

VULNERABILITIES IN THE MANAGEMENT OF TOURISM ENTITIES

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Abstract

This theme is consistent with the opinions frequently expressed in the business environment but also in the specialty literature on vulnerability of tourism businesses. Therefore, the post-doctoral research envisages a personal approach of such issues, identification of vulnerabilities by tourism management, submitting this approach to the debate of the academic and business environment.

Keywords: tourism, offer, information, competitiveness, quality, price, facilities, vulnerabilities, alternatives, decisions, occupancy rate, management, tourism services and products

JEL Classification: H32, L20, L21, M41, Q28

1. Introduction

The development in optimum conditions of the activities in a tourism entity depends to a great extent also on the management capacity to identify and counter the vulnerabilities generated by a couple of elements. Therefore, our approach is aimed at identifying the vulnerability-generating mechanisms which, designed on the processes of development of tourism activities give us the possibility to see the ways in which management is able to act.

In order to do so, we revealed in chapter 2 the consulted specialty literature reflecting the level of expertise in this domain, and in chapter 3 we developed, from our own point of view, the way to approach the topic of vulnerabilities in a tourism entity. Finally, we sum up some conclusions regarding the specific nature of management selection and monitoring by investors.

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2. Literature review

The topic being object of our endeavor was treated in various approaches by many authors of the specialty literature.

Therefore, Rodica Minciu, in *Economia turismului - Tourism economy* (2004), treats the sizes of the tourism phenomenon, the issues related to organization, functioning and technical and material basis of tourism. She also approaches the elements determining the economic and social efficiency of tourism.

Michael Morris, in *Cum sa devii manager - How to become a manager* (2002), treats the theme of goods and services management, the issue of human resources but also the role of management in company survival.

Gabriela Stanciulescu and Gabriela Tigu, in *Tehnica operatiunilor de turism - Technique of tourism operations* (1999), debate in detail the practical activity of tourism business agents and provide models, case studies and informational circuits in tourism.

Rodd Wagner and James K Harter, in *Elemente ale managementului performant - Elements of performing management* (2009), develop issues related to what is necessary in order to be a performing manager and the essence of managerial performance.

Emil Maxim, in *Calitatea si managementul calitatii - Quality and quality management* (2007), defines the quality parameters in economics, describes the modalities for measurement of quality, for assessment and certification of quality.

Bogdan Bacanu, in *Managementul strategic in turism - Strategic management in tourism* (2009), describes the internal resources of the tourism organization and the competitive advantage, external environment and decision in tourism.

Sever Gabriel Bombos, in *Raspunderea manageriala - Managerial liability*, (2003), talks about legal, criminal, material and tort liability of managers.

3. Scientific contents

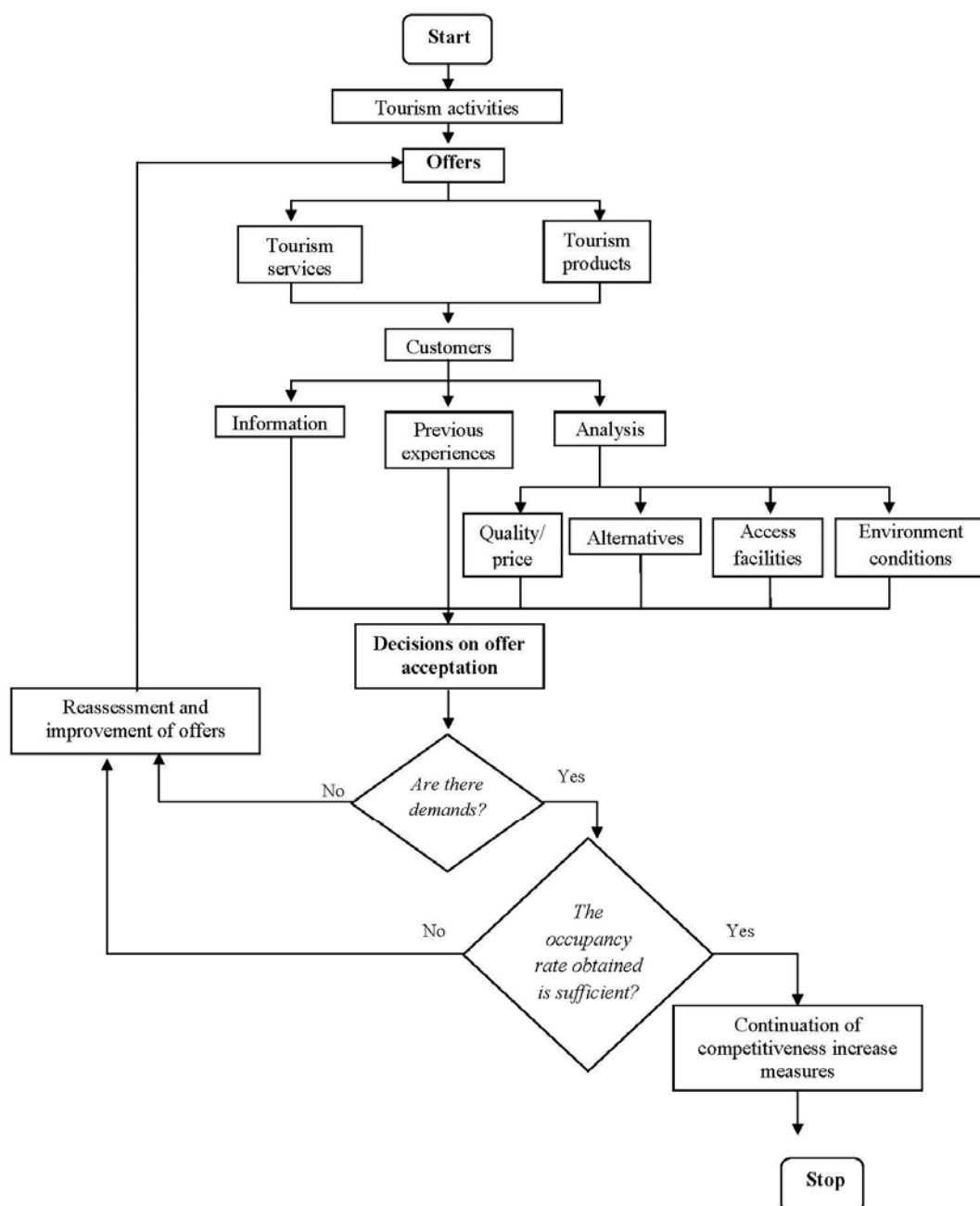
We will start in our endeavor from the controversies existent at the level of the Romanian business environment in terms of appropriateness and profitability of investments in tourism activities. In our opinion, many of such controversies are based on false premises and don't consider enough the huge potential of this economic branch in Romania. First of all, it is about the fact

that there are favorable conditions for the development of the seaside, mountain, cultural and therapeutic tourism, practically the entire Romanian territory is proper for organizing this type of business, of course taking into account certain limits we will discuss later.

Therefore, provided that the requirements in terms of the existence of capital are met, the organization and operation of a tourism entity depend to a great extent on a performing management. Such management, while carrying out its functions (prevision, organization, coordination, training and control) should take into account a couple of internal and external factors, which represent at the same time vulnerabilities. Therefore, without being exhaustive, we will consider the reference point to be the occupancy rate in tourism entities, represented under the form of logic scheme structured in Picture 1.

We notice that the offers of tourism services and products determine the customers, in order to make the decision, to search for information, to resort to previous experiences, and after that, to analyze them very carefully, from at least four perspectives: quality/price, alternatives, access facilities and environment conditions. As a matter of fact, the occupancy rate of tourism entities depends on the way in which the requirements of each potential customer are met. Obviously this issue must be considered in its dynamic, in the sense that the decisions to accept the offers depend on a continuous process of harmonization with the customers' growing requirements, but also on ensuring competitiveness on the tourism market.

Therefore, the management of the tourism entity in charge with its organization, operation and management will always face new situations, the achievement of the core goal which is profit maximization depending on their correct and proper settlement. But such situations which are permanently changing have their origin in the two environments, the internal and the external one. Therefore, starting from the hypothesis that the said management meets all the requirements imposed by the investors, in terms of targets, tasks and professional capacity, then we can say that the business success will depend, to a great extent, on the identification and counter of vulnerabilities. In order to understand it better, we explained in picture 2, under the form of a logic scheme, the main elements generating vulnerabilities for management.



Picture. 1. Logical schema version of the process of ensuring occupancy rate in tourism

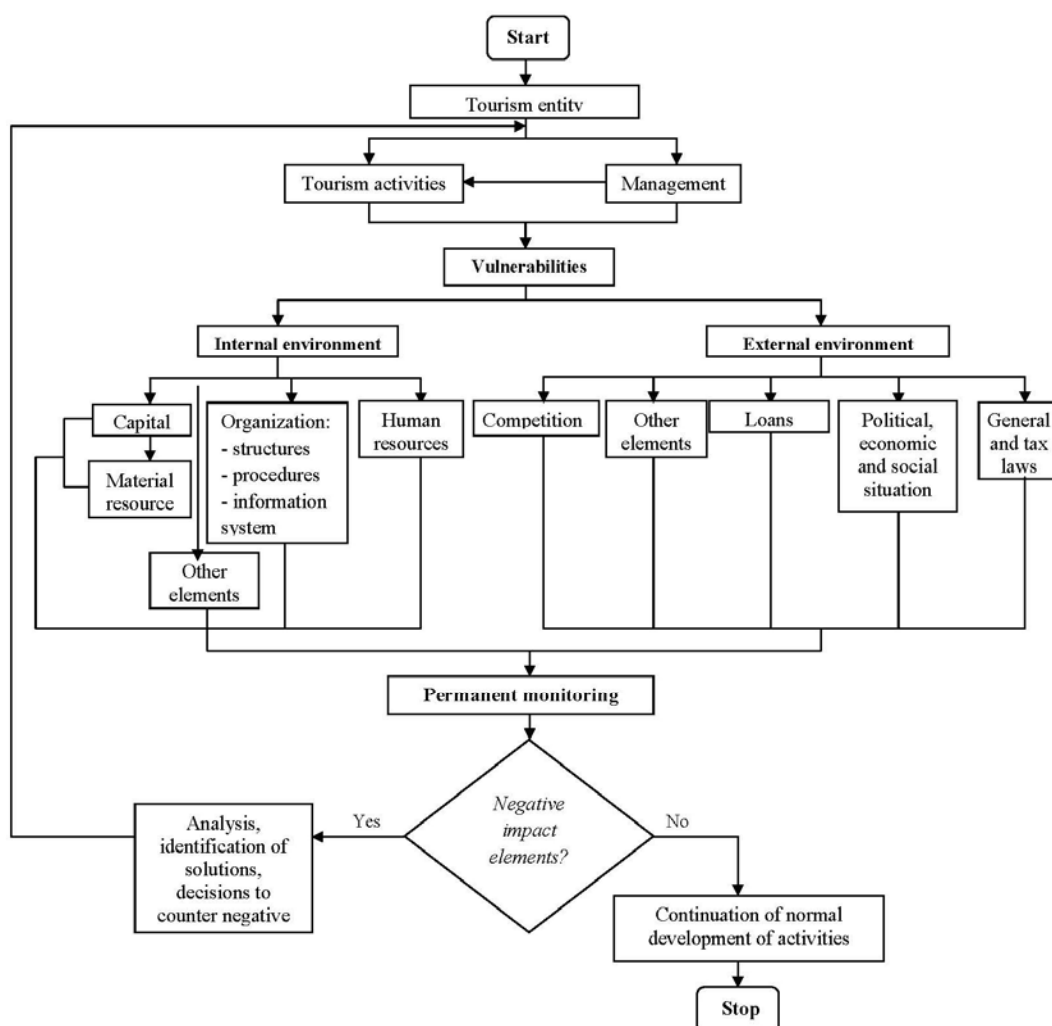


Fig. 2. The main elements of vulnerability management generating tourism entities

In terms of internal environment, the main vulnerabilities can be generated by the existence and structure of the available capital and material resources, the achievement of an adequate structural organization, whose functionality is provided by efficient procedures and by a performing information system, but at the same time by hiring personnel having a high professional training and being adequately motivated. In synthesis, management vulnerabilities generated by the internal environment can be classified into four categories: financial, material, organizational and human. From this perspective, generally valid for any type of economic entity, the management of tourism

activity will particularize for such activities each element mentioned above. Therefore, structural organization, procedural and information systems must be conceived not only in consideration of the specific character of tourism activities but on the basis of the specific character of the said entity, of the environment in which it operates but also of the available capital. According to the same considerations, the necessary personnel will be selected, hired and trained, identifying at the same time other vulnerability-generating elements. In terms of the internal environment, we can conclude that most vulnerability-generating elements can be foreseen, as they are at hand of the manager who directly decides upon them.

Things are totally different in case of the external environment. Therefore, in our opinion, competition is one of the most important elements, as vulnerability generator, which is why the management skills to have an adequate approach of the five forces of competition which form Michael Porter's model (power of suppliers, power of customers, rivalry of industry, threat of new entries and threat of substitutes), is decisive in order to ensure competitiveness. At the same time, the capacity of the entity to be eligible in order to contract loans, the political, economic and social internal and international situation and the general laws, but especially the tax laws, are also sources of potential vulnerabilities. Also, as we are talking about tourism, a significant place is held by customers' sensitivity, infrastructure (access roads, land, air and maritime), abundance of the means of transportation, weather conditions etc. These are elements which might have a major impact on the efficiency of businesses in tourism.

4. Conclusions

The management of tourism entities is permanently facing vulnerabilities, of an objective and/or subjective origin. In our opinion, unlike other types of businesses, tourism depends in a greater extent on certain objective factors, as environment and law (taxation) but also subjective, related with the customers' sensitivity, competition forces, procedural and information systems etc.

Therefore, tourism management must be more carefully selected and monitored by investors, because the errors made in the management of tourism entities have an immediate and decisive impact on customers, with the most unpredictable consequences. For these reasons it is necessary to have a professional management and also to secure the business by resorting to tax and

management consulting, in order to prevent the potential errors generated by the complexity and outage of tax laws.

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