed and there is no more suitable and effective advertising than the recommendations of friends, acquaintances, or recognized experts in a particular field.

5. E-mail marketing

E-mail marketing is one of the most valuable tools that business has. Company needs to have a form for a subscription for the newsletter. Via this form business get permission of the person to send the newsletter. Business gets an opportunity to invite visitors into its inner circle, connect with the potential customers again and at some point, to turn them in a valuable and permanent client.

6. Blogging

A company's blog is a platform with which you can share information with audience, as well to attract new visitors to the company's website. Some visitors can be converted into

buyers. Blogging combined with social media activity is a reliable way to build a loyal audience around the brand. To achieve this goal, quality must be a priority - large articles that cover the topic of the advertised product, in order to cover the queries that interest people. A blog can be created on the company's website as well as on a page on social networks. The blog enables the company to attract new customers, to inform about the appearance of new products and also direct contact with the audience.

The author of the thesis is convinced that companies in travel industry need to focus on their marketing strategy. The strategy should be flexible and adaptable to changes of the market. Marketing manager must have up to dated information about market needs and competitor offers. Thus, will lead company to the successful growth, and competitive place in the market.

7. Participation at travel exhibitions

ITB is one of the biggest international tourism exhibitions which takes place in Berlin, Germany every year in March. According to ITB-Berlin exhibition it is annually visited by more than 170 thousand visitors, including 108 thousand trade visitors, and its participants are 11 thousand companies from 180 countries. The exhibition covers all offers of the tourism industry such as tour operators, travel agencies, tourist destinations, airlines, hotels, car rental companies. (ITB 2020) Presence of Carisa Travel with its products and services on such an event gives an opportunity to the company to expand the number of the customers as well as the partners. Also small travel companies as Carisa Travel can study the travel markets and product of other companies, share their ideas on the development and growth of the company. The company can make a favorable image, since the participation in the exhibitions, especially large and international, is viewed extremely positively by both business partners and potential clients of the travel company. Presenting company's new products, services and destinations on this event, will give a chance to directly communicate with the end customers and get instant feedback on the presented products.

4.3 Recommendations for improving management efficiency.

In order to optimize the work of case company and improve the management efficiency, company needs to focus on basic management principles and implement them in the operational work. In order to improve administration management, CEO of the company should delegate part of his duties (such as tour planning, operations, processing client's enquiries and sending quotations) to the employees of the company. Then CEO will get free time to focus on the strategic planning, development of the company, competitor analysis, cooperation with clients and suppliers.

In order to improve the financial management, company needs to determine which products bring more profit. It needs to minimize the costs of the tour packages and products in order to increase the profit and analyze the financial activity of the company to identify items of expenditure that can be minimized. In every tour planning, travel agency needs transportation. Therefore, the company should analyze the offers of all transport companies available in the market in order to determine the most affordable price. Quality and price ratio is important.

Company needs to improve the quality of the offered products and services on a daily base. This requires the communication and agreement with the suppliers on changing the price policy towards increasing the number of sales. However with quality of the services should not suffer from the price reduction. Quality is the main component of the overall product. Customers are looking for the cheap products with high quality. The competition in the travel industry is high, and therefore some clients might go to the competitor, if the quality of services provided are low. Therefore, case company needs to provide products with high quality at reasonable price.

4.4 Recommendations on software improvement

In order to improve the speed of the office work, company needs to get the software for the travel agencies. The current software for tour planning, does not cover the needs of the company. It has a difficult interface and employees spend a lot of time in order to create a tour. Since the efficiency of the workflow is very important in tourism the author

compared the software for tour operators which are available in the market and proposes the case company to choose the Nitro TS. This software is made for travel companies by the former employees of some travel agencies. Therefore, the people, who worked in the travel industry proposed to programmers the ideas and tips how the professional program needs to be. Combination of their experience is the Nitro TS.

Based on the experience of using of beta version of Nitro TS, author identified its following advantages

- All documents (such as contracts, offers, menus etc) can be stored on the cloud service
- Quotations and tour programs can be created in few minutes.
- Bookings of the services can be done from the software.
- Software notifies user about upcoming bookings, tours, cancelation deadlines and payments

Based on the author's experience all above listed advantages of the software for travel companies are curtail since it saves a lot of time, increases efficiency and reduce the mistakes in the operational work of the employees.

4.5 Recommendation to implement a new organizational structure

Based on the analysis in the previous chapter, a change in the organizational structure of the case company is recommended. With current organizational structure, management and the employees are involved in same work processes, such as sending quotations to the clients. Managerial staff of the company should concentrate on the more important processes of the company such as strategic planning, marketing, control of the overall workflow in the company. Otherwise the company will be stuck on the level of the small enterprise and will lose its opportunity to grow. Due to the competition in the tourism market, competitors will overtake the case company in growth and expansion process. Then it will be difficult for the case company to regain its former position in the market, which may lead to bankruptcy.

The current organizational structure of the company could be kept, however, with some minor adjustments added, such as creation of marketing manager position within company. The duties of the employees should also be revised. Recommended organizational structure is presented in figure 6.

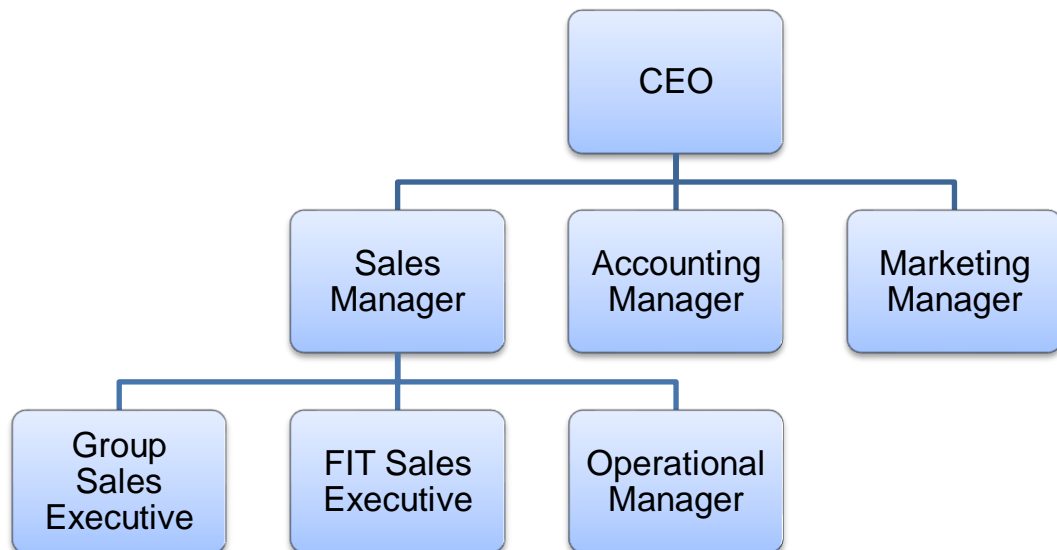


Figure 6. Proposed new organizational structure for the case company.

CEO of the case company should focus on the organizational work, strategy planning, work with suppliers and key clients. FIT manager will control sales activities in the company. Recommended job title is Sales Manager. Therefore, he should focus on the tour planning, development of new tours and products, development of the customer database, attract new clients. Sales executives' work duties will be narrowed. Now one of them will be responsible to process queries of individual travelers (FIT) and another one will process queries of the group travelers. Therefore, it is suggested to them to revise the tour packages and products they have at the moment, change the prices, minimize the expenses in order to attract more clients.

Group Sales managers' duties will be changed. According to the new organizational structure he will be in the position of the Operational Manager. He will create the tours, organize tours sold by the sales team, and control all processes regarding the tours.

Marketing manager will be a new person to join a team. Marketing is a necessary tool in the development of the company. Because currently sales team of the company explores tourism market blindly without any orienteers. Via conducting marketing research, analyzing the needs of the potential customers, analyzing the key competitors' offers and product sales team will get the exact direction where they need to move to reach all settled goals of the company on the way of development.

5 Conclusion

The choice of the main directions of organizational development is an important stage in the development of any enterprise. The efficiency of the management system and the functioning of the entire company depends on the rational composition of the divisions of management, their relationship between themselves, and interaction with subordinates.

The objective of the thesis was to analyze Carisa Travel's organizational structure and management practices that it implements in operational work to propose recommendations on improvement of operational activities and to the same size companies in the tourism industry. The study began with a theoretical research followed by analysis of the interviews with Carisa Travel's managers. The analysis was carried out on all the main management subsystems: marketing, human resource management, staff motivation, identified management strategies. SWOT analysis of the company was presented. The analysis made it possible to identify the shortcomings of the existing system of organizational development of the company and determine the possible directions of changes.

Author identified challenges that small travel companies facing in their operational work, such as organizational structure, problems with the human resources management, marketing and the planning management. According to the analysis in third chapter, the most suitable organizational structure for the small companies is linear structure. Where authority is concentrated on CEO of the company, who is conducting the control functions on activities of employees. While creating the organizational structure its

necessary to clearly identify relationships and connections between employees and units of the company.

In order to increase competitive advantage and improve the organizational structure, company need to pay primary attention to the planning. Planning is the management activity that helps the company to reach its goals. Planning will not guarantee company the position where it will be over a certain period, it shows the directions for the company to improve its current situation. Before creation the development plan company needs to analyze its current situation, identify its goals, strengths and weakness. Then all actions in order to achieve the goals should be clearly identified and written, with the consideration of the strengths (which will help to develop) and weakness (the areas that need to be improved). In the planning it is also necessary to consider the management functions of the company such as HR, marketing, finance, administration.

Some travel companies on their beginning stage do not pay necessary attention to the human resource management. CEO of the small company tries to combine HR functions with its primary duties. However, this is a wrong approach. Since in the tourism industry employees play important role in the successful development of the company. They have the direct communication with the costumers; therefore, the employees have to be well-educated and has a good motivation on what they do. These factors play an important role on the company development. Based on the theoretical analysis author believes that to get the maximum efficiency from the employees management needs to clearly explain their duties and responsibilities, company has to increase the professional and educational level of the workers, via trainings and familiarization trips in the. According to Maslow in order to get from the employee high efficiency, management needs to motive and encourage employees. According to Daft (2015) management should not underestimate the motivation of the personnel, since it is increasing the efficiency and the responsibility on performed activities.

Creation of the effective organizational structure with the clear relationship between employees, management, as well as the information flow and the authority distribution within the structure are an important tool to compete in the tourism market. Administrative work and organizational structure influence on internal operational work of the company. It is important to deliver information and task to employee clearly and quick because the

efficiency and the rapid response on the customer's queries increase loyalty among their clients. After conducting analysis of the existing organizational structure and the responsibilities of the employees of the company, author proposed in fourth chapter recommendations on improvement.

Small travel companies need to focus on the financial management in order to decrease the costs and increase the overall profit. In order to reduce costs, company need to focus on work with their suppliers. Travel company need to analyse the market and find the most affordable prices for the service they mostly use. In return this will increase the competitive advantage of the provided products and services, since the price will be lower than competitors.

With the support of the marketing measures company will be able to easily stand out from the mass and deliver its product and services to the right person at right time. In order to differ from the competitors small travel companies, need to analyze the current situation in domestic market, identify key competitors, analyze products and services they offer. After implementation of the research all collected data needs to be analyzed and marketing manager come up with the plan on improvement. In chapter four author recommended to improve and pay attention on the social media marketing and web site design. In modern world people get used to do everything via their computers or phones, starting with shopping of the groceries to buying the real estates. Therefore, author thinks that the travel agencies need to go with their product directly in customers' phone and computers. It is also important to attract customers with the advertisement in order to make them purchase services or product.

According to findings about tourism industry in Finland, government supports small companies in Finland. As well via VisitFinland government promotes Finland as a tourism country on the international exhibitions. These helps the local companies to sell their products and services in international tourism markets. Finland is a unique country with its nature, islands and lakes; therefore the interest of foreign tourist is growing yearly. This will motivate all companies in tourism industry of Finland to make continuous improvements and developments of the services, products and tours, in order to attract more tourist in the country. As it was mentioned in second chapter tourism industry brings

more funds in the country, supports the economic growth and decreases unemployment rate.

Of course, the decision to implement the recommendations given in this thesis will be made by the owner of the travel company. However, in any case, it can be argued that the Carisa Travel company reserves to improve its performance and one of these reserves is the further development and implementation of recommendations resulting from the analysis.

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Appendix 1:**Interview questions to the top managers of the Carisa Travel**

1. Which position you are holding in company?
2. How long have you been working in this company?
3. Describe your primary duties.
4. Are you satisfied with the work environment in company? What you would change?
5. How the work with personnel is conducted in the company? What can be improved?
6. How management of the company motivates staff in order to achieve set goals?
7. What is the strategy of the company?
8. What are the goals of the company?
9. What marketing measures are implemented in the company?
10. What else company can implement in order to improve marketing activity?
11. What are strengths and weaknesses of the company?
12. What do you know about organizational structure? What is the current organisational structure of the company?
13. Who are competitors of the company?
14. What you think should be changed in company organizational and management structure to grow and develop in tourism market?