Control and commitment in corporate travel management

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A B S T R A C T

This paper examines the practice of corporate travel management, using an analytical distinction between managerial strategies based on control versus commitment. Control-oriented strategies use formal rules, surveillance and sanctions, whereas commitment-oriented strategies encourage employee involvement, responsibility and self-control. The study draws on interviews with travel managers and analysis of travel policy documents. Elements of both control- and commitment-based management were identified at all stages of the business travel process – when a decision to travel was taken, when travel and accommodation were booked, and after the trip – but to varying extents in different organizations. The balance between control and commitment was influenced by both internal and external factors. With regard to internal factors, organizational hierarchies and the professional status of both travel managers and travelers played an important role. Senior management support and corporate culture also had an impact. External factors were mainly related to the business travel market. The 'hybrid' character of this market, the pricing and marketing strategies of important suppliers, and the services provided by major business travel agencies often promoted control-oriented travel management. The study may inspire travel managers to reflect on and refine their concrete managerial practices as well as their broader management strategies.

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1. Introduction

Business travel has increased considerably over the past few decades. Globalization has brought about geographically expanded markets, global production chains and growing numbers of geographically dispersed multi-unit companies. These developments, together with organizational trends such as work in internal project teams and intense inter-firm cooperation, have increased the need for face-to-face encounters between employees working in different locations, and thus the need for travel. In parallel, improved infrastructures for mobility and the deregulation of air traffic have further fuelled the growth of business travel (Aguiléra, 2008; Beaverstock, Derudder, Faulconbridge, & Witlox, 2010; Doyle & Nathan, 2001).

As growing numbers of employees travel for business, travel has become an issue for management. Large work organizations today often employ travel managers in order to implement efficient routines for their business travel (Holma, 2009; Lubbe, 2003; Mason, 2002). These practices have been subject to a certain amount of research in the fields of tourism and marketing management (Davidson & Cope, 2003; Gustafson, 2012a; Holma, 2009), but the organization of travel also involves employee relations and internal managerial control. One task of the travel manager is to make sure employees follow a set of corporate rules or guidelines when they travel. Previous studies indicate that this is a difficult task, partly because of the working conditions

and professional status of frequent business travelers (Douglas & Lubbe, 2009; Mason & Gray, 1999). This paper takes a more systematic look at the strategies and concrete managerial practices employed in corporate travel management.

The theoretical starting point of the analysis, derived from research on human resource management and work organization, is a distinction between two main types of managerial strategies: control-oriented strategies based on formal rules, surveillance and sanctions on the one hand, and commitment-oriented strategies based on employee involvement, responsibility and self-control on the other (Arthur, 1994; Boselie, Paauwe, & Richardson, 2003; Walton, 1985). Arguably, this distinction provides a useful tool for analyzing and understanding how travel is managed in organizations with designated travel managers. The purpose of the paper is therefore (1) to examine the practice of corporate travel management, with an analytical focus on the elements of control and commitment in the management strategies pursued by travel managers, and (2) to identify important factors behind the use of different management strategies.

The next section sets the theoretical stage for the study by reviewing existing literature on control and commitment. Then follows a section about corporate travel management and a description of the data and methods used in the study. In response to the dual purpose of the paper, the subsequent presentation of analytical findings is divided into two sections — one that examines the use of control- and commitment-based strategies in current travel management, and one that seeks to understand and explain these strategies. The paper ends with a few points about managerial implications of the study and a

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conclusion discussing the main findings as well as avenues for further research.

2. Control and commitment

In principle, an employment relationship means that the employer decides what work the employees should perform and how it should be performed. In practice, the management of employees is a complex task and may involve several different strategies. One basic distinction in this regard has been conceptualized in terms of control versus commitment. The origins of this distinction can be traced back to McGregor's (1960) writings about 'Theory X' and 'Theory Y' and other early management research (see Boselie et al. (2003), and Verheul (2003), for reviews). The first explicit conceptualization of control- versus commitment-oriented strategies in human resource management was made by Walton (1985), and later Arthur (1994) developed the argument into a description of control and commitment as two different human resource systems.

In these conceptualizations, control-oriented management strategies are based on formal rules about how employees should perform their tasks, strict managerial supervision to ascertain that rules are followed, and sanctions against those who violate the rules. Commitment-oriented strategies aim at stimulating involvement, participation and a sense of responsibility among employees, by forging psychological links between the employees and the organization. Importantly, commitment strategies do not signify an absence of control but rely on self-control on the part of the employees rather than on external control by managers. Verheul (2003, p. 18) describes this as 'indirect supervision'. From a systems perspective, conceptualizations of a control system also include a hierarchical organization, narrowly defined jobs for which individuals can be held accountable, and a strong focus on reducing costs. A commitment system, on the other hand, is characterized by decentralization, non-hierarchical organization, broadly defined jobs, and job security for employees (Arthur, 1994; Boselie et al., 2003; Verheul, 2003; Walton, 1985).

Previous empirical research on control and commitment has therefore investigated a range of management and human resource variables related to job design, work organization, employee participation, training and learning, managerial supervision, appraisal of employee performance, and compensation/rewards (Arthur, 1994; Lepak & Snell, 2002; Mélian-González & Verano-Tacoronte, 2006; Verheul, 2003). The present study, on the contrary, does not consider entire human resource management systems but rather examines elements of control and commitment in one specific field – corporate travel management – with a focus on managerial strategies for supervision.

In early writings, control and commitment were understood as radically different forms of management. They were also commonly regarded as consecutive steps in a modernization process, with control representing a traditional understanding of management and commitment representing a more recent approach, reflecting important characteristics and values of modern working life (McGregor, 1960; Walton, 1985). Consequently, companies using commitment-based strategies were presumed to perform better than those which opted for control, a hypothesis that has also received some support in empirical studies (e.g., Arthur, 1994; Heinsman, de Hoogh, Koopman, & van Muijen, 2008).

Yet these initial theorizations of control and commitment need qualification. Koopman (1991) and Verheul (2003) suggest that managerial practices in an organization cannot always be categorized as either a control or a commitment system, but will often include elements of both. Moreover, instead of simply regarding commitment as better than control, Koopman argues that they both have their pros and cons, and that managers need to find a good balance between the two rather than choosing one or the other. The outcome of this balancing may depend on a range of different factors: characteristics of work tasks and of the workforce, corporate culture and other characteristics of the organization, labor market conditions and societal values (Boselie et al., 2003; Koopman, 1991; Verheul, 2003).

In the present study, characteristics of the work tasks and of the workforce are of particular interest. With inspiration from principal-agent theory and sociological theories about work organization, Furåker (2005, pp. 76–84) argues that work involving a high degree of autonomy and individual responsibility is difficult to control by means of formal rules, and is therefore well suited for commitment-oriented strategies. Conversely, control-oriented strategies, relying on rules, surveillance and sanctions, should be more applicable to employees who perform routine tasks. In a similar vein, although from a different theoretical perspective, Lepak and Snell (1999) hypothesize that different managerial strategies are used for different employee groups, depending on the human capital employees represent. Studies by Lepak and Snell (2002) and by Mélian-González and Verano-Tacoronte (2006) also indicate that commitment-based management is primarily used for employees who, in the employer's view, represent valuable human capital. The use of management strategies may thus reflect internal hierarchies in the organization as well as broader patterns of social stratification (Furåker, 2005).

Existing research has very little to say about control and commitment in the field of business travel, which is the subject of the present study. From an organizational perspective, travel may in some cases be an expression of control, as managers or staff from corporate headquarters are sent out to faraway units to oversee their activities and ascertain whether corporate rules and standards are being followed (Faulconbridge, Beaverstock, Derudder, & Witlox, 2009; Jones, 2007). But previous research has not examined control- and commitment-oriented management in relation to those employees who do the traveling. Studies of the management of mobile employees, mostly in the field of international human resource management, have mainly investigated expatriate assignments, whereas business travel has rarely been treated in the context of human resource management (Stahl & Björkman, 2006). In most companies, too, business travel and the working conditions of frequent travelers are not an issue for human resource departments; their management is largely left to line managers (Welch & Worm, 2006; Welch, Welch, & Worm, 2007). However, when it comes to the organization and regulation of business travel, control- and/or commitment-based management may also be implemented by corporate travel managers.

3. Corporate travel management

Over the past few decades business travel has been growing considerably (Beaverstock et al., 2010; Davidson & Cope, 2003; Doyle & Nathan, 2001), and with increasing travel comes an increasing need to control travel-related costs and to implement efficient routines for travel. In response to this, the professional role of 'travel manager' emerged in the US in the late 1960s, and has since spread to other parts of the world. Travel managers are mostly found in relatively large companies, and their work normally includes: developing and implementing a travel policy; channelling all bookings through a designated travel agency; negotiating agreements with important suppliers; standardizing payment routines; collecting and analyzing travel statistics in order to monitor travel behavior; and having an ongoing dialog with travelers, senior managers and other stakeholders within the organization (Gustafson, 2012a; Jenkins, 1993; Lubbe, 2003).

The relatively scarce research that exists about travel managers indicates that they are a heterogeneous group with somewhat diffuse professional status. Some are recruited from outside the organization, often from the travel industry (travel agencies in particular); others are recruited internally and have very diverse professional