UNIVERSITY OF TOURISM
AND MANAGEMENT
SKOPJE, REPUBLIC OF MACEDONIA

THE INFLUENCE OF TOURISM ON ECONOMIC DEVELOPMENT

Collection of papers

The Second International Scientific Congress - Biennale

27^{th} – 29^{th} April, 2011

Skopje, Macedonia

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Collection of works of the Congress
on the theme

THE INFLUENCE OF TOURISM ON ECONOMIC DEVELOPMENT

English version

Dear ladies and gentlemen,

It is great honor and pleasure to welcome you at the Second International Congress, Biennale with the theme: ***The influence of tourism on economic development****. The Congress is organized by the University of Tourism and Management in Skopje which permanently monitors the educational, scientific and economic trends in developed economies in Europe and worldwide in order to create and implement innovations which will bring us closer to the standards of the European Union.*

I am convinced that each and every one of us present will give an exceptionally high contribution to exchange information on the current scientific thought about tourism and sharing of ideas. At the congress the best practices about enhancing the business climate in the region and wider will be presented. At the same time you will have the opportunity to establish business contacts with prominent leaders in the field of tourism and management.

Thank you for your participation in the congress. I'll be especially pleased to see the next Congress.

Chancellor
Prof. Ph.D. Ace Milenkovski

UNIVERSITY OF TOURISM AND MANAGEMENT IN SKOPJE

The University of Tourism and Management in Skopje is a private university accredited in 2006 by the Ministry of Education and Science in the Republic of Macedonia.

The University is managed by the Chancellor Prof. Ace Milenkovski PhD. The University has a competent teaching staff, the most sophisticated technical, material and spatial resources. The design of the mission and vision is compatible with the world trends to ensure total management quality.

University of Tourism and Management in Skopje organizes first cycle of Undergraduate studies, the second cycle of Master Studies while the third cycle of Doctoral studies is in process of accreditation. Within the University exist and function the Faculty of Tourism, the Faculty of International Marketing Management, Faculty of Human Resources Management, Faculty of Economics, Faculty of Public Relations, Faculty of Sports Tourism, and Faculty of Entrepreneurial Business. The lectures at the faculty are conducted according to the principles of Bologna declaration with the explicit application of the methodology of the European Credit Transfer System, supported by computer software that is aimed at efficient and effective communication of stakeholders, access to information and objectivity in measuring the quality of the teaching process and the final solutions. The priority in permanently monitoring, implementing and evaluating the process and results is the direction of the University to create an effective interaction of students and teachers in order to acquire competencies, i.e. applicable knowledge according to the standards of the universities in Europe and the world. The multidisciplinary approach is a sign of the teaching process for acquiring theoretical knowledge which are assessed through the mandatory realization of the internship in reputable institutions in the country and abroad. After completing the studies, the students are trained for the competitiveness in the labor market.

An integral part of the University is the FTS travel, travel agency, managed by graduates who are leaders in creating the internship. The scientific and research activity is noted by the intensive production of the university textbooks and scientific papers, publications and a magazine which is published annually.

International collaboration is accomplished through participation in scientific congresses, symposiums and signing collaboration memorandums with renowned universities in Europe and beyond.

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TOURISM AND SPORT TOURISM

ANALYSIS OF THE DEMOFRAPHIC POTENTIAL IN FUNCTION OF TOURISM

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Abstract

Man is the prime mover of the overall social economic and political life of the entire globe and therefore he is studied from various aspects depending on the needs of what we want to obtain information on the demographic potential and its features.

In this paper, the subject of study will be processing potential through its demographic characteristics (number condition, age structure, natural increase, economic activity, religious composition, etc.) for the tourism economy. We know that the basic elements of tourism are the natural and cultural wealth that detect, evaluate and put into operation in tourism. However, it has its function, the basic factor are the people who need to visit those places, so it is very important to understand the demographic characteristics of people in every region of the globe in order to come to some understanding of the habits, needs and affinities of people depending on age, nationality and religious affiliation, etc. when choosing their travel destination.

Key words: *demographics, tourist, age structure, number of movements*

The general and in particular the technological advances of the man gave him a much larger role in the interaction with the natural environment, significantly change the relationship between nature and society. From here follows the strengthening of the impact of social geography as a scientific discipline, and this applies especially to the demographics which actually study the population. In fact, demography is a scientific discipline that examines the population as a subject of very complex spatial relations and features for the understanding and explanation of geospatial and its transformation and valorization.

The purpose of studying of the demography is understanding and explanation the dynamic components: birth rate, mortality and natural movement. In the center is their spatial-temporal interdependence causing changes and spatial differences in the number, deployment and structure of the population. However the aim of this paper is not purely demographic elaboration of these indicators, but a way how to put them in the function of tourism and to evaluate the needs of the tourism economy in the country. We know that the tourism is an activity which has the man like a general product. So in the world there are many natural rarities, archaeological and cultural heritage which represent attractive tourist destinations. The question is how and in what way to attract the tourists to see all of them. Why should we study the population across all demographic indicators (population types, and dynamics of movements, its distribution in the world, gender and age structure, natural movement, economic structure, national and religious affiliation and so-called). When we know the details of these indicators for any area of the globe, we will process all the statistical indicators and tables, and then we'll properly read them to know which elements we can use and find a target group that is interesting to be brought into our country. So the purpose of this study is through the evaluation of the demographic potential to determine the areas and regions that we need to focus our tourist offer in order for it to attract more foreign visitors in the country. Every tourist worker must know the demographics in that level that with one look of the statistical indicators and tables can come to the conclusion - which is the most interesting and the most prosperity source of tourists.

From the first resettlement of the people until today, the country's population steadily spread and changed. In some periods the man began to spread from space with the best conditions of living, to the rest of the earth's surface. But despite the universality of the human movement on the earth today there are areas that are inhabited or areas who are occasionally settled, and that mostly depends of the natural-geographic conditions. For these reasons, we can say that there are three types of population and they are called ekumena, anekumena and subekumena. Our goal is not to explain these types of population, but to see how the correlation between them changes, especially under the influence of the tourism, because we know that the “ecumena” indicates that part of the earth's surface that is constantly populated with people and the space in which acts economically and that exploits the space and make profits. The literature widely wrote about the ekumena, subekumenata and anekumenata and what are their limits and their area occupation. With the development of the science and the technology, the man went so far that we can hardly say that any part of the globe is only anekumena, because he can beat all the climate regions and act economically.

As an example we would specify that if earlier the northern boundary of the population was considered 80 º C D uh, today, at certain times of the year in the months April and May when the temperatures of air is around -35 º C organized tourist groups are taken to the zero point at the north pole by a Russian travel agency arrangements and it lasts for five days. So in a purely “anekumen” space, the man right through the tourism managed to find a way to explote it economically and to transform it into “subekumen” space. The same applies also for the Arctic, where the man managed to form permanent settlements for scientific research. Through the tourism, many uninhabited mountain areas began to be exploited economically, through the construction of ski resorts. The most extreme case is that in XXI century, even the space became a part of tourist offer and few tourists (Dennis Tito, Mark Shuttlewort, Greg Olsen) went to visit the International Space Station as individual tourists for a very high price but in the near future that space tourism will also become massive through the group flights of the agency Virgin Galaktik.

So, at the threshold of the XXI century the man advanced and created so much wealth to be able to destroy almost all the barriers and aims to journeys into space, to go down to a depth of 5000 meters and won all the deserts and high peaks.

The sizable movement of the population and its distribution in the world for centuries constantly grew and changed. Over the centuries that growth was different depending on the natural and social occasions. Today the population of the country is such that we have large imbalances in spatial distribution and in the rate of natural increase. If the average population density of the globe is 43.4 inhabitants of 1km ^{2}, we have over 900 spaces with residents of the 1km ^{2} as Bangladesh, and areas with only 2.6 inhabitants of 1km ^{2}, as Australia.

Every tourist worker when seeking a source or market of tourists would normally first sees the numerous states in each population of a tourist market. It is the basic logic of the market economy, because the supply is the greatest where there is the greatest choice. It is not the same to perform a market of 50 million inhabitants and a market with 1 mile residents. In particular country with large population will present our proposal, although the percentage acquired tourists percentage would be small in numerical terms will be greater than any smaller country with much smaller populations. (Just as an example we shall take the Republic of Croatia as one of the leading countries in tourism in Europe. There are dominating tourists from Germany and they go there annually around 1.5 million, compared to the total state population of about 82 million is only about 2%, while Slovenia, numbering about 2 million inhabitants per year in Croatia leaving about 900 thousand, or about 45% of the total population). When we talk about numerous states we should mention that today in the world there is nearly 7 billion people, but very important for the tourism is to know how it will move it in the future. According to the estimates of experts of the UN's the future population growth will take place very unevenly. This means that there will be major growth in Africa, Latin America and Asia while little growth or even declining population will have in Europe, North America, Australia and countries of the former Soviet Union, which is very negative for the tourism because these countries are the most developed and provided the largest number of tourists in the world.

So, the numerous states are the first but not the unique conditions. Furthermore, it depends whether that country is in medium environment or a large distance from the tourist offer. The spatial separation factor is very important from financial and the time point of view and there for the neighbor countries are always the most attractive for the tourists, because the travel costs and travel time are cheaper. We also need to have in mind the political situation and the relations of the two neighbor countries because they often can have same unresolved issues which represent an obstacle in the tourism market (ex. Serbia, Croatia, Macedonia, Greece, Turkey, Greece etc. where on shorter or longer period the mutual relations are encumbered with certain political disputes so that leads to cooling the relations and to a certain uncertainty for the travel of the tourists.

After the neighboring countries for the tourist market are also interesting the countries with a common past and shared history that have left traces in the collective memory of the people in those spaces, and such is the case with the countries that emerged from the composition of the former Yugoslavia. That happens because many connections and relations of the past as relative, economic, post political etc. stayed. The factor called spatial distance takes a big role so next we'll value the European countries and the overseas countries.

The age structure of the population is very important factor in the tourist offer. Knowing the age composition of a population, the tourism worker will know how and which content to put in his offer. The interest of young is different than the interest of the mature or the old population. Also these categories are very important because if it prevails the young population it has its advantages (desires for travel and entertainment), but there is a limiting factor, and it is the finances because they are mostly unemployed population. In the mature population advantage is that they are employed with income, but without enough free time and limited in the holiday season. The old people especially in highly developed European countries where the percentage is already near 15%, is a major source of tourists, especially for the quieter sort of tourism out of the tourism season and during the whole year where they can visit various tourist content. The lack of this target group is the age and the lower power to travel. When we are in the age structure of population we need to know how that relationship will move in the future.

Also very important to know is the natural population growth for long term planning and making strategy in the tourism. Through the rates of fertility and mortality we can see the natural growth and what can be expected in the coming years. From these indicators we will know for a particular area or administrative unit in the future if the population will increase and dominates the young population or vice versa. By itself it will come to the realization what structure of tourists can be expected and what content to offer.

According to the projections made by the United Nations until the 2025 the share of young population will decrease, unlike the old, which will increase. It is believed that by that year the share of young (0-19 yr.) population will be 24.5% while the old population (over 65 years.) will be 9.7% and in 2050 that relationship will change to detriment of the young population which will cover 20.1% of the total population, while the old population will climb to 15.9% worldwide. As for the developed countries that ratio will be even worse and it is assumed that in 2050 the percentage of the old population will climb to 25%. Also very important factor in analyzing the tourist market is the sex structure of population. Basically there are no major differences but they exist however. In the younger groups, the male population is dominating with 1-2%, except for China where the percentage is 12%, but in the old population over 64 years everywhere dominates the female population. Because of longer life expectancy most drastic example is Italy where the number of women above that age is double larger, which means 100 men has 205.8 women. On average in Western European countries of 100 men have 140 women. And that fact is very important because they don't have the same affinities in the elections and during the visit of the tourist destination.

The next demographic indicator is the national and religious composition that is very important landmark on the identity of each population. We should exactly know virtually every area of the globe and what its national squad is. Is some country homogenous and dominated by a single entity, is it bi-national (ex. Belgium), or is it three-national (ex. Bosnia and Herzegovina). It is important to know whether these entities belong to the same ethnic family, the same group community, and have the same religious composition. The knowledge of these elements is important for the fact that each nationality group has its own specifics, its culture, tradition a how all this is close to our ethnicity, our culture and our tradition.

The religious composition today is perhaps one of the most important characteristics of each population. Also a big impact on the social and the economic processes in many countries has the religion and its important for the bio reproduction of the population. The religious understandings are different and they can be of more than one God (animism, totenism), or with only one God (Christianity, Islam, Hinduism and Buddhism) the most. The annual visits to religious shrines are about 200 million people or ¼ of the total tourist movement in the world. Normally we need to know the spatial distribution of all these religious and their participation in percentage in each country so we can know what is the target group for our tourist offer where dominate a lot of spiritual places from the Orthodox religion. This point out that the religious tourism should be promoted in those countries where the Orthodox population dominates.

To sum up all this demographic indicators we should know the composition of the population of a given area expressed by data on economic activity, occupation and their total revenues. The structure of the active population by occupation, or the share of major sectors, is an indicator of socio economic development of the world in general, state or region. If we know that the population is put in four sectors (primary, secondary, tertiary and quarterly) it's very important to know which of them employs the majority of the population. According to the statistics in the industrialized countries most of the active population is put in the tertiary sector and quarterly and averaged over 70%, while in developing countries and least developed countries dominate the primary sector with nearly 50% while in the third and fourth sector active participation of the population is about 25%. All this is closely connected with the educational structure of the population and the total revenues, which gives us a complete picture of certain space and the economic power of the population and its ability to be participating in the tourist movements.

For the needs of the tourism is very important to know the migratory movements in the past, what is the dynamics and the direction of migration of the population, because it has great influence in the journey of the people. As an example we will show the U.S. where the most immigrants are from Europe where they dominated the English origin and the ideal life of every American is to visit the land of their ancestors at least once in a lifetime. Such is the case with all immigration and even with the huge number of Turkish immigrants in the European countries when during the summer period millions of numbers spend their vacation in the country of their origin. We can observe the same example with the Republic of Macedonia, where much of our emigrants during the year are coming to visit the land of their grandfathers and fathers. All those enter the group of foreign tourists because most of them possess the nationality of the country from which they come, but the family, the emotional and the sentimental reason dominate them to spend their vacation in the land of their ancestors more than to other destinations in world.

From all stated above we can conclude that the regions in the world which are economical most developed and emit the largest number of tourists in the future will face a reduction of the total population and in the same time will change the demographic structure which will increase the number of the old people. Each person that understand the tourism should know all these projections and indicators so he can know what can be expected and how can he guide and plan the tourism in the next period, so he can definr tha target group to which he streets the offer.

Through the structure of the foreign tourists in the Republic od Macedonia we will try to create a profile of who can be potential foreign tourist, how can we define the target group, where should we focus for attract the foreign tourists across all the demographic indicators.

Market	Visits in 2004	2009
Serbia	30 771	38 570
Greece	29 901	22 500
Albania	13 452	19 800
Bulgaria	12 156	23 500
USA	7 658	7 500
Germany	6 522	9 950
Croatia	6 828	13 200
Turkey	6 496	17 200
Slovenia	5 444	13 500

Table number 1. Visit of the foreign tourists

Market	Consumption per tourist in Macedonia	Total population	GDP per resident in USA $
USA	*18 830,00*	*306 892 000*	*47 440,00*
Germany	*9 580,00*	*82 099 232*	*40 415,00*
Greece	*8 486,00*	*11 216 000*	*15 653,00*
Croatia	*8 164 ,00*	*4 453 500*	*15 550,00*
Serbia	*7 546,00*	*7 397 651*	*10 985,00*
Slovenia	*7 411,00*	*1 950 000*	*23 250,00*
Bulgaria	*6 260,00*	*7 950 000*	*6 282,00*
Turkey	*5 632,00*	*73 000 000*	*9 356,00*
Albania	*4 090,00*	*3 091 000*	*4 000,00*

Table number 2. Individual consumption per resident of foreign tourist

To get to certain information about the structure of foreign tourists in the Republic of Macedonia we will make an analysis of the above tables. In 2009 our country was visited by 259,204 foreign tourists, who represent 44% of the total number of tourists in that year which was the 587770. It can be seen that the most of them (165,900) come from only nine countries and that 40% or 104,550 come from neighboring countries, where in all of them in total live only 30 million inhabitants. Compared to 2004 when the number of foreign tourists was 197,216 in 2009 we have a 31.4% growth, and in the countries in the tables have growth by 38%. We can also see that we have increase of the tourists from all the countries above except Greece, where we reduce the number of 7401 tourists or 25%. However, this should also be taken with caution because here are only the tourist that are registered overnight and not the daily tourists who visit the casino near the Macedonian-Greek border that has 1500-2000 people daily. As confirmation of this, is the analysis of the border crossings Bogorodica and Tobanovce where the difference in entry and exit of passengers only during the first eight months of 2010 is over four hundred thousand.

We should also mention the beginning of this article where we analyzed the demographic indicators and the numerous state that very important element is the spatial distance factor, which is confirmed by the dominance of the tourists from the neighboring countries, although the number of their population is relatively small. As confirmation of the said is that all the visits of tourists are from the former Yugoslav republics (Croatia and Slovenia), although they are not in neighboring countries the population remained in the collective consciousness tradition, friendship and family ties, etc. The same is the case with the

Republic of Turkey where we have the highest growth compared to 2004 for two and a half times, which is also related to the history of the migration process where large number of people moved permanently from Macedonia to Turkey and now manifest a desire to visit their home. In countries with most tourists still is the U.S. where most of our immigrants are again with U.S. citizenship, which is related to the migratory movements in the early and mid 20th century. And finally here is Germany as the largest European country which is also the largest emit area for tourists so a small part visits our country, but in percentage that is minor in terms of total population of the state or 0.012%.

Ultimately the question is what we can conclude from all the above said. Republic of Macedonia as a country that does not have a very strong tourist motif that is recognized around the world and would represent a prestigious tourist destination that will be difficult in the future hopes of tourists from farther home or from other continents. Our figures suggest that the focus should be directed first to the neighboring countries, then to the countries of former Yugoslavia, Turkey and possibly the former Soviet Union where the population is predominantly Orthodox offering our religious tourism, and the system of concentric circles into something distant environment. Too bad that there are no relevant statistics on the age structure of foreign tourists, but it is evident that dominate are the mature and the old population, which has its affinities and it's more focused on alternative forms of tourism, because Macedonia failed to create a tourist offer and content that would be attractive and interesting for young people from other countries.

CONCLUSION

Finally as a conclusion we can say that in the future the profile of a foreign tourist will be from the nearby environment, with not very high purchasing power (because we still do not have adequate hotel with 5 stars for elite tourists), the mature age group with relatively short time of staying, and that will show the greatest interest for the natural, cultural and religious heritage of the Republic of Macedonia, the casino tourism, and less interest for out lakes and ski centers.

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STRUMICA'S CARNEVAL IN FUNCTION OF TOURISM

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Abstract:

The tourism is a complex activity and for its proper functioning it is necessary to combine and complement many elements, starting from the tourist – geographical position, natural – geographic features, which combined with significant antropogenic values represent a monumental right combination which gives the space a real tourist and esthetic value.

Each of these components will be presented separately, and also we'll see how they affect the development of the tourism in Strumica.
The research subject of this labor is Strumica's carnival in function of tourism as one of the most impressive cultural and folklore events in which are joined spiritually-century heritage and modern trends of living.

The aim is to present Strumica with all its features and specifics that affect the building of the touristic offer in the city, especially the maintenance of the traditional carnival, which was so far enough quality and put Strumica in the large family of world carnival cities, through the membership in the Association of European Carnival Cities – FECC (Foundation of the Europpean Carnival Cities).

Key words: trimmers, carnival, masks, customs, forgiveness

INTRODUCTION

The region of Strumica is characterized by certain functional features of its tourist geographical position, with special emphasis on the tourist - geographical position, its transit, contact characteristics and polyvalence.

The transit and contact characteristics in this region arise primarily from its location in the furthest south-east of the country. Of particular importance for the transit of this region is its transport links to the Republic of Bulgaria through the BC Novo Selo and the international highway through the valley of the river Vardar.

The contact characteristics in the region are perceived by its adjoin with Bulgaria and Greece and through the openness of our country's neighbors and all the other states.

The polyvalence of this region should be emphasized because it is contained in the values that are elements of this region. The complexity of natural, anthropogenic and other forms insure striking concision of the stay of tourists.

From the natural elements for the development of the tourism in this region particularly important are the Smolarski and Kolesinski waterfalls, Mokrino's sources, and the fountains in Bansko and Monospitovo. From the anthropogenic elements especially will emphasize the religious buildings St. Leontius, St. Virgin Eleusa and St. 15 Tiberiopolis martyrs.

The region of Strumica is also very rich with valuable cultural - historical monuments from the time of antiquity until today. The people here preserved the customs dating back to pagan times, and such a custom is Strumica's Carnival, which from day to day becomes widely known event held each year. Strumica's Carnival or Trimeri is entered in the world calendar of carnivals and in the recent years has become a major tourist attraction.

The aim of this research will be exactly the Strumica's Carnival as the most famous event in the region, thus making analysis of accommodation and attendance in the past and today. So in that way we can come to certain information or data by which we can find the way to attract more tourists in the future.

STRUMICA'S CARNIVAL IN FUNCTION OF TOURISM

Strumica and its municipality are located between 41˚22ʻ NGW and 22˚35ʻ and 23˚45ʻ EGW. It covers the southeast end of the Republic of Macedonia; just below the triangle of the international borders with Greece on the south and Bulgaria on the east.

Strumica, along with its 75's Villages is situated in the valley of Strumica at an altitude of 239 m and is a major cultural and economic center in the southeastern Macedonia, which is located 170 km away from Skopje, 115 km from Thessaloniki (Greece) 210 km from Sofia (Bulgaria), 40 km from the border crossing Star Dojran (Greece), 45 km from the border crossing Bogorodica (Greece) and 22 km from the border crossing of Novo Selo (Bulgaria).

In terms of relief features, the region of Strumica consist the mountains Belasica, Ograzden and Elenica. The configuration of these mountain ranges is such that the valley of Strumica provides a form of irregular triangle, gently sloping east towards the river Strumica. These mountains offer many natural elements for the development of the tourism. The Mountain Belasica is located southwest of Strumica and its highest point is 2031 m HM, Ograzden is northeast of Strumica HM 1746 m, and the mountain Elenica is west of Strumica 970 m HM.

The valley of Strumica belongs to the group of the youngest basins in the Rodop group of mountains, with a total area of 1482 km ^{2}.

The climate is one of the important natural factors that have an influential role in shaping the natural tourist values for tourism development. The Sub Mediterranean climate that is present in this region is characterized by average annual air temperature of 13,1°C, the highest average monthly temperatures in July of 23,9°C and the lowest average monthly temperature in January of 1,7°C. For this region, characteristic winds are the southwest and northwest, and north and south rarely warm wind. The region of Strumica has 230 sunny days or the sunshine lasts 2377 hours a year. On average the fog is represented approximately 20 days per year in November, December and January, and the amount of rainfall is low and is about 604 mm water sediment with a maximum in autumn and spring (April-May).

The hydrographic features in this region comprise not only rivers, but the geothermal waters are visited by many tourists. The beautiful Belasica contains the two most famous waterfalls in the Republic of Macedonia, the waterfall Smolare, which is the highest and the biggest drop of water from 39.5 m and Kolesino with a drop of water of 19 m, and so the Mokrino sources. The Waterfalls offer a great opportunity to develop tourism in this region.

The hydrographic network in the region of Strumica is quite riddled with multiple sources, rivers and their tributaries. A major recipient is the river Strumica, with regulated riverbed 31 km, with a left tributary Turija, 22 km long, and on the right side is the channel of Monospitovo which is 14,1 km long.

The region of Strumica is one of the few regions in the country which have high geothermal potential, whose quality and quantity is insufficiently investigated. The most significant geothermal capacity is the geothermal field Bansko with the source Parilo with plenty of hot groundwater from which pump 53 l / s, with water temperature of 72 °C. The temperature of the water source during the year remains the same as evidence that comes from great depth and is without weathering. The utilization of geothermal water is high, especially in the agriculture for warming the greenhouses, and the development of the spa tourism. That kind of thermal energy indicates a significant economic potential for the region of Strumica.

The valley of Strumica is almost fully investigated. Several types of soils are founded, including: alluvial, sticky soil and carbonate. In the lowland and the central part of the valley, most common are the alluvial soils and as most fertile soils represent one of the main factors for the development of the agricultural production.

The city of Strumica, has always represented an important crossroad in the paths of various cultures and civilizations that left their marks on this soil. Following the material debris created in different historical eras, from prehistory through ancient, Byzantine and Slavic, Turkish and the recent period, Strumica is one of the few cities with a huge wealth of monuments.

The onset of continuous residence in Strumica and its surroundings according to archaeological excavations is dating back from the V millennium BC (Neolithic settlement Stranatag near the village Angelci), in which was blooming the Neolithic culture which belonged to the culture Azambegovo - Vrshnik, and in the immediate vicinity of Strumica, or more exactly of the Kings Towers was found a prehistoric culture that existed since the late Neolithic to early Bronze (beginning of IV until the middle of III millennium BC).

Under the name Astraion the city for the first time was found in the written sources of the Roman historian Titus Livy in 181 BC, in connection with the murder of Demetrius, brother of the Macedonian king Perseus, the son of Philip V. The name Astraion, the city obtained it after the tribe Astrai.

In the Roman period the city changed its name to Tiberiopolis, as testified by the marble pedestal, placed on the patron Tiberius Claudius Menon, from the late II / early III century.At the time of Julian the apostate Roman emperor (361-363) in St. Tiberiopolis were killed 15 Tiberiopolis martyrs. In 395 the Roman Empire collapsed, and Macedonia belongs to the Eastern Roman Empire.

In the period of the eighties years of the VI to the thirtieth of the VII century, the city suffered massive destruction. On these spaces are settled Strumiani - Slavic tribe, which got its name from the river Strymon, and it was renamed into Struma. The Sklavinija of the Strumjani existed as an independent Slavic principality some time until it was ruled by Byzantium. Between the 845 to the 855 year, a military governor in the Bregalnica Strumica-area was Methodist. The region of Strumica later was ruled by the Bulgarian ruler Boris and remained under his rule until 969 when the uprising broke (Samuel, Aaron, Moses and David) and then entered into the Samuel's state. On July 29, 1014, on these spaces was played the Belasica battle, in which the Macedonian army was led by Samuel King which was defeated by the Byzantines who were headed by Vasilij II. After the battle 14,000 macedonian troops were blinded as a revenge of Basilij II for the death on his commander Theophylact Votanijat who was killed by the son of King Samuil, Gavril Radomir. In 1018 Macedonia was ruled by Byzantium. Since XI century for the first time in the written sources (Asemanov Gospel) the city was renamed in Strumica. In the region of Strumica, Dobromir Hrs and Dobromir Strez, became in depended but their behaviors were liquidated by the Byzantines. At the end of the XIII century, the Serbian attacts to Macedonia began, where a certain period in Strumica ruled Hrelja, and in 1334 the Serbian King Stefan Dusan. After the fall of the Empire Dushan, the region was run by Uglesha, and then by his brother Volkasin, and after his death in 1371 at the Battle of Maritsa, this region was governing by the brothers Dejanovic. They remained in power for a short time because the Turks won Strumica, just like the whole Balkan in 1382 – 1383 and it was the end of the middle ages of these areas.

During the Osman period, by the Turkish administration, Strumica was called Ustrumdzhe. In the XVII century, it became the seat of the kadiluk and thru the city passed the Turkish Hadji travelers Builder (1665) and Evliya Celebija (1670). In the late XVIII and early XIX century the Strumica’s kaza was part of the Thessaloniki Sandzak. With the Berlin Congress in 1878, when Turkey lost most of their territories that they ruled on the Balkan, a river of refugees came to Macedonia, and some of them to Strumica. The state of the Macedonian population under Ottoman rule became increasingly difficult and contributed to form the Internal Macedonian Revolutionary Organization (VMRO) on 10/23/1893 in Thessaloniki. The first who accepted the ideas of VMRO in Strumica region was Stoyan Georgiev from the village Dabile, who formed the first meaty Committee St in 1895.

With the first Balkan war of 1912 the Turks were defeated and driven out of Macedonia, and in that time Strumica was governing from Bulgaria. Strumica, with the Bucharest Peace Agreement (28.07.1913godina) still remained under the rule of Bulgaria until 1919, when the Nejski peace agreement is restored to the Kingdom of SHS. In this realm, the Macedonian people and remained without rights and was subjected to assimilation of Serbia. During the Second World War on April 6, 1941 Strumica was governing by the German army, but the agreement they had signed with Bulgaria, has betrayed Strumica of Bulgarian troops on April 18, 1941. Macedonian people, and therefore the residents of Strumica dissatisfied with the occupation of fascist countries began military actions against them. On September 11, 1944 the Bulgarian army was expelled from Strumica, and November 5, 1944 the city was left by the German army too. The only national hero of Strumica was Blagoj Jankov - Muceto . After the war, Macedonia entered the federation of Yugoslavia, as an equal nation, but with the referendum of September 8th, 1991 Macedonia is an independent and sovereign state.

According to statistics from the census of 2002 the Municipality of Strumica has about 55,000 people from all national structures with a pronounced domination of the Macedonians. In terms of gender men and women are represented in approximately the same percentage 49.99% are women and 50.01% men. Age structure of population in the municipality is mostly aged 20 to 60 years. The population in the municipality of Strumica is relatively educated, and the educational framework includes care, upbringing and education of preschool children to the level of secondary education, and more recently there are studies of more dispersed areas.

For this region we can say that is one of the most famous regions when it comes to tourism. From the natural elements for the development of tourism are Smolare and Kolesino waterfalls, Mokrino sources, Monospitovsko bog, and the spa town of Bansko.

The anthropogenic elements of particular importance for the development of religious tourism: St. Fifteen Martyrs Tiberiopolis Strumica-St. Leontius - s.Vodocha St. Virgin Eleusa s.Veljusa-St. Forty Martyrs of Sebaste, the village of Bansko, Sv.Ilija-Strumca.

From the historical monuments of great importance are the Kings towers above the town of Strumica in progress of restoration, Roman thermal bath Bansko, Strumica-Orta Mosque, Palace late antique urban Machuk-old core of Strumica and Strumin tomb - s.Banica.

There are more memorial monuments in Strumica such as Macedonia monument, located in the heart of the city park, and is set to honor of the tragically died Macedonian President Boris Trajkovski, the monument of Goce Delchev at the newly built square, and the Monument of the Revolution in the city park, the memorial center Blagoj Jankov Muceto in the city park and memorial Kosturnica on the hill Samoranica. Today we can’t imagine the tourists coming from other cities of the republic or the foreign tourists not to visit the monument of Macedonia. In a way Strumica lately become recognizable exactly by that, that here was born the tragically died President of the Republic of Macedonia, Boris Trajkovski.

The old architecture is preserved: the Assembly of the Municipality of Strumica, Hotel Serbian kings, feudal tower, Turkish-mail, Marshal Tito Street - at the core of the city of Strumica and others.

Strumica’s Carnival is a centuries-old tradition of the town under the King Towers and is directly connected to the religious holiday Trimeri. The only event of its kind in the Republic committed to engaged (engaged) girls. The date varies from Easter and it’s always on Tuesday, after the “clear” Monday.

The name itself derives from the words Carnival Karni - meat and Vali - goodbye, goodbye or meat that is not reminiscent of the beginning of the post and in this case the Easter post.

The beginning of Lent, or the first three days are called trimeri days and they always begin on Sunday evening and Forgiveness, and they lest until Wednesday, and that Tuesday night is the traditional carnival night, when masked groups stroll through the city or in the homes where the girls are engaged until the early morning hours. However you should make a difference between the carnival and the trimeri days, it should be noted that their relationship is only of time, and they are in the same time, but not essential, because in its essence are one trimmers Christian tradition, while the carnival is a relic of a cult of pagan times. The Strumica’s Carnival is a very long tradition and is mentioned by Evlija Celebija since 1670. He was passing by Strumica and he wrote ,,... I came to a town, situated at the foot of a high hill and I saw that night masked men ran from house to house, through laughter, sobs and song ...'' clearly indicate the possibility that a trimeri carnival festivities in Strumica was the event that he was talking about.

Nowadays the carnival gets its third dimension, EDA contemporary, modern dimension, with some effects similar with the carnivals in the world, and through its organized nature and rewarded, gets another more modern connotation, but the traditional character of the carnival and going to houses of engaged girls like tradition still remains. Through a multitude of colors, shapes and masks with different motifs and themes, they intended to show the eternal struggle that dualism and antagonism between good and evil, realism and sarcasm, irony, satire and tradition, the cowardice and careerism, power and all that followed with a great vitality and dynamism characteristic of Strumica, which are known as great lovers, and the whole ceremony participate equally, that includes all structures, social, age and gender structure of the participants. The masks are chosen by the participants themselves and each participant chooses his own theme and idea for masking, while the group is a common idea. The preparation starts much earlier, usually two or three months before the Carnival.

From 1994 Strumica is a member of the International Association of Carnival Cities FECC - Foundation of the European Carnival Cities. The Association was founded in 1981 and each year holds International Congresses of carnival cities in various parts of the world.

From 1981 - 2010 years, were held 30 congresses in different countries. Most of them were held in Greece (8), Spain (3), Malta (3) and Croatia (2). Other states in which the carnival congresses were held were: Tunisia, Barbados, Denmark, Sweden, Netherlands Antilles, Russia, Poland, Portugal, Bulgaria, Slovenia, Montenegro and Macedonia (18th Congress in Strumica, 1998).

The next congress, the 31st is planned in Vrnjacka Banja, Serbia, and the 32nd Congress in Prilep, Macedonia, 2012.

Strumica’s Carnival became a member of this association at the 14th Congress which was held in Sweden in 1994. At the next, 15 Congress held in Malta Strumica won the nomination against a candidate from Torre Vedrana Portugal, to be the host of the 18th Congress. On the 17th Congress in Aruba, Strumica took the congress flag and won the epithet of World Carnival capital for 1997-1998.

In order to retain the visitors longer, a complete tourist offer is prepared and it’s organizing other events that last 3 to 4 days. They are: children's carnival (Forgiveness) trimeri, ball, the International Festival of cartoons and aphorisms and some similar events.

Organizer of Strumica Carnival and the above-mentioned events for the organization's board is an organ of the Council of the Municipality of Strumica, and it is elected by the council for four years. Patron of the carnival is the Mayor of Strumica and technical organization is supported by other institutions.

Strumica’s Carnival is a great event featured with several masked men as well as visitors from Strumica and other cities in Macedonia and visitors from abroad. So the number of participants in the carnival as well as attending this event from year to year increases a lot. The number of participants in the carnival masks from 100 masks in 1990 reached the 3000 figure masked in 2010 and the number of visitors than 10,000 in 1990 increased to 50,000 in 2010. With that increased foreign trade and tourism revenues of the city of Strumica, and in 2010 was around one million euros.

Out of 3000 masks, participants in the carnival, 650 are foreign participants from Bulgaria, Serbia, Albania, Montenegro, Turkey, Romania, Finland and others, the other are the participants from the other cities of Macedonia and the most common are the masks of the host city.

Strumica's Carnival this year celebrates 20 years since its renewal again in 1990 and will be held on March 8. Because of the fact that a lot of the participation in the carnival are foreign participants from other cities in Macedonia it is necessary to see the accommodation of the town of Strumica and its environments.

Strumica and the surrounding area have the following accommodation:

Number	HOTELS		Nr. rooms	Nr. beds
1	Car Samuil – Bansko		91	165
2	Dukat – Bansko		16	44
3	Spiro Zahov – Bansko		26	78
4	Sirius - Strumica		120	200
5	Tiveriopol – Strumica		36	72
6	Ilinden – Strumica		6	16
7	Transped Makedonija – Strumica		6	20
8	Central – Strumica		22	46
9	Hotel 404 – Strumica		11	28
Total		**9**	**334**	**669**

As we already said, during the carnival, the number of the foreign visitors is around 650, the number of visitors from the other cities of Macedonia even bigger, while the number of beds is only 669. From the table that is given, we can conclude that the region of Strumica has insufficient accommodation capacity, and insufficient numbers of restaurants that will serve the tourists that are arriving during the carnival. Many tourists that night stay hungry, Therefore, it is necessary that in the future, the city pays more attention to the increasing the number of accommodation facilities and the number of the facilities that the people will be served with food. However, the last year, in the culture magazine of the Council of Europe, Strumica's Carnival is named as one of the most valuable, and it is together in the group with the carnivals organized in London, Venice, Cyprus, Helsinki and others.

CONCLUSION

From all said above, we can conclude that the region of Strumica is characterized by a favorable geographical position that has a large contribution so it represent a touristic destination and an important factor for the development of the tourism. Today Strumica and its region is invested by both home and foreign investors for construction of new accommodation, or for preservation of the natural and the anthropogenic values. The most visited tourist attraction is the manifestation of the Strumica's Carnival, which each year is visited by both domestic and foreign tourists, that have the opportunity to visit other tourist values in the region. Today Strumica lives the new age.

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MOVIE INDUCED TOURISM – A NEW TOURISM PHENOMENON

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Abstract

At the turn of the century, the tourism industry underwent a transformation triggered by the sweeping processes of globalization. The traditional forms of tourism were supplemented and expanded by the introduction of new postmodern tourist forms, bringing new and different tourist offers to the marketplace. One of these new forms is the film tourism, a rapidly growing and important new tourism trend, in which the choice of the tourist destination is directly motivated and inspired by the movies. Film tourism establishes a link between the movie characters, locations and stories, and the film-tourists, who are inspired to immerse themselves and relive again the movie-generated and movie-driven emotions at the location of the movie. The film tourism increases the overall economic effects of tourism and establishes a new link between the film and the tourism industry, both of which provide not only pleasure and satisfaction for the film tourist, but also spiritual enrichment and novel learning experience.

Key words: *film, tourism, tourist, location, character, film studio.*

INTRODUCTION

The desire to travel is as well a desire to get away from the monotony of everyday life, to break daily habits, to stop the time, to experience a novelty and variety - something that will confirm our existence. To be somewhere else together with other people in another climate and environment means to be a part of another story and another experience. Everyone fulfils these wishes in their own personalised and unique way.

Some of the most well-known and still expanding world industries that can satisfy this drive, in an almost identical way, but through different means, are certainly film and tourism.

In the former case, while watching a movie, one enters a new world and a new story, meeting new heroes and characters, thereby experiencing a variety of emotions. Within a two hours projection, one partly satisfies their need to get away from the reality, free of charge, without leaving their living room.

In the latter case, one physically visits another place, a reality surrounded by attributes at their choice. To do so, one needs to travel, leaving their home and allotting financial means that would enable them to make their desire come true.

Both film and tourism are basically industries that offer an opportunity to relive or experience, see and learn novelties through entertainment and pleasure.

The latest world research trends are exactly in the direction of merging and teaming up these two sectors that already have similar goals. These researches have started when tourist influx data showed an ascending movement caused exactly by a popularity of a certain movie. Certain movies have been noted to impact tourist trends. These movies were neither produced with such an intention nor aimed at increasing tourist influx. They were no marketing or tourist campaigns or advertisements for certain places or regions. Their screening, however, 'incidentally' induced a drastic change of tourist migrations to the sites screened. This 'incidental phenomenon' motivated the tourist sector to commence a research, and it was only by the end of the nineties that it acquired its new name *movie-induced tourism*.

Certainly, this tourist segment falls under the umbrella of cultural tourism, like all of its precursors (fine arts, literature, etc.). This new trend presents even a bigger challenge, particularly for the tourist sector, taking into account not only the economic impact of each branch alone, but also the economic impact coming out of their joined forces. Henceforth, new researches have begun involving the other stakeholder - the film sector. A need to involve other institutions automatically rises up in order to link these two sectors at the state level.

Therefore, it is necessary to start building an 'intentional' strategy in the film-induced tourism. One of the leading countries carrying out in-depth researches and offering recommendations at state level concerning film-induced tourism is the United Kingdom (**Olsberg / SPI**, Stately Attraction, How Film and Television Programmes Promote Tourism in the UK, 2007). A key finding coming out of this research is that "both film and television contribute to wider 'branding' of UK people, society and culture, which has a very strong influence on creating a desire to travel".

The country seriously takes into account the influence of film upon tourism not only because of its worldwide promotion, but particularly because of its economic impact (*Rob Roy* and *Braveheart* alone led to a financial income of 30 million dollars solely through to tourism).

Other such examples are New Zealand and Australia, which became top tourist destinations owing to the popularity of movies. The screening of movies such as *Piano, The Last Samurai, The Lord of the Rings* shot on the territory of New Zealand and *Crocodile Dandy*, *Mad Max* and *Mission Impossible 2* filmed in Australia triggered a boom of tourists in these countries.

World famous studios, producing numerous movies, are a tourist destination themselves, e.g., Hollywood and Bollywood, whereas Kustendorf and Nu Boyana could serve as an example within our neighborhood.

The increased number of visits of the film-cities Berlin and Budapest where many cult scenes of famous movies are shot is due exactly to this phenomenon.

One does not need to mention the countless number of TV series that unendingly reel on the world televisions and raise viewers' curiosity to closely discover and experience new people, new cultures and new customs and entice them to visit exactly the countries where they are produced.

This new tourist trend opens a new door both to future tourist and to employees within the film and tourist sector, and in particular to promoting an entire country with all its spirit, resulting in the very reason of their existence - a positive economic impact.

In order to make a sound fusion between these two branches and fully exploit their benefits (both economic and promotional), it is necessary to understand the principle which the film tourism operates on, that is the exact way in which the film influences viewers (the future tourists) and their decision making when choosing a certain tourist destination.

ANALYSIS OF FILM TOURISM

There is a wide range of explanations and definitions of **film tourism.** Basically, it is a film-induced tourism:

1. On-location tourism that follows the success of a movie made (or set) in a particular region (Beeton, *Film-Induced Tourism*, 2005)
2. This newly defined tourism niche refers to a post-modern experience of a place that has been depicted in some form of media presentation - an experience that is highly personalised and unique to each individual based on their own interpretation and consumption of media images. (Niki Macionis, *Understanding the Film-Induced Tourist,* 2004)

The second definition provides an explanation of the cause of this phenomenon, as it is more related to the consumer's individual experiences of film locations and leads to its deeper analysis.

In that sense, the terms of film tourist and tourist film destinations need to be defined, as they are constituent segments of film tourism.

Film tourists are tourists whose travel motivation was film-induced.

Tourist film destinations are exclusively related to places, locations, events and characters promoted on the cinema screen.

Travel motivation becomes a main research subject for many tourist theoreticians. There are many theories providing some answers to this topic, none of them full and complete; however, each subsequent search for a new answer initiates a new and further investigation.

What induces the tourist in their choice of a destination, besides marketing means and their previous experiences?

Indirect tourist stimuli, like the movie, could also influence the destination choice. Over the last 10 years there have been a variety of analyses on the exact manner in which the films influence the tourists in their choice of a certain destination. They are, however, never complete because they deal with the unbounded nature of a more profound human psychological sphere. And it is even more so in this case which deals with the individual privacy and emotions that play a major role in choosing a destination.

In his paper, titled *Understanding the Film-Induced Tourist*, 2004, Macionis explains this phenomenon through the "push and pull" theory (Dann, 1977). Pull factors are those which attract a tourist to a given destination (e.g., sunshine, beach, sea), whereas push factors are the ones predisposing the tourist to travel (nostalgia, fantasy, romance, self-actualisation).

In the case of the film-induced tourism, the "3 P's" concept - place, personality, performance - represents the pull factor, whereas its impact on motivation - fantasy, escape, status, prestige, search for self-identity, ego enhancement, vicarious experience of the tourist - represents the push factor.

FILM TOURISTS, 3P's PHENOMENON, "PUSH-PULL" FACTOR

According to Macionis (*Understanding the Film-Induced Tourist,* 2004), there are three types of film tourists:

- serendipitous
- general
- specific

The more an individual becomes a specifically motivated film-induced tourist, the greater the need to search for self-actualisation. For such a tourist, visiting chosen film sites represents a personal reward. (Table 1).

Table 1. Continuum of Film-Induced Motivation

Increasing interest in film

Serendipitous Film Tourists	General Film Tourists	Specific Film Tourists
Those who just happen to be in a destination portrayed in a film	Those who are not specifically drawn to a film location, but who participate in film tourism activities while at a destination	Those who actively seek out places that they have seen in film
motivations:	motivations:	motivations:
Social interaction Novelty	Novelty Education Nostalgia	Self-actualisation Pilgrimage Self-identity Fantasy Romance Nostalgia

Increasing self-actualisation motivations

Decreasing importance of authencity

Increasing importance of Push Factors

Unlike traditional tourist, the film-induced tourist, according to Macionis, is not very much concerned about authenticity. Film-induced tourist replaces authenticity with something personal. When choosing a destination, traditional tourist places crucial meaning to authenticity, whereas the film-induced tourist to the film, since the seen place, storyline and the character remain in their memory as they have seen and experienced them. Thus, the need for authenticity for the film-induced tourist is decreased (Table 1) and replaced with their fantasy.

The **"3P's"** concept (pull factor) actually involves the three important attributes due to which a film-induced tourist decides on a certain destination.

a. Place

- shown (seen) on a movie or television
- **location** where the movie is shot (or a particular scene), fictional or true, or a location which, due to its tourist attraction, also becomes a film location
- **studios**, sets of large proportions that are tourist attractions in themselves (Hollywood)

The desire is to visit a place which becomes appealing because it was seen on a movie. The Piano *film was also the first promoter of New Zealand's beaches (Waitakere region, Kareakare beach).*

b. Performance

- country (region) where a movie or TV series is produced that provokes tourist's curiosity (at the level of **screenplay**, **storyline**, customs, tradition).

The impact of the storyline (performance) could be explained as an escape from the real world and living through a vicarious experience seen on a movie, or a need to be a part of another storyline or screenplay, as part of the tourist's fantasy. The Steel Magnolias *and* Field of Dreams *movies fall into this category of films.*

c. Personality

- need to visit a place where famous **actors** (or main **characters**) played famous scenes (moment of identification).

Braveheart *is a movie that has brought great tourist popularity to United Kingdom – Scotland, owing to its main protagonist, the hero character, William Wallace. Mick Dundee is a prototype for Australia, whereas Monte Carlo has been visited, among others, by fans of the famous agent 007, James Bond.*

Table 2: Push and Pull Factors in Film Induced Tourism

Pull factors Location	Personality	Performance	**Push** factors (Internal Drive)
Location attributes Scenery Landscapes Climate Cultural origin Social origin Activity origin	Cast Characters Celebrities (stars)	Plot Theme Genre	Ego enhancement Status/Prestige Fantasy/Escape Vicarious Experience Search for self-identity

In terms of investigating push factors (internal drives) of film tourist, according to Macionis, there is a range of possible motivations: ego-enhancement, fantasy/escape, status/prestige, and need for self-identification. The critical internal drive or push motivation of a film tourist is the tourist gaze of a film. Beeton defines this as a seek-out for landscapes, people, experiences and fantasies portrayed through films. Attractions seen in a movie are not associated only with the allure of filmed landscapes, but also with reasons for travel, escape and nostalgia. People travel because they are pushed by their internal motivations and simultaneously pulled by external forces of the destination attributes. Hereby, it turns out that the more one is a film tourist, the greater the importance of push factors (Table 1- at the end of this continuum, the specific film tourist must physically be present in the image seen in their favourite film and relive their favourite moments /scenes).

CONCLUSION

Understanding the essence of this type of tourism could have an impact on future post-modern tourist trends. It is a fact that film-induced tourism becomes a significant part of the tourist market. A large portion of analyses and researches on film-induced tourism are in terms of understanding film impact on potential film tourist. This generates an exceptional possibility to create a new film-induced tourism strategy, which in many countries has already become factual, as they have already perceived the enormous importance of this post-modern tourist trend:

1. Increase of cultural value of a film location. (Film is a medium communicating with a range of cultural meanings and values. Many heritage sites that serve as film locations gain popularity, because these places acquire particular meanings through film narration)
2. Enhancement of a destination image and increase of awareness for the host city.
3. Compensation for seasonality problem in the tourism (film locations can be all-year, all-weather attractions).
4. Locating certain destination in a film is an attractive marketing drive that results in an increase of tourist numbers, succeeding where traditional marketing efforts fail.

THE SIGNIFICANCE OF FILM-INDUCED TOURISM FOR REPUBLIC OF MACEDONIA

Having been introduced to the powerful impact of movie on tourist destinations and their image, it is impossible not to directly consider the Republic of Macedonia. For the Republic of Macedonia, a good strategic campaign is more than necessary - in terms of strengthening its image (historical, cultural and traditional), and in particular regarding tourist context. All the past campaigns have remained without any clear feedback by the consumer. Except for the data of the State Statistical Office, according to which the number of tourists in the period January-July 2010 decreased compared to the number for the same period in 2009 - domestic tourists decreased by 2.4%, foreign tourists by 3.6%; number of nights spent by domestic tourists decreased by 2.2%, while those by foreign tourist decreased by 5.1% - there are no other relevant data on the campaigns impact.

Tourism, as a distinct branch, is one of the most immediate promoters of Macedonia as an attractive destination. However, without a full media support and collaboration, tourism remains to struggle on its own, left to the mercy of individual campaigns and efforts to attract tourists.

The situation in the film sector (competition criteria for feature films announced by the Film Fund, Official Gazette of the Republic of Macedonia no.70/06, Article 2 of the Rulebook) indicates more an incidental strategy than a strategically organised goal.

In terms of a worldwide image of the Republic of Macedonia, film-induced tourism becomes a significant area that might wisely and efficiently help in that sense. If the problem of the Republic of Macedonia is identified through the prism of film-induced tourism (lack of foreign co-productions, absence of promotion of cultural, historical and traditional values via feature movies, absence of a nation branding strategy via feature film, lack of statistics on the impact of Macedonian film on promotion of the Republic of Macedonia), then necessary steps for its resolution could be undertaken.

Macedonian film history is not at all shorter than any other one. Macedonian cultural, historical, traditional and natural treasures are attractions themselves, and placed in a context of a film storyline could even add up to their appealing effect. Having recognized the enormous impact of film and television upon wider branding of its people, society and culture, British film strategy agency Olsberg/SPI, in its in-depth research on film impact on tourism in the United Kingdom, offers recommendations and guidelines for building the country's future film tourist strategy. A number of films are pointed out that have gained the status as cult and timeless in terms of their significance, besides their commercial and touristic effects (which was not the intention behind their production): *Braveheart, Rob Roy, Loch Ness, Four Weddings and a Funeral, Notting Hill, Pride and Prejudice, Harry Potter*.

In the Macedonian long, but rather poor film history, there are still films that could obviously compare hypothetically to the above mentioned ones. From the period of transition, such movies are Antonio Mitrikeski's *Across the Lake* and Mitko Panov's *The War is Over*. By chance or not, both directors belong to the same generation and both graduated from the Lodz Film Academy in Poland. Their talent, persistence and professionalism as well their analytic capability and courage to undertake topics and genres communicating in a familiar film language are an encouragement to reflect further on the idea of creating a film tourist strategy for the Republic of Macedonia. A strategy that would link experts from both film and tourist sectors in order to promote and brand the Republic of Macedonia as a desired destination via feature film. Finally, one should not disregard the reason behind the increased interest in research on film-induced tourism in the recent twenty years - its positive economic benefit.

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RURAL TOURISM IN MACEDONIA

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Abstract

Rural tourism has become widely practiced lately. Some of the major differences which distinguish rural tourism from the urban tourism is that the former is applied in strictly rural environment. The major goal of the tourists visiting a rural environment is to experience the authenticity of the rural area, as well as the customs practiced by the local population. Macedonia has enormous potentials for development of rural tourism, which is mainly due to preserved architecture of the rural houses, huge number of monasteries and churches located in the vicinity of the villages, majority of crafts which had been practiced in the past and had survived till nowadays, as well as the traditional Macedonian cuisine which has a variety of specialties'. In order to improve rural tourism, it is a must to invest in the rural environment, in particular in improvement of the infrastructure, which will, altogether, enhance rural in tourism.

Key words: *rural tourism, rural areas, architecture, Macedonian cuisine, infrastructure*

INTRODUCTION

Specificities in demand and supply in tourism, are leading to the conclusion that rural tourism is just one segment of the total tourist offer, or the tourist market. Properly would be included in one of the forms of selective forms of tourism which occurred contrary to mass tourism. Thus understood rural tourism can be considered as competition to other forms of tourist offer or the tourism product.

The concept of rural tourism various authors are studying different. So for the same term are appearing synonyms such as farm tourism, ecotourism, agriculture tourism, natural tourism, green tourism but actually you can separate two major groups:

1. In the first group as basis for distinguishing be considered income distribution in the framework of the village community. On this basis we can talk about rural tourism and agriculture tourism. The income distribution situation is as follows: the benefit has entire village community, and in case of agriculture tourism the benefit has only the farmer.
2. In the other case as a basis for distinguishing other factors are taken in to the supply. Rural tourism is regarded as a form of tourism in which the main component of the offer is the village culture. We use the following terms which are in the offer of the village tourism: agriculture tourism, green tourism, gourmet tourism, wine tourism, hunting tourism, cultural-historical tourism etc.[1]

It is considered for one place to be defined like rural are or a place where you can develop rural tourism, should contain the following three characteristics:

- Population density;
- Method of using the land
- Tradition of the social structures

[1] Dr.Eva Hrabovski-Tomic, Selektivni oblici Turizma, Fakultet za usluzni biznis Sremska Kamenica 2008, page.83

It is understood that the low population density and relatively small population in some area, determine the area as a peasant who unlike from the other area in the country who are more populated and where population density is greater than the village environment.

Regardless of population density and population size, for the immediate definition of rural tourism it is significant the demands of the potential tourists, to go into some space where they will be surrounded by the rural environment. In this case, rural area with lower population density and smaller size of the population are attractive to tourists. The mentioned characteristics in rural areas mean big differences between the predominant rural environment and the absolute urban area. Depending on the specific possibility for development of rural tourism as an activity aimed primary supposed to be the overall environment of empathy, and involvement of locals in tourism development.[2]

Sustainable development of rural tourism

Mutual impact of rural tourism and local development it is based on it constantly striving to promote development, which means:

- Concept Development
- Tourism Environment
- Conception of improvement

The concept of promoting development is associated with spatial and temporal relations, for these reasons the development of tourism will depend on geographical, physical and cultural-historical characteristics of the space. Then for the proper function of the tourist site directly depend on local authorities and the people and how much they want to achieve their desired goals.

Insistence on the development that is integrated, balanced and harmonious with the environment and the community is a product of the new century. In past decades, many reports and seminars were analyzed and defined the positive and negative impacts of tourism development, as to show how much are taken care some specific characteristics if given convenient place for tourist development.[3]

What is new is the awareness of globalization, are paying attention to:

- On the one hand, the negative impact rapidly evolving (result of uncontrolled development of tourism);
- On the other side should pay attention to risk of natural and cultural resources of our planet;
- The qualitative needs in the new age come to the fore, and people who stress over their future and future of next generations.

The natural environment and social-culture are offering the basis of rural tourism. These are solid values of rural tourism that also need to be preserved for future generations to come. So those at the local level who make decisions, organizers of the trip and tourists have a very big responsibility. The Rural tourism, if the problem is connected with the improvement of its environment, specifically contributes to the conservation of natural and rural anthropological heritage, through positive examples arising from tourism development projects, among which the most important are:

- Maintenance of roads and pedestrian trails, cleaning springs and watercourses, reconstruction of old bridges, setting up tables for tourist trails and information boards for observation of animal and plant life, reconstruction of the spaces built with stone walls, planting trees etc.
- Recovering and planting of plants and fruit which is characteristic of that locality, revival of old crafts, renovation of village stone houses, organizing local events with folklore music, making the roofs of straw and reeds, rewriting of stories and legends.[4]

[2] Dr.Eva Hrabovski-Tomic, Selektivni oblici Turizma, Fakultet za usluzni biznis Sremska Kamenica 2008, page.84
[3] Dr.Eva Hrabovski-Tomic, Selektivni oblici Turizma, Fakultet za usluzni biznis Sremska Kamenica 2008, page.87,88
[4] Dr. Eva Hrabovski-Tomis, Selektivni oblici Turizma, Fakultet za usluzni biznis Sremska Kamenica 2008, page.89

Rural Areas

Rural areas are areas that are closest to the central areas of cities, and having direct links with urban areas. Actually that represents spaces that are functional together with the city, and also represents places where the most daily migrations are spread out, which most closely come to touch the suburban area with the rural area and where has been building facilities with none agriculture function. With the territorial spreading of the cities, it comes to connecting of some village areas with the city, comes to physical change of the village and it no longer resembles as a rural area and has lost its rural landscape. Republic of Macedonia is place that has many rural settlements, according to the census of 2002 Macedonian village occupies 86.7% of the national space, but however it lives 40.62% of the population. Which means that we can conclude that the population in rural areas in Macedonia degrade, reason for such degradation of the population comes to extinction of entire villages. Also the reason for displacement of the rural environment is the poor condition of the villager, increased industrialization and reduction of the interest to the country for the land as a source of income, if we continue at this rate leads to a serious threat to rural tourism in Macedonia.[5] Because of that rural areas should be placed in tourist function to be able to get their proper use and to prevent big removal of country to urban areas.

Rural space as an opportunity for development of rural tourism in Republic Macedonia

In total territorial distribution of settlements, rural part even with 87%. From them 65% are located at an altitude greater than or close to 1000 meters which means it is suitable for rural tourism development. Many villages are attractive, first because of its location, vividness of the scenery, unusual architecture and the tradition that has been cherished for centuries. From here the village tourism can be regarded as characteristically for development of tourism in Macedonia giving it a special place in world tourism market. Most famous villages which are suitable for the development of rural tourism are certainly villages in western Macedonia, especially those villages which are located around Lake Mavrovo as: Mavrovi Ani, Nikiforovo and Leunovo than the villages from Rekanskiot region- Galicnik, Lazaropole, Gari, the villages in Malesijata in the upper basin of the river Drim in the western side of Karaorman: Selce, Zbazdani, Prisovjane, Burinec and lokov, and villages of Jablanica: Visni, Gorna Belica, Modric and Drenok. Particular attention should be given to the villages situated on the Ohrid and Prespa lakes which have all the natural characteristics of rural tourism development in these areas. From the villages of Lake Ohrid we can set aside: Pestani, Trpejca, Ljubaniste and Radozda. And from the villages of Lake Prespa we can set aside: Podmocni, Dolno-dupeni, Stenje, Pretor, Ljubojno and Brajcino.

Also potential for rural tourism development there in the villages located on Pelister as: Malovista, Nize Pole and Bukovo. Then in Mariovo region has many abandoned villages with untouched nature that can be developed rural tourism and those villages are: Manastir, Stravina, Gradesnica and Vitoliste.

Varos sometimes a village and now is merged with city Prilep due to closeness of the monastery of ST. Archangel, numerous churches and picturesque of Markovi towers are just part of the attraction which could attract tourist to visit this village and to spend several days in a rural setting which nowadays is becoming very popular among the tourists.

Villages in Azot, despite the negative signs for traffic infrastructure still have potential for development of rural tourism and those villages are: Bogomila, Papradiste, Nezilovo.

In the eastern part of Macedonia, Osogovieto has a number of villages which are suitable for rural tourism development and more convenient of the villages are: Lesnovo, Istibanja, Knezevo, Poplaki. In the part of Maleshevijata we can mention the villages like: Razlovci, Zvegor, Rusinovo, Ratevo.

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[5] Prof.D-r Mitko Panov, Villages in Republic Macedonia, Skopje 1993, page.21

The villages of Belasica part Smolari and Kolesino, Mokrino can represent a great tourist attraction because of Smolari and Kolesino falls, and because of spring Mokrino, then also Veljusa village and the villages of southeastern side of Ograzden: Bojakovo, Barbarevo and Sitnik.[6]

Macedonia has a great potential for development of rural tourism, according to Macedonian experts despite of the potential that Macedonia has for rural tourism, will have to be made infrastructure changes to be able to come up with new trends in rural tourism.

According to European statistics is considered that 25% of the citizens don't decide anymore to spend their vacation lying on the beach, but more are opting to spend their vacation in a rural environment, in traditional village house and an environment that is full of rural attractiveness. Therefore we can say Macedonia has a large number of rural areas who can be involved in the function of tourism, and thus will bring benefit to the local peasantry, but as I said there are needed infrastructure investments to be able to receive tourists, thus can lead to doubling of the tourist operations in Macedonia.

Tourism officials and local government in Tetovo make the first step in the development of rural tourism in Shar Planina, making the first guide and tourist map of Shar Planina helped by experts from Spain and France. Guide that will take out Shar Planina will be in three languages and will be available to countries in Europe. The project who will develop rural tourism in Shar Planina involving local economic development in Tetovo and the Embassy of France is called ,, Tandem''. According to experts of Spain and France who had explored Shar Planina have shown that the mountain has a number of landscapes and lakes that will be very attractive to the tourists, but however the problem is that there is not enough accommodation. Tourists want to be located in a mountain village, a traditional farmhouse, where they will experience the rural setting, and from where will be easily accessible the attractive sites of Shar Planina, and should also be made stories that will make more attractive these mountain villages, not to forget that is needed to be made a major investment in roads which lead to these villages, without which the development of rural tourism in such places would be very difficult. [7]

Many of our citizens can enumerated several villages for development of rural tourism such as: Brajciono, Ljubojno, Galicnik, Kolesini, Vevcani and etc. Often the information about these villages come from the media or if they have heard from their friends, but however stay in these villages is often up to two days because the tourists have seen and heard everything in those two days so the stay is becoming boring. Therefore, we need to take initiative where rural tourism in Macedonia will be developed as a separate state strategy and will be pay more attention to it, and thus will allow the stay in country side not be boring. Instead of every stay is being like spending much of eating in restaurants, the stay of tourist in some village should be made more interesting and more active, so instead of eating a specialty can educate the tourist how it's made, then the tourists can get acquainted with agricultural and economic activities of the local population. Such a similar project is preparing in the village Devric on the ranch ,, Mak Viking'' owned by Macedonians who came back from Denmark. It is planned in this village to bring tourists to participate in the collection of teas from the hills and that way they can better meet the natural beaeuty of the area.[8]

Human resources as basis for development of rural tourism

In today's economic situation any development policy should adhere to it to open new jobs. Besides the development of the tourism offer of the village presents a variety of services provided by the travel service business and its stakeholders, and concerns of customers who came with different expectations. The training and subsequent work is very important in achieving economic and social objectives. As far as training for work in tourism, it covers a variety of initiatives that relate to different groups, and use different teaching methods. Training to work in rural tourism activities can affect the collective

[6] M-r Milena Taleska, Rural Tourism, Skopje 2009, page.89
[7] http://www.dw-world.de/dw/article/0,,3601835,00.html
[8] http://www.novamakedonija.com.mk/NewsDetal.asp?vest=816101020544&id=9&setIzdanie=22060

information, awareness, to the degree and may lead to the acquisition of professional skills that refer to the participant in the process. It should be put a lot of work on the population to get a good travel offer and it is not always easy. Residents of the villages have to learn how to behave with the tourist, what to offer and how to accommodate the guests, how to prepare their food. They also should make efforts to make special bath, not to use it the same one with the tourists. But the main to be done is villages should not be a tour operator, it should only provide services, and travel agents should take care of bringing tourists in the villages.[9]

Examples of training of workers in the tourism sector (knowledge, skills orunderstanding):

- The population , which offers travel services and privately held smaller accommodation (owners of villas, hotels or restaurants) should know the needs of tourists. To develop their skills and knowledge of hygiene, accounting, management, and then providing opportunities for recreation. For running the tourist activity should deepen the knowledge which refers to the region and its cultural and natural resources.
- Neighborhood associations that offer sports training should be aware of the responsibility for security and civil rights of tourists, and any negative impacts resulting from excessive exploitation of nature buy tourism.
- Local tourist guides and controllers should receive extensive education, and especially knowledge related to the region.
- Agents for development should be trained for construction, monitoring, evaluation and control of tourism development projects involving numerous partners and state partners from the private sector.
- Managers of the motels and other public facilities that have the appropriate degree should prove that they are capable of running of running the tourist facilities and that they apply the theoretical knowledge in to practice.
- Local people should join in making and implementing collective tourist development projects, and their responsible participation in activities will contribute to strength interaction between public and private initiatives that mutually support and complement within the tourism development projects.
- Elected local officials have the task to develop common strategies for local tourism development, which requires knowledge of legal regulations, a source of funds and institutions who have roel in that process as well as basic knowledge of the functioning of that process.

Founds for training of the local population change according to needs and under the goals who wish to achieve. Preparation of training plan development of a collective project, however, it contributes to local initiative that is desirable and necessary, and specialization of project participants. Finally, the term maintenance and employment is necessary to pay attention to the impact of rural tourism, then the impact on local service traffic, production and sale of agricultural and handicraft products etc.[10]

CONCLUSION

From the text we can conclude that Macedonia has a great potential for developing rural tourism. The large number of villages, with a natural attraction located in their vicinity, then the large number of monasteries, preserved ancient architecture of the village houses can be seen in many villages through the Republic Macedonia. If all that is used properly by putting it in to a tourist function, it can get great results from rural tourism in Macedonia. In addition it is important to note that the tourists in recent years are increasingly opting to spend their vacations in a village, than traditionally to spend on the beach. Also during the stay of tourists in a village, they should be animated to spend their vacation more actively, to learn about agriculture and economic affairs of the rural population, to learn how to prepare a rural

[9] Dr. Eva Hrabovski-Tomis, Selektivni oblici Turizma, Fakultet za usluzni biznis Sremska Kamenica 2008, page.90

[10] Dr. Eva Hrabovski-Tomis, Selektivni oblici Turizma, Fakultet za usluzni biznis Sremska Kamenica 2008, page 91,92

specialty are some of the activities who are making their stay more interesting. Then it is very important the education of the local population, because they represent the key link of the tourism product, they will have to learn how to behave with the tourists, what to offer so they are happy to stay and want to return. Like i said Macedonia has a great potential for developing rural tourism but it is neede to be made great infrastructure investment.

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ADVANTAGES AND DISADVANTAGES OF ORGANIZING TOURIST MANIFESTATIONS IN LESS DEVELOPED AREAS

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Abstract:

In recent years, on the the territory of Vojvodina there is a growing tendency of promoting organization of local events that attract great attention of visitors. The popularity of these events extends the limits and boundaries of our country and attracts great number of visitors.

Novi Sad, as a developed area regarding economy and tourism has its less developed areas, which can be evaluated through tourism. Tourists who visit Novi Sad, do not go on tour round Adice because this area is not presented in the tourist guides, on the list of destinations one should visit. The territory of the local community Adice is the marginal part of the city.

The aim of this paper is to use the manifestation Danube Nights of Adice which is held in Adice, to show the advantages and disadvantages of organizing such an event in the less developed area of the city.

By analyzing the impressions of visitors of the event Danube Nights of Adice, we have determined how much they are willing to travel in order to visit this event, as well as how much they are willing to spend, that is, what economic effect is achieved by organizing such an event.

Key words: *manifestations, Novi Sad, Adice, Danube night Adica*

EVENT TOURISM

Event tourism is specific in that it can appear as an independent form of tourism activity, or to be just one part of the journey ie. contribution to another form of tourism, which adds to the overall satisfaction of tourists. The ultimate goal of the participants of an event tourism is to visit festivals and manifestations.

Festivals can be of a different content (music, film, sports, ethnographic ...) intended for different visitors (specific festivals for specific target groups, and festivals designed for diverse audience) may have an educational, humanitarian, pro-competitive or purely entertaining character. The content and character of the festival is just the thing that makes them different and specific compared to other festivals. Organizational structure and programming largely affects the number of visitors, although this is not crucial. Number of visitors depends on the venue, marketing and image of the event (Bjeljac, F 1998).

Under the term event we can put any major event, performance, cultural, sporting and other kind that are presented to the public and that are popularizing certain achievements, accomplishments and successes. Authors Anton Sean and Bryn Perry define event as a phenomenon that originates from non-routine events, aimed at cultural, personal or organizational goals separate from the usual activities of daily living and whose purpose is to teach a group of people, celebrate something or to entertain them. (Sean, Parry, 2004).

EVENTS IN NOVI SAD

Novi Sad is the administrative, cultural and educational seat of the Autonomous Province of Vojvodina. The second-largest city and second largest by the number of inhabitants in Serbia immediately after Belgrade. It is the city on the Danube, the river which connects Europe. Advantageous geographical location, favorable climate, rich history and diversity of nations in Novi Sad, influenced the development of the event tourism in Novi Sad.

Famous for its music festival EXIT, this city is host to numerous other events, music, and sports, artistic, ethnographic, children's, religious, tourism and advertising, and various other entertainment events. When we look at Novi Sad as the micro unit, most of these events will be held in the city center, which is visited in any case, and especially in time of the event. The challenge is to organize and hold the event at the marginal part of town.

THE MOST FAMOUS EVENTS THAT TAKE PLACE IN NOVI SAD

1. Exit, the famous music festival, held since 2000. year. Within a few years it reached the very top of world music festivals. Frequented by visitors from around the world (even from distant New Zealand and Australia), hosts the world's most famous bands, on more than 20 stages with a variety of genres. Every year, EXIT takes place in early July and lasts four days

   (www.exitfest.org).

2. Sterijino pozorje - National Festival of Drama and Theatre. It is competitive event and it is held once a year and lasts about 11 days. Not only domestic but also foreign theaters are participating with their performances.

   (www.pozorje.org.rs).

3. International Festival of Alternative Theatre (INFANT) held since 1974. The program of INFANT opens the way to Novi Sad audience to be presented with live theater, with modern quality research. Troops from the Czech Republic, Bulgaria, USA, Spain, Great Britain, Israel, Hungary, Slovenia and many other countries, traditionally take part in this festival. The selection of plays from Serbia, (INFANT) in recent years is focusing on dance theater, wanting to draw attention to current trends in Serbian dance.

   (infant.eunet.rs).

4. Cinema City Film Festival is held since 2007 This festival has introduced a new concept city-theater. The program takes place at several locations in the city, not only in cinema, theater, but also in the open air on the streets, in parks, on the square

   (www.cinemacity.org).

5. Novi Sad Jazz Festival (Old Gold Jazz Festival), has been held for 11 years. The participants are artists from all over Europe and great part of the world. Most often they come from Germany, Poland, Hungary, Romania, France and the United States.

   (jazzns.eunet.rs)

6. International festival of street performers that is held in downtown Zmaj Jovina Street, The Trg Slobode Square and the Dunavska Street.

   (www.upoznajsrbiju.co.rs)

7. The Zmaj Children Games is the event dedicated to children. It has a long tradition, in fact it is held for more than 50 years, each year in May. Participants are a great number of children from all over Serbia, but also from the neighboring Republics, mainly members of the former Socialist Federal Republic of Yugoslavia.

   (www.zmajevedecjeigre.org.rs).

8. The Novi Sad Music Festivities (NOMUS) are held since 1975 and bring together a large number of musicians, orchestras and soloists from all over the world

   (www.muzickaomladina.org)

9. Music Summer of Novi Sad is an event held annually in July and August, and organized by the Music Youth of Novi Sad. This event is held at several locations in the synagogue, the atrium of the Museum of Vojvodina, Danube Park, the Strand. Participants are numerous classical ensembles and soloists, not only from our country, but also from abroad.

(www.muzickaomladina.org).

10. Zlatna Tamburica Festival (Golden Tambourine Festival) is organized by the Association Composers of Vojvodina since 1999, and it is held every December in the Serbian National Theatre.

(www.rtv.rs / sr_ci /gold-tambura).

11.Museum Night is an event that takes place in over ... cities around the world since 2007 and in Novi Sad. This event is unique in that it offers its visitors an opportunity to visit museums and galleries during the night, and to experience these places in a different way. In addition to regular settings, especially for the Museum Night, extra activities which aim to attract the clientele that is not among the regular visitors of museum exhibitions are organized. For this purpose other places that are not used for exhibitions are turned into an exhibition spot during the Museum Night (eg,shops, squares, bars)

(www.nocmuzeja.rs).

What is common for all these events is the fact that they are held at locations in the city center, for the reason of attracting large numbers of visitors, among others. What is not economical in this case is the high cost of renting space and difficulty to obtain permits for organizing such events.

CATEGORIZATION OF EVENTS

When categorizing events we should bare in mind the possible overlap, ie. that the events often fall into more than one category.

The most frequent are the entertainment-tourist events. All kinds of shows that aim to entertain visitors during their stay in a certain place fall into this category. Such events contain elements of all forms of event tourism, so it is a combined form of where entertainment is a priority (Bjelac, 1998).

Sports competition is a sporting event that takes place according to the predetermined and known sports rules, which may be generally valid for a specific branch of sport or just for a specific sporting event . The aim of each contestant is to seek opponents or win or achieve a certain, pre-specified sports results. (Various authors, 2010). Sports and recreational events are events with sports content, but with entertaining and supporting programs.

Events of ethnographic nature are numerous in Novi Sad and its surroundings because Novi Sad and Vojvodina are inhabited by population that belongs to more than 20 different ethnic communities that make Novi Sad rich in tradition ,folklore, cultural heritage. Some of the best known manifestation of this type: are Parastos dud in Kovilj, Festival of Tambourine Orchestras in Begeč, Biserna Grana in Futog, Wine Festival in Novi Sad, Zalatni kotlic in Kamenjar, Rozenbal - ball of roses and German Pretzel Ball which is organized by KUD Petőfi Sándor (www.visitvojvodina.com)

Religious events in Novi Sad are also numerous, because of religious diversity. It can be connected to a certain religious holiday or to certain place for performing religious ceremonies, and events from the history of the church, marking the date of the significant prophets, apostles, saints. This group includes the mass baptism on Ledinačko Lake, Christmas and New Year's concerts in the Catholic churchyard Vidovdanski meetings in Futog (www.visitnovisad.rs).

ADICE DANUBE NIGHTS

Adice Danube Nights is the event held since 2009. in a marginal neighborhood of Novi Sad called Adice. Adice is a settlement in the southwest of Novi Sad. It is one of the newer settlements inhabited by more than 10 different national communities. The highest percentage of Roma and Ashkali communities in the city of Novi Sad live here. It is also inhabited by Egyptians, and a large percentage of refugees and displaced persons from the territory of former Yugoslavia and Kosovo. It is one of the less developed parts of the city.

The event Adice Danube Nights is held each year around 27th September (On the day of St. Petka in the Orthodox church calendar which is the Slava of the settlement). This day used to be celebrated by the festive dinner and a modest cultural and artistic program for many years. In the year 2009. the festival of Adice Danube Nights started to be celebrated in a new way. Using modern methods of organization, a new interesting event was created, not only for residents of the neighborhood, but also for visitors from other parts of the city and well beyond. First year, the event lasted for two days, and in the following year it was expanded to four. This event cannot be defined only as one kind, as it includes cultural, ethnographic, sports and educational elements. The first year the event took place only in Adice, on the two stages.

One stage is for children's programs, and the other for visitors of all ages. The following year, the event lasted twice as many days. A contract was signed with the Indian Investment Foundation and this event was expanded into a new dimension. Adice Danube Nights was joined by the Days of India in Novi Sad, so that the event received an international character and a new name Namaste Serbia. Festival Namste Serbia lasted four days. The main part of the program was held in Adice, and one part of the program on the beach on the Danube (Strand) Novi Sad (yoga classes). The program on Adice was held on large and small stage. It was a blend of Serbian and Indian culture. Each country has tried to present itself in the best possible way. In addition to the cultural - art program, the souvenirs and handicrafts from India could be bought there, Indian and Serbian food tasted and a lot to learn. The program was divided into the children's, held during the day and the evening programs for all ages .Children's program contained educational workshops, performances, performances of dance and folklore groups, different competitions and games in which all the children that visited the event could participate. Visitors of workshops were able to learn something about ecology, how to make origami figures, a number of Indian children's songs and how to make masks with little material and lots of imagination. Novi Sad Youth Theatre was performing their shows, a famous dance groups from Novi Sad (Standard and Latin-American, and contemporary dance) were presented in lavish costumes and excellent choreography (www.dunavske-noci.org)

Before the start of each competition, all children that are interested can apply and compete for the prizes. Competitions that were held so far: fast šampita eating, drinking juice, skilful bike riding and rollerblading. All prizes are provided thanks to the sponsors and all the facilities for the visitors are free.

This event also has a humanitarian character. Funds are raised from sponsors and given to socially most vulnerable children who live in the settlement Adice.

There is a rich cultural program for all ages: Dancing and singing groups from India and Serbia (mainly in Vojvodina), cultural - artistic associations, presentation of different martial arts. Along with the duration of the program, there are sporting events: competitions in soccer, basketball, chess, bowling and squash.

Organizing and conducting the whole event was supported by volunteers and humane people from Novi Sad and Belgrade. Different means of propaganda are used for promotion of this event: the website where people can read all the information about the program, venue, participants, organizers, promotion on social networks, billboards were placed at several locations in Novi Sad and Belgrade, flyers were distributed with the program of events, promotions on local and national television, several press conferences.

EVENT AND ENVIRONMENT INTERACTION

Impact of organizing such an event on the area where it is held is certainly huge. This impact may be economic, political, sociological and technological (Fajfild, 2003).

Political influence means considering motives and actions undertaken by the Government and the way in which through legislation, regulation and legal and political system it affects the event (Koprivica, 2008) This effect refers to the rules governing the place as suitable for holding various event, because for every public meeting it is necessary to obtain various permits from the administration. On the other hand, depending on the importance and size, events may also influence the policies of the governments of the states were they are held. Even the ancient Romans realized that through the slogan "bread and games" by organizing various celebrations, events and sports competitions, they affirmed their own ideology.

The economists most often look at the impact through economic effects generated by the festival. Adice Danube Nights Festival is non-profit festival, in fact, all the contents for all visitors, as already mentioned, are free. The economic impact in this case can be seen through the additional spending of the visitors at the festival. Organizing the festival is certainly useful for the place where it is held, because the visitors (the participants in the event, and organizers themselves, also) spent money, for example they bought something in the local store, bakery or lunch, drank juice or coffee at the local cafe or restaurant.

Social and sociological aspects are the most difficult to predict because it applies to people and their behavior.

When talking about the impact of events on society, then it means the economic and political influence and any other influence (Koprivica, 2008). The cultural impact on society should also be pointed out. In fact, the manifestation of the Adice Danube Nights is held in an environment where there are people who are so poor that they have no opportunity to go to the theater or a concert or to visit any cultural event, because it usually takes place in the city center. In order to arrive at the event, it takes at least to pay for bus fare, if the entrance is free.

VISITORS ANALYSIS

To discover the wishes and needs of visitors and to improve the event next year, the several surveys were carried out on potential visitors, visitors of the event, and participants. Before the start of the event, while promoting the event, the survey over how many people are interested to visit this event was carried out. On that occasion it was determined that about 90% of people of Novi Sad wants to visit this event. The sample was random. The survey was conducted over the people in the center of Novi Sad, a survey of 250 pedestrians, aged between 15 and 65 years of age. On that occasion, people were informed of the time and place of the event. A large number of passers-by, never visited Adice and did not know how to get there. When they were explained where the event is held, about half of the respondents, were not interested to visit this event anymore. This survey was performed 5 to 1 day before the event.

For the duration of the event, there was a survey carried out over the visitors of the event. Visitors were asked about the motives and reasons for visiting the event, if they are interested to come again, where do they come from, how much money are they ready to spend when visiting this event. The survey was carried out over 100 visitors, aged 15 to 65 years .Of the total of 73% of the inhabitants of Adice in which the events took place, 25% were residents of other parts of Novi Sad, and only 2% had come from another city to visit this event. 92% of respondents said they want to come back, of which 65% only if the entrance was still free, and 35% would come even if the admission is charged. Visitors who live in the neighborhood have often left comments stating that they were very glad that such events are held in their neighborhood, and those who are not from the local community suggested that the festival should be held in the city center, because they believe that the more of their friends would visit it.

CONCLUSION

Importance of the organization of events is huge in many aspects. Many things are achieved such as better life of the community, the cultural-social and educational impact on local people and visitors, contribution to political stability in the region where the event takes place, and often there is a presence of a positive economic effect in terms of the economic interest.

By organizing such events in their neighborhood people have the opportunity to be culturally elevating. By bringing people from India, inhabitants of Adice got a chance to meet new people, new culture, new customs, which otherwise probably never in their lives would have had the opportunity to meet.

The advantages of holding such events in a less developed region are manifold. The event is available to the group of people which in turn have the opportunity to enjoy the similar events, obtaining permits for holding such an event from the competent institutions is facilitated, because it is an area that is not overloaded with events, local businessmen are willing to participate and support the event as sponsors, because they believe this is a good way of promotion. The main drawback of the event at a place like this is a relatively small number of visitors. The vast majority of the afore mentioned events are happening in the city center, and in this way, visitors who have not heard of it, but the bystanders also visit the event, and to attract visitors to the part of the city they regularly do not go to, you need to invest huge resources in the promotion and information on this event.

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HYDROGRAPHIC NETWORK OF FRUSKA GORA MOUNTAIN IS RELATIVELY DENSE AND WELL DEVELOPED

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Abstract

Aqua camp Borkovac, Serbia

Surface waters are represented with water springs, rivers and 14 artificial lakes – accumulations.

Lake Borkovac is the artificial lake situated at the base of Fruška Gora Mountain. Lake surface is about 42 ha and it has water volume of about 1 516 900 m^3.

According to the Fishery Law of Serbia, the Lake Borkovac is a part of fishery area ''Srbija – Vojvodina”. Fishery Association of Vojvodina – Novi Sad manages Lake Borkovac.

All activities on the Lake Borkovac are done in compliance with the policy of nature protection and development of ecological tourism. Lake Borkovac, as Aqua camp, is well equipped to offers opportunities for recreation and tourism.

Lake Borkovac is populated with 19 fish species, which belong to 6 families. Plan and program of managing this lake are based on wise use of fish with the main goal to develop recreative and sport fishing tourism.

In this paper we discuss previous results related to the use of lake, lake protection, and means to include this lake in the tourist offer.

Key words: *artificial lake Borkovac, ecoturism, marketing*

INTRODUCTION

The hydrographic network of Fruška Gora is dense and relatively well distributed. The surface waters comprise springs, river sources, rivers and 14 artificial lakes – reservoirs.

The hydrography of this mountain is the result of comparatively high amount of precipitation, geological composition and quite a few permanent sources… Numerous streams have affected the surface limitation of their river basins. The streams on the southern slope are considerably shorter in comparison to those on the northern slope. The majority of these streams exert a severe and intensive erosion of the terrain.

There are no natural lakes in Fruška Gora but on the other hand, there are 5-6 artificial lakes – reservoirs in the mountain itself and about a dozen at its foot. They were built aimed at collecting excess water for irrigation of arable land, fishing, tourism and recreation.

The number of artificial lakes in Serbia is higher than the number of natural lakes. The artificial lakes of Serbia are characterized by various dimensions and are situated in all parts of the country. According to the basic purpose the artificial lakes of Serbia fall into the following categories: for the production of electrical power, for industrial water supply, for the water supply of populated areas, for the irrigation of arable land, for fishing industry, for tourism and recreation (Stanković, 1998).

Within the boundaries of the National park ”Fruška gora” there are the following reservoirs: “Sot” near Sot covering 22 ha partly surrounded by the hunting reserve Vorovo, “Bruje” (15 ha) whose water partly originates from thermal water spring 200 m away from the reservoir and “Moharač”, both near the village of Erdevik.

The part of the fishing region “Serbia – Vojvodina” comprises the reservoirs: “Vranjaš” near Mandjelos, “Borkovac” near Ruma, “Kudoš” near Pavlovci, “Ljukovo” near Jarkovac, “Čalma I”, “Čalma II”, “Čalma III” near Čalma and “Dobrodol” near Žarkovac.

The reservoir “Vranjaš” near Mandjelos is situated on the tributary of the Mandjelos stream with the basin area of 1269 ha, the designed volume of 900000 m^3 and the area of 40 ha.

“Ljukovo” near Jarkovac was built on the stream of the same name which runs from the eastern slopes of Fruška Gora towards the south-east between Indjija and Golubinci. The length of the dam is 186.2 m, and the height is 7.7 m. The basin area is 17.5 km^2.

The reservoirs “Čalma I”, “Čalma II”, “Čalma III” near Čalma were built on the stream Jaroški. They cover a small area of about 9 ha and the depth is 1.2 m on average.

“Dobrodol” is in the immediate vicinity of the village Žarkovac. It was built on the stream of the same name and the basin area is 1778 ha. The surface of the reservoir at mean water level amounts to about 43 ha.

“Kudoš” near Pavlovci has the average area of 62 ha.

The reservoir “Borkovac” is situated on the stream of the same name, a left tributary of the Kudoš. The width of the dam is 209 m, the height is 11 m and the amount of water is approximately 1516900 m^3. The area of the reservoir is about 42 ha whereas the basin area is 23.8 km. It is situated about 2.5 km to the north of Ruma. It is 70 km away from Belgrade and 50 km away from Novi Sad.

The reservoir “Borkovac”, as the fishing water, belongs to the fishiry region “Serbia –Vojvodina” and the concession for use was granted to the D.o.o. for fishing and water use – “Fishery Association of Vojvodina”- Novi Sad till 31st December, 2012. In accordance with the Law on protection and sustainable use of fish stock (Gazette of RS No. 104/209) the measures for the improvement of sport - fishing recreation and fishing tourism are carried out.

There is an asphalt road leading to “Borkovac” reservoir, whose banks are regulated and mostly covered with gravel. There is a large beach with a restaurant and a café nearby. The environment is picturesque , the lake water is clear and suitable for bathing so that there are ideal conditions for both sport fishing and family holiday.

Sustainable development and usage

The programmes and plans of the “Fishery Association of Vojvodina” – Novi Sad are based on the sustainable development of fishing water and sustainable usage of fish fauna in the scope which does not lead to a long-term decrease in biodiversity, by sustaining their potentials in order to meet the needs and aspirations of the present and future generations all with the objective to develop sport fishing – a form of recreation fishing, It refers to fishing competitions as a sport activity and recreation tourism as a non-economic activity which implies fishing of sexually mature fish by hooks and other fishing tackle aimed at meeting people`s needs for recreation.

Sport fishing and recreational tourism as well as tourism in protected natural environment (Budakov et al., 2010) are not regarded as significant for the tourism development according to the Law on Tourism of the Republic of Serbia.

Biodiversity of fish fauna

The lake is populated by 19 fish species from 6 families - *Cuprinidae, Percidae, Esocidae, Siluridae, Centrarchidae and Letarulidae. Most species, Cyprinus carpio, Abramis brama, Abramis ballerus, Blicca bjoerkna, Rutilus rutilus, Tinca tinca*, and others belong to the family *Cyprinidae*, whereas the others with one or two species – fam. *Esocidae-Esox lucius, fam. Centrarchidae-Lepomis gibbosus, fam. Letaluridae-letalurus nebulosus, fam. Percidae-Stizostedion lucioperca* and *Perca fluviatilis*.

The quantitative analysis of fish community in the “Borkovac” reservoir indicates that the highest individual participation was recorded with *Carassius auratus gibelio* and a subdominant species was *Alburnus alburnus*.

The individual relation between the predatory and non-predatory species is about 1:3.5 while their weight relation is approximately 1:1.6. In terms of weight participation of economically significant species a high percentage of *Arystichthys nobilis* (44.4%) and *Silurus glanis* (31.08%) can be reported (The programmes and plans of the “Fishery Association of Vojvodina”, 2011).

Protective measures

With the objective of the promotion of ichthyo-fauna diversity measures for the protection of water ecosystem are taken within the continuing monitoring of physical-chemical and biological parameters of water quality. The permanent sustainable usage is based on “wise usage” of natural resources which will provide at least the same level of usage for the future generations as well. In case of renewable recourses a balanced development means the balance between taking and giving. These principles are a part of long term and yearly programmes of the users of fishing water “Borkovac”.

The recreational fishing can be carried out in accordance with the Decree on measures for preservation and protection of fish stock (Gazette of RS, No 104/2009) only as daily fishing in the period of Daylight Saving Time from 03.00 to 23.00 hours and in the winter period from 05.00 to 21.00 hours.

In accordance with the Article 8 of the Decree on measures for preservation and protection of fish stock the daily catch permitted per a fisherman is as follows:

For species protected by temporary closed season and minimum fish length:

- *Cyprinus carpio, Silurus glanis, Esox lucius*, 3 pieces in total per day and *Abramis brama* 10 pieces in total.

When a caught specimen of *Cuprinus carpio* exceeds the weight of 8 kg it must immediately be put back unharmed into fishing water and in such cases the daily catch of a recreational fisherman with a permit for recreational fishing is regarded fulfilled. The catch of allochthonous fish *Lepomis gibbosus, Ictalurus nebulosus, Arystichthys nobilis, Arystichthys nobilis* and *Pseudorasbora parva* is not limited.

The recreational fishing is carried out from the bank with hook tackle with three rods at the most with two hooks on each rod according to the permit for recreational fishing. For catching small fish only fishing nets with meshes as regulated and fishing tackle for bait catching of maximum size 5x1m with meshes of 10 mm are used.

As a measure for increasing the fish stock which would make a higher fish catch possible, the revitalization of fish spawning places has been planned with simultaneous possibility for increasing fish settlement by additional stocking with carp fry and with rebuilding catching of allochthonous fish species.

In recent years a great attention has been paid to the decrease in allochthonous species (*Arystichthys nobilis, Ictalurus nebulosus*) through rebuilding fishing.

One of the significant measures for fish protection is the permanent check of sport fishermen`s catch in terms of over-catch of fish, prohibition of fish catching below the regulated length as well as poaching carried by fish keepers and volunteers.

Sustainable tourism

An extra attraction at “Borkovac” reservoir is an aqua camp. It consists of four raft - cabins – “Sirena”, ”Tvister, “Vobler” and “Plovak” 36 m^2 each.

There is a three - bed room, a bathroom and a kitchenette with an installed gas cooker. The guests have at their disposal a grill, a fish kettle and all the necessary kitchen utensils although there is a possibility to have the food delivered from the nearby restaurant and pizzeria.

The lighting, TV sets, mobile phone chargers and other electrical equipment operate on 12 volts from the solar panels.

There are also two spacious terraces for sunbathing and sport fishing. On the lower terrace which covers 12 m^2 there are 9 rod – holders for sport fishing while the upper terrace is three times larger.

Each cabin has its own motor boat.

All four raft-cabins on the lake have been placed in the best possible sights for fishing catfish, perch, carp and other sorts of fish and are safe from sinking and capsizing.

The daily rent per a cabin is 4800 dinars (about 50 €) which includes the accommodation for three people , a daily permit for sport fishing and the use of the motor boat.

If the cabin is used for more than three days the price is reduced to 4000 dinars.

A daily permit for sport fishing is 800 dinars and each fisherman can keep two quality fish and five kilograms of other fish species.

Taking into account the ecological principles of active protection “the beauty” of this lake is the result of preserved or partly preserved natural environment as well as the valuable features which only a man can create. By preserving, promoting and astute running the preconditions for the development of various activities – ecological tourism, sports and sport – recreational fishing, passive and active outdoor recreation etc. have been created.

The cabins can be booked at the “Fishery Association of Vojvodina”, phone 00381 216411974 or email: rsvns@eunet.rs.

CONCLUSION

The above mentioned presents the valorization of the current offer to tourists and the provision of financial recourses and ways for its promotion and improvement.

One should work on spreading the network of interests of different entities – “stakeholders” in promoting the reservoirs of Fruska Gora as an attractive tourist destination “Tourism cluster”

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COMPETITIVENESS OF AGRICULTYRAL PRODUCTS – PREREQUISITE FOR THE DEVELOPMENT OF RURAL TOURISM

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Abstract:

According the analyses both in the Macedonian **agricultural** sector and the development of the tourism in Republic of Macedonia, with special emphasis on the **rural tourism**, they seem to be insufficiently used compared with the potential they possess. Although certain competitive advantages such as favorable climate and long tradition in agriculture, the agricultural production needs strong integration to meet the **market** needs , which constantly develops, and the constant growth of the market **competitiveness** both in international and domestic courts. On the other hand the natural potential the Republic of Macedonia owns upgraded with the rich cultural and historical heritage, give us the right for seriously consider developing the capacity of the rural tourism. Its development will help in both promoting the domestic agricultural products and enlarging the competitiveness. The development itself will bring to hiring unskilled, additional labor that is useless at this moment, and burdens the national budget.

Key words: *agriculture, rural tourism, market, competitiveness*

INTRODUCTION

According to the analyses, Macedonia's agricultural sector and rural tourism in the Republic seem insufficiently profitable, but relatively abundant and with promising features.

On one hand, are the competitive advantages in agriculture, such as favorable climate and a long tradition, which only requires a strong integration to keep pace with the expectations of the market that is constantly evolving.

On the other hand, the natural potential available to the RM complemented with great cultural heritage, which gives the right for serious thinking about the capacity for developing the rural tourism. Its development will help in the promotion of domestic agricultural products, and this will increase the competitiveness of it. The development will lead to hiring unskilled workers, additional labor force, who are in these moments unused and only a burden to the state.

COMPETITIVENESS

Competitiveness[11] is a concept of ability and efficiency of a firm, sub-sector or country for the sale and supply of goods and services in a given market. Although widely used in economics and business management, the usefulness of the concept is particularly important in the context of national competitiveness.

There are different opinions about the competitiveness. For some businesses it may be evil, but for others an opportunity that gives businesses a competitive advantage. But one thing is clear, the competitiveness does not allow the entrepreneur to fall a sleep, it keeps them awake, and it carries on business development. So business does not become boring and does not lose the desire to work and succeed[12].

National competitiveness is said to be particularly important for small open economies that rely on trade and foreign direct investment to secure the level that is needed to increase productivity, and thus the increase in living standards.

[11] Fiti,T; Foundations of the Economy ,– Skopje , Skopje 2006
[12] Fiti,T; Foundations of the Economy ,– Skopje , Skopje 2006

As to increasing the competitiveness of their agricultural products and the development of rural tourism Macedonia has taken measures in this field because these are key elements of the accession of Macedonia to the European Union. National Strategy for Agriculture and Rural Development 2007-2013 is an instrument for development of the Macedonian agriculture and rural areas. It provides a basis for the establishment and support of operational plans for agriculture and rural development, especially Pre document for Agriculture and Rural Development (IPARD)

GEOGRAPHICAL CHARACTERISTICS, CLIMATE AND POPULATION

Geographic location: Southeastern Europe-Balkan, landlocked, hilly-mountainous country.

Climate: continental and Mediterranean

Average rainfalls: 733 мм

Total area: 25,713 км^2

(Hills and mountainous 79,0 %)

(Planes 19,1 %)

(Natural lakes 1,9 %)

Population: 2.046.177

Number of municipalities: 84

Populated places: 1.767

Population density: 79 inhabitants/km2

Rural population: 43%

Urban population: 57%

MACROECONOMIC FRAMEWORK [13]

The agriculture (including hunting, forestry and fishery) is the third largest sector by the participation in GDP, after services and industry. If we include the processing industry, the percentage will increase to 16%.

MACROECONOMIC INDICATORS

About 43% of the population, 36% of the labor force and 44% of the poor population live in the rural areas.

Number of individual farm holdings: 192.378

Number of agricultural enterprises: 297

Average size of farm in private ownership: 2,5-2,8 ha

Ownership of the agricultural land: private 80%, social 20%

The agricultural together with food industry is accumulating about 20% of the total labor force and it is representing the agricultural character of the country.

AGRICULTURAL LAND - 1.063.000 HA

From the total land area 41% belong to the agricultural land. From the total agricultural land, one half is an arable land. 1.159.600 ha belong to forests and forest land in Republic of Macedonia,which is 45% from the total territory, from which the total area under forest is 955.300 ha (37% of the territory). The state have ownership of 90,14% of the total forest area (total wood mass is 92,2%). The individual holdings have 9,86% of the total forest area, and their portion of the total wood mass is 7,8%.

FORESTRY

The forestry and wood industry have an important role in the rural areas economy. The general contribution of the forest industry (primary and secondary wood processing, furniture, paper, cellulose,

[13] Facts and figures, MAFWE, Skopje 2009

etc.) in the Gross National Product is 2%. The forests in Republic of Macedonia are characterizing by rich biological diversity. Macedonia has significant resources of other forest products: medical herbs, mushrooms, berries, etc. and diverse game.

HUNTING

In Republic of Macedonia there are 250 hunting grounds, from which 105 are for big game and 145 are for small game. From those five are state, from which 4 are for big game („Jasen"and „Jasen I"– Skopje, „Polaki"– Kocani, and „Lesnica"– Tetovo)

WATER RECOURSES

From the total area of Republic of Macedonia, approximately 56.000 ha are water area. From them 46.700 ha are natural lakes, 6.400 ha are artificial lakes, 2.200 ha are rivers and 700 ha arefishponds.

The total water resources of Republic of Macedonia are estimated at 6,37 billion м3 in normal years and 4,8 billion м3 in dry years, from which 80% are located in the basin of the river Vardar. The annual potential of the natural springs per inhabitant is approximately 3.000 м3.

Approximately 85% of the surface water origins from the country, while only 15% of the wate inflows from the neighboring countries.

CROP PRODUCTION[14]

According to the sown areas, the crop production is divided into six main groups, where dominant is production of cereals at approximately 207.049 ha, because of the soil-climate condition, while among the industrial crops prevails the tobacco as very important labor crop in the area with difficult conditions for agricultural production. The fodder crops are present in the animal developed areas, while the vegetable crops use the changed Mediterranean climate in the southern parts of the country, for early vegetable crops production. The fruit crops are most present in the western parts of the country, because of the more humid climate conditions, while the vine growing is most present in the central part of the country, because of the favorable soil conditions and the high temperature with minimal humidity.

VEGETABLE PRODUCTION

The vegetable production as an export-oriented agricultural branch is participating in the export of agricultural products in two major segments: export of fresh vegetables and export of processed vegetables (preserved and processed). The production of vegetable crops are divided into early vegetable production, located mainly in the southern parts of the country with Mediterranean climate (Strumica, Gevgelija, Valandovo) and open field production in the eastern and northern parts of Macedonia (Skopje, Kumanovo, Kochani, Radovish, Prilep, Ohrid) with mild continental climate.

FRUIT PRODUCTION[15]

It comprises approximately 2,73% from the arable agricultural land or approximately 14.000 ha (8.789 ha productive trees - MAFWE), with approximately 9.000.000 trees, which are concentrate in regions at an altitude of 300-800m .According to the areas, the most common fruits are: the apples with approximately 62%, plums 13%, sour cherries 7%, peaches 7%, table grape 7% and other fruit types (pears, apricot, almonds, walnut, etc.) with approximately 4%. In 2009, the total orchard production is approximately 155.050 tons.

The export of fruit (fresh and frozen fruits) is taking an important part in the total export of agro-food products and in 2009 has been participating with 6,1% in the value of total export of the agricultural- food products.

[14] Facts and figures, MAFWE, Skopje 2009
[15] Facts and figures, MAFWE, Skopje 2009

GRAPE AND WINE PRODUCTION

The grape growing and wine production are participating with 17-20% from the agricultural GDP. The wine after the tobacco is the second most important product regarding to the export value of the agricultural products.

Concerning to its climate characteristics, Macedonia is classified in the vine-growing zone III-C-b, divided into three vines - growing regions: the Vardar region (i.e Povardarie), Pelagonia-Polog region (western) and chinja-Osogovo region (eastern). These three main regions are divided into 16 sub- regions, so-called vine-districts.

The total area of vineyards has had a negative trend of 17% in the period of 2003-2007 (from 25.692 ha in 2003 to 21.312 ha in 2007). In the last 3 years the same has registered a trend of increase, bringing the average area under the vineyards up to 24.000 ha. The wine types of grape are participating with 70% from the total areas under vineyards (the white types with 40% and the colored types with 60%). The most present colored wine types of grape are: Vranec and Kratosija with longer tradition of growing, and from the white types of grape: Smederevka, Zhilavka, then Chardonnay, Riesling, Sauvignon white, etc. From the table types of grape the following are dominating: Afus-Ali, Cardinal, then Muscat Italy, Muscat Hamburg, Drenak, White Winter, etc.

In the grape growing are included 25.000 farms, from which 70% are individual holdings and 30% are agricultural companies. The average yields are approximately 10 tons/ha. The table grape is mostly producing in the Vardar region and then follows the south-eastern and north- eastern region. Because of the favourable climate, the Macedonian table grape has a high quality and significant export potential. The assortments of varieties of table grape include several classes of very early to very late (winter) types of table grape.

WINE PRODUCTION[16]

In 2009 there are 82 registered wineries with total capacity of .338.467 hl, i.e. two times bigger than the annual production of wine grape. Increasing the number of wineries from 28 in 2003 to 82 in 2009 (mainly companies with small or medium size), is because of the concentration to the production of high quality wine in bottles, with controlling of the varieties, vineyards and harvest, sophisticated processing and marketing technologies, that are competitive at both domestic and foreign markets. The domestic wine consumption is estimated at 15 liters per capita annually.

WINE TRADE

The wine export is participating with 10,7% in the total export of agrol-food products mainly to the EU markets. Averagely 40% of the wine production is intended for export. The wine export in EU is taking place under preferential duty free (quantitative) quota of 399 000 hl, from which 350 000 hl are allocated for bulk wine and 49 000 ha for bottle wine.

LIVESTOCK PRODUCTION

A cattle breeding is a leading branch of the individual agricultural sector, mostly in the hilly - mountainous regions. Dominant are the small individual family farms that are producing mainly for own needs. As a result of the increased budget support, the number of commercially oriented family farms is growing, while the number of heads in the large specialized cattle holdings is decreasing, caused from dependence of the import of animal feed (maize, soya, concentrates). In the recent years, the total number of animals in cattle breeding, sheep breeding and poultry farming is decreasing, while there is slight growth among the pig breeding. The biggest decreasing is registered among the sheep breeding, goat breeding and poultry farming.

[16] Facts and figures, MAFWE, Skopje 2009

ORGANIC PRODUCTION

The growth trend of agricultural organic production is continuing well in 2009. The production facilities, number of farmers, processing companies and traders with organic products has increased. Significant growth has been recorded in the certificated areas with wild plants and wild fruits (from 1.300 ha in 2005 to 204.800 ha in 2009), as well as in the production of organic honey, whereas the number of bee families has been recorded significant growth (from 110 bee families in 2005 to 15.455 bee families in 2009). The increased development process of agricultural organic production is because of the increased interest of the organic food producers and the increased financial support from the Government of RM (from 6 million denars in 2005 to 36,5 million denars in 2008) .

FISHERY[17]

The water resources that are usable for fishing covers approximately 56.000 ha, from which 46.700 ha are natural lakes, 6.400 ha are artificial lakes, 2.200 ha are rivers and 700 ha are fishponds.

ACTIVITIES UNDERTAKEN

Investments to improve competitiveness aimed at restructuring the agricultural economies and promote innovation by supporting the modernization of agricultural holdings, increasing the economic value of forests, processing and marketing of agricultural products and forestry, improvement and development of infrastructure and protection of natural disasters, improve the quality of agricultural products through the introduction of standards for production, introduction of quality systems for agricultural products and promote their quality, and improving knowledge and promoting the human potential of agricultural producers, providing advisory services and education management of agricultural holdings.

Measures for agricultural activity useful for improving the environment and rural areas are intended to: encourage the use of agricultural land which contributes to the improvement, maintenance and upgrading of the environment and landscapes, areas with limited opportunities for agricultural activities, providing bio-diversity in agriculture and maintenance of cultural heritage and natural resources associated with agricultural activity.

Measures to increase employment in rural areas and improving the quality of life in rural areas relate to encouraging diversification of economic activities in rural areas in order to secure additional sources of revenue, aid for young farmers and improve working and living conditions the population in rural areas related to improving infrastructure and living and working conditions. In addition, stimulation of micro-businesses and entrepreneurship and development of rural tourism in the diversification of economic activities in rural areas. The role of stakeholders in rural development is promoted by supporting non-profit and non-governmental organizations to undertake activities to promote economic, social and environmental aspects of rural areas.

Support for local development (the so-called LEADER approach) is aimed at improving local economic development by encouraging partnerships and "bottom-up" in preparation and implementation of local development strategies.

RURAL DEVELOPMENT

MAFWE realize coherent rural development policy with a Program for financial support for rural development for 2009 and Program for amending the program for financial support for rural development in 2009, and Decree amending the Decree on the implementation of policy rural development. In addition, established internal procedures of the management body IPARD accredited by the National Authorising Officer and by the European Commission's proposal and established internal procedures to deliver the technical measure IPARD program. Also modified IPARD Program is underpinned by changes in relevant national and European legislation and introduced additional financial allocation from the European Union in the amount of 14 million euros in 2011. Consequently, a program developed using funds from IPARD program for the period 2007-2013 and a system for monitoring the implementation. Given the

[17] Facts and figures, MAFWE, Skopje 2009

multifunctional nature of agricultural activity in terms of environmental protection in 2009 was prepared code for good agricultural and hygienic practices. In 2011 the field of rural development plan more activities.

CONCLUSION

From previously obtained official data from MAFWE it can be easily concluded that we are in fact agricultural country, not just geographically but also historically, traditionally. Our people know what is life like in rural environment and what is needed for the life there.

On one side are the benefits, we have been deprived of in large cities, such as clean air, fresh water, peace, tranquility and local food, everything that is needed for a healthy life, and on the other side, the deterioration of these rural areas, lack of infrastructure especially roads, water, shops and everything that symbolizes the life of the man of the 21st century. Macedonia abounds with enormous potential for development of the rural tourism, but also should make a plan and strategy for processing the same. Basically the first steps to develop rural tourism in Macedonia have been made. To start from Berovo area, Demir Kapija area .... but let us not forget that all of this is up too little in considering the fact how much we can offer.

It seems that for greater exploitation of the rural tourism a major obstacle might be also the high prices and the service that is not so satisfyong in these areas.

What is meant by good service? When I decided to go for lunch in a village, I expect decent and clean facility for the beginning, then good food, preferably homemade, good brandy and wine, all accompanied by good music.

Above all should, something should be done to reduce the cost of services in these areas which will increase the number of tourists from our country and abroad.

For example, if we take into account that in Berovo there is a huge number of unemployed people, it should mean cheap labor, then the fact that it is a region for cattle breeding, which should mean that milk and dairy products can bear the main burden and earnings from the tourism. The tourists can to be offered fresh and unique products at very low prices, for example salted milk, smojmirovski yogurt, yellow cheese,in Berovo area, in Kocani,Strumica and Gevgelija other unique specialties such as vegetables, various salads and caserols, in Kavadarci and Negotino wine and brandy, etc..

So this country, on every 50km, is able to offer tourists other core-bussiness, etc. products. The point of this paper is to offer one solution to reduce unemployment, increase the competitiveness of agricultural products, thus promoting the country and creating a recognizable brand. After a lot of researches done in this field, we have come to a general conclusion, that there are people who are willing to develop rural tourism, but no good organization and management.

For example, if there is a man who can invest in the construction of a facility that will serve as a hotel (base), a stylish hotel that will suit the rural environment, you can find people who will provide tourists with homemade bread, home pies, with domestic cow or sheep milk yoghurt, various salads of fresh peppers, cucumbers and tomatoes with sheep or cow, and maybe goat cheese, local cuisine specialties as stuffed peppers, turlitava, Ioannina, jogurtlitava etc etc.. and various domestic well-known sweets from this region. So when tourists come in rural areas they need to taste the original taste of the local life. All this can be made more interesting and fun for tourists, who would probably like to stay at least seven days, by organizing various fairs for cheese and other dairy products, agricultural products like vegetables and fruits, teas, cocktails with well Macedonian wine where tourists can get to know our products primarily to test them in authentic conditions and to buy, though. In this way we increase the consumption of our agricultural products, as well as promoting them. Throughout this organization would include people from local towns, and in time every person would be able to find the right place in the whole puzzle called rural tourism

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URBAN WINE ROUTE – REAL POSSIBILITIES FOR DEVELOPMENT IN SKOPJE REGION

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Abstract

At the beginning of this millennium quite significant number of private managed wineries is opened throughout Macedonia. However, concentration of some wineries is obvious in some wine regions, which opens possibility for creation of new wine routes in some parts of Macedonia and the capital Skopje as well. Having in mind that Skopje is a capital with rather significant number of foreign visitors, mostly for business and political purposes, a few wineries in the vicinity which have the remarkable wine quality, make the solid base for creation of "urban wine route" – expression that is well known in the so called "new world" countries (such as Australia, New Zealand, Argentina, Chile and California) and that refers to the wineries beside the big cities.

Having in mind also the remarkable cultural inheritance around Skopje, both from Christian and Islamic origin, careful study of the subject can generate impressive food and wine destination.

Key words: *Urban wine route, Visitors , Wine,Winery , Wine tour, Wine tourism*

INTRODUCTION

It is usual that wine tourism is generally found in rural areas, but it is developing also beside the big cities. The reason lies in the lack of time and a wish to spend less time driving to the nearest wine cellar, *winery* or wine yard. *Wine tourism* experience could be also achieved in the urban area; The same experience can be felt near almost all the big cities of South Europe. "THINK GLOBALLY AND DRINK LOCALLY"[18] is sintagma introduced at the beginning of sixties, preserving the local identity and exclusiveness at least by eating and drinking.

It's almost a decade that a wine industry started to expand in Republic of Macedonia. New *wineries* are opened not only in traditional wine regions, like the well known Tikves wine region, but throughout the whole Macedonia and in Skopje as well. Wineries VINAR, SKOVIN, KARTAL and KAMNIK are active at the moment and willing to open their cellar doors not only to the export of their wines, but of developing of new concept in travel business, *wine tourism* and more, the *urban wine route.*

Skopje was on the crossroad to different cultures, which resulted with monument, mentality, philosophy, religion and ethnic diversity that in the travel industry should be used as the driving force of the activity. Monuments witnessing ancient times, medieval fortress and the Christian churches and monasteries, as well as the Islamic mosques are considered the cultural treasure of the city. Today it is a part of the important transit highway E 75, connecting Serbia at north and Greece at the south of Macedonia, which gives the possibility of development of transit tourism.

The Skopje region has a number of tourist overnights that is rising constantly in the last five years[19]. In any case, the profile of the visitors and the motives are mostly business, economy and politics. But at the same time, they are eager to learn the Macedonian culture, past, cuisine, wines and to have the total

[18] Strenk, T.H.. 2009. Sideways In The City, Restaurant Business. Vol.108 Issue 3 (March): 34-38
[19] The State Statistical Office, tourist arrivals by statistical regions, 2005-2009

experience. Although Macedonian *wine tourism* is its infancy, the careful study of its potentials could help to define the future perspectives.

At the moment, four *wineries* with a different capacity and a different infrastructure are active at the territory of Skopje. The objectives of this paper are:

- To provide the general profile of each *winery*
- To examine the possibilities for (urban*) wine tourism* development

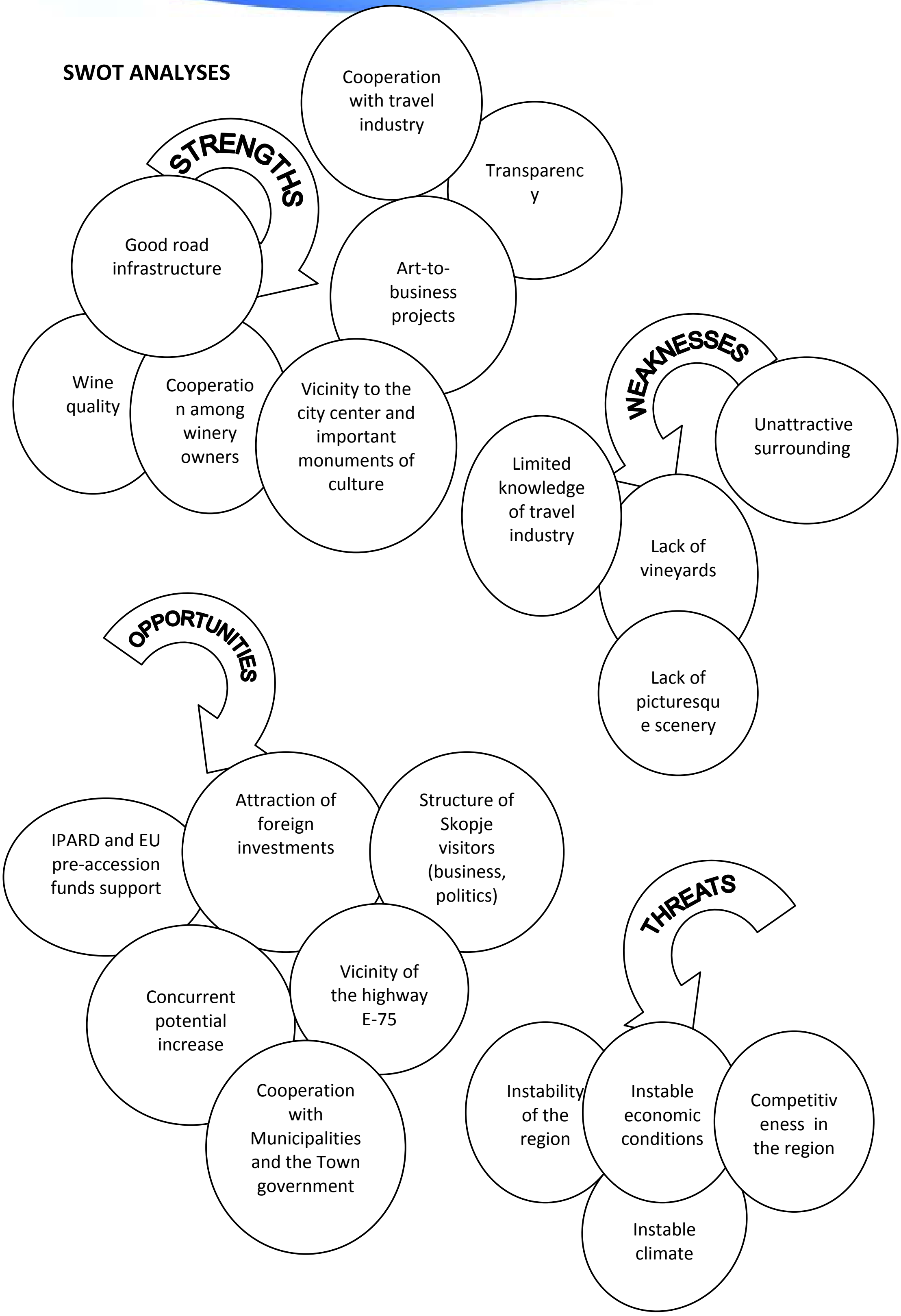
WINERIES' ASSESSMENTS

Table 1. **Objective wineries' assessment**

ASSESSMENT	VINAR	KARTAL	KAMNIK	SKOVIN
Attractive location			✓	
Good road marks				✓
Parking	✓	✓	✓	✓
Awarded wines	✓	✓	✓	✓
Tasting room		✓	✓	✓
Restaurant		✓	✓	✓
Own local food cuisine			✓	✓
Enoteca			✓	✓
Seminar possibilities		✓	✓	✓
Hotel			✓	
Gym/fitness			✓	
Tennis court			✓	
Shooting range			✓	
Wine museum				✓
Language speaking staff	✓	✓	✓	✓

The objective infrastructure and both a human and service potentials for urban wine tourism activity is shown. The lack of attractive location is due to the position of each winery – Kartal and Skovin in industrial zone, Vinar in less attractive part of the municipality. Road marks are definitely the disadvantage of the whole wine tourism business in Macedonia. All the wineries have a good approach by car. Awarded wines are a strong motive for visiting each winery. The lack of tasting room is a big disadvantage for Vinar, but the attractive Macedonian style restaurant "Old house" is used. Restaurants are present by Kartal, Kamnik and Skovin, but no doubt that Kamnik has the most attractive restaurant with the game cuisine, but Skovin has the restaurant convenient for the highly professional and business clients. The restaurant of Kartal is without own cuisine at the moment, but has the careful choice of Macedonian specialties from other restaurants. Enoteca is found by Kamik and Skovin with a history of their wine production. Kamnik possesses also a wide collection of good quality French wines. Seminar and a team building possibilities appear in three wineries, although with vary quality. Kamnik is the winery with the most complete tourist infrastructure, interesting activities and the only one offering the guided tour including visits to the vineyard, cellar. But Skovin is the only one with the cute small wine museum. Languages are no more a problem for the staff.

SWOT ANALYSES



STRENGTHS

- WINE QUALITY - It is one of the most significant strengths of each winery, as well as the most important push-motives for the hedonists who are the most distinguished participants in wine tourism. The proofs for the wine quality of these four wineries are numerous awards and medals won at the international wine conventions.

- COOPERATION AMONG WINERY OWNERS - The advantage of the Skopje region in comparison with Tikves region is that the owners have communication and cooperation among themselves. Although very different in size, location and the historic background, the wineries are willing to cooperate among themselves for the benefit of the wine tourism industry.
- COOPERATION WITH A TRAVEL INDUSTRY - Majority of the wineries have communication and cooperation with the representatives of travel industry – hotels, restaurants, travel agents, tour operators, associations, chamber of commerce of travel industry.
- TRANSPARENCY - This is one of the biggest strengths and advantages of the wineries. They are very friendly and willing to give the information about their wine, wine production and the future plans. In each of the wineries, independently from the size or importance, a warm welcome is considerably noticeable to the very end of the visit.
- GOOD ROAD INFRASTRUCTURE - The access to the wineries is easy from all directions in the town. Skovin and Kamnik are located at the vicinity of the main road at the eastern entrance in Skopje. Kartal is located at the main road of the south-east part of Skopje, while Vinar is located at the main west exit of Skopje to Ohrid, the most well known tourist destination in Macedonia.
- ART-TO-BUSINESS PROJECTS - The rustic infrastructure of wineries is perfect for art-to-business projects. Macedonian handcrafts can be presented together with Macedonian wines. Actually, attractive past of Macedonian handcrafts are presented in the wine museum in Skovin, where mostly pottery from the past, as well as the wine related handcraft are exhibited.
  Handcraft and art workshops, as well as the ethno music (as performed by Sintezis, Dragan Dautovski band or Anastasia) could be the integral part of the wine cellars' presentation.
- VICINITY TO THE CITY CENTER AND IMPORTANT MONUMENTS OF CULTURE - All of the wineries' locations are easily connected to the city center and the monuments of culture through the main road arteries. Only 15-30 minutes are enough to reach the Skopje center. City churches as St. Spas or St. Dimitrija, St. Pantelejmon at the Vodno hill, as well as the churches St. Andreja or Nikola at Matka Canyon in the vicinity of Skopje are spots of interest of each visitor. St. Marko Monastery, as well as a few monasteries on Skopska Crna Gora Mountain make the tourist offer more fertile. The monuments of the Islamic past make the travel offer more fertile (old Turkish bazaar, with a few "an" (inns) and the well known Mustafa Pasha's mosque. Monuments from the ancient period are present as well (Roman aqueduct, Kale fortress).

WEAKNESSES

- LIMITED KNOWLEDGE OF TRAVEL INDUSTRY - Although having communication with the representatives of the travel industry, lack of knowledge of travel segment is noticed in winery itself. Usually wine tourism is the subject of enolog who is educated for wine making process but shows the lack of knowledge in this second segment of wine tourism.
- LACK OF WINEYARD - This might be the handicap as there are the wine tourists and visitors who would like to participate in vintage, or just see the types of grapes.
- UNATRACTIVE SURROUNDING - This is the biggest problem by almost all wineries in Skopje. Although cellar doors and wineries themselves are attractive, almost all of them are situated in the less attractive parts of the town.
- LACK OF PICTURESQUE SCENER - The visitors are familiar with the fact that they are visiting an urban winery, usually at the suburb of the big city, but the lack of the picturesque scenery is the handicap which could be surpasses by own horticultural efforts.

OPPORTUNITIES

- IPARD AND OTHER PRE-ACCESSION FUNDS FOR SUPPORT - The wineries can apply for different pre-accession funds by submission of application for allocation of funds for pre-accession assistance from the side of the European Union. IPARD funds are particularly convenient as they support the development of the rural economy activities.
- ATTRACTION OF FOREIGN INVESTMENT BY QUALITY - This opportunity is due to the high potential of Macedonian food quality (organic food) as well as the wine industry (organic wine potentials).
- STRUCTURE OF SKOPJE VISITORS - Visitors of Skopje are mostly of business or political reasons. Therefore a lack of time is one of the main reasons to visit the closest wineries instead of those in the Tikves region.
- VICINITY OF THE HIGHWAY E 75 - As being close to the highway E 75 urban wine tourism could be a part of transit tourism. Of course, better road marks must be settled to inform the transit tourists about this possibility.
- COOPERATION WITH MUNICIPALITIES AND TOWN GOVERNMENT -This cooperation could be useful for the wineries, not only because of their infrastructure improvement, but for regional cooperation as well.
- CONCURENT POTENTIAL INCREASE - There are a few professional Associations and projects bringing innovative and exciting new ideas to the wine and wine tourism market, increasing the concurrent potential of the wineries.

THREATS

- INSTABILITY OF THE REGION - Balkans is traditionally instable region in Europe. Although there are no conflicts almost a decade, the countries are ardently seeking to join NATO and the European Union.
- INSTABILITY IN ECONOMY - The reason lies not only in internal but also in external factors. Turbulences are obvious in the world economy, world crises are deeper and tourism, as being the hospitality activity, could not achieve goals set in the strategy.
- INSTABLE CLIMATE - The climate is changing constantly which is due to global warming. It is very often unpredictable which leads to decrease of agricultural production and higher food prices as well as serious water supply problems.
- COMPETITIVENESS IN THE REGION - The number of wineries is rising not only in Macedonia, but in the region as well. A big number of them are not only trying to export their wine, but to be a part of the hospitality and travel business. Wineries are growing in Bulgaria, Serbia, Croatia, Greece and Kosovo as well, and they have adopted the strategy for wine tourism development.

CONCLUSION

The wine tourism industry is growing rapidly in Republic of Macedonia. Although not being the traditional wine region, Skopje has 4 wineries at the moment, working not only on wine production, but on wine tourism concept as well. There location, history, wine production, capacity, infrastructure and human recourses are different, but all 4 can create the new concept of URBAN WINE ROUTE. Although suffering the lack of vineyards and picturesque scenery, very often located at the unattractive part of the town, their advantages lay in the quality of wine (many of them rewarded), vicinity of the social, economy, cultural and political events, project connected to the ethno and art treasure, as well as the opportunity given by foreign investment and funds. They can enrich the tourist offer of the town, specially cooperating with the other segments of culture and travel industry. It can become a significant part of transit tourism also, which could be the subject of some future studies.

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THE IMPORTANCE AND APPLICATIONS OF ENVIRONMENTAL STANDARDS IN TOURISMA OF MONTENEGRO

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Abstract

Meaning of the concept of tourism from their first appearance to date constantly changing with the changes and development that accompanied human civilization. Accordingly, the definition of tourism is complemented and it created a new definition that weakened previous.

Tourism is a complex socio-cultural experience that can not be fully understood unless viewed in relation to other structures of human society: family, class (social) background, ideological background, physical environment, most importantly, the political economy of signs. Tourism must be understood in different ways, new, global in its uniqueness, it should be re-considered. Just 60 of the last century, the Assembly of the United Nations the issue of tourism development given a new dimension that looks at the development of tourism in socio-economic principles.

A 80's modern tourism was given an environmental dimension that supports sustainable development.

Eco-tourism is promoted as a factor in the protection of natural resources. Ecotourism provides significant economic benefits both the global and national level. Today it is estimated that tourism accounts for 10% of the total income from international tourism. Ecotourism activities are becoming increasingly important for the development of various types of tourism.

One of the greatest treasures of Montenegro is vested in the diversity and natural beauty of our national parks, as well as genuine and friendly hospitality of the local population. Due to the fast paced world, more and more travelers are seeking opportunities for spending time outdoors, among which are the adventures in the high mountains. Narrower term ecotourism has been replaced by broader definition Geotourism: New Trend in Travel.

Key words: *eco tourism, eco lodge, fine.*

INTRODUCTION

One of the greatest treasures of Montenegro is vested in the diversity and natural beauty of our national parks, as well as genuine and friendly hospitality of the local population. Due to the fast paced world, more and more travelers are seeking opportunities for spending time outdoors, among which are the adventures in the high mountains. Narrower term ecotourism has been replaced by broader definition Geotourism: New Trend in Travel.

National Geographic Traveler Geotourism is defined as tourism that sustains or enhances the geographical features of the place being visited - its environment, culture, aesthetics, heritage and the well being of its inhabitants. Geotourism is the core of regional economic development, aimed at providing better quality of life of local people in villages and towns, both within and along the borders of national parks. (Zlatko Bulic and Basil Bušković, Natural and landscape values of the space, nature conservation, Iniverzitet of Montenegro, Podgorica, 2002; p. 24.)

National Parks of Montenegro have the image of "wild beauty" that is reflected in nature, clean lakes and rivers and fresh air. Many villages in mountainous regions are already known for its hospitality to the visitors. However, the basis of quality accommodation to satisfy the needs of passengers, missing not only in most villages but also the very national parks. Most of the renewed national parks in the world offer visitors the Eco Lodge in the park, which is of high quality and fully integrated into nature, strictly applying the criteria of construction and management in accordance with the environment, the optimal management of waste and energy, organic food, and facilities and services for nature and nature exploration.

In accordance with a quality tourism strategy and a strong sense of national pride to closer demanding travelers from around the world natural wonders of our national parks, the intention of the Ministry of Tourism of Montenegro is that in each of the national parks of Montenegro to build high quality Eco Lodge, with features specific to the site and fully integrated into the wild, according to the highest international standards for quality and environment. (Ministry of Tourism of Montenegro, Internet: http / / www.mt.gov.me 11/25/2010)

ECOTOURISM END ECOTOURISTS

Ecotourism is a small but rapidly growing industry that operates within the niche markets governed by market forces and regulations. Ecotourism is primarily propagated to the market as a nature-based tourism. From a functional point of view, ecotourism is in the market mostly individual or small-scale tourism (tour groups up to 25 people and hotels with fewer than 100 beds), in which small and medium business enterprises in the fields of nature. It is a market segment, which focuses on managing and settling of small groups in the fields of nature, with an educational approach, using materials with guidance and specialized local guides.

Because it includes many individuals with unique ideas and creative approaches, ecotourism travel is rarely carried out twice in the same way. Ecotourism is a business and be profitable, but should be a responsible business, which aims to achieve greater social and environmental goals. As such, ecotourism is highly dependent on the commitment inndividualnih company owner, who must be willing to apply a single set of standards within their business approach - standards that have been developed only in the past ten years.

The fact is that there is no international regulatory body and that the standards in the field of ecotourism rather difficult to determine, permitting the businesses and governments to develop eco-tourism without any supervision. Many companies in the field of travel and tourism have found it necessary to use the term "ecotourism" in their brochures, and governments are very widely used the term to promote their destinations, all without trying to apply any of the basic principles of ecotourism. (Ecotourism Development - A Manual for Conservation Planners and Managers Volume, The Nature Conservancy, Arlington, Virginia, USA, 2002, p. 2-4)

Ecotourism is a radical form of tourism in relation to rural and agro-tourism, in the case in relation to nature. In fact, this type of tourism involves environmental clean and preserve natural ambience. Using the protected nature areas: national parks, protected areas on the list of world cultural heritage sites, biosphere protection areas, nature reserves, national parks and similar protected areas. The degree and nature of protection are not an obstacle tourist facilities and natural landscapes of, but this kind of offer does not include inappropriate nature protection activities (construction of certain facilities, infrastructure, fishing and hunting, particularly of rare and endangered species, destruction of some plant species ...). As part of ecotourism, it is possible to develop certain forms of tourism such as religious, bird watching, rafting, adventure, cultural ...)

Ecotourism is the best example that can be valorized spaces of the ecological state, or both in this country no unusable space, when it comes to tourism.

Ecotourism can be characterized as:

- form of travel to natural areas, based on the experience of nature, share time with local communities and teach their culture;
- the educational experience and substantial, never passive;
- must promote the conservation of the environment and its protection, supported with local participation;
- reduce the negative impact on the natural look of the socio-cultural community of life and supports the protection of natural areas, promoting the economic benefits for local people;
- involves responsible action on the foreign tourists and the tourism industry;
- focuses primarily on small groups by small businesses;
- requires the least possible consumption of nonrenewable resources and
- emphasizes local participation, ownership and entrepreneurial opportunities, especially for the rural population. (David Gibson, A Dynamic Conversation: Industry Standards for Responsible Tourism, Virginia, USA, 2002, P.34-35)

Ecotourism in the beginning was just an idea, not discipline, so they are many companies and government developed without understanding its basic principles. The establishment of internationally and nationally accepted principles, guidelines and procedures of certification, to pursue the 90's of last century, but a modest pace, because this process involves participants from many regions, professions and education. Each region of the operating ecotourism should develop its own principles, guidelines and certification procedures based on international materials already available. This process of creating international guidelines for certification is far from being completed. International Society for ecotourism was followed by the results of meetings of participants since 1991. years, to give form to a set of principles, which was accepted by a growing number of nongovernmental organizations, private enterprises, governments, scientific institutions and local communities.

Principles of ecotourism are:

- minimizing negative impacts on nature and culture, which can cause damage to the destination;
- Education about the importance of passengers;
- stressing the importance of responsibility, acting in cooperation with local authorities and population in order to meet local needs and create the benefits of protection;
- Direct revenue from the protection and management of natural and protected areas;
- highlighting the need for creating regional plans for tourism zones and management plans and visits to designated regions and areas of nature for which it was decided to become eco-destinations;
- emphasis on the use of basic natural and social studies as well as long-term monitoring programs, to assess and minimize impacts;
- striving to maximize economic benefits for the host country, local entrepreneurship and community, especially for people living in and around natural and protected areas;
- striving to ensure that tourism development does not exceed the social and environmental limits of acceptable change some of the researchers in collaboration with local people and
- relying on infrastructure that was developed in accordance with the environment, minimize the use of fossil fuels. (Ecotourism Serbia, Internet: http / / www.ecotourismserbia.com, 27/11/2010) Strategies for managing ecotourism:

1. zoning for use by visitors - carefully planned system of zoning for tourism in protected areas is a powerful tool that ensures that the visit taking place, are in place and in a way that it is within the limits

set by the management of the area. Through a system of zoning, management authorities provide protection to activities conducted at sustainable levels, so as to maximize profits, limiting the negative impacts and prevent conflicts of interest groups.

2. Planning and designing places for visitors - the majority of ecotourism sites, the use of the visitors are concentrated in only a few locations, or "place for visitors," to facilitate management and limited environmental impact. The main objectives in the planning of the visitor are:

- efficient use of space to set up infrastructure in places that will be the easiest, safest and most effective used by visitors and service providers;
- minimal effect of the presence and development of infrastructure and the environment
- Infrastructure Planning in accordance with the established capacity of natural areas to accept the number of visitors.

3. sustainable infrastructure design - eco-tourism requires a different infrastructure than that for conventional tourist use, especially if the protected area includes facilities for accommodation and meals. In natural areas, ecotourism infrastructure must fit the environment, using primarily renewable energy sources, to manage all types of waste without harming the environment.

4. mechanisms of revenue - one of the main aims of ecotourism is to create revenue for the protection and assistance to the local community and other stakeholders, who also participate in ecotourism. The extent to which tourist resort produces income depends largely on its value as a tourist destination, and also of its management and marketing opportunities. There are different ways of providing income in an ecotourism site, such as tickets, fees for use of facilities (parking, camping, etc..), Permits and licenses, copyright, license, sales revenue, concession payments, various fees (room to accommodate , means of transport, etc..), rental of property and equipment, and other voluntary donations.

5. management of visitors - every time a visitor stepped into ecotourism site, it causes a negative impact. This is one inescapable fact. Managers of ecotourism is to minimize these impacts and ensure that, through ecotourism management strategies, positive impacts Bruno, negative. Management of visitors and impact monitoring should be the primary activity of the entire management plan. This requires the cost and the required personnel training, and support to interested stakeholders.

6. Licensing Guide - Guides play a central role in implementing the concept of ecotourism. They are the main suppliers of educational elements in the tourist activity, their capacity and activities to ensure adverse impacts of tourism are minimized. For the management of protected areas, it is essential to establish a system, licensing guides, because they can:

- significantly enrich the visitor experience through interpretation and education;
- Consistently generate new champions of protection, and additional tourism demand;
- strengthen the links between the goals of protection and community development;
- increase the safety of visitors;
- make additional "eyes" and "ears" for the management of protected areas and
- ensure that negative impacts are minimized visits, and increased positive. (Craig Lindberg, Save the Earth by Going on Vacation: Ecotourism, Conservation and Development, ORLT Program, OSU-Cascades, 2000, P.45)

STANDARD ENVIRONMENTAL ISO 14000

Contemporary economic conditions, rapid technological progress and numerous achievements have led to overall progress, but at the cost of exploitation of limited natural resources. This has created awareness of the need for environmental protection. For this purpose, the enactment of numerous charters and declarations, by which the state through its institutions creates an obligation for environmental management. As a result of these charters and declarations, there is a standard ISO 14000, which defines the system of environmental management as part of an overall management system that includes organizational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing, deploying, achieving, reviewing and maintaining environmental policy. Pillar of the series consists of two standards: ISO 14001, which defines the specification and ISO 14002, which provides general guidelines, principles, systems and procedures, and the five basic principles are:

- EMS policy,
- Planning,
- the introduction and implementation,
- checking and corrective actions
- management review.

Development and growth of industrial production and limited capacity of ecosystems caused the devastation of the environment to such an extent that seriously jeopardized the health and lives of people and all living beings on our planet. For this reason, many countries have enacted legislation to prevent or control the level of environmental pollution, which is manifested in the creation of different types of waste, emission of harmful substances into the atmosphere, water pollution, land, irrational use of natural resources and so on.

After the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992, reinforced the importance of environmental protection on a global level. This is confirmed by the adoption of Agenda 21 - Rio Declaration, signed by 178 representatives of governments of countries around the world, which has established new levels of international cooperation in the development of "sustainable tourism".

September 1996 showed the international standard for the system of environmental management, ISO 14000, which affirmed a proactive approach to environmental protection. By defining the organization of the ISO series of standards represented by the "attitude of the vast majority of delegates to the ISO-in, including users from Europe, North America, Asia, the worldwide application of a standard system of environmental management which will contribute to environmental protection in a reasonable and cost effective way. "

ISO 14000 standards are the basis of the system for managing a number of obligations of organizations / manufacturers in relation to the protection of the environment, using some key techniques of analysis such as life cycle assessment (LCA), environmental labeling (EL) and so on. In addition, organizations around the world have been given a unique model for establishing an environmental protection system (EMS) that can, that certified by independent bodies, thus proving their proactive attitude regarding the environment.

In most developing countries, the effects of ISO 14000 have been far worse, because they usually leave no later called. "Dirty technologies". Namely, it is evident that the industry is unclean to the benefits of the EMS Council. All this was initiated by the emergence of ecotourism, ecotourists, and Ecovillage ECO Lodge resort. (ISO standards, Internet: http / / www.iso.org, 15/10/2010)

LAPA RIOS ECOLODGE

The Osa Peninsula is one of the most remote destinations in Costa Rica and is an ideal place for a unique and authentic nature and wildlife experience. It is located southwest of Costa Rica near the border with Panama. This is one of the places in Costa Rica which is inhabited by one of the last - road access is made only in the last 10 years - so that most of the Peninsula is still covered with fascinating, primordial rainforest. At least half of the rainforest and swamps are protected as Corcovado National Park and

Private Reserves. In the forests polusotrva endangered species such as Bairdski tapir, peccary, jaguars, crocodiles and akerički eagle (only recently re-sighted). It is the largest population of the endangered scarlet Macao in the country, and is the habitat of malobrojnog Central American squirrel monkey. This little peninsula is home to nearly half of the birds of Costa Rica (860 species of birds in all - that is almost 5% of species in the world!), 140 species of mammals and 117 species of reptiles and amphibians. Nearly 750 species of trees have been in the area, more trees than in all regions of the North temperate climate. Osa Peninsula has the greatest natural diversity on earth. National Geographic describes the Osa Peninsula as "the most biologically intense place on earth". This description is a reference to the abundance of wildlife on the Osa Peninsula - not only in terms of the rainforest, but also the surrounding marine environment. Botanically, the Osa Peninsula has strong similarities with the Amazon and Orinoco basins, and its unique forests contain more endemic plant and animal species than any other area of Central America.

Corcovado National Park was established in 1975. year, in 1980. vol. has been expanded. The park area of 43,735 hectares covering 13 major ecosystems, ranging from sea level to 745 meters. Rainforests are by far the most profuse in Central America, and their trees to its grandeur is comparable with the best trees to forests in the Amazon Basin and Southeast Asia can offer. Indeed, in Corcovado park is the largest tree in Central America, a giant cotton tree (Ceiba pentandra) 77 meters. Park includes the largest remaining tract of Pacific tropical rain forests in Central America. Corcovado is managed from six ranger stations, four of which receive visitors of the park: La Leona on the southern coastal boundary of the Park, San Pedrillo the northern coastal boundary, Los Patos to the east, La Sirena is the largest Rangers Station and is the center of the Corcovado. It is also a research station. Park protects 41,788 hectares of rainforests, swamps, lagoons, marshes and paradisiacal beaches. Because of its isolated location, Corcovado protects animals that are scarce in other areas, such as the tapir, crocodile, ocelot, jaguar, giant anteater and the harpy eagle. Sea koranjače such as green turtles come to nest at Llorona Beach, which is included in the park. There are at least 500 species of trees, 140 species of mammals, 40 species of freshwater fish, 117 species of amphibians and reptiles and 367 species of birds. Fortunately for the ecosystem, and not by e-hiker, there are over 6,000 species of insects. There are also deposits of gold, which can be a great ecological threat to the area, since "oreros" (gold miners) pass across the boundaries of the park in search of the precious mineral. Lapa Rios offers day tours by air to Corcovado National Park, Sirena Ranger station and is actively involved in raising funds to increase the number of rangers patrolling the park in order to protect the delicate ecosystems from harmful external influences. Located in a private nature reserve spread over 1,000 acres of rainforest remaining in Central America in Costa Rica, Lapa Rios Ecolodge overlooks the pristine point where the Golfo Dulce meets the Pacific Ocean, making it the destination that corresponds to the idea of paradise.

Lapa Rios was built by John and Karen Lewis as a private nature. A Minnesota couple driven by a vision, John and Karen have sold all their assets to finance the purchase of a large part of the rainforest and built a small tourism project. Today a conservation ensure that this rainforest will be preserved for life. Lapa Rios reserve is a corridor connected to the Corcovado National Park on the Osa Peninsula.

Lapa Rios is built in harmony with the surrounding forest and beach. The main lodge and bungalows line three ridges connected to each other walkways and stairs. It was built about 100 feet above sea level, fresh tropical breezes Lapa Rios. The main lodge, the restaurant and bar, soars 15 meters above sea level and is built of local natural materials. Roofs covered with palm leaves circular stairway, with a view to the forest canopy and breathtaking ocean vistas. Comfortable furniture made of bamboo makes a man to feel more relaxation in this tranquil panorama of nature.

Lapa Rios Ecolodge is more than just a beautiful rainforest hotel or eco resort next to the beach. Lapa Rios is a model of Ecotourism project that seeks to winning awards from Conde Nast Traveler and in addition to being featured in many international publications, Lapa Rios is a pioneer in sustainable tourism. Employing only people from the local community and abide by the practice that is harmful to the environment. Activities at Lapa Rios are focused around the rainforest and the nearby ocean. Rainforest hikes, bird watching, Ocean Kayaking, horseback riding, sport fishing (catch and release) and surfing are just some of the activities on offer. Furthermore, guests can take massages, participate in Yoga classes, relax at the pool with a tropical cocktail or just take a nap in a hammock and maybe observe the birds, monkeys and other animals they encounter. For many guests, the event is a tour to Corcovado National Park by plane or a night camping in the jungle. Lapa Rios is an ideal home for people who love nature and are open to learning about conservation, culture and biodiversity. Also enjoy the couples who were on their honeymoon, and who want active and unique experience, as well as families with older children who tend to spend quality time. Life speaks in plain language, giving us the peace to look within ourselves and find a forgotten innocence, allowing us to embrace the magnificence of this wilderness. (Lapa Rios Ecolodge, Internet: http / / www.laparios.com, 10/10/2010)

THE CONCEPT OF THE ECOLOGICAL STATE OF MONTENEGRO AND SUSTAINABLE DEVELOPMENT

Of Malaysia in 1991. the adoption of the Declaration of the Parliament of Montenegro, was proclaimed an ecological state. The environmental state is defined as a form of state system, especially economic, in which industrial production is in balance with nature, through the principles of sustainable development, which allows the preservation of nature and its reproduction, so that the level of its preservation for future generations. The idea of the ecological state has been promoted further by defining development strategies that are consistent with the principles of the ecological state. On the other hand, the principles of sustainable tourism accepted almost everywhere in the world. These principles are based on nature conservation and environmental awareness. Although there is a connection between the concept of ecotourism and sustainable tourism, ecotourism term refers to a special "in the tourism sector, while sustainability is usually understood as being applicable to all activities, including alternative and conventional (traditional) forms of tourism (WTO, 2003). As such, the concept of sustainable development is usually based on three key issues: economic efficiency, social equity and environmental sustainability. Economic efficiency involves ensuring maximum financial benefits through the optimal use of natural resources. Social equity deals with the conversion, preservation and promotion of socio-cultural diversity. Environmental sustainability refers to the rate of exploitation of renewable natural resources which must not be greater than the rate of renewal of natural resources. Ecotourism is one insignificant base "environmentally and socially responsible travel" to a "travel with a natural component. Eco-tourism in the broadest sense offers both development opportunities and opportunities to finance protected areas, which are mostly located in the northern and central parts of Montenegro. It requires the differentiation of small groups with special interests and the large volume of people who vacation on the beach associated with the one-day visit nature reserves, as part of their experience on a vacation and entertainment. (Ministry of Tourism of Montenegro, Internet: http / / www.mt.gov.me, 14/11/2010)

THE CONCEPT OF DEVELOPMENT OF TOURISM LODGES IN MONTENEGRO

Although opinions about future demand and growth in the ecotourism market change, all experts and operators agree that ecotourism markets will increase by an average 10% annually over the next ten years, which is in line with estimates on the growth of travel in general. Given the fact that Montenegro has been declared as an ecological state lodge as a form of sustainable development and a form of ecotourism is certainly a place in its future tourist development especially due to the fact that this space is still saturated with this type of offer. Of course, this type of ecotourism must be strategically explored and thoughtfully defined and based on the fact that not just the location but also the specific content it offers. On the other hand, the lodge, as a constructed structure must be created and materialized to match the ambient characteristics of the location and with the environment, establish the maximum possible harmony. Having in mind all the characteristics of lodges and it is clear that in Montenegro has a lot of physical potential, especially in zones of national parks in areas that have special protection. The basic characteristics of an ecotourist, most of all, choose a destination based on the desired activities or attractions, and then choose their accommodations. In this sense, the most important thing is well located lodge. How ecotourist requires a dynamic and recreational and educational vacation in constant contact with nature, identifying areas suitable for development of lodges in Montenegro, implies a clear definition of activities and products offered to ecotourists (eg hiking, observing natural phenomena, rafting, bird watching, themed walks - from picking mushrooms, diving, certain kinds of food with naturally grown foods, etc.).. After the potential area for development in lodges in the broader sense, it is necessary to do some analysis to determine the most appropriate one or more micro-sites within each of the potential zones. Number of lodges must be controlled, in order to prevent accumulation and repetition of content as well as mass tourism is not the spirit of ECO Lodge. Other potential areas for the development of lodges have to be selected by analyzing accessibility, attractiveness and content to their development environment-or one of your existing content. There are three factors underpinning principle of the development of lodges are: environmental, socio-cultural and economic sustainability. After identification of the macro location and number of lodges access to the analysis of natural site characteristics, vegetation, possible activities, etc. in order to reach the correct placing of micro sites for the lodge. All these steps are very important before the process of designing physical structures that need to be made of natural materials in traditional style with local characteristics, application of modern technologies to offer solutions for proper and harmless use of energy, especially through the possibility of using alternative energy sources. Physical definition lodges implies a whole set of necessary resources such as energy excluded, as one of the weakest lodges, water supply, management and disposal of solid waste, developed agriculture and food production and the like. Successful operation of ECO Lodge its economic viability is not only good and attractive location and properly constructed buildings but also the way in which the offered activities: work with local communities, buying products and food in the local market, natural and cultural interpretation of the activities the lodge-in, professional trained guides with knowledge of the language tourist information material, kindness and openness of the local population. This implies the active participation of local people, directly or indirectly as well as their training and readiness for this type of tourist offer. It is clear that it is not enough to have an attractive area of "wild beauty" to make this kind of tourism has failed. Good strategy and methodology in selecting and capabilities of individual locations would enable a faster path to a quality and successful development of the lodge. In this sense it is necessary to treat this type of tourism through regional planning documents, special purpose plans, study sites, and other planning documents. That implies an interdisciplinary approach involving all relevant professionals to lodge future locations sustainable ecological and socio-cultural and in economic terms.

CONCLUSION

Ecotourism is primarily propagated to the market as a nature-based tourism. From a functional point of view, ecotourism is in the market mostly individual or small-scale tourism, in which small and medium business enterprises in the fields of nature.

Although it can be proved that certain types of lodge business unprofitable due to the lack of viable business models and because they lack one or more of the factors previously discussed, it is also important to examine how many of them failed due to lack one critical element. Understanding these critical hurdles is very instructive for any future development strategy lodge. One of the key hurdles to viability is the ability to continually finance operations during the initial phase, in order to overcome the long time span from the moment of its products to the time when customers actually travel, as well as the time necessary to increase visibility and reputation in the market. Because most people who worked on the development of lodges trained on the job, they often need help in several key areas, including production of financial statements, developing financial projections and business plans, and obtaining international markets. Other key needs include funds for staff training, assistance with solar energy, composting toilets and solid waste disposal, and other sustainable consulting services, which are rarely available. Effective development of profitable lodges require complex technical support and development strategy in order to sense the need for jobs that would be organized in remote, underdeveloped regions. Overview of successful companies and lodge managers shows that for most technical support for market studies and business systems, as well as accounting, financial statements, business planning, assistance in finding investment capital, financial projections and new technologies for energy, waste, sewage and water . While some of the basic needs, such as accounting, can be met locally, more sophisticated technical assistance needs, such as business plans for investment capital, market studies and niche keting approaches, training guides, and advice on new technology systems must be found outside the country. While local non-governmental organizations (NGOs) can contribute to community education, community development planning and assessment and monitoring of environmental impact, lodges vate sector considers that NGOs have limited capacity to assist with business, and most of them agreed that NGOs are not well equipped to assist with the development of lodges.

Global development strategy lodges would involve further study to identify the best locations for the development of lodges, based on attractive and accessible wildlife resources, relatively undeveloped natural areas, sound political policies, protected the rights of local land rights, a culture that values nature and wildlife, and easy it can be accessed from the main market of ecotourism. In addition, entrepreneurs can be identified at the workshops to lodge investment or through mentoring programs. Development of lodges has been successful as a tool for conservation and sustainable development, mainly through the efforts of private entrepreneurs - individuals in developing countries that make sense for private business in a tough environment. Finding such individuals and providing technical support will be crucial to the future success of the lodge sector.

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OPPORTUNITY FOR INCREASING REVENUE IN TOURISM WITH OPTIMAL STRUCTURE OF THE TOURISM OFFER

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Abstract

According to number of participants in the international tourism from 922 million in 2008, the tourism represents the biggest migratory phenomenon in the history of mankind, and according to the income from the international tourism, 944 billion dollars in 2008, it is one of the most significant economy branches. The income from the international tourism for many countries in the world, especially for the countries in development represents an important factor for the development not only for the tourism economy but the overall economy. Therefore every country insists on increasing the tourism income from the international tourism, and decreasing the outflow of foreign currency for the tourism travel abroad as much as possible.

The Republic of Macedonia despite the favorable possibilities for the tourism development is still outgoing tourism country, i.e. the outflow of foreign currency from the stay of our citizens abroad is higher than the inflow of foreign currency from the international tourism. In this paper an attempt has been made to realize the overall number of citizens from our country that stay abroad, and the possibility via optimalization of the structure of the tourism offer of the tourist destinations to increase the number of the foreign tourists, and decrease the volume of travel of our citizens abroad.

Key words: *tourism offer, tourism community, tourism turnover*

INTRODUCTION

In a relatively short period from the middle of the last century until nowadays the tourism has grown into a global phenomenon. Judging by the number of participants in the international tourism (922 million in 2008.) and revenues from international tourism (U.S. $ 944 billion in 2008.), tourism today represents a leading world tourism industry. Such significance of the tourism has conditioned the revenue from tourism for many countries in the world, especially for the developing countries to represent a very important factor not only for tourism development but also for other economic and non-economic activities. Therefore, each country strives to provide as much as possible a foreign exchange influx from international tourism, and less possible outflow of foreign currency on the basis of the travel of its citizens abroad. The determination of total revenues and expenditures in respect of tourism, i.e. tourism balance is very complex. Tourism balance can be defined in a broader and narrower sense. When it is defined in a broader sense it covers all types of international transactions related to tourism, the form which expresses the tourism balance in a broader sense no matter how comprehensive it is, in practice encounters difficulties in determining the individual items. Therefore tourism balance is often defined in narrow terms. When it is defined in a narrow sense, the tourism asset balance includes revenues realized from: accommodation and stay of foreign tourists in catering facilities and other accommodation facilities (private houses, apartments, health centers); food, beverages and other services catering facilities; transport of foreign tourists who use domestic means of transport, transit tourists; revenue from special tourism services (travel guide, interpreters, instructors of sports, museums, phone, etc.), commercial enterprises in the function of tourism (souvenirs, cigarettes, newspapers) fees etc. The liabilities of tourism income in the narrow sense are foreign exchange costs of: travel of tourists and their stay abroad;

promotion and other marketing activities abroad; import of equipment and other goods (food and drinks), no matter whether they are intended for domestic and foreign tourists[20].

The subject of analysis in the paper is the tourism trade expressed in number of tourists and nights spent in the Republic of Macedonia and of the citizens of the Republic of Macedonia realized abroad. As the number of nights spent by foreign tourists decreases and the number of citizens of the Republic of Macedonia who stay abroad is growing, a need for constant adjustment of the structure of the tourism offer is imposed, at the various needs of tourists. The purpose of such adjustments is to increase the number of domestic and foreign tourists and reduce the outflow of foreign currency on the basis of the stay of the tourists from the country abroad.

CHARACTERISTICS OF TOURISM TURNOVER

The development of the tourism in the Republic of Macedonia in the period after the Second World War is characterized by various trends. The period of 1960-1987 is characterized by continuous growth of the tourism turnover. In 1960 in 10,626 beds 869,000 overnight stays were realized, and in 1987 in 82,411 beds 3,978,028 overnight stays were realized of which 39% were foreign tourists. Since 1989 the number of tourists and overnight stays is constantly decreasing. These trends among foreign visitors were particularly expressed in the period after 1994. The reasons were varied and largely associated with the wars that swept the former Yugoslavia. As a result of the declining standard of living of the population the unrests that took place in 2001 in the Republic of Macedonia only 1,254,582 overnight stays were realized (of which only 16.7% were foreign tourists), or approximately as in 1970, when the country possessed modest 19,859 beds[21]. In the period after 2001 the tourism turnover has a slight growth and in 2009 only 2,101,606 overnight stays were realized. However, this turnover is far from the capacities that the Republic of Macedonia possesses for the development of tourism and about what Macedonia has already realized in the field of tourism until 1990. (Appendix table 1).

Table 1: *Number of overnight stays in Macedonia*

Year	1960	1970	1980	1987	1997	2001	2009
Domestic	825000	1076000	2765000	2426108	1321622	1041831	1517810
Dom. in %	94,93	83,93	87,44	60,1	83,3	83,4	72,2
Foreign	4400	206000	397000	1551920	265524	212751	583706
Total	**869000**	**1282000**	**3162000**	**3978028**	**1587146**	**1254582**	**2101606**

Source: SZS, Statistics Yearbook of Yugoslavia, 1961, 1971, 1981, Belgrade; CSV: Statistical book of Macedonia, 1982 Skopje; State Statistical Office: Statistical Yearbook of Macedonia, 1987, 1997, 2001 and 2005, Skopje, 2006, State Statistical Office: Tourism in the Republic of Macedonia 2005-2009, Statistical Review Transport, tourism and other services, no.8.4.10.03, Skopje, June 2010.

From the travel and stay of our citizens abroad there is outflow of foreign currency. The amount of these funds depends on the number of tourists, overnight stays and the average daily consumption. As for determining the number of tourists and overnight stays from the Republic of Macedonia abroad, the country does not keep records, the data is used from the World Tourism Organization[22]. In the tables (2 and 3 the number of tourists and overnight stays in several destinations for the tourists of the Republic of Macedonia.

[20] B. Vukonic, N., Cavlek (ed) Dictionary of Tourism, Masmedia, Zagreb, 2011, p 338-339

[21] State Statistical Office Statistical Yearbook of the Republic of Macedonia, Skopje, 2005, p.508

[22] The data from the total number of Macedonian tourists abroad are used in the publications of UNWTO Yearbook of Tourism Statistics. In the publications of WTO the biggest number of the countries announce the data about: the number of people recorded at the border crossings in the country, the number of tourists, overnight stays realized in types of facilities and the total in all accommodation capacities.

Table – 2: *Number of tourists from the Republic of Macedonia abroad*

Country	2001	2003	2005	2008
Belgium	1 022	1 350	1 781	1 336
Bosnia and Herzegovina	1 545	2 567	3 493	4 551
Bulgaria	44 430	100 250	73 874	78 524
Croatia	15 442	14 893	18 821	16 889
Serbia and Montenegro	25 846	32 162		
Serbia	-	-	29 634	27 626
Montenegro	-	-	14 940	29 436
Slovenia	8 907	9 233	8 562	10 272
Total	113 056	161 021	151 391	168 634

Source: UNWTO, Yearbook of Tourism Statistics, Data 2001-2005, 2007 Edition, UNWTO, Yearbook of Tourism Statistics, Data 2004-2008, 2010 Edition

Table – 3: *The number of overnight stays in all accommodation capacities realized by tourists of the Republic of Macedonia*

Country	2001	2003	2005	2008
1. **Belgium**	2 523	3 224	3 987	3 183
2. **Bulgaria**	46 524	103 281	76 119	87 24
3. **Croatia**	62 875	60 554	79 700	148 1
4. **Poland**	1 160	1 234	745	1 822
5. **Serbia and Montenegro**	67 905	93 942	144 742	-
Serbia	-	-	55 837	52 908
Montenegro	-	-	88 905	230 0
6. **Slovenia**	21 819	20 151	17 758	24 93
7. **Turkey**	-	-	48 962[23]	75 436
Total from 1-8	**202 806**	**282 386**	**323 051**	**624 7**
8. **Albania (P)**[24]	82 504	94 814	169 392	410 1
9. **Greece(P)**	338 239	531 983	493 324[25]	420 050
Total 8 и 9	420 743	626 797	662 716	830 211
Total 1 - 9	**623 549**	**909 183**	**985 767**	**1 454 238**

An exemption represents one part of the countries which do not give complete data and the countries where the number of tourists from the Republic of Macedonia is small, and the number of tourists from the Republic of Macedonia is presented in the column other. That means that the number of visitors and overnight stays abroad is based on more assumptions. With this the final results are greatly relativized.

[23] The data refers to 2006

[24] A – Assessment. The assessment of the overnight stays form the Republic of Macedonia in: Albania and Greece were made by the author in a method which is elaborated in the paper .

[25] The data refers to 2004

Source: UN, WTO: Yearbook of Tourism Statistics, Data 2001-2005, 2007 Edition; UN, WTO: Yearbook of Tourism Statistics, Data 2004-2008 Edition 2010. The assessment about Albania and Greece is made by the author.

From the data in tables 2 and 3 it is shown that for tourists from the Republic of Macedonia the most favored destinations are Greece, Albania, Montenegro, Croatia, Turkey and Bulgaria, countries that are geographically close and are not landlocked . With the exception of Greece and Albania in other countries in the statistical yearbooks of the WTO it can be followed the number of tourist and overnight stays realized by the citizens of the Republic of Macedonia. Therefore the number of overnight stays presented in the following table (table 4) is made by the number of citizens of the Republic of Macedonia which are registered on the crossing borders with Albania and Greece.

Table 4 : *Number of citizens registered in the Republic of Macedonia at the border towards Albania and Greece*

Country	2001	2003	2005	2008
Albania	68 755	79 012	141 160	341 801
Greece	281 866	443 319	-	350 043[26]
Total	**350 621**	**522 331**		**691 844**

Source: UN, WTO: Yearbook of Tourism Statistics, Data 2001-2005, 2007 Edition and Yearbook of Tourism Statistics, Data 2004-2008 Edition 2010.

By analyzing the data of Table 4 shows that on the border towards Albania and Greece are registered a great number of Macedonian citizens, which indicates that these countries are highly desirable tourist destinations for Macedonian tourists. This conclusion is confirmed by the following data: in 2001 on the border crossings with Albania are registered a total number of 342,908 visits, of which 68,755 (20%) were from Macedonia. In 2003 from 557 210 visits, 79,012 (14.2%), in 2005 from 747,837 visits, 141,160 (19%), and in 2008 from 1 410 1191 341 801 recorded visits 341 801 or 24.23% are from our country[27] . In Albania, the tourists from the Republic of Macedonia are ranked on the second place according to the number, after the tourists from Serbia (Kosovo). Assuming that half of the total visits are day-trippers (people that go to excursions, persons who stayed on business, people visiting relatives, etc.), the number of Macedonian tourists in Albania in 2001 should result in 34,377, in 2003 39,506, in 2005 70,580 and in 2008 170,900 tourists. Assuming that Macedonian tourists in Albania realize 2.4 overnight stays[28] on average, then the total number of overnight stays from the Macedonian tourists in Albania in 2001 was 82 504, in 2003 was 94814, in 2005 was 169 392 overnight stays and in 2008 410 161 overnight stays.

It is believed that our southern neighbor is the most attractive tourist destination for Macedonian tourists. In 2001 the border crossing of this neighboring country from the total of 14,057,331 registered arrivals of 2% (281,866) are from the Republic of Macedonia. In 2003 the number of Macedonian citizens who visited Greece reached 443,319 (3.2%) in 2004. 411,103 in 2006 350 043.[29] Assuming that 50% of the total registered visits of Macedonian citizens are day-trippers (excursions, business visits, etc.), then the number of Macedonian tourists in Greece in 2001 should be at 140,933 in 2003 221,660, in 2004 205,551 and in 2006 175,021 tourists. Assuming that the average stay of Macedonian tourists in Greece are 2.4 nights then, the Macedonian tourists in Greece in 2001 generated 338,239 overnight stays, in 2003 531,983 in 2004 493,324 overnight stays and in 2006 420,050 overnight stays.

By comparing the data of generated overnight stays of Macedonian tourist's abroad and foreign tourists in the Republic of Macedonia it can be concluded that the citizens of our country travel frequently. In the distant 1984 the number of tourists from the Republic of Macedonia abroad is estimated at 328,000, i.e.

[26] The data refers to 2006
[27] UN, WTO: Yearbook of Tourism Statistics, Data 2001-2005, 2007 Edition and Data 2004-2008, 2010 Edition.
[28] The average number of overnight stays of the Macedonian tourists in Serbia and Montenegro is 3,2; in Slovenia 2,1 and Croatia 4,2 overnight stays.
[29] UN, WTO: *Yearbook of Tourism Statistics,* Data 2001-2005, 2007 Edition и 2010 Edition.

820,000 overnight stays (calculated by 2.5 days).[30] In 2001 623,549 overnight stays, in 2003 909,183 overnight stays and in 2005 985,767 overnight stays, in 2008 1,454,238 overnight stays. If you compare the number of nights spent by foreign tourists in the Republic of Macedonia with the number of nights of our citizens abroad, we noticed that in 1984 the tourists from the Republic of Macedonia abroad generated around 500,000 overnight stays in terms of the generated overnight stays by foreign tourists in Macedonia, in 2001 558,405 overnight stays, in 2003 611,072 overnight stays in 2005 697,666 overnight stays and in 2008 866,791 overnight stays (Appendix Table 5). This means that the revenue of international tourism is significantly smaller than the expenses, which further burdens the negative balance of payments, i.e. the large deficit of our country.

Table 5: *The volume of overnight stays of tourists from the Republic of Macedonia abroad and foreign tourists in the Republic of Macedonia.*

Year	2001	2003	2005	2008
Overnight stays of tourists Republic of Macedonia abroad	771 156	964 272	1 140 645	1 454 238
Overnight stays of foreign tourists in the Republic of Macedonia	212 751	346 200	442 988	587 447
Difference	- 558 405	- 618 072	- 697 666	- 866791

Table 6: *Overnight stays of foreign tourists in the Republic of Macedonia according to country of origin and tourists from the Republic of Macedonia in the same country in 2008.*

Country	Overnight stays in the Republic of Macedonia	Overnight stays from tourists in the Republic of Macedonia	Difference
Albania	48 086	410 161	- 362 075
Bulgaria	42 246	87 524	- 45 278
Greece	38 918	411 050	- 381 132
Serbia	99 985	52 908	47 077
Montenegro	5 720	230 340	- 224 620
Croatia	12 302	148 521	- 136 219
Turkey	31 706	75 436	- 43 730
Total	278 963	1 424 940	- 1145 777

OPTIMAL STRUCTURE OF THE TOURISM OFFER

The question arises: Based on the previously stated trends in tourism development in the Republic. Macedonia.

-How can you overcome these unfavorable tendencies?

In order to achieve greater tourism revenue and overcome adverse movements in the tourism development in the Republic of Macedonia it is necessary to take numerous and coordinated actions from

[30] Karanfiloski, D., Opportunities for greater foreign revenue from tourism in the Republic of Macedonia in the coming period, the University of St. Cyril and Methodius - Skopje, Annual Proceedings of the Economic Institute - Skopje, 1986, page.54

Source: UN, WTO: *Yearbook of Tourism Statistics,* Data 2001-2005, 2007 Edition и 2010 Edition; Bureau of Statistics: Tourism in the Republic of Macedonia Year 2005-2009, Statistical Review Transport, Tourism and other services, no. 8.4.10.03, Skopje, June 2010 and Statistical proceeding of the Republic of Macedonia, State Statistical Office, 2006 all the participants in the tourism offer, starting from those that are the responsible of state institutions such as the politics of tourism development, promoting the country's tourism market etc., directly to its stakeholders , whose authority is constantly adjusting the structure and volume of the tourism offer of demand (supplementing new elements, improve the service quality, price differentiation and organizational measures in the area of the tourist destination).

The tourism offer of destinations is composed of three groups of elements, including:

1) Attractive resources, which determine the identity of the destination and represent the main motive for visiting the destination;
2) Improvement of tourism (service in accommodation, food, transportation, trade, entertainment, culture, etc.) that should provide optimal satisfaction for tourists and
3) The psychological advantages and characteristics of the destination in which it becomes more attractive and competitive in regard to the other destinations.

The main objective of any tourist destination is achieving the above-average revenue from tourism development with the lowest production expenses, complete valorization of natural resources and cultural heritage and their appropriate protection. This can be achieved in due time to see the gaps and deficiencies of certain elements of the offer as inadequate evaluation of attractive resources, disproportion in the structure of accommodation facilities in unilateral off-season offer, inadequate sports, cultural and entertainment, lack of tourism services and weaknesses in the infrastructure etc. Any lack or inadequate functioning of some element of this group of factors caused more or less dissatisfaction among guests and comes to the question of the growth of the tourism revenue, especially in modern conditions when the desired destinations of tourists besides the traditional inbound countries were found and a large number of new exotic and distant destinations. This means that the traditional tourism offer cannot satisfy the particular desires and demands of the tourists.

-*Who should manage the tourism offer of the tourist destinations?*

The experiences of countries in the level of municipalities and smaller towns existed tourism societies or tourism associations show that they can not perform the tasks of organizing the tourism offer of the tourist destination. They possess limited financial means and fewer competencies (the advancement of general conditions of stays for tourists, promotion of the tourism product of the destination, environmental protection, education of the population), which they cannot participate in the important work of business facilities of the destination, such as forming the price of the tourism product etc.

In private ownership and economic market conditions, it cannot be expected that the local government (local public authority, hospitality and tourism enterprises or social institutions) or other government institutions to continuously intervene in the work of certain stakeholders of the offer and also undertake functions that they do not belong to. So in the interest of all stakeholders of the offer of a particular tourist destination is to be organized in a community, which they have no difficulties to adapt to the common interests and to influence positive decisions of the offer. This means that tourism offer of the destination can be managed by a community (shareholder company, etc.) which will represent the interests of all business facilities of the tourist destination, including the cultural and entertainment facilities, municipal tourism enterprises, etc. That community should carry out promotional activities and all other integrated management functions with the destination offer, with the retention of legal-economic characteristics of the stakeholders of the offer. The community would be able through their institutions to guide the development politics of the tourist destination, and easier to collect the necessary funds of the agreed investments and innovations, to care of the work of all facilities of the offer, to form a market or competitive price of the tourism product and perform other developmental, promotional and coordinated functions.

The justification of such mode of management is based on common interests of all the stakeholders of the tourism offer, and that is achieving better results. The common interest of the stakeholder of the destination offer, builds the personal interest of the stakeholder, and the ability to participate in creating the tourism product and promotion of the destination etc. This means that their facilities can achieve the best results - achieving revenue within the common product of the destination.

-*What tasks need to be performed in the community?*

The basic tasks of the community of any particular tourism community should be:

- Collect and evaluate information on the possibilities and advantages of the destination;
- Develop cooperation and coordination with the stakeholders of the offer in creating the tourism product of the destination;
- Common politics in forming stable prices of the tourism product by reducing expenses;
- Joint promotion of the destination offers;
- Achieve the highest utilization of the facilities and offer;
- Destination development as a functional unit.

Managing the overall activities in the community should be entrusted to experienced and top experts to ensure the achievement of the goals of the community.

This model of tourist destinations management is very convenient for all destinations in the Republic of Macedonia (with two to three municipalities), because all the stakeholders of the offer know each other and easier feel the interdependence and common interest in forming the tourism product. However, this model can be suitable for large spatial destinations due to the high number of stakeholders, the difficult communication between them and the different identities of the destination.

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HILTON HOTELS - TEN BRANDS, TEN PRICE STRATEGIES, TEN TARGETS

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Abstract

Hilton is one great example of how large hotel resorts need to perform their strategies in order to remain attractive for customers. The company has been innovative, creative, hard working in finding the "*perfect product*" and most of all very much aware of whom their customers are and what is that they want and need. This strategy is a result of a research, investment, risk, great sense of the market and especially a constant follow-up of new trends. Knowing who customers really are and what they really need is not an easy task at all but only a business that intends of achieving this is a business that intends of achieving success. The Hilton Corporation allocates all sorts of customers, differently aged, with different purchasing powers, different nationalities offering them upscale suites by the beach, exclusive weekends and comfortable and worm home for those that are mostly on the roads.

Key words: *hotel, strategies, customers, perfect product*

INTRODUCTION

Hilton Corporation consists of ten owned and managed hotel brands that offer ten different services and target different customers. Back in 1999 the ex CEO of the corporation Stephen F. Bollenbach decided to precede with the acquisition of Promus Hotel Corporation (owner of multiple hotel chains). [31]

Many thought that this strategy was extremely risky. The core problem according to critics was the fact that it seemed quite difficult to match different hotel chains that were having totally different price strategies all in one final brand. Most people thought that it is wrong to believe that by having so many choices of the same brand people would continue to see value of paying premium prices. However, this turned out to be a wrong statement.

After the acquisition Hilton Corporation started performing an excellent work. One third of company's total revenue was generated from recently opened hotel chains and the Hilton family started expanding worldwide. The earnings in revenue grew for about 60 % from the year of 1999 to the year of 2000 and continued for about the same percentage if not more in the following years. [32]

At the moment, Hilton brands encompass over 3,600 hotels in 82 countries. The case of Hilton is definitely a well-known example of success and a role model for most businesses in the hospitality industry. [33]

Several key factors contributed to the great success the Hilton Corporation encountered.

[31] "Wikipedia," http://en.wikipedia.org/wiki/Hilton_Worldwide
[32] "Financial Reports (Hilton WorldWide),"
http://media.corporateir.net/media_files/irol/88/88577/reports/2000AR.pdf
[33] Wikipedia," http://en.wikipedia.org/wiki/Hilton_Worldwide

INFORMATION

Instructions

Cross Selling

The method of cross selling and being one of the first ones that established a complex reservation system was a core factor for the success of the company. The cross selling method is based on the idea that when one client is interested in booking a room in one of Hilton's multiple brands on the website of that very same brand other Hilton's brands are being advertised and promoted regardless of the price category. Plus, a reservation operator working for a Hilton's property that appears to be completely booked at the moment is able to secure a reservation for the customer in another Hilton hotel. This strategy points out that the family of Hilton is aiming on finding the right hotel for the right guest. As mentioned before, the tourism and travel industry is at a stage where customers demand for experiences and personalized products that reflect their life style, preferences and of course budget. For this reason, it is extremely important to serve the right customer in the right way.

This cross selling method was many times doubted by critics especially in the case of Hilton due to the great difference in the price range among different brands. In other words, if a cheaper brand of Hilton's hotels was advertised at the webpage of a more expensive one, some doubted that customers would end up booking the cheaper option. However, every brand of the Hilton hotel is targeting a different group of customers and has a very clear mission and vision so this risk of losing one target for another was hardly ever the case.[34]

Customers Really Matter (CRM)

Customers Really Matter is a system used by Hilton Corporation in order to get to know customers and design and deliver a service that is suitable and demanded. [35]

This system is based on the idea that it is core to understand and know customers' previous experiences (if any) at the Hilton Hotels in order to serve them at the highest level. The CRM system includes all sort of information regarding customers and their preferences. For instance, once a client stays at any of the Hilton Hotels the management creates a file which gets filled as many times as the customer allocates at the Hilton Family Hotels. By this, customer's preferences are becoming clear and known and therefore each time the client comes back to Hilton Hotels the service is personalized and designed according to these preferences. More to this, the CRM system mostly groups clients into four major categories such as: Hilton Honors (active members of the Hilton Honors loyalty program), 4+(clients that stay for times or more a year at any of the Hilton's brands), Fast Reservation members (individuals that signed up for an online account) and finally the local VIPs (clients with usually high purchasing power spending big amounts of money while being allocated).

The CRM system is based of four major strategies that contribute to the final result and service such as recognition, personalization, service recovery and customer analytics. Recognition is the first stage of getting to know the customers by performing a file that would represent a short summary of customer's preferences. Personalization is the stage where the company begins to offer a personalized service based on the information gathered in the file of the customer. The personalization is a very important stage of the CRM system since its level of performance determines the level of customer's satisfaction. More, the service recovery is the step of the CRM system where the company improves the services according to past experiences of the customer. For instance, if one customer has had a bad experience with the shower in the room, the company tends to make sure that the following day the shower is in the best condition accessorized with some special gifts such as a nice perfumed shower gel as a little extra for the

[34] R. Duane Ireland et al, Understanding business strategy: concepts and cases, (Mason: Cengage Learning, 2009), 177.
[35] http://faculty.washington.edu/rfish/is300/present/is300f_hilton.pdf

inconvenience. Finally, the customer analytics is the step where all the post-data are being collected and customer's file is being updated.

The biggest advantage of this system is that it creates a much closer relationship with customers by providing the best service supported with the right equipment and environment according to customer's preferences. Eventually, this contributes with the opening of more successful hotels, which according to the data collected with CRM system will most likely be visited. The latest news regarding the CRM system is related with the negotiation Hilton Corporation has been dealing with in April 2010. This negotiation was related to the great technology company IBM and its proposal of hosting and managing the technology platforms that support Hilton's brands. Finally, the two parties ended up settling with a deal. IBM has announced that in the future time the technological support of Hilton will be improved by far which will positively contribute to the information system regarding customers. This is expected to reflect on the entire CRM system by increasing its speed, flexibility and options. [36]

Hilton Honors Loyalty Program

Another strategy that has definitely differed the Hilton Corporation from other competing hotel chains is their famous loyalty program called Hilton Honors. This program offers the biggest flexibility and most opportunities for clients. However, it has also served as a great tool to reestablish the once almost "dead" network with Hilton's tour operators. Precisely, the brand of Hilton has develop its loyalty program in such way that the points earned by customers in whichever hotel or resort under the name of Hilton Corporation can be easily exchanged with correlated tour operators. In this way, customers instead of purchasing a free room for the night can purchase an airline ticket, car rental or so. The other way around would be that customers using the tour operator's services can earn points and then get a free room at any of the Hilton's Hotels. This is a great example and great strategy for stimulating customers to behave in a certain way, which contributes the business. At the same time, customers are having a flexible loyalty program and they are able to switch points with no deadlines no restrictions like many other programs have. [37]

Diversification of brands

Furthermore, each brand of the Hilton family has its own story and its own target group. Each brand stands out with a concrete and clear mission and vision. Each brand offers special, unique and diverse services and satisfies different needs and different customers.

Hilton's brands are divided into several groups according to the service their offer, price strategy they obtain, purpose of business they practice and customers they target. In that way, Hilton Corporation has covered most of the population that travels worldwide by offering them mostly everything they could ever demand or wish based on their preferences and opportunities. Figure 4 shows a brief summary of all brands and the categories they belong to.

[36] http://www-03.ibm.com/press/us/en/pressrelease/29869.wss, 13 Apr 2010
[37] "Hilton Worldwide," http://hhonors1.hilton.com/en_US/hh/about/index.do

Figure 1. **Hilton's brand divided into categories**

Luxury

Full Service

Focused Service

Time Share

The Waldorf Astoria in New York City was one of the first hotels that managed to combine elegance and style with luxurious services and exactly for this reason back 1932 Conrad N. Hilton dreamed of owning this hotel one day. That dream came true. [38]

The most exclusive brand in the family of Hilton, The Waldorf Astoria Hotels and resorts, located in most popular cities and destinations around the globe, is a symbol of luxury; prestige and class resting on its history and reputation. Clients that choose to allocate themselves at one of the Waldorf Hotels are usually with high-purchasing power, keen to upscale service and luxury. The Waldorf Astoria is a very high-standard hotel designed in a very upscale matter and taste.

[38] "Hilton Worldwide," http://www.hiltonworldwide.com/ourbrands/waldorfastoria.htm

Figure 2. **The Waldorf Astoria-Entrance, NYC**

The second most exclusive brand of the family is the Conrad Hotels and Resorts. This brand is the most global luxury brand and it focuses on finding clients' individuality and offers them unique experience. [39]

Its goal is to differ from competitors by serving clients as individuals that have different needs, preferences and wishes. Clients that allocate in Conrad Hotels are also belonging to the upper class demanding for an upscale service and luxury.

Figure 3. **Conrad Hotels & Resorts Logo**

In the category of full service hotels, the most recognized name in the industry, Hilton Hotels & Resorts stands as the stylish, forward thinking global leader of hospitality. Today Hilton Hotels & Resorts welcomes guests in more than 76 countries, with more than 540 hotels and resorts. [40]

It is a very universal brand due its strong brand image and long-lasting experience. It welcomes all different kinds of clients that travel around the globe and are loyal to the brand of Hilton.

[39] "Hilton Worldwide," http://www.hiltonworldwide.com/ourbrands/conrad.htm
[40] Hilton Worldwide," http://www.hiltonworldwide.com/ourbrands/hilton.htm

Figure 4. **Hilton Hotels and Resorts- Entrance**

Doubletree Hotels are full service hotels offering variety of amenities and services that make customers fell relaxed and energetic at their getaway destinations. Located in more than 200 getaway cities, DoubleTree Hotels are welcoming leisure and business travelers with their famous chocolate chip cookies at check-in which has become a recognized tradition for this brand. [41]

Figure 5. **Doubletree Hotels**

One well-known factor that has distinguished DoubleTree hotels from competitors is exactly this DoubleTree cookie guests receive at the check-in. The hotel has become very famous for this simple cookie due to the unique idea and great taste.

Finally, the last brand of the group of full service hotels is the famous Embassy Suites offering a flexible accommodation to both business and leisure travelers with an upscale service. The suites are completely renewed, large and supported with all kinds of technologies and amenities. [42]

This hotel is mostly targeting business travelers that are seeking for rest after a long busy day but yet again want to stay connected as well as leisure travelers (mostly families) that want to enjoy large suites with two bedrooms and plenty of space for the entire family.

[41] "Hilton Worldwide," http://www.hiltonworldwide.com/ourbrands/doubletree.htm

[42] "Hilton Worldwide," http://www.hiltonworldwide.com/ourbrands/embassysuites.htm

Figure 6. **Embassy Suites**

Moving forward to the group of hotel brands with focused service, The Hilton Garden Inn Hotel located in more than 500 destinations worldwide is a hotel offering plenty amenities that can be found in a much higher priced hotel. The Hilton Garden is considered to be a great place where business travelers “feel like at home”. The hotel is also supported with printing centre, Internet, fresh breakfast and 24 hours room service. [43]

Figure 7. **The Hilton Garden Inn Hotel**

Hilton Garden Inn is a brand of smaller hotels located in areas usually far away from the city centre, but considered to be very reasonably priced according to the good service and conditions offered.

From the same category, Hampton Hotels offer clients everything they need for a comfortable stay including clean bed, nice surroundings, free breakfast and all other core amenities for a satisfying journey. There are around 1700 Hampton Hotels worldwide located in the most frequent locations. [44]

The target group for this brand consists of mostly business travelers that do not want to experiment with unknown city hotel and also leisure travelers that are seeking for recognized service.

[43] “Hilton Worldwide,” http://www.hiltonworldwide.com/ourbrands/hiltongardeninn.htm
[44] “Hilton Worldwide,” http://www.hiltonworldwide.com/ourbrands/hampton.htm

Figure 8. **Hampton Hotels**

Next on the list are the Homewood Suites that offer families the opportunity to allocate themselves in a large two-bedroom suite with an upscale service but yet casual environment and friendly staff. These suites can be found in many countries and destinations worldwide.[45]

The guests of Homewood Suites are mostly middle-class families that are seeking for comfortable holidays and reasonable prices.

Figure 9. **Homewood Suites**

The Home2 Suites are designed for value-wise clients seeking for an extended stay. The guests of these second homes are usually travelers that are often on the road and therefore keen to places with amenities and newest technology.

Figure 10. **Home2 Suites**

Finally, for the travelers that seek a time-sharing venue, Hilton offers over 30 resorts all branded by one logo called "This is the life". These resorts are opened for lots of different combinations within the time-sharing market. [46]

Here, bellow is a table that reflects the financial situation of all brands and the revenue measured by year.

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[45] Hilton Worldwide," http://www.hiltonworldwide.com/ourbrands/homewoodsuites.htm

[46] "Hilton Worldwide," http://www.hiltonworldwide.com/ourbrands/hiltongrandvacations.htm

Table 1 Revenue per room measured by all brands of Hilton by year

BRAND	2001	2002	2003	2004	2005	2006
WALDORF ASTORIA	$258,566,213	$262,579,537	$261,159,914	$289,401,766	$327,954,076	$351,124,552
CONRAD INT.	$5,616,630	$12,825,487	$13,922,405	$16,488,158	$24,366,171	$34,027,356
HILTON HOTELS	$2,565,871,863	$2,524,306,671	$2,471,302,966	$2,735,158,951	$3,030,171,471	$3,334,146,538
EMBASSY SUITES	$2,565,871,863	$2,524,306,671	$2,471,302,966	$2,735,158,951	$3,030,171,471	$3,334,146,538
DOUBLETREE	$1,023,606,672	$979,070,676	$945,420,658	$1,004,739,271	$1,121,483,568	$1,256,007,772
HILTON GARDEN INN	$368,690,111	$452,214,782	$530,041,491	$670,149,975	826,184,629	$1,045,893,961
HOMEWOOD SUITES	$284,551,565	$309,372,646	$337,024,482	$390,840,322	$469,776,634	$566,941,625
HAMPTON HOTELS	$1,787,503,581	$1,956,857,911	$2,089,455,624	$2,379,156,479	$2,770,369,803	$3,208,908,869

Table 1 confirms that Hilton Corporation has noted a great achievement with all brands in most years.

Almost every brand from the family has marked an increase in the revenue year by year.

A detailed analysis of all Hilton Hotels was made in order to reflect the great strategy of being totally present at the market and being able to satisfy almost all needs and preferences. The success of Hilton Corporation puts a great doubt on the famous quote "one cannot be everything to everyone". Perhaps this is true if some parts of the business are done poorly. But in the case of Hilton each brand clearly targets a group of customers that have specific needs, preferences and purchasing power. In that way, each brand is able to adjust to its target and offer customers exactly what they need.

"We want to ensure that our best guests don't sleep around with the competition."

The firm identified recognition, personalization, service recovery, and customer analytics as the means to achieve such tight relationships with guests.[47] These four elements are the steps of the Customers Really Matter system, which was explained previously in this document.

Innovation and creativity are also big key factors in the success of Hilton. The service of each brand includes small touches that make a big difference. For instance, free breakfast, a cookie at the check in, free Internet and printing for business travelers and many other moments that create great satisfaction and put a smile on the face of the customer are just part of one great strategy.

In an interview made in 2006 with the Vice President of Hilton Hotels, Jim Von Der Heide, the topic of innovation, creativity and customers' experience as key factors for the success of Hilton was discussed. Below, there is a short citation from the interview:

> ***"You know, hospitality is about the experience, and, especially for our returning guests, what we want to do is make sure they're getting the experience they deserve. Our approach to getting that experience for the guests was to start to move towards choice and control. So our movement from identification or recognition into interaction."***[48]

Hilton has understood the great change the tourism industry has been dealing with in the past years as a result of spread technology and independent traveling. Therefore, the family of Hilton has designed large range of options, services, packages and journeys that make customers want to allocate in their hotels. Below, are listed some of the special packages and offers as an example of Hilton's strategy of work.

[47] "Hilton Worldwide," http://www.hiltonworldwide.com/ourbrands/homewoodsuites.htm.
[48] http://www.customerthink.com/interview/know_your_guest_hilton_hotels

- Romance package (anniversaries, honey moons)
- Bad and Breakfast Package (a last-minute escape from the busy week)
- Package Hotel + Air + Car + Save (an entire trip booked trough Hilton)
- Fit on the road, fit at home (a three day training weekend with professional trainer)

The abovementioned examples are just part of Hilton's multiple choices of different packages. The idea is to be innovative and creative by designing a unique package that will attract customers by expressing their lifestyle and preferences. For instance, the fitness package is an ideal holiday for those that want to stay fit even when traveling or the romance packages are designed for couples that want to share some great memories with the person they love.

The different price range strategy is also a great tool to offer an upscale service for a lower price and be able to satisfy all different targets. Families can spend their vacation at large exclusive suites for excellent deals. More to this, Hilton has become a temporary home for many travelers that are often on the road by offering them great suites with all amenities needed to make them feel as comfortable as possible. Hilton is also one of the few hotel chains that practice the time-sharing tourism that has become a great trend lately.

CONCLUSION

Hilton is one great example of how large hotel resorts need to perform their strategies in order to remain attractive for customers. The company has been innovative, creative, hard working in finding the "perfect product" and most of all very much aware of whom their customers are and what is that they want and need. This strategy is a result of a great research, investment, risk, great sense of the market and especially a constant follow-up of new trends. Knowing who customers really are and what they really need is not an easy task at all but only a business that intends of achieving this is a business that intends of achieving success. The Hilton Corporation allocates all sorts of customers, differently aged, with different purchasing powers, different nationalities offering them upscale suites by the beach, exclusive weekends in New York, fresh and cozy bed after a long working day or comfortable and worm home for those that are mostly on the roads.

More to this, the company designs strategies to reconnect with tour operators such as the Hilton Honors loyalty program where customers can earn points at any Hilton Hotel and then use these point at a specific tour operator for getting some discounts or even free packages. Rebuilding the disconnected network by stimulating customers to use their services is a great advantage for the business as tour operators are playing big roles in the reservations systems at large hotels such as Hilton. This is a great movement at this time when independent traveling has diminished the demand by large of most tour operators.

Having said that, by using different strategies and creating new services the company has succeeded in protecting the business from the undefined way in which most tourists see hotel resorts today by adding a special value that creates worthiness in the eye of the consumer. Independent traveling has reshaped the tourism industry and all businesses within it by creating a consumer that is difficult to be pleased and remain loyal to one brand due to the enlarged competition and competitive pricing. But what's core is that only businesses that adjust to this reshape stay attractive. Customers are looking for customized services, small touches and mostly new experiences.

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"Hilton Worldwide," http://www.hiltonworldwide.com/ourbrands/doubletree.htm

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"Hilton Worldwide," http://www.hiltonworldwide.com/ourbrands/hiltongardeninn.htm

"Hilton Worldwide," http://www.hiltonworldwide.com/ourbrands/hampton.htm

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http://www.customerthink.com/interview/know_your_guest_hilton_hotels

OPPORTONITIES FOR THE DEVELOPMENT OF SPORT CLIMBING TOURISM IN MACEDONIA AND PROMOTION OF THE WORLD MARKET STRATEGY

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Abstract

Given the fact that tourism development has changed over the years, the role of sport in the development of tourism is very important because sport and tourism are inter-connected. Tourism and sport in these turbulent times, contribute to improving the lives of people in that compensate for the negative consequences of modern lifestyles. In this paper we focus on sport climbing in Macedonia as unpromoted tourism and natural resources with which Macedonia has for its affirmation. Given the fact that Macedonia has a high quality and still new sport climbing sites and because of the large number of sunny days during the year, this kind of tourism is very attractive to domestic and foreign tourists. This tourism is emerging as a driving force to fill the municipal coffers of the consumption of climbing tourists. With properly marketing strategy this type of tourism will gain in importance.

Key words: *tourism, sport climbing, climbing sites, natural resources, affirmation*.

INTRODUCTION

Given the fact that tourism development has changed over the years, the role of sport in the development of tourism is very important because sport and tourism are interconnected. Tourism and sport in these turbulent times, contributed of improving the lives of people in that compensate for the negative consequences of modern lifestyles. Nowadays close relationship between sport and tourism; we can see from international organized sports activities such as world championships, Olympic Games, racing in Formula One Championship and other international championships. These events are a magnet for many tourists who spend huge money for a relatively short period of time. Sport and tourism have become social and economic force in need of a modern adaptation of the needs that need to tourists such as the promotion of sports events.

MAIN NATURAL GEOGRAPHIC FACTORS

Sports climbing come from alpinism. It involves climbing vertically through the rock climbing routes thanks to the individual human ability. So using their hands and feet climber climbing up the rock direction of previously prepared, using only natural cracks and bumps as holds the rock surface.

The length of the guidelines for sport climbing sites ranges from 50m up to 1200m. Attractiveness is measured in length, grade and place or region in which the object itself. In developing the sport in the world appears an increasing interest for the detection of climbers and climbing on new and interesting sites. The target group of this type of tourism are not only professional climber but as an alternative form of tourism includes all who have a desire for adventure and adrenaline sports.

Because of this interest in the world prepare and evaluate tourism projects for sport climbing and maybe said to evolve into a real tourist industry.

For all this, the Republic of Macedonia has a territory which has a natural diversity and indicates good conditions for this type of tourism. Have been equipped climbing sites that are made very interesting guidelines for climbing tourists.

Preferred geological and geomorphologic processes on Macedonian territory allow good ground for development of sports climbing and sport climbing tourism. Thanks to them Macedonia is full of canyons, rocky terrain erosive and abrasive lake terraces that run the sport, and creates a climate to be valorised as a tourist destination.

These include canyon Matka and canyon Demir Kapija with ample quality limestone up to 300m, and high walls with stable forms of relief. Furthermore, interesting forms of development of the tourism and abrasive terraces of the Ohrid and Prespa Lake, the basalt forms in Varos, Prilep, granite rock units of Baba Mountain and rocky sections of Solunska Glava and Sar Planina[49].

Besides rocks, other geomorphologic forms are also interesting for the valorisation of climbing sites. All these forms are of interest to sports climbing activity that may constitute a driving force to promote these regions. In addition to relief as a base for the sport, and also the climate is one of the most important factors for the development of tourism and its evaluation. On the one hand it satisfies and provides sports activities for tourist's climbers, on the other side plays a direct role in shaping other natural and anthropogenic values. Furthermore, this benefit applies to a relatively large number of sunny days with available that allow the Republic of Macedonia on the one hand a pleasant stay, and other conditions favourable to upload their own sites. Average annual solar radiation is over 2.000 hours and virtually all sites are available for use throughout the year. In this respect is the advantage of others, e.g. Slovenia where climbing is possible only in spring and summer.

Water is a very important driver for each type of tourism. Hydrology of Macedonia is on the side of the valorisation of the Macedonian sport climbing tourism. Preferred hydrology and geomorphology in Macedonia allows the development of sport canyon or down a rope into steep waterfalls which also became a major attraction in the world and us.

Biogeographically features are also an important factor that stands out in a circle of climbers who are engaged in photographing nature, so it appears that observation and tourism. Here you mention localities Canyon and Demir Kapija which abound with rich flora and fauna that abounds with many endemic and relict species.

CLASSIFICATION AND SIGNIFICANCE OF THIS KIND TOURISM

The significance of sport climbing tourism and tourist activities which he raises for Macedonia is overwhelming. Given the geographical position, relief, climate and economic conditions in Macedonia a solid basis for development of the tourism directly and indirectly affect the development of other structures. Macedonia as a mountainous country will have great importance on development of the tourism and promotion world wide.

This tourism we can classify as sports and recreation.

Sports from that vantage point that is a competitive sport in the international league matches. With the participation of our country of these matches is increasing and our integrity in the world. Domestic competitions of this kind occur on artificial walls around the Macedonian city of Skopje, Bitola, Stip, Strumica.

Recreational climbing tourism is mostly concentrated on natural objects for climbing and is of great importance for Macedonia, i.e. the region in which the object itself. For example, the site Demir Kapija, the development of this tourism will initiate and develop other social sectors.

In the world there are numerous sites for the tourism, otherwise among the most famous climbing sites dating within this framework will set aside Ceus from France, Arco Italy, Germany Frankenjura etc.[50]

SITE FOR SPORTS CLIMBING IN MACEDONIA

The sites for sports that are climbing in Macedonia will set aside those that are attractive and can best be exposed throught marketing campaings, such as site location and Canyon Demir Kapija.

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[49] Kolchakovski D. Physical Geography of the Republic of Macedonia, Skopje, 2004.

[50] Trpovski V Guide to sport climbing routes,Skopje, 2007

CLIMBING SITE MATKA

Canyon is a great place for recreation where people from Skopje often lie in the dynamic city life. Located just 13km west of Skopje, the canyon is a popular place for weekend visits. At this location are more traditional alpine and sport climbing routes.Numorous caves are a huge challenge for many Macedonian and foreign speleologist and narrow trails offer recreational options to advanced hiki ng tours. Except for vertical sports, canyon known place for rowing a kayak and canoe the wild waters. Excellent blend of sports and recreational activities an cultural and historic monuments is a perfect tourist offer to visitors from around the world. From climbing the canyon aspect is priceless. The position of the reef offers beautiful view on the medieval Monasteries, River Fever, diverse vegetation andvarious villages in the distance. The number of sports – climbing routes is not too large, but is in constant growth, while tradicional climbers have more choise from classic routes invertical cliffs with a length of 150-200m. The traditional alpinism has a long tradition of the canyon, and the first climbing route is climbed in 1958.

Locality Matka source:http://www.travelblog.org

The canyon has more sectors where they are climbing routes with different weights. Enough directions lie on the famous “cliff Otmarova” (about 15 alpine sport routes and 7), and especially interesting are the guidelines for sport climbing sectors and central Matkino Trlo.

Positive factors that will attract an increasing number of visitors are favorable temperatures that allow climbing activities from March until November.

Sport climbing sector – fold thanks to southern exposureis favorable for climbing in the winter period when the most solar beam heats and dries rock. Acces to it is not anything partucularly marked, so climbers is beneficial to turn to local climbers or any of the employees as the monastery of St. Nicola Shishevski. Following the trail from the monastery St.Nicola Shishevski within 1 hour and 15 minutes, sector is climbing pen, where he also possible accomodation tents. Interestingly, this sector due to its exposure is very friendly climbing in winter.

By public transport from Skopje to the canyon can be reached from 30 to 45 minutes. The last stop is continued on foot to the ground despite canoeing site sectors of sport climbing.

Coming to the canyon is possible with taxi or private vehicle in just twenty minutes. For physical well – prepared, it is interesting an scenic cycling tour from Skopje to the canyon or mountain tour throught mountain Vodno.

Mountain canyon home has an excellent position beside the lake, once offered decent conditions and capacity for sleep. Forty beds in several rooms are now located in the half – rotted away condition. Sanitary conditions are also difficult eligible for foreign tourists. Unfortunately the present situation of mountain house does not meet the criteria of decency, because housing and sleepenig in the canyon is difficult. The accommodation in this building is possible, but often sleeping in a tent is more interesting choice.

Next to the house has canyon camping place alternatively minded adventurous visitors can sleep outdoors. Similar are the conditions for accommodation and the other side of the lake, near the monastery St.Nicola Shishevski built in 1938.

CLIMBING SITE DEMIR KAPIJA

This is undoubtedly the best climbing site comprised of high quality limestone, where it lies on very prepared guidelines for climbing, but there is potential for even greater further development. These estimations are from many professional foreign climbers who have visited this site and evaluated with the highest scores and positive reviews by international standards and criteria. More than 120 climbing routes are already well equipped and ready for climbing. This number rapidly increments taking it into consideration the activities of the Macedonian climbers who prepared and carried out various projects for the development of sport in this region.

This site consists of more attractive sectors, all near each other.

Locality Demir Kapija source: http://www.travelblog.org

One of the most attractive sectors is Arena, which requires a great preparedness among the climbers because of the weight of the directions in this part of the rock. There are other sectors such as VDD, Radar Petra, newly discovered goat cave, MI-14, Rak and others.

Apart from the sports and climbing routes there are some alpine traditional guidelines, which have not yet been formally documented.

Demir Kapija as small and poorly developed town does not offer anything else that would have encouraged the development of alternative tourism in this region. Perhaps the only driving force of tourism in this region, are the rocks from the canyon. This region is also known for high quality wine with a great tradition, also it begins to develop itself in commercial dimension and in a tourist attraction.[51]

The untouched nature is especially attractive for an alternative way of accommodation (wild camping). Demir Kapija recently opened a new mountain home, "Kalabaster", which offers normal, decent accommodation.

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[51] N. Panov. Fundamentals of tourism Skopje, 2004

The easy access to the site is another positive factor that attracts the climbing interests. With a private car from Skopje you can reach Demir Kapija for more than 1 hour ride on the beautifully arranged highway. Most climbing routes are located inside the canyon.

You can walk to them on a small path that runs counter to the flow of the river.

The marking of this sport climbing site is set between the two tunnels from the main road from where on a improvised iron staircase we go down to the river, above which rise high vertical reefs.

ECONOMIC FUNDAMENTALS

The economic review of the development of sport climbing should be viewed as a set of relationships and occurrences that arise from the trip and the stay of tourists climbers in a locality or region..

This tourism emerges as a driving force to fill the municipal budget from the consumption of the climbing tourists For that it speaks the development of the centers for alternative tourism in France, Spain, Italy and Germany which abound with many climbing sites that participate in the total tourist traffic.

Firstly, it will increase the number of foreign and domestic tourists, which by itself brings a large revenue Staying in hotels, buying local products etc.. which nevertheless contribute for increasing the budget and increased net foreign exchange inflow. Since Macedonia is a country with a relatively large number of sunny days and that means extending the tourist season with the maximum use of available potentials, which means that foreign and domestic tourists would additionally be held in our country.

The direct impact on development of the tourism is felt in the economy and the increasing of the gross national product in regions where this tourism is represented. For example, in the municipality Arco in Italy, the climbing is one of the main tourist resources. It is inevitable to mention the advantage of the direct influence that also reflects the hospitality, transport and trade. Because of the natural benefits it is necessary to note that the territory of Macedonia is also a magnet for investments, which would enable modernization of the transport infrastructure, improving and building new accommodation.

The direct impact would emphasize in terms of employment because the tourist industry generates employment in proportion to the number of tourists. The development of sports tourism it will enable us to increase the number of employees at the country level that address the issue of employment in the regions of the climbing sites. The valorization of the sites requires serving the climbing tourists with various services. One site needs a tourist guides, guides for climbers, rescue station in the service of professionals, caterers of different character. All this shows how important is in fact the valorization not only for the region but also for the whole country.

The indirect impact is noticeable in the agriculture where the development of the climbing tourism will raise the agricultural product because of the needs of the tourists. The reworking of the finished agricultural product affects the activation of the food industry in the region and beyond. Through investment projects for development the construction companies will be activated for construction of accommodation facilities that will influence the increase of the construction industry.

MARKETING AND PROMOTION

The tourism marketing is a system of continuous services offered on the market for recreation in order to get profit from tourist companies and meet the needs of their customers. The activity of the company's system includes: design services, development of their organizational bases (relationship between production and realization of services), advertising activities, marketing services (sales realization). Especially in tourism marketing is that the market is in constant dynamics. The demand for tourist services is changing under the influence not only, for example, weather conditions, but from the introduction of new prices, from competition. In this regard, marketing is considered to be a continuous process.

The tourism market is the socio-economic phenomenon that brings together supply and demand to ensure the process of buying and selling of tourism products in a given time and specific place. The characterization of the tourism market it is necessary to consider the following points: except for the seller and the buyer in the mechanism of the tourism market includes a significant amount intermediaries who provide the link between supply and demand;

- the demand for tourist services are characterized by many features - a wide range of roads by their material capabilities, age, goals and motivations, flexibility, individuality and high degree of differentiality; distance in time and place of the tourist offer;
- the tourist offer has the following characteristics - the goods and services in tourism have a triple nature (natural resources, developed resources, tourism services);

The main thing in the methods of modern marketing is in discovering the possibilities for satisfying people's needs in terms of psychological and social factors, and also determine the optimal variants for the financial activities of tourist companies, in accordance with the available resources. The tourism business is an ongoing process, because it is always necessary to know the new needs of customers and to control the results. The objective complexity is in that the demand for tourist services is very flexible in terms of the level of income and prices, but much depends on political and social conditions in the regions of the world. The demand for tourist services is affected by seasonal fluctuations and has borders on saturation.

The offer in this type of tourism is not characterized by flexibility, because there is no opportunity to create reserves, ie the tourist services are used on the spot. For example, sites for climbing can be transferred to other regions, ie to adapt to the changes in demand for time and place.

The characteristic for this tourist business is the high relative part of the main capital in the total costs and the structure of the obligations of the tourist companies. In this context, the primary assets are falling most on the costs. This is not convenient for a tourist who is obligated to pay the costs of operation of the company in between the seasonal period.

The Republic of Macedonia through a financial participation in a number of projects, organized tourist bus tours, tourism promotion of the localities through various promotional materials, through membership in the European Marketing Association of European tourist cities and through participation and presentation of tourist fairs, markets and other tourist events to present and improve tourist facilities in the country and thus, sport climbing sites. These measures and activities should be part of a program for general tourist propaganda and to improve the conditions of stay for the tourists in the country annually, and thus the sport-climbing sites, which should be organized by state.

To successfully promote this kind of tourism the state should be prepared to allocate a budget for promotional materials (tour guide of Macedonia, CD's and brochures on various segments of the tourism offer). Then they should be represented at international events such as participating in international fairs and other events. To organize various campaigns to promote tourism in this kind of participation that would take part in foreign tour operators and journalists to promote tourism beyond our borders.

It should also be taken into consideration these facilities to be advertised in daily newspapers and magazines, radio, television, etc., because this kind of media covers much wider range of people who'd rather hear the advertisement than just it be represented at tourism fairs. With this information these sites would be visited not only by those tourists who especifically come in just for sports climbing but also for others to see these beautiful landscapes.

Many important form of advertising that can help to develop this type of tourism is the Internet advertising and direct e-mail marketing. With Internet advertising it would be created a realistic picture of the visual appearance of the sites, and the climbing paths thus tourist before it came to the spot would have a clear idea of what it comes.[52] Such advertising is closely related to direct e-mail marketing that plays a major role in informing the tourist organizations and sport climbing companies for our localities, since only this way the information to them would arrive at the right time.

[52] Kotler P., Keller K., Marketing management, USA, 2009

CONCLUSION

On the territory of Republic of Macedonia the natural-geographical conditions enables the development of the sport. There are many different types of climbing and in all time periods. Thanks to the positioning of the sites of such a small area of interest sports climbing tourists is increasing. So, shortly guest climber in Macedonia will be able to visit many sites in different regions of the small space.

Sports-climbing tourism in Macedonia is a true rise to certain standstill because of political problems and so on. The valorization of sport climbing through tourism sites will directly affect our sport, cultural and sociological representation in the world. Although the tourism development of sport climbing objects are huge potentials, the most should pay attention to building infrastructure in their environment and training of local population to manage the sport climbing tourism.

However, the current weak and insufficient development of the sport, despite the lack of organization in terms of lack of adequate reception objects for visitors as a very important measure that will boost the development of the tourism industry is the existence of a marketing strategy that will in particular contribute in informing on our natural and attractive tourist sites in the world market and especially to fans of this sport.

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THE REGION OF PLAV – THE FIFTH NATIONAL PARK

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Abstract

Montenegrin Prokletije represents the most inaccessible part of the Balkans with the biggest number of mountain peaks that are over 2000m height above sea-level, among which there are three highest peaks in Montenegro. That is an area with exceptional water resources and with the biggest natural skiing potentials of the Republic. However, that is the region which represents the most undevelopment part of Montenegro, which covers the area from Lake Shkodra and Malesia, throught Kuci, Verus and Plav, thought Andrijevica Berane and Rozaje and mountain Hajle. Three religions are represented in the population - Orthodox, Catholic and Muslim. The people have been living in peace, tolerance and mutual appreciation for decades. It accounts for 10% of total area and population of Montenegro. The region is pretty isolated, especially Plav-Cusinje, which is a real "traffic congestion." This region is abundant with beautiful mountain lakes called mountain eyes and the biggest glacier lake in the Balkans-Plav Lake and it is an area rich in forests and ecologically well preserved, and it represents a good basis for the future of sustainable tourism development. Although there is a tendency in the area primarily catering, the activity which has all the prerequisites for development is still only at its beginning.

Due to the exceptional values of this region, after many years, it was declared a National Park. The Assembly of Montenegro, on July 27th 2009, designated Prokletije to be the fifth National Park by adopting the Law on National Parks. The total border length of National Park Prokletije through the municipality of Plav is 72.6 kilometers, while the state border length with Serbia (Kosovo) is 2.8 km and 47.7 km with Albania and the total is 123.1 kilometers. This scope represents a major center of floristic diversity and relief on the Balkan Peninsula, where in addition to numerous relics, indigenous and world rarities, 42 plant species of international importance are recorded, which due to the devastation are included in the European Red Data Book, because they are threatened with extinction.

The more rapid opening of this region will be accomplished when it will be completed the recently started building of a new highway from Podgorica via Verusa, Matesevo and Andrijevica to Berane and Belgrade and the road to Pec and Decani, and then to Skopje and Thessaloniki where once the caravan routes passed. For faster tourism development the rehabilitation and modernization of the only airport in northern Montenegro, in Berane will be extremely useful. Then for the potential for tourist client wide possibilities will be opened not only for tourism visit but also for the significant investments in tourism infrastructure, which will all contribute to the region, in the true sense of real tourism valorization.

Key words: *Montenegro, Prokletije tourism value, the National Park.*

INTRODUCTION

Montenegro covers a small area, but it is one of the most beautiful European outbound tourism destinations. Especially the nature was generous. This is why the German experts who have done Master plan for tourism development in Montenegro until 2020 gave Montenegro the slogan of "wild beauty".

This assessment is appropriate for the northeastern part of Montenegro, and especially the mountain region, where the Montenegro mountain region of Prokletije is unavoidable.

In contrast to the Southern Alps, as it is sometimes called Prokletije, the Northern Alps cover a greater volume and spread on the territory of five countries. The peaks are at higher elevations and they are spatially distant one from another so that the climb to them requires more time and effort. The Southern Alps or Prokltije belong to the three countries, they cover smaller space, but they are richer and more distributed. Their composition is of limestone with many forms of karst phenomena which is a result of glaciers. Here are the karst green valleys with spring water from melting snow are rich in grass and represent abundant pastures. Ropojanska Valley that extends from the village Vusanje near Gusinje is the best natural mountain link to enter the ascents of Prokletije and represents a green transversal for mountain climbing expeditions.

These "cursed" mountains, as the inhabitants of this region often referred to the mountain range, formed between the Dinarides and Shara mountain region are still not sufficiently explored. Although there are over 70 peaks higher than 2,000 m above sea level, the highest ski area of the potential of Montenegro, numerous mountain lakes and rivers, untouched environment and rich biodiversity, however, all these benefits are not evaluated in favor of tourism enough.

Previous investigations of massif Prokletije revealed significant natural assets and economic resources that should receive special protection, long term planning and rational use. Of special value are clean rivers, lake and spring water, rich natural forests (about 84% forest cover), geomorphologic phenomena, favorable climate conditions, diversity of flora and fauna and others. All this are recommendations of this area for the fifth national park in Montenegro.

THREAT TO ECOLOGY

Polluted environment, in which man lives as an integral part, is very big and every day is increasing, mainly because of its economic activities, more expressed wishes and a need for a shorter time period to materialize the natural assets available to him. In this process little and sometimes no account is taken of the consequences of the inevitable disruptions in the environment nearby and the environment further and the consequences for the innocent offspring.

The overwhelming desire to master the nature and to use the available resources more efficiently, a man in order to achieve greater economic impact, has come into fierce conflict with nature and its values and found himself wedged between the actually determined strictly environmental laws that provide the survival of the overall nature and himself in its and the economic laws of production and consumption and material progress in the broadest sense.

Photo 1 Ali Pasha’s springs in Gusinje (Photo: I. Rekovic)

For an easy access, partial and short-term interest in the use of natural resources and organization of space, a man after centuries of behavior opposed to agriculture narrowed the space and the opportunity of its own existence and decreased his survival and the survival of the succeeding generations.

Only recently did people become aware of the consequences of pollution and are beginning to organize to prevent it. With the disappearance of the plant and animal species and global climate change, many people were forced to wonder what the fate of the Earth is and what living conditions today we create on it. The world must unite with one goal - to preserve from the ecological destruction. Otherwise the world will be able to choose between the fire and ice as an American poet Robert Prost in one of his poems, published in 1920 entitled "Fire and Ice" answered a hypothetical question - how will the country finish.

With the problems of protection and improvement of the environment dealt the instances at the highest level, even 37 years ago in the former Yugoslavia. The environmental issues are as much discussed and important as the issues of peace or the issue of eating and the industrialization of the developing world, or as worrying diseases of civilization and self poisoning of humanity, educating the children struggling with natural elements[53].

With such behavior, the man managed somewhere less somewhere in greater extent to pollute the three basic elements of the natural environment: air, water and soil and achieve a high degree of ecological crisis. The strong pollution of all three elements, and thus food, causes the increasing occurrence of specific diseases and increased mortality that is commonly referred to as diseases of modern civilization. Such a breakthrough fortunately, has not reached the Plav region of Prokletije as part of undeveloped region yet, in which sense the assessing and mastering of all natural and artificial resources can provide a healthy environment and an economic prosperity.

SUSTAINABLE DEVELOPMENT OF TOURISM

Activities that make up the pillar of economic development in this area (forestry, wood processing, agriculture and tourism) are entirely based on the use of the local natural resources and are highly dependent on their frequency and quality.

The total current development resulted in a number of environmental consequences, some of which can soon turn into major factors that will limit the future of a modern and environmentally-oriented development. Because of these and other reasons, in future it is necessary to act promptly and activities to be focused in three main directions: to establish a modern, eco-framed and long term sustainable development concept, based on the available structure, the original quality and durability of the development function of space and its elements; to generalize the appropriate measures and activities by all relevant state and municipal authorities in the aim of more efficient prevention of environmental protection; to create and implement specific programs and projects of revitalization, to promote and to use rationally the available resources.

The European Union has shown great activity in order to determine the indicators for assessing the sustainability of tourism development. Based on the results of the study, a list is proposed of comparable indicators of sustainable tourism through which researches on the effects of tourism development in the European Union are conducted. The application of indicators is based on the encoding, which defines the limit values for each indicator, based on which the state of tourism development is assessed as

1.citicical,

2 tolerable,

3 sustainable.

[53] Augustine Lah, the President of Education and Cultural Council of Federal Assembly of Yugoslavia - "The social and economic aspects of protection and improvement of the environment", paper presented at the inaugural conference of the Yugoslavian councils for the protection and improvement of Environment, Belgrade, 1973, p. 17.

Therefore, these indicators are called "warning indicators". Coding system is introduced in three areas: -Red zone, indicating that the situation is critical;

-Yellow zone, the situation is tolerable, but it is necessary to take certain preventive measures;

-Green zone, the current state of tourism is assessed as sustainable;

Because of the fact that in the last fifteen years, there is practically no organized tourism, the existing indicators would not be applicable or would not be realistic. The relationship of tourism and the environment in the Plav region could be classified as yellow or green zone.

Sustainable tourism means using those resources to the extent to which tourists do not threaten them, because when it comes to excessive use, there is a situation called saturation. Fortunately Prokletije, especially part of Plav-Gusinje, are not investigated enough and there is no fair of supersaturating. Ecological thinking, and particularity, environmental behavior, are still a burden on humanity, the burden which we accept only because our subconscious tells us that without ecological thinking our survival would be questioned [54]/[55]

Because of the relatively well-preserved life and the natural environment, this region today has an advantage not only for tourism activation but also for planning of urban, space, tourism and general economic development[56]. Unfortunately, the last decades, due to irrational relation of the man towards the nature, especially the erection of industrial buildings, destruction of wildlife and fish, and excessive and uncontrolled deforestation, threats and problems of environmental protection are becoming more prevalent and more serious.

The goals of the environmental protection are: the preservation and protection of human health, protection of flora and fauna, protection of the ozone layer and climate change mitigation, protection and restoration of cultural and aesthetic values of landscapes, preventing and reducing environmental pollution, sustainable use of natural resources, rational use of energy etc[57] .

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[54] / In the Norway town of Langerbien, located around 1000 km from the North Pole began construction of a special warehouse in which for future generations the seeds of plants that that can now be found in the World will be saved. This “Doomsday Safe” will be able to survive in case of global catastrophe or nuclear disaster. This plant “Noah’s Arch” is the first of this type in the world whose program was supported by 100 countries. The storage made of concrete will protect will be protected by a heavy steel door and will be completely isolated from the outside door, including air, fenced and guarded by motion detectors and video cameras. At a temperature of -18°C seeds can survive over a thousand years. From the newspaper “Pobjeda” , Eco-Stories from the nature, Podgorica, 28th June, 2006

[55] / Very interesting is the research of the British Environmental Agency, which published a list of eco-heroes of all time in the magazine "Your Environment", in the British newspaper "Guardian. The first is an American scientist Rachel Carson author of "silent spring" ("Silent Spring") 1962, and the second German green economist Friedrich Schumacher with the book "Small is Beautiful” ("Small is beautiful") published in 1973. On third place is the British Jonathan Porritt who was one of the founders of the global non-governmental organization for environmental protection "Friends of the Earth (FOE). On the fourth place is Sir David Attenborough known for extraordinary movies about wild animals and plants. Followed by British author James Lovelock, Gaia theory of Earth as a self-regulating living organism; Kenyan activist Wangari Maathai; Prince Charles; a former presidential candidate of the United States Al Gore; Norwegian Prime Minister Gro Harlem Brundlandt who in 1987 in the report "Our Common Future" first introduced the term "sustainable development"; Indian Vandana Shiva who leads the International Forum on Globalization; the British Jane Goodal which has studied chimpanzees in Africa for years etc.
Source: "Jutarnji List, Zagreb, No. 95 of 29th December 2006. , pg. 40.

[56] / On the basis of the national legislation in Montenegro is protected by 106,655 ha, which makes 7.72% of the territory. Internationally protected areas cover 237,899 ha or 17.2% of the territory of the Republic. The total protected areas on both grounds comprise 19.6% of the territory.
Source: Spatial Plan of Montenegro - The draft plan, Podgorica, 2010

[57] / “Environmental Law”, Ministry of Tourism and Environment of Montenegro, Podgorica, Official Newspaper of Montenegro", no. 48 of 11.08.2008 and Nature Protection Act (Official Newspaper of Montenegro no.51 of 22 August 2008).

ENVIRONMENTAL PROBLEMS

Taking into account the low level of economic development, at first glance it gives an impression that the region of Plav of Prokletija is not ecologically threatened. However the actual situation is somewhat different. In fact, the extensive fields researches showed the presence of certain environmental problems that have already have and in the future can be more manifested, the negative impact on the quality of the area and its individual elements, and thus the quality of life, and can thus appear as significant limiting development factors. Because of these reasons, and the real needs of reviewing the situation and finding adequate environmental guidelines (sustainable) development and determination of priority projects for protection and improvement of both nature and the overall environment of the area, the most significant environmental problems are stressed.

Deforestation [58] is increasingly done with the help of powerful machines called “Skidder” which destroy the low and medium vegetation and create a suitable average for the processes of erosion. 54% or 743,609 ha of the total area of Montenegro are covered by forests and forest land. According to the value of forests, preservation, cleanliness, variety, method of management as to the impact on the environment, forests in Montenegro are among the finest in Europe. According to the level of forest cover, Montenegro belongs to the European top and is compared with the Scandinavian countries. In Slovenia, the extent of forest cover is 58%, in Bosnia and Herzegovina 41%, in Austria 38%, in Croatia 37%, in Spain 30%, in 25% Serbia etc. (The national policy of management of forests and forest land of Montenegro, 2008).

Plant species are seriously thinning or disappearing, and especially **animal species** (by isolation, destruction and impoverishment of habitat change, etc.). Perhaps this is an opportunity to remind us to the Code of protectection of the natural and social environment of the Himalayan region (Appendix 1).

Erosion is a special environmental problem in this area, especially in central zone. The upper and middle parts of the confluence areas of the rivers (especially the Grlje, the Vrulje, the Dolje, the Grncara, the Ljuce, and Mojanska River) are eroded substantially and are subject to intense erosion, which produces large amounts of eroded material.

All villages in this area (urban and rural) are characterized by lack of sewage network or only partial construction of **sewerage network**, with the complete absence of collectors for purification of waste water. This means that municipal and industrial waste water are directly discharged without purifying into the nearest waterway, through which other rivers go into the subterranean water.

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58 According to the data of the Directorate of Forests of Montenegro, which was established on 3rd August 2001, the forest is 54% of the territory of Montenegro, or 743,600 ha of which 33% (243,568 ha) of private forests. Of the total wood volume coniferous covers 41% (30 mil. m^3) and deciduous covers 50%. Of state forests 3.04% are national parks, and 15% are protected forests. Care of forests in the Plavski Municipality in 2004 directed € 12,137 and € 10,153 for the restoration. In 2003 in the Plav region from deforestation € 269,254.03 is charged or 3% more than planned. The total cost of forest management of the Plav region amounted to € 224,420.00.
Source: The Forest Department documentation of Montenegro, Podgorica, 2006.

Photo 2.Prokletije/ Karanfil (Photo: I. Vujisić))

Water in the valleys and ravines is exposed to all forms of pollution: physical, chemical and bacterial. The River Lim is polluted by wastewater from individual buildings and settlements. In these streams and their tributaries often are thrown away, even legally, the carcasses of dead or slaughtered animals, waste from butchers and various secondary raw materials, and on their banks there are many rubbish dumps and sawdust and other waste materials (metal waste, vehicle wrecks, plastic bags, etc.)..

One of the most significant environmental problems in this area is the lack of appropriate regulations related to **rubbish dumps** of solid, municipal and industrial waste. Therefore, there are numerous number of illegal dump sites (especially on river banks and along roads), which produce multiple pollution of the water, air and land, and the disturbance of natural environment[59]. Montenegro adopted the Law on Waste Management (28th December 28, 2005) where the basic principle of sustainable development that provides more efficient use of resources, waste quantity minimization and waste management in a way that contributes to achieving the goals of sustainable development.

There is also **uncontrolled urbanization** of certain areas, which in the long-term development can have significant consequences and represent a limiting factor in development. Recently, unique natural beauty of the valley Grebaje have suffered from the uncontrolled illegal building. Until 2000 there were no illegal constructions with the exception of two mountain huts and border watchtowers. When the public hearings about the fifth national park in Montenegro – Prokletije has began, about thirty illegal buildings (private restaurants, bungalows, cottages, etc.) were built. After the declaration of the Regional Park in 2003 in Grebaje were immediately raised three illegal buildings. Artificial constructions are without any

[59] The European Agency for Reconstruction has allocated 1.4 million € till today for the Strategy and Master Plan for waste management in Montenegro. Here will be included municipal, industrial, hospital and sludge from the equipment for wastewater treatment It is estimated that the level of Montenegro, annually produces about 182,000 tons various wastes. It is planned that for 21 municipalities there will be 9 regional landfills. For Plav, Andrijevica, Berane and Rozaje (total area accounts for about 8350 tons), the consulting house GOPA has proposed the location Trpezi for construction of regional sanitary landfill. Taking into account the fact that the choice of this location has caused indignation among the population and NGOs from Petnjica and Turjak, the Ministry of Environment and Physical Planning has created a Project Assignment for making a Study and issued a tender for selection of bidders. The study will cost 25,000 euros, and after making a Study for location selection, feasibility studies, studies of evaluation of the impact on the environment and the main project will be made.

order and style, so Grebaje is no longer the original oasis of untouched nature or the most beautiful jewel among the many pearls of the nature of Prokletije.

In the field of communal ecology is necessary to stress the problem of increased **air pollution** in the valleys during the heating season, which in the northern and central parts lasts between 6 and 8 months. This problem is mostly caused by the combustion in households, in industry, which in recent times there has been less present and other facilities. It is estimated that the in the provision of heat about 85% of households uses solid sources - wood and coal, which produce large amounts of smoke and soot[60].

THE FIFTH NATIONAL PARK

By adopting the declaration on the Ecological State of Montenegro, on 20th September 1991 and the Constitutional definition of Montenegro as an ecological state (Attachment 2), it is established a new government attitude towards the environment in the Republic. As a result, the Project "Directions of the development of the ecological state of Montenegro"; which were adopted by the Government of Montenegro in March 2001. It was made by the European Centre for Peace and Development (ECPD), United Nations University of Peace - Belgrade, based on the Government's terms of reference and in cooperation with many institutions and individuals.

Source: The documentation of the Ministry of Environment and Physical Planning of Montenegro, Podgorica, 2006

60 Out of the ten most polluted cities in the world, seven are in China - Guijang (responsible for the development of petrochemical industry), Donguing (31 mil. inhabitants), Ta'jan, Landou, Cibo, and Evandzou i Dzinan, then the fifth place belongs to the Indian city Ridzkotu, the seventh place belongs to Mexico City and the ninth to Milan. Source: newspaper "Politika", Belgrade, 20 August 2006., pp. 10

The project represents a long-term development document, the strategic character of the specificity of Montenegro not only in terms of unique natural characteristics, but also for the simultaneous inclusion of development and environmental protection under the umbrella of sustainable development. The strategy is based on: earning through production created values, the maximum protection of nature by the scientific approach, the quality of life based on traditional human values of Montenegro, the continuous change in rural economy and consumption.

For monitoring, adoption and implementation of the Sustainable Development Strategy of Montenegro and the implementation of tasks in the document "Directions of the development of Montenegro as an ecological state" as major strategic documents on sustainable development of Montenegro as an ecological state, a National Council for Sustainable Development is formed, in the beginning of February 2006 (Official Newspaper. RMNE No.8 of 10 February 2006).

The Republic Institute for Nature Protection has initiated through the Ministry of Environment and Spatial Planning and the Ministry of Culture, the project "Montenegrin Prokletije, a new national park in Montenegro." The project was presented and to the expert mission of the EU biodiversity, UNEP, UNESCO and the REC. Because of the fact that Prokletije belongs to Albania as well the project was presented to the Biological Institute of the Universities in Shkodra and Tirana. The surface of the fifth national park in Montenegro would have 21,647 ha. The declaration of this park was expected in late 2009, and the challenges (disputes) and most of the complaints from citizens were referred to the planned area and the park borders. The justified fear of the population was and when it comes to undefined property issues and the performance of certain activities such as wood processing, which has been the main occupation for many people for decades. Also it was contested the surface of the future the park, which should have been much smaller at 11,800 ha and which was eventually accepted. With the Spatial Plan of Montenegro by 2020, it is assumed among other things, the declaration of the Montenegrin part of Prokletije as a national park. The selection of Prokletije as a national park is determined primarily by its unique natural values and its invaluable significance (current and potential) for science, culture, education, tourism and recreation. This is the fifth national park, in addition to National Parks of Lovcen, Biogradska Gore, Durmitor and Skadar Lake. At the end of September 2008 Ministry of Tourism and Environment presented the Study for the National Park "Montenegrin Prokletije" and a Proposal Law about National Parks, which establishes the area Prokletije as the fifth National Park of Montenegro. With these documents it is planned this national park to be placed on the World Heritage List of UNESCO.

Table 1 National Park Prokletije – Montenegrin part

Parameters	Area (ha)
-The administrative boundaries	16 038
-Protective zone around the park	6252
-Reserves * Hridsko lake 347 ha *Volušnica 705 ha	1052
-Zones of strict protection (Level I)	10,502
-Zone of protection (Level II)	11 145

Source: Republic Institute of Nature Protection of Montenegro, 2007, Podgorica

The Parliament of Montenegro declared the fifth National Park “Prokletije” on 27th July 2009 by adopting the Law on national parks. The total border of the National Park “Prokletije” through the municipality of Plav is 72.6 km, while the state border with Serbia (Kosovo) is 2.8 km and 47.7 km from Albania. The total is 123.1 km. The spatial plan of the area for special aim of the National Park “Prokletije” should be made within 18 months, and Management Plan after that, within six months (Official Newspaper no. 56 of 14th August 2009.). The official opening of the national park is expected in late 2011.

The largest part of the protected area is located on the lime mountain areas of Bjelica, Karanfil and Visitor where there is no potential for the development of animal husbandry and forestry, but with a concentration of the biggest natural assets that can be valorized only through tourism. The main motive for declaring Prokletije National Park is the unique natural values that should be preserved for the future generations. This area is a major center of floristic and relief diversity of the Balkan Peninsula, where in addition to numerous endemic, relict, indigenous and world rarities, 42 plant species of international importance, which are included in i.e. devastation. European Red Data Book because they are threatened with destruction. With the declaration of a national park there is a possibility of valorization of natural resources, and also the resolution of environmental "black spots" particularly when it comes to Plav Lake, which is located in the border zone and that has received treatment as "A natural monument". With the National Park put into operation the municipality of Plav sees progress in terms of employing more workers, by creating a new brand, especially when it comes to processing and marketing of huge amounts of blueberries and other forest and medicinal plants, bottled water from the springs of Ali-Pasha and sources and sales of quality agro-ecological products (lamb meat, cheese, cream etc.).

With the initiative of environment and security in Central Asia, Caucasus and Southeast Europe in the Program for the Environment UN, OSCE, UNDP and NATO, it was suggested that the massif Prokletije is declared as a **peace park**. The aim of this Initiative is to support cross-border cooperation framework in the field of environment, to promote peace, stability and cooperation in the field of sustainable development. This Initiative was supported by the Ministry of Environment Protection and Physical Planning of Montenegro. A support by the Government and the neighboring states - Serbia and Albania is expected. This project would be realized from the means of the Austrian Development Agency (ADA). With neighboring Albania, the Republic Institute for Nature Protection works on the implementation of two projects-"**Prokletije interstate national park**" and "Protection of the confluence of the River Cijevna." On the other side of the Montenegro border village Vusanje, in the territory of neighboring Albania, in the Prokletije is situated on the most beautiful valleys, the of valley is Thethi which is also a National Park and covers an area of 2630 hectares. There are also the biggest peaks-Maja Rodohinse (2570 m above sea level.) Maja Thate (2525), Maja Visens (23,517) and others. The shortest way to the valley is a walk through the village Gusinje and the village Vusanja, the walk for five hours because there is no cart track school, except around the border crossing "Grncar." The road is macadam and it is in poor condition to the town of Tamara and Rasca (740 m above sea level.), where there is an asphalt, which is also in poor condition up to Skadar Lake and the town of Koplik.

Table 2 Overview of protected objects of nature of the part Plav of Prokletije

Form of protection	Protection category	Area in hectares	Proclamation year	Municipality
The composition of Molika "Ridsko Jezero (Hrid's Lake)	Forest reserve	100.00	1974	Plav
The composition of " Visitorsko jezero"	Forest reserve	60.00	1974	Plav
The Valley of the River Vruje with Ropojana	Reserve of the natural area	-	-	Plav

Source: "Tourism resources and potentials Prokletije, M. Knezevic 1995

Outstanding and unique natural scores, of the Plav region aroused the interest of scientists, nature protection associations, planners and other stakeholders to propose their declaration of a national park. The need and social justification for the declaration of a national park Prokletije was indicated by numerous scientific and professional papers published in various publications, as emphasized by many scientific and professional conferences.

In September 2006 in New York was adopted United Nations Development Programme (UNDP) for the period 2007-2011 for Montenegro in which approximately 20 million $ will be invested for the development of the capacity for managing and promoting economic development and development based on environmental protection.

Very important is the Convention on the Conservation of European Wildlife and Natural Habitats, Bern-Convention. Under this Convention and Project EMERALD NETWORK (Emerald Network) composed of areas of special importance for conservation. This project was started by the Council of Europe and corresponds to the ecological network NATURA 2000 that is i.e. "Visa" for entry into the EU. The project includes assessment of the state and the species in the field, estimates of the number and threats of the species, identifying the representative habitats and others. The Montenegrin government adopted a proposal for defining 15 areas that will be on the list. Among them are Prokletije Visitor, Zeletin and the valley of the River Lima. Montenegro as a small state in its territory and a very rich with natural and cultural resources, must have its own vision of sustainable development and to resist the increasing pressures and desires of local and foreign individuals and organizations to gain in their hands the invaluable resources which have strategic importance for the development of future generations on this, still naturally attractive and original space.

CONCLUSION

The Montenegrin mountain range Prokletije is outstanding natural resource which is still insufficiently discovered and without tourism valorization.

Future development should be based on sustainable development in tourism in particular. No product line should be achieved only in economic and technical justification, but the third component is equally important and, this is the care and investment in environmental protection and nature, and constant concern should be, above all, health.

The man in the evolution of the country emerged as one of its last members. Before the emergence of man there was a dynamic balance between all members of the nature and the environment. The natural flow of life in the living and inanimate nature are mutually connected and move after themselves, but the man with his activity often breaks these chains of connection and natural events, which often leads to ecological disasters. One must be aware not to become a master of nature, but only one part of the unique nature and that for him the same laws of nature are applied as for other species on our planet. We hope that this message will be the motto of all those actors who want to preserve the region Prokletije, but at the same time with the planned exploitation, through a national park that local people feel the economic benefit by evaluating this remarkable area.

Slobodan Lekovic MSc

BIOGRAPHY

He was born 1949 in Tolmin / Slovenia. He enrolled the Faculty of Economics, in the middle of 1967, and graduated from the 1971 in Podgorica, after which he enrolled in graduate studies in Belgrade at the department of Prof. Dr Slobodan Unkovic. He completed his specialization in France in 1970. He gained his Master's degree at the Faculty of Sciences in Novi Sad.

At the beginning of the 1972 he was employed in the municipality of Podgorica, and from June 1977 to June 1978 he was a member of Temporary business body in the specialized workers organization "Zastava" in Podgorica. He was employed in the Republic Committee for Tourism in 1980 as a senior advisor until 1984, and then in the Republic Secretariat for Economy. In1991 he served the function of the secretary of the Tourist Association of Montenegro until 1994 and then he was an assistant minister for three terms in the Ministry of Tourism until 2004. In 1995 was vice director of the Tourist Organization of Montenegro. With the decision of the Parliament of Montenegro, from 1st February 2005 professionally performs the function of the President of the Commission for the Prevention of Conflicts of Interest of Montenegro. He received significant, national and international awards in the field of tourism. He has published about 35 professional and scientific papers in tourism and three books. He is a regular participant in many scientific and professional meetings throughout the former Yugoslavia. He was a member of SO Podgorica on two occasions, 1969-1974 and 2002-2006. He speaks French and English. He is a longtime sports official. He is married and he has two children. He lives and works in Podgorica.

APPENDIX (1)

CODE OF NATURAL AND SOCIAL ENVIRONMENT IN THE HIMALAYAS

- Reduced deforestation- the forbidden access open fire. Do not do it, and prevent others doing it. Use minimal amounts of wood for heating water. It is better to use another fuel.
- Clean up the litter, burn it. Take away litter that is indestructible (cans, plastic). Graffiti is an example of permanent destruction of the natural environment.
- Keep water sources clean and avoid pollution. Do not use strong detergents and chemicals. Go to the toilet at least 30 m. away from water sources.
- Plants should be left to grow in its natural environment. Picking and tearing flowers is not allowed in many areas in the Himalayas.
- Help your guides and porters to respect these rules.
- When you shoot, be observant of privacy. Ask for permission, control yourselves.
- Respect the holy places. Respect what you have come to visit. Do not move the sacred objects; take off you shoes when you enter the temples.
- Encourage children that you encounter. Your donations to health facilites and schools are a constructive method to help.
- You will be welcome if you respect the local traditions. Use only your right hand when you eat and when you greet. Use both of your hands when you accept and give a present – it is cultural. Do not shake hands strongly and sharply. Kisses on the cheek in public places are reflection of the lack of culture.
- Spend the amount of food that is really necessary. Remember that you might eat more because only because others do not have enough. The same refers when you buy. Buy in moderation.
- Tourists who respect the local tradition have influence on the local pride (boost it) and support the local culture. Please allow the local people to get the right picture of the Western civilization.

M o t o:

> *"You might be changed by the people of Himalayas - but, please, do not change them. As a guest respect the local traditions, local culture and maintain the local pride. Be careful, friendly minded and sensible. Remember - You are a guest."*
>
> *Source: Bakic, (2005).*

HOW COULD THIS BE APPLIED FOR THE PART OF PLAVSKO PROKLETIJE REGION?

M o t o:

> *"You might be changed by the residents of this area, residents of Plavlje and Gusinje, but, please, do not change them. As a guest respect the local tradition, local culture, religious tolerance, maintain and deepen the local pride. Be careful, friendly and sensible. Remember - You are a guest, but distinguished visitor of the Alps in the south of Europe. "*

APPENDIX (2)

*D*ECLARACITION

ABOUT THE ECOLOGICAL STATE OF MONTENEGRO

We, Members of the Parliament of the Republic of Montenegro, are aware that because of the treats of the nature, protecting the identity of the land on which we live and work has become our urgent and priority task.

Aware of the debt to the nature, the source of our health and inspiration of our freedom and culture, we commit ourselves to protect it on the behalf of our survival and the future of the offspring.

We accept that no difference between us is as great as the changes invested in our natural surrounding. Regardless of our national, religious, political and other beliefs and feelings, we know and we accept that dignity and sanctity of the human being are organically connected with the sanctity and the purity of nature.

Man and the nature in him and around him make one unity in its depth by its terms and significance.

Therefore the abuse of man was followed by the abuse of nature. That is why by committing ourselves and fighting for the human dignity we fight for the dignity of nature.

By adopting this Declaration, Montenegro established government policy on nature and calls on wisdom all people to stop the ecological disaster which threatens us.

20th September, 1992 *Assembly of Republic of Montenegro*

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SAME-DAY TRIPS - A CHANCE OF URBAN DESTINATION DEVELOPMENT

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Abstract

The global economic crisis, the decline of standard and climatic factors influence the allocation of tourism trends at the global level. Certain types of tourist movements start up and develop; they have been present, but not sufficiently studied by authors. They also include a short trip or visit to a particular destination. Considering their characteristics, they do not require a lot of money and they make an increasingly important segment of the tourism market. Therefore, the importance of same-day trips should not be neglected on today's tourism market. Although in practice this part of the tourist offers and demand has not often been attached enough importance, same day trip can achieve a very significant inflow of funds and encourage the development of many potential tourist destinations. For all the reasons mentioned above, and because of its importance, the organization of same day-trips should be the fundamental basis and essential focus for tourism development. Taking into consideration that inbound tourist agencies show special interest for same-day trips, we have tried to give a starting point for further research in this part of the tourism market.

Key words: *same-day trips, economic crisis, tourism, urban destinations, development*

INTRODUCTION

Same-day trips are characterized by travelling to closer tourist destinations in a relatively short period of time, considering that normally they do not last longer than 24 hours. This means that unlike other forms and types of tourist traffic they often do not include overnight services. Although in terms of duration they can take half a day, full day, or a few hours (or days, if excursion tourist movements are observed), same-day trips can be purely recreational or purely cultural, but in their form and essence they are a combined type of tourist movements.

They are distinguished from other forms of tourist types and movements primarily by their duration, and not less by their radius. Specifically, these are short-term movements in the immediate and extended environment of tourist dispersion. The radius and size of dispersion-excursion zone cannot be solid criteria for differentiating this type of tourist movements. These are extremely reliable indicators that show not only the impact of economic opportunities and speed of transportation means, but also the richness and diversity of tourist motifs, which promote the development of excursion tourism in a complex synthesis.

The role of excursion tourism in supply tourism market is not satisfactory, which is a consequence of a number of different factors. Conditions for the excursion tourism development in tourist offer are far from ideal, they are discriminated and limited precisely by quantitative psychological, economic, historical, socio-cultural and other components (lack of awareness of the tourism opulence, undeveloped habit for going on short trips as opposed to going to the sea annually, unsatisfactory infrastructure, low standard of living, poor promotion of tourism wealth and beauties).

Excursion tourism in its specific fields (such as youth or school tourism) has recorded constant tourist traffic in recent decades despite a number of negative limiting factors. These are: organizational deficiencies, obsolete offer, inadequate infrastructure in the country and other weaknesses subjective in their nature, in addition to objective difficulties related to the political-security and socio-economic instability in the region in the past. Due to the consequences of the global economic crisis, and the existence of negative aspects brought by civilization (noise, stress, fatigue, unhealthy life, fast pace of living, tiredness ...), same-day trips that follow the world trend of taking several short vacations throughout the year are also excellent solution. With minimal investment in tourism offer they will meet tourist demand, and thus contribute to the development of tourism in general. Scientific justification of this thesis is based on the fact that the topic is up-to-date, which is a consequence of the increasingly significant share of excursion tourism in the tourism market in general. Obviously, excursion destinations represent a great development opportunity and it is necessary to lay out paths for future development properly.

THE CONCEPT OF EXCURSION TRENDS

The term **excursion** comes from the Latin word *"excursio"*, meaning a trip, a short travel for fun (Vujaklija, 1970). It is connected with the idea of group travel, where the purpose of the trip is educational or simply leisure activities. Both, a trip and an excursion are often used as a supplement during a longer trip, visit or stay in a particular place.

A similar meaning has the term **picnic**. In contemporary use, picnic can be defined as a pleasure on an excursion, which is a hallmark of a meal eaten outdoors, in the open. An ideal space for a picnic is a natural landscape, whether a city park, the surrounding of a lake or the space by a river. The first use of the term picnic dates back from 1692 in French, and it describes a group of people who were having lunch together in a restaurant, where they brought their own wine. For a long time the term retained the connotation of a common meal in which everybody contributed something. In English, the term first appeared in a letter to Lord Chesterfield in 1748. An interesting story says that, after the French Bourgeois Revolution in 1789, going on a trip or a picnic in the royal parks (then opened to the public for the first time) became a very popular activity among French citizens.

There are various definitions of the terms excursion, excursion tourism and excursionist. In Croatian literature (Perko et al., 2002), visitors are deemed to be any travellers who travel for tourism purposes, and they can be divided into two categories: tourists as visitors who spend the night in the visited place and excursionists as one-day visitors. According to the same authors, the term **excursionist** is defined as a person who travels and stays outside his/her usual environment, but does not spend the night in the place he/she visits, as opposed to a tourist as any registered visitor who spends at least one night in the visited place. Also, the term **excursion tourism** for Croatian authors implies tourism which takes place on the basis of tourists' short trips and their visit to natural attractions and cultural and historical values. This type of tourism is developed in coastal destinations, near industrial centres, as well as near the state border (Galičić, 1999). According to the same authors, an **excursion** is defined as a specially organized visit to a place out of the tourist's temporary residence, usually organized by travel agencies with the purpose (besides profit) to get guests more closely familiarized with the environment in which they occasionally stay. An excursion programme is a combination of two specific services that take less than 24 hours and do not include overnight stay or accommodation, while an excursionist is a consumer of an excursion programme, hence a one-day visitor to a place, but without overnight stay or accommodation in it.

The above mentioned definitions are characterized by terminological and methodological inconsistencies and incompleteness. Namely, if excursion movements are treated as strictly one-day trips (without overnights), they must be excluded from the aforementioned groups. And since the sheer idea of an excursion indicates precisely the term trip, the differentiation of the above mentioned categories of movements are not logical. The authors of this paper believe that excursion movements include organization of all kinds of short trips arranged for fun and pleasure. In this regard, excursion movements are part of the excursion tourist travel, which are typically used for multi-day excursion tours under that name, and include an obligatory group of participants, as well as thematic travel content prepared in advance.

THE SPECIFIC FEATURES OF EXCURSION TOURISM

Same-day trips represent the kind of package tours whose most essential features are trips to closer destinations in a relatively short period of time. Usually the trips do not last longer than 24 hours, which means that, unlike other forms of travel packages, they do not include services of overnight stays. From the aspect of the duration, trips can take half a day, full day or only a few hours. Depending on the group size and characteristics of the destination itself, a specific mode of transportation is adjusted to the realization of the trip. Same-day movements can be purely recreational and purely cultural, but in their form and essence they are a type of combined movements. However, as a form of tourist movements, excursions have recreational and cultural features at the same time; they are recreational because they are short (half-day, up to two days at the most), thus they basically have a sense of respite, and they are cultural, because they reflect comprehension of the significance of such a movement.

Same-day movements are distinguished from others mainly by their duration, and less by their radius. Specifically, these are short-term movements in the immediate and extended environment of tourist dispersion. The most common types of same-day trips are half-day (where the working hours are straight 7 or 8 hours) and two-day trips (where the workweek lasts for five days). These movements are closely associated with working hours during a day or during a week. The movements that last for more than two days cannot be classified as same-day trips, not because their radius may greatly be increased, but because they are less common cases (holidays of three to four days) or because it is a basic need, and thus an entirely new form of tourist movements can be talked about. The radius and size of a dispersion-excursion zone cannot be solid criteria for differentiating this type of tourist movements. These are extremely reliable indicators that show not only the impact of economic opportunities and speed of transportation means, but also the richness and diversity of tourist motifs.

The issue of tourist recreation, as a factor of productivity, is more successfully solved in the conception and organization of same-day movements. A trip as an integral element of tourist stay is a significant component that considerably increases tourist consumption. Otherwise, same-day movements as a whole are economically the most unstable category, because they are sensitive to different kinds of factors: climatic, psychological, cultural, organizational, and so on. Therefore, the ratio of elastic demand and rigid offer is more expressed in same-day than in any other tourist movements.

As regards several-day excursions, they imply a travel to a tourist destination, where tourists stay a considerable part of time, but from where it is possible to arrange shorter trips to closer or further surroundings. The other option is a round trip, i.e. a tour, when it comes to constant visits and changes of the place of stay, provided that they are accompanied by a meaningful enough and thereby interesting programme. Weekends or state holidays are best suited for several-day trips. Same-day trips are probably distinguished from all other types of travel in that it features guests connected with something in common. For example, they are students or athletes, scouts, members of a youth hotel association, mountaineers, or workers often from the same staff or profession, members of the same trade unions, organizations, societies or associations.

Mostly a homogeneous or so called closed group, which differs from a heterogeneous or so called open group, is considered here. An essential characteristic of a homogeneous or closed group is that guests more or less know each other or that the same affinities and similar interests bring them together (Štetić, 2003). A full-swing pace of civilization and its harmful consequences (fatigue, noise, air-pollution, etc.), point out the need for tourist recreation. Given that the problem of fatigue accumulated during a day or working week is solved with recreation, it is understandable that this can be achieved by going on a trip.

Tourist recreation is closely connected to the same-day movements, since more developed traffic expands the zone of excursion movements and allows you to visit distant motifs. Seasonal concentricity and smaller radius are also specific features of the same-day movements. The first feature is associated with optimal climatic conditions of tourist mobility, regardless of whether changes of cold and hot, rainy and dry or humid and hot periods and at various latitudes are considered. Some of the excursion or recreation motifs are most attractive in the shorter period of the year, which determines the season for this kind of movements. Also, good elementary opportunities for travel are a basic prerequisite for the development of excursion tourism. Precipitation as snow, hail or rain, cloudy or stormy weather as well as excessive heat, are not suited to the development of same-day trips.

A short break or weekend tour as part of excursion tourism is becoming increasingly popular on the world tourism market of supply and demand. It arises from the lack of free time of the largest percent of the employed population, namely the potential tourism market. A short break usually lasts between one and four days (sometimes even longer), and it makes up the second, third or fourth holiday within a year. The main motives for short breaks, which are usually organized in the form of weekend tours, are hiding in the natural atmosphere and escaping from everyday life. Mainly couples opt for this type of travel, although both, individual guests and less organized groups, homogeneous or heterogeneous, may decide in its favour. Numerous travel agencies base their tourism offer in the period of weaker season (spring and autumn, i.e. the period after winter and summer holidays) precisely on creating as interesting and comprehensive weekend trips as possible.

Weekend tours or trips can be linked to the job, i.e. they can be related to a particular seminar or to an educational and incentive travel for some business collective. Also, they can be organized for a family with entertainment, cultural or other contents. This tourism product does not have a seasonal character but it is very flexible as regards the price. Short breaks or weekend tours as the forms of excursion offer have opportunities to develop in even more significant scope owing to the following:

– the worldwide trend of having more short holidays, in average 2 - 4 a year, from 2 to 4 days;
– it is the fastest growing tourism product;
– it comes to the high revenues per guest;
– it is a quick and easy way of putting an urban destination on regional excursion map;
– the desire of business people for a short break and relaxation in a pleasant atmosphere and
- Healthy nature ...

This type of Tourism have the characteristics manifested through the way in which material factors, the arrivals of visitors and their activities impact on the natural elements of inbound regions. On excursion sites the essential kinds of inbound, communicative, infrastructural and suprastructural bases are made of: traffic access, facilities for water supply, wastewater and atmospheric water drainage, green and recreational areas landscaping, public baths, restaurant buildings, infirmaries, shops, etc. Since these facilities are typical for well-established and regulated sites, the functioning of these facilities should have an effect on the state of the natural environment in them.

The nature of disreputable sites is exposed to the impact of visitors and possibly to the initial unsystematic actions of material equipping in those cases where the implementation of preliminary projects has begun, where there are attempts of illegal and, therefore, usually chaotic construction, etc. Understandably, like other forms, excursion-recreational tourism trends are also ambivalent in their character, and their development entails a whole series of parallel positive and negative effects. As positive effects they are manifested in the following way: together with the expansion of these movements and the emergence of new resorts, regeneration and restoration of old and abandoned excursion sites (which have been used for nothing for a time) are made; measures are taken up to protect natural resources, especially vulnerable ones, because, without their preservation opportunities for weekend recreation of the local population would be lost; excursion areas are protected from other activities; their aesthetic quality improves; the accessibility to the excursion sites gets better; an evaluation of the excursion destinations is conducted, etc. Negative effects have the character of the phenomena that are characteristic for these forms of movements in other environments, such as pollution and land degradation with a very prominent denudation, landscape degradation, destruction of sensitive areas that are under protection, banality of natural base of high aesthetic values, etc (Romelić J. Plavša J., 1998).

In identifying excursion destinations (excursion sites) as fundamental elements of the development of excursion tourism, already established excursion sites that have the appropriate attributes such as recreational, curious and aesthetic ones are defined. Besides them, excursion sites that mainly have only recreational or only aesthetic attributes are sorted out, while other tourism offer factors are poorly expressed. Notwithstanding the above mentioned disadvantages, such excursion sites are commonly characterized by extremely high seasonal traffic, while excursionists themselves practice recreation in the quality, scope and degree of diversity as they are offered not only by an abundance of the resources, but also by a relatively modest financial basis. It can be stated that the condition of attractive tourist potential in disreputable excursion areas is largely caused by a low state of its external segment (external potential), or by the volume and character of tourist demand.

THE ORGANIZATION OF EXCURSION TOURISM

Same-day trips are the type of travel arrangement whose hallmark is a trip to closer destinations in a relatively short period of time, i.e. the trips usually last no longer than 24 hours, and unlike other travel arrangements, they do not include an overnight stay. From the standpoint of organization and placement, a distinction can be made between the trips that are part of travels organized by tour operators themselves and those which are "final products" of the agencies at a destination. The latter type of trips is a particularly significant income source of inbound travel agencies, but their role in improving tourist offer in a destination and the increase in total tourism spending is also important. Large world metropolises and important cultural and historic centres are characterized by a specific type of trips for which the English term "sightseeing" is used in tourism practice.

The concept of a trip is very complex, and it also represents one of the main categories of travel agency's business. However, here again, as with transport, it is necessary to make a distinction between a trip organized within so-called inbound arrangements, and a trip which is a "final product" of travel agency's initiative activities. A trip that is organized in residential tourist places is aimed at enriching tourist offer and increasing tourist traffic. For some agencies, trips are the most important item of their total realized income. These trips are organized as a continuous and planned content and fixed form of travel for shorter routes. Travel agencies connect transport services, professional guidance, sightseeing of cultural and historical monuments, natural beauties, nutrition, attendance to folklore and other events in the unique arrangement, as a half- or full-day trip, advertise and sell them to tourists during their stay at the destination (Štetić, Šalov, 2000).

Business operations related to the organization of the trip itself consist of: determining the excursion destination and itinerary, determining the trip content, contracting planned services, pricing, publishing the trip programme, organizing sales and the realization of a concrete trip. The programme of a trip consists of transportation services, a guide, sightseeing of cultural-historical, natural and other attractions and activities, catering services, etc.

Trips can have very different contents, which affects their attractiveness to visitors of certain destinations. To perform the trip different means of transport can be used (cars, buses, minibuses, boats, even smaller planes), depending on the group size and characteristics of a tourist destination. In larger inbound agencies, the organization is entrusted to a special organizational unit – excursion department. Basic problems in the operational work of this department are related to the relatively short period that is available for the operational organization of the trip realization.

The data on the sold tickets are a source of information for determining the size of excursion groups, as well as the data on the participants' ethnicity. On the basis of the received data, the excursion department records sold trips. Sold tickets, i.e. control coupons answer the excursion department to the basic questions (such as the date of trip, the number of visitors, participants' group language, etc) how the trips should be managed. Based on that, the decisions on the means of transportation (whether there is a possibility to include vehicles of different capacities) and on the travel guide with language knowledge according to speaking area of the participants on the trip. The decision which means of transportation travel agency will use depends on the importance and cost of transportation. Certainly, their own means of transportation provide greater security and better service, because they are subject to agency control. Therefore, operative staff uses borrowed (rented) means of transportation where their use does not mean the reduction in service volume and quality (Štetić, Šalov, 2000).

The main operational problems in excursion tourism realization are: harmonization of the size of excursion groups with the available capacities of the vehicle or catering capacity to provide food service (or accommodation capacity if it is a day trip with overnight stays); the selection of quality performers or realizers of the trip (such as a guide and driver, which can particularly occur in the peak season, when their engagement may cause difficulty for the excursion organizer); then, short time to form an itinerary and sales, which always pose problems in tourism because if the actual trip is sold it is needless to talk about guides, restaurants, drivers, etc.

When appointing a tourist guide, we should be careful that one guide does not lead too large group of excursionists at the same time, that the group is monolingual if possible and finally that the person has quality of a good guide. This is especially important for the organization of sightseeing of Belgrade and other cities for foreign tourists who come by boats or other means of transportation and stay in Belgrade a very short time (a few hours or one day), since their perception and experience that they take from our country depends on the chosen tourist guide.

Operational service keeps the central evidence booklet which outlines each trip. It contains a points-of-sale list and their realization (sales), and serves as a final statement of monthly business, as well as of charge, i.e. validation of individual items in bookkeeping. The complexity in solving these problems is greater taking into account that the evidence booklet with information about tickets sold for individual trips in the season is concluded at the end of the working day for the next day, when the trip will be performed. This greatly shortens the period within which it is necessary to reach an optimal decision on the allocation of their own vehicles, drivers, guides, as well as to employ additional staff and somebody else's means of transportation, when they are needed.

It is particularly important to ensure quality of service that is provided in the excursion programme. Travel agents as most frequent organizers of same-day trips provide most of the services by establishing business cooperation with particular business entities. Their relationship is regulated by concluding contracts, which may have different modalities. Thereby, basic services - accommodation and food are provided by concluding contracts with hotel companies, while transport is provided by transportation companies. If accommodation or transportation capacities are at their disposal, in formatting an excursion organizers will strive to use their own capacities in most cases. Otherwise, with the aim to obtain transportation services, business cooperation with transportation companies will be defined by a contract of passengers' transportation or a contract of leasing or chartering transportation capacities.

POSITION, OBJECTIVES AND PERSPECTIVES OF EXCURSION TOURISM DEVELOPMENT IN TOURISM OFFER OF URBAN DESTINATIONS

Numerous natural and anthropogenic potential is an opportunity for the development of different forms of tourism such as rural, spa, winter and summer, residential, sports, hunting, transit, health, event and finally excursion tourism. Rural tourism may well be supplemented with excursion tourism. Specifically, the existing tourism capacities of rural tourism can be used as an excursion destination, where visitors experience the opportunity to familiarize with rural environment, the way how rural households function and to taste traditional home-made products.

On the other side, to enrich the offer to tourists who stay overnight in a particular rural household, it is possible to organize a trip into the surroundings (e.g. visiting monasteries, cultural and historical monuments, etc.). A relatedness of rural and excursion tourism to school or pupils' tourism is especially interesting (the opportunity to create trips for school children from large urban centers aimed at familiarizing with the life in the country). In this context, trips to the farms are increasingly popular.

The development of spa tourism represents a significant contribution to excursion tourism. Spa tourist centres are long-known tourist destinations for which excursionists opt gladly (e.g. Vrnjačka spa). On the other side, organization of a trip is intended to guests who stay longer in a spa is often used to extend and enrich the content of their stay.

Winter residential or stationary tourism can be correlated with excursion tourism. On the popular winter ski destinations it is possible to organize a weekend ski-trip, where the cost of excursion arrangement will include transportation and the use of ski-lifts (overnight stay and meals on request). In this regard great significance is attached to the mountains in the vicinity of larger cities. Regardless of low altitudes as limiting factors for the development of winter ski tourism, with building mini-ski runs for beginners, slopes for sledding, mini-lifts, night lighting and supporting infrastructure, and including marketing activities, it is certain that mountain resorts in the surrounding of major cities would encourage the development of excursion tourism during the winter months. On the other side, for the guests who stay overnight longer in already traditional winter tourist destinations it is possible to organize short trips with the aim to visit cultural and historical monuments in the region.

Summer residential or stationary tourism can be combined with excursion tourism. Instead of going to the mountain, lake, river, on canyons and gorge tour, to spas, hidden villages, remote and forgotten cities and to familiarize with cultural and historical tourism treasures, every potential tourist will rather spend his summer vacation anywhere at sea. Therefore, organizing excursion tourism is necessary, because every excursionist also represents the actual potential tourist of a particular destination. Namely, if he likes a tourist place or region that he visits on his trip, he might decide to spend his summer vacation right there. Also, for the guests who stay in a tourist destination during the summer months of the year, organization of a trip with the aim to enrich the offer, breaking up the monotony of rest and pleasure to introduce new content always comes in handy.

Sport tourism can be extraordinary complement to the excursion tourism. Sports and recreation are appropriate additional elements of every excursion trip in terms of its participants' relaxation. On the other side, for the participants of sports competitions it is possible to organize excursion trips as a break from training.

Hunting is very well complemented with excursion tourism. Numerous hunting grounds become interesting excursion destinations. Also, familiarizing with the life of animal world is a very popular excursion content in the field of youth and children tourism, i.e. pupils' and school tourism. On the other hand, to the participants in hunting tourism it is interesting to offer a trip in order to familiarize with cultural, historical and natural treasures in the surrounding of hunting grounds.

It is especially necessary to connect transit and excursion tourism in order to develop other types of tourism. Namely, the existence of tourist offer designed for the participants of transit tourism and passengers in transit through a particular country initiates exploration of regional beauty and probably repeated visits. Also, excursion trips are featured by a transit element, often in terms of rapid passage through the region to meet its tourism potential and values.

Health tourism can be related to the excursion tourism in two ways. Creating an excursion offer for the participants in health tourism contributes to the popularization of excursion potential in the country, as well as to the increase of excursion tourist traffic. Organization of excursion trips whose purpose is to raise the level of participants' health status is becoming more and more popular in the world.

Event tourism is developing very well in correlation with excursion tourism. The basis of numerous excursions organized from year to year is precisely an attendance on a tourist event, both for domestic and foreign participants. Obviously, tourist excursion offer of a specific region seems crucially important for the proper development of event tourism.

Although still a little neglected in comparison with the development of other types, excursion tourism belong to its more important forms. Trips can be combined with visits to a spa, sports preparation, a hunting break, before, after or during certain events; they may come out of transit and journeys through a particular country; they can supplement the content of a scientific debate, school excursions, summer and winter visits and stays on a mountain; they can be used as part of health tourism programme.

On the other side, a participant of a trip can very easily fall in love at first sight with the region he is visiting and may decide to renew or extend his stay. In today's conditions of global economic crisis, declining standard, sharp division into those who "have" and those who "do not have", a short trip or a visit to a particular destination does not require a lot of money, and therefore appears to be an increasingly important segment of tourism offer and demand. That is exactly why the importance of excursion tourism should not be neglected in today's tourism market. Although in practice it has not been attached enough significance, excursion tourism can make a good inflow of funds and encourage the development of numerous regions.

1.From the aspect of excursion tourism development, it is necessary to accomplish the following fundamental objectives:

– building the required number of accommodation facilities for certain categories, such as hotels, motels, guest houses, bungalows, etc., and associated catering facilities (pubs, restaurants, cafes, pastry shops, etc), with a mandatory focus on forms of traditional folk architecture, in order to preserve the spirit of national creativity;

3.building open courts for eleven-men and five-men football, basketball, handball, volleyball,

tennis and other sports, as well as swimming pools, ski slopes, trails of health, small indoor halls and other facilities that are necessary to provide adequate services to sportsmen and somebody doing recreation during the four seasons;

4.building all other supporting facilities, as well as reconstruction and repair of the existing facilities necessary in tourist places of certain rank (health, cultural, entertainment, shopping, trade, service, etc.)

– precisely defining the most attractive excursion sites related to cultural and historical events, archaeological sites, natural monuments, records, or other interesting areas, which may be the motives for trips and excursions;

– organizing new characteristic events, which would connect traditional, cultural, historical and modern values of excursion tourist destinations;

5.organizing local professional information and guiding services, stationed as tourist associations in places of particular excursion destinations in surrounding cities, with day-long working hours, qualified to promote, organize and immediately present all interesting items that can be motifs for these visits.

Conditionally, a significant advantage of excursion tourism as an increasingly important opportunity for urban destinations development is that this type of tourism is the least expensive. Namely, excursion tourism does not require the construction of special accommodation facilities and expensive tourism offer contents (as is the case with winter stationary tourism based on winter sports), but only limited catering and cultural-entertainment facilities.

Also, excursion tourism can take advantage of all the existing facilities, which are in operation or those who need a little reconstruction or change of use features. This means that it is easier to develop this type of tourism, since it takes fewer resources than when it comes to other forms of tourism. In addition, excursion tourism is not limited by the season, because a trip can be organized in spring as well as in autumn, in summer as well as in winter. Besides, in living conditions in cities with ever-faster advances in technology, mobile phones, computers, Internet and other benefits that have made progress to our civilization, life generally accelerates the pace, and people do not have much time to spend on leisure and pleasure. Therefore, the demand for trips and short forms of relaxation and stay of potential tourists in natural regions slightly increases. Potential excursionists rather opt for a destination in the "neighborhood" because they do not lose much time travelling.

CONCLUSION

Human need for sojourn and relaxation in natural environment initiated by negative consequences of the rapid progress of civilization and technology, with minimal financial investment due to poor living standard, finds a solution in activating excursion tourism. The former development of excursion tourism was mainly characterized by complete domination of domestic over international tourists' traffic. Nevertheless, international tourism has to be one of the preferred directions in the further development of excursion tourism. It is necessary to inform domestic and international tourists about the quality and opportunities offered by excursion tourist destinations on tourism market.

Permanent marketing and popularization of excursion destinations is also one of the basic tasks of the holders of tourism development at the state level. Since world trends suggest further growth and development of excursion tourism, excursion sites are indicated as a great development potential for the future. In addition to exceptional natural conditions, what is necessary in order to activate urban destinations are the plan and development strategy to build excursion tourist centres that will attract more and more tourists and people who not only want to rest and relax in nature each year, but also to familiarize with cultural-historical and other tourist contents.

This indirectly affects the expansion of both domestic and international tourism demand, as well as familiarization with tourism potential, which contributes to the increase in tourism revenue. Historically speaking, in the period between the world wars, excursion tourism products in the initial stage of tourism development were also an important part of life. Same-day trips contributed to the creation of tourist travel habits and raised the general cultural and tourist level of the population. The consequences are visible just in the sheer tourist destinations. Specifically, on the sites where more than half a century ago the first weekend cottages were built, today there are mostly well-known tourist destinations.

For a high-quality presentation of numerous and various excursion sites, located in the vicinity of major cities as increasingly important excursion destinations, it is necessary to thoroughly define their areas, with all the amenities that they offer to potential visitors. Thus, at the same time basic recognizability is created, actually positioning of the particular excursion sites, important tourist destinations for excursion tourism on tourism market, both domestically and abroad. Finally, when you possess the right information about all tourism potential and opportunities of an excursion site, a potential excursionist will choose exactly this excursion destination, thus achieving the main goal.

Consequently, for the proper development and management of excursion sites, it is very important to be familiarized with all aspects of their position. Great importance of the development of excursion tourism highlights the connotation of increasing negative economic and limiting factors in tourism. Namely, the unstable political and economic situation in the region has negative impact on tourism in general. It is logical that people first meet primary needs, and that under the circumstances where it is common for the family that only one member earns (and more often even none), the need for a tourist travel cannot be realized. Since the excursion tourism is conditionally the "cheapest", i.e. its organization and realization do not require a lot of money compared to other forms of tourism such as winter ski tourism and summer coastal tourism, nowadays this kind of tourism is becoming an increasingly important chance for urban destinations' development.

As already noted above, a trip includes a travel up to a maximum of 24 hours, i.e. it implies the absence of overnight stay (except excursions and weekend tours), it means that the pricing itself is lower for the cost of overnight accommodation. Therefore, the excursion is available for a very wide audience, and its customers are not only clients, tourists with high purchasing power. This opens the possibility of including a larger number of participants, in this case excursionists, to its consummation, i.e. tourist spending and making profit are increased by the development of excursion tourism.

Today's tourist offer is characterized by insufficient promotion and popularization of excursion tourist treasure. While tourism demand is featured by outdated habit of going to a tourist travel once a year, exclusively as a vacation at the seaside, as well as slow and difficult accepting new ideas of an annual leave in parts owing to the possibility of several short trips to be completed in the surroundings.

The negative effects of the pervasive global economic crisis, budget cuts in tourist travel, the need to change the established habits and customs of tourist travel through the demand of some different tourism products, long tradition when it comes to excursion tourism and relatively easy way of its development by using the existing, and by repairing and replacing dilapidated infrastructure, highlights precisely the significance and importance of excursion tourism as a great opportunity for urban destination development, especially from the aspect of compression, connection and coordination with other types and forms of tourism.

The future of the proper development direction of excursion tourism largely depends precisely on joint and united efforts of both, state regulations and private initiative. These efforts should affect the change of the existing bad habits into adopting positive ones, as well as their prompt implementation as regards excursion tourism development. Finally, the development of excursion tourism contributes to the promotion and popularization of a country and region and by attracting domestic and international tourists the opportunities to develop other forms of tourism and regional development of certain less developed areas as well as foreign exchange earnings from tourism are increased, which is a fundamental objective of each country's tourism development.

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STANDARD COSTS OF A HOTEL COMPANY

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Abstract:

Standard costs are used as an objective measure of occurrence of actual costs in the hotel business. Control of actual costs based on standard costs has an effect on the economical use of funds and work in the hotel. The aim of control of actual costs is to prevent their unwanted growth and rationalize them. Quality standard cost is based on an objective approach and realistic assessments of conditions in which the costs incurred at the hotel. Determined as the amount of consumption per unit of output multiplied by a single price. In this way, the standard costs are different from planned cost or normal. Standard costs have an important role in the system of budgeting, control and decision making hotel Management Company. Because of the detail required by standardizing costs and standard costs is met only in the most successful hotel companies and chains.

Key words: *standard costs of hotel companies, standard power consumptions, standard price, standard calculation of direct and overhead costs.*

INTRODUCTION

Within the process of the hotel management, standard costs are the key instrument for control of the actual and forecasting of the future costs. Following of pre-defined standard costs, comparing to inadequately estimated or unreliably planned costs, is considered as one of the advantages of a modern hotel business. The implementation of the standard costs increases the service quality and provides the uniform services in the hotel chains worldwide.

Standard costs simplify accounting procedures in the hotel. One of the positive features of the standard costs is that they can be recorded/booked in advance. After completing the process of production, it's possible to compare actual and standard costs and record eventual deviations.

From the point of internal costs calculation, the standardization is important in all cost categories. Furthermore, the internal accounting per standard costs, provides uniform implementation of the methodological procedure, which allows the mutual comparison of the costs in the same conditions of hotel business.

DEFINITION, TYPES AND IMPORTANCE OF STANDARD COSTS OF A HOTEL COMPANY

Standard costs can be defined as „monetary value of the consumption of the elements of the work process, which should occur in the future, where they were developed through careful preliminary analysis of influencing factors that affect the quantity and structure of the standard costs" (Budde 1993, 90). Besides this definition, the accounting literature mentions the standard costs, which can be briefly described as "an element of price calculation of the output" (Peršić i Janković 2006, 202).

By this way, the meaning of the standard costs is scoped to quantitative standards of the used materials, time, services, etc. Thus, standard costs are the result of multiplying of the standard quantity and the standard price.

Standard costs can be classified based on different criteria in several groups. The types of standard costs significant for the specific business of a hotel company are shown as below.

First of all, when it comes to the types of the standard costs of a hotel company, they should be divided into individual and group standards. Individual standards are used to control employee costs for particular functional position within the hotel. Group standards apply to certain activities within the production or business functions at the hotel. The standards are developed in details, down to level of product unit, typed letter, phone call, etc.

Standard costs can be considered depending on the desired level of the efficiency as: the ideal standards of the efficiency, standards of successful (current) cost efficiency and standards of the average (basic) economics. Out of these subgroups current standards are considered as the most realistic and most often used. They are based on current business conditions, and the goal that the hotel company strives for.

In the process of standardization and determination of the standard costs of a hotel company, it is necessary to know the characteristics of particular types of standards. For internal cost calculation, it is important to distinguish the standards by the type of the item (product, services) of standardization on: (Peršić i Janković 2006, 202)

- quantitative and
- monetary/financial.

Quantitative standards are basic standards. Quantitative standards express the standards of materials, supplies, products, services, time, quality, technological procedures, working conditions, personnel and so on. Quantified standards multiplied by the related standard price (a monetary measure of the unit) give the common denominator of value of standard costs. This represents the financial (monetary) standards of the material origin, for example: the standard costs of materials, standard costs of salaries, standard overhead costs. Besides, there are financial standards of the nonmaterial origin. They do not have a basis presented in quantitative standards. For example, these are treasury standards, standards of creditor-debtor relations and so on. For this paper, with respect to the subject, the important are financial standards of the material origin.

Standard costs play a significant role in determining the selling price of the product or service. In fact, the standard costs are the basis for determining of the sales price, where it should be greater than the amount of the standard costs.

It is often to misinterpret the standard costs as planned or predicted costs of a hotel company. The main feature that provides differentiation of the standard costs is that they are based on the expert cost calculation for each activity within the hotel, center of their arising, etc. Most of the costs of a hotel company are usually based on analysis of data from the past. In contrast to this, standard costing of a hotel company determines the amount of costs that should arise if the predicted costs realize in the future.

THE CALCULATION OF STANDARD COSTS OF A HOTEL COMPANY

One of the most famous theorist of standard costing, K. Kafer highlights that the unit of the output (product, service) is the basis for the calculation of the standard costs (Kafer 1964, 87).

Standard costs, as an accounting category, observed within internal calculation, in the cost systems can be covered in two ways, as:

- Total cost calculation
- Partial cost calculation.

Depending on the type of calculation, the method of determining deviations is imposed.

The implementation of the standard costs in a calculation of the total actual costs gives more precise calculations, increasing the value of information for the management. In fact, the calculation of the total actual costs has been developed by connecting the rules of the behavior of direct and indirect costs in correlation with the standard costs. This gives a calculation of the total (overall) standard costs of a hotel company. By including the standard costs in an internal calculation, the control is provided based on real measurements. This provides an objective assessment of the efficiency of the internal work processes within the hotel. Introduction of standard costs in the calculation of the total costs is the most comprehensive and most advanced form of the cost calculation in the hotel business. With respect to the time consumption, this is an expensive process that requires a stable operating conditions in order to give the successful results.

Apart from the calculation above, the introduction of the standard costs in a hotel company originally refers to the calculation of the partial costs. In fact, the calculation of the partial costs is easier because it only considers the standardization of direct costs (materials and salaries). It is much easier and faster to standardize direct than indirect (general) costs of a hotel company. However, the cost effectiveness of extra costs due to the introduction of the standard costs, is evaluated in the long term. In this case, the implementation of the calculation of the total standard costs rationalize the future costs of a hotel company. This justifies the implementation of the standard costs.

Efforts to reach the established standard create the assumptions for the rational use of the assets and points to the underutilized capacity of the hotel. The occurrence of the actual costs bigger than the standard costs of a hotel company, indicates the unnecessary costs. These extra costs, related to repeated operations, final re-processing and repairs, represent the costs of poor quality (Kosar i Rašeta 2005, 84). Therefore, the aim is to increase business result of a hotel company by decreasing the costs. By using standard costs, the best results are achieved by reaching the operational plans and budget of a hotel.

Each hotel company approaches implementation of its own internal standards, to have determined: (Peršić i Janković 2006, 199)

- Standards consumption (amount of usage) of a work process elements
- Standard prices and
- Standards outputs.

The standards of consumption of the elements of the work process include the standards of consumption of food and beverage in the hotel. Standards of the consumption of food and beverage are the basis for all the plans related to the realization and providing of services. Determining of normative consumption of food and beverage is necessary for development of:

(www.vus.hr/Nastavni%20materijali/Tehnologija%20hrane/Normativ-st.PDF)

- Purchase plan of material production,
- Costs plan of material consumption,
- Selling prices of food and beverage,
- Turnover plan and realization (in quantity and time) and
- Analytical indicators of doing business as a basis for decision making.

In addition, these are some of the prices that are taken as the standard prices in the internal accounting. The standard price of internal cost accounting can be*: (Kafer 1964, 98)*

- Average price for the particular period,
- Average price achieved during a period of several months,
- Average price of a particular period (or a period of several months), corrected by coefficient of expectations and incentives,
- Market prices at the time when the standard prices are being defined,
- Market prices at the time when the standard prices are being set, corrected by coefficient of expectations and incentives,
- Price that reflects the future normal market conditions,
- Price corrected every six months depending on market changes,
- Price that stimulate the economy of the procurement, production and service, and others.

In determining the standard costs it is necessary to first dispose with standard consumptions and standard prices. The standard consumptions are obtained by precise measuring, weighing, monitoring and analyzing of current business processes and past events. The standard price is obtained by expert assessment of the value, on which can be based a realistic standard outputs. The results are the standard costs, which indicate the level of the costs that should be achieved, in expected business conditions. On an example of a hotel company, that is referring on the costs under certain degree of capacity utilization in the future period.

As already mentioned, standard costs are primarily the element of the total price calculation of the output. They are based on quantitative standards of the used materials, time, services, etc. Standard direct costs are considered to be the right standard costs because they can be precisely related to the specific unit of the output. This justifies the calculation of standard costs by the appropriate cost bearer.

The possibilities for cost standardization of certain assets parts of a hotel company are different. The process of standardization depends on the lifetime (fixed or current asset) and of the ways of transferring value of the assets to a new product or service.

Standardization of the consumption of fixed assets of a hotel company is limited, because in the most parts it does not change with changing the degree of capacity utilization. Standardization of the use of fixed assets consumption, in this case, will depend on investment decisions, investment in new equipment, etc. For example: rental costs, capital maintenance, depreciation can not be standardized per unit of output. During the construction of a hotel building their level (amount) is fixed in advance. The level of a standard consumption of fixed assets can not be influenced on a short term.

In contrast to that, the current asset gives the possibility for standardization of outputs and thus the standard costs as well. The current asset includes the material (production and additional), small inventory, packaging, goods, etc. Most of the current assets will be directly included in the structure of the output, while a smaller portion of current asset facilitates providing the outputs and contributes performing the business process in a hotel.

The calculation of standard material costs of a hotel company

Goal of further observations are the standard material costs of a hotel company. It is necessary, per unit of the output, to set standards of consumption and related standard prices per output. Besides the initial calculation of standard costs, specific characteristics of a hotel company should be considered, as well as characteristics of materials of making products and services, technological process and calculation method of the outputs. Also, it is necessary to take care of the quality of purchased materials, purchase prices of the same, material handling, technology process and so on.

In determining the standard costs of materials in the hotel industry, the attention is given to the implementation of standards in the department of food and beverage. In this department standards in quantity, quality, environmental, safety standards...must be followed. The empirical standards are essential for the estimation of assess the gross and net amount of material consumption, waste recognition, and clearly defining structure, setting, quantity, caloric value of the offered food and meals. The person responsible for preparing and providing meals and drinks knows in advance the normative for the consumption of food and beverage.

The following example shows how to perform a calculation of standard direct costs of the materials.

Table 1: Calculation of the standard direct production costs of material in a restaurant

	The standard unit of measure
Normative of material	0,27kg
Normal shrinkage and shredding	0,02kg
Permitted wastes	0,01kg
Standard amount of material for production ofone portion (fish I category)	**0,30kg**
Invoice price	8,30€
Transport, duty, loading,	0,80€

unloading	
Storage costs	0,10€
Quantity discount	(-)0,20€
Standard price of material of production (fish I category)	**9,00€**
Standard costs of material (fish I category)	**0,30kg x 9,00€ = 2,70€ per unit of output**

Source: Prepared by the author, Garrison and Noreen 1997, 419-420.

Establishing the norms of consumption of primary material in process of preparation and offering the food is required by the Law. These normative are based on standard recipes. Custom recipes are used as a basis for determining the standard costs of a direct material. Besides, it is used for calculation and control of real consumption, which is the basis of rational business.

The calculation of standard labor costs of a hotel company

Direct costs, for which can be determined the standard costs per unit of output, include also standard labor costs. In determining the standard labor costs, the implications of the labor market and human resources policy of a hotel company are to be taken into account. In accordance with that, the standards of time spent along with the standard work price will be evaluated. Each working position requires special identification of procedures of performing certain tasks in an unit of time. On the labor price will influence the degree of employee's responsibility for the current and fixed assets, their position on the hierarchy of decision-making and so on. Most objective time standards will determine the team of experts, using the measurement methods, in order to evaluate the working contributions of individuals and group of employees.

The standard direct labor cost is obtained by multiplying the amount of work spent per time unit and standard labor price.

The following example shows how to perform a calculation of the standard costs of direct labor.

Table 2: Calculation of standard direct labor costs in a restaurant

The standard unit of time	
Normative of labor per meal - net	1,9h
Allowed breaks in work for the needs of employees	0,2h
The time required for cleaning and preparation	0,3
Time spent for meal wastes	0,1h
Standard amount of direct labor	**2,5h**
Labor costs per collective agreement	1,10€
Taxes and contributions (50% of the agreed price)	0,55€
Stimulating fee (25% of the the agreed price)	0,275€
Standard price labor	**1,925€**
Standard direct labor costs of meal preparation	**2,5h x 1,925€ = 4,8€ per unit of output**

Source: Prepared by the author, Garrison and Noreen 1997, 421.

Standard consumption of labor is based on the average qualification of the employee in a hotel, the average labor skills, the average training in the work, with an average intensity of labor. If the process of standardization detect irregularities it is necessary to correct them. As it can be concluded from the given example, the salaries of the employees are identified as the standard costs of the labor. Therefore, salaries are obtained from the calculation of standard labor consumption per unit of time and related standard price of the labor.

In determining the standard costs of labor, it is possible to determine only the standard costs of direct labor. This refers to employees whose work can be directly measured per unit of output. In contrast to this, it is not possible to allocate general costs per unit of output.

The calculation of standard overhead costs of a hotel company

Standards of overhead costs are expressed as a percentage or value of the selected base. Selected base can be spent hours of the facilities in the hotel, working hours of the employees, hours of the computer operations, utilization of accommodation capacity and so on. Standard overhead costs can considered as indirect costs.

Establishing a standard rate of overhead costs is made considering the highest degree of correlation of certain overhead costs and the selected base. That means that the group of overhead costs is most impacted by the selected base. Relative expression of correlation of overhead costs and the selected base in the future is transferred from the co-dependencies in the past.

The following example shows a standard amount of overhead costs.

Table 3. **Calculation of standard overhead costs in the restaurant**

Average hours of labor spent per meal	2,5h
Total overhead (indirect) costs per hour	0,40€
The standard ratio of overhead costs in relation to unit of the output	**2,5h x 0,40€ = 1€ per meal**

Source: Prepared by the author, Garrison and Noreen 1997, 421-422.

Negative characteristics of determining the overhead standard costs is that the relative irregularity of overhead costs and the selected base from the past can not be corrected in the future. Also, if there is a significant change in the degree of capacity utilization, the base will not serve as a realistic base for the calculation of the overhead costs in the future. This emphasizes that the standard rates of overhead costs are the most insecure estimation of calculations per total standard costs. Ratio of the overhead costs and the selected base does not provide the degree of objectivity that is emphasized in determining the standard costs of material and the standard direct labor costs.

DEVIATIONS FROM THE STANDARD COSTS OF A HOTEL COMPANY

In calculating the costs of a hotel company based on standard costs, deviations are possible to occur. Potential deviations are concluded even from the definition of the standard costs, according to which the standard costs are described as the estimated costs which are determined for the purpose of calculating per cost bearer, whether they are calculated directly or in relation with the selected base (Dvorak 1978, 56).

Deviations occur compared to the standard costs, which are determined based on the standard consumptions and the standard prices predicted for the normal operating conditions in the future.

The existence of standard costs facilitates examining the source of deviation of costs, and responsible for the appearance of extra actual costs in the hotel. Therefore, in calculating the total standard costs, deviations are the control measure of the actual costs and the criteria for a realistic evaluation of the output within the internal calculation. Depending on the type of standard costs deviation can occur as: (Garrison and Noreen 1997, 423-446).

- Deviations in the quantity (of costs),

- Deviations in the price and
- Deviations from the level of the utilization.

The management of hotel company is most interested in deviation of the actual costs comparing to the standard direct costs, for which there are pre-defined quantitative standards for the quantity and the standard price.

CONCLUSION

Standard costing of a hotel company determines the volume of costs which should occur if predicted costs realize in the future. Besides the level of the standard costs, by introducing the standards in cost accounting of a hotel company, an insight into the structure of standard costs is provided. Determination of standard costs is based on precise calculations of consumption of the elements of the work process at the hotel. Standard costs as a result of the standard consumption and the standard price, can be calculated according to the full and partial costs. As noted above, the calculation of the total costs requires more time and money because it includes both, direct and indirect costs of a hotel company.

It can be said that the procedure of costs standardization at the same time simplifies the planning and control by those who are responsible at the hotel, but also requires very detailed reporting. The advantages can be converted at risk if the process of standardization is not implemented properly, in accordance with current business conditions of a hotel company. The goal is, by implementing the standard costs, to determine the level of the selling price of all products and services. Standard costs, in this case, are the basis for calculating the selling price and getting the final results of a hotel company. Apart from using standard costs in the internal calculation, their significance, from wide perspective, is reflected through applying the international standards in the hotel industry.

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THE QUALITY SERVICE AND ITS IMPROVEMENT – KEY FACTOR FOR TOURISM DEVELOPMENT: CASE STUDY OF THE REPUBLIC OF MACEDONIA

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Abstract:

The aim of this paper is to present the tourism sector and its precondition for international country development with the case study of the Republic of Macedonia. The primary objective of this paper is to use the service sector setting of the Macedonian hotel industry to help the country to explore the strategy for planning the expansion of the tourism sector over the next years.

Also, the purpose of this study is to identify the tourists' expectation as well as managers' activities to offer a high quality service to the hotel guests. This study provides some perspectives for understanding tourism planning and the importance of the quality service for creating the image for awareness and acknowledgement of the country's tourist product among international tourists markets.

This study concludes that, without government contribution and commitment, together with an appropriate government strategy and adequate budget for promotion, the potential for tourism will not be achieved. Creating strategies and policies for tourism must be carefully considered with high quality expertise which will lead to well-organized and sufficient plans to achieve sustainable tourism development that can make a significant input to sustaining the national economy.

Key words: Country development, Government strategy, Quality service, Tourism development.

INTRODUCTION

The quality service is a key factor for every hotel, not matter in which country the hotel is located. Also, being able to offer a good quality service gives an opportunity to the hotel to be competitive on the market. This is why every hotel should look for continuous improvement of its quality service.

Macedonia is a country which is recognised by its culture and art, also by the many of historical monuments which can be found all over the country. Very often recognised as a 'Balcan pearl', the beauty of the country can be a significant factor in developing the tourism sector. Also, the friendliness and the kindliness of the people symbolize Macedonians as welcomed and warmed people. However, in order to attract more foreign tourists, the country needs a good promotion which will increase the international awarness and this will lead to a positive perception and economic development of the Republic of Macedonia. The government has to use all natural resources and the culture program in order to attract more foreign tourists to visit Republic of Macedonia.

KEY FACTORS FOR SUCCESS IN THE HOSPITALITY INDUSTRY

According to Heide and Gronhaug [1], there are four key factors for success in the hotel industry: the employees' behavior, their hospitality, the conditions for relaxation and recreation and the quality service. Also, the study of Chu and Choi [2] indicates six key factors for hotels success which includes: quality service, price, quality of food, rooms and reception, safety and the business incentives. It is very important that many authors give priority to the quality service as one of the key factors for the success in the hotel industry. This is because many hotels have similar physical appearance (rooms, bars, restaurants, leisure centers etc), so offering a 'unique' quality service can be a good opportunity to be different from its competitors.

Some authors define the quality of the service as a summary of the 'image' of the company, the internal organization, the interaction between the employees and hotel guests, and also the satisfaction level of the guests [3]. However, mainly there are five factors which have an impact of the quality service: location, physical standards, service, the image of the company and the price [4]. As a conclusion, the quality service is a summary of all maintained factors. The importance of the quality service as one of the key factors for success in the hospitality industry needs to be taken into consideration at all hotels and failure in producing low level of quality service will result with losing clients.

The role of the employees

In the service organizations, for example in the hospitality industry, the employees are crucial part of the overall service and their knowledge and experience are one of the most important resources for the hotel organization. For one organization is very important its employees to have a good knowledge and professional way of communication with its clients [5]. The employees who have regular and direct communication with hotel guests have many different experiences comparing with the employees who have less contact with the employees.

Delivery of high quality service to the clients results with a long term benefits to the organization especially in today's competition. According to Zeithaml, who seems to be an expert in the field of quality service, it is difficult to define the specifications of the quality service, which result with difficulties for the clients for measuring the level of the quality service before they pay for the actual service [6]. The quality of the service can only be analyzed from the clients' perspectives who are the best evaluators of the quality service [7]. Parasuraman and his colleagues believe that this observation occurs as a difference between the client's first expectations and their perception after their experience of the visit [8]. According to him:

1. For the clients is much easier to evaluate quality of the product instead of quality of the service
2. The perception for the quality service results with comparison between the performance and previous expectations
3. The evaluation of the quality service includes evaluation of the delivery process of the service and the end result from the service.

In the hospitality industry, the quality service is very important due to the involvement of many guests. The hotels operate on 24/7 basis with many different requirements which has to be met by the hotel employees. The way of how the quality service is defined, generally gives a picture of how the service is in that organization, either good or bad [9]. Hotels address those information mainly through the number of stars they are ranked and hotel guests receive information of what to expect from that hotel.

Also, the expectations and the requirements can be different depending of the hotel guests, either business or tourists guests. They have their own priority and different criteria for evaluation of the service, but at the same time both groups of hotel guests expect a quality service according to the number of stars ranked by its hotel [9].

Macedonian hotel industry

Macedonian tourist industry in the past ten years has been showing some growth as well as some falling. The number of tourists has been going down for up to 100 000 tourists and in 2002 the number of tourists including business tourists was about 125 000. This was far bellow the 1980s when Macedonia had over

600 000 tourists who visit the country. Since 2003 until 2007, the number of tourists in the Republic of Macedonia has increased and from 157 000 tourists in 2003, this number has reached 230 000 tourists. [10].

In the period between 2006 and 2008, the biggest contribution to the GDP for about 44 % was through the services including trade, hotels and restaurants, transport, financial consultancy, activities related with real estate and public institutions, health, education and other services. On the other side, the industry, including energy and constructions, had about 25 % contribution to the GDP. And, at the end, the agriculture had about 10 % contribution to the GDP [10].

Quality service in the hotel industry in the Republic of Macedonia

When we talk about perfection in the quality service, normally we think of biggest hotel chains such as Hilton, Marriott, Ritz-Carlton, Four Seasons, Sheraton and many others. They all provide high quality service to its customers and this is how they are recognized by potential customers. Apart of Holiday INN and Best Western, there are not any other big hotel chains in the Republic of Macedonia and this makes difficult for the hotels to compare their quality service with the recognized brands which are always looking to offer ‘best’ service to its clients.

Needs for training in education in the hotel industry in the Republic of Macedonia

Generally, in the Republic of Macedonia there is a lack of training and education in relation to the quality service. If employees are well trained and have a good experience, they should be leading the hotel organization to a high quality of service. However, the employees need to have a high motivation to be able to offer a good quality service.

Offering a high quality service gives an opportunity for the clients to share their ‘good’ experience with other people and makes ‘the word of mouth’ important factor for promoting the country. In today’s world, everyone expect a high quality service, not matter if they stay in a five, four or three star hotel. The basic rules for customer satisfaction should apply to any hotel in the Republic of Macedonia. The hospitality and a high level of customer service becomes one of the key factors for having loyal customers.

It is very important for every hotel to provide its employees with professional development through additional education, trainings and attend different seminars. Continuous training and education is very important segment of the working environment which will improve the quality work of the employees and will also increase their motivation. Unfortunately, in our country very little is spent on professional education and the management team does not believe that this investment will improve the working standard and will improve the quality of the service. The expenses on training and education have been seen as a waste of money and this is wrong. Continuous training and education must be seen as key factors for increasing the employee’s motivation and this should result with perfection in the quality service which will be recognized by hotel guests. The management team must predict the return of the investment in training and education, particularly, the needs for training are essential for ‘the front line’ employees who are in direct contact with hotel guests. The outcome from this training will be: flexibility in different situations, adapted behaviors which will result with sympathy from the hotel guests who have to be aim for every hotel.

Motivation as a key factor for good quality service

One of the biggest problems in the hotel industry in Macedonia is the low salary in the hotel industry. According to the State Statistical Office in Republic of Macedonia, the average net salary in the hotel industry is for about 30 % lower than the average net salary in the country [10]. This is why the interest for working and career in the hotel industry is very low. Many potential employees in the hotel industry would rather choose other professions instead of being employed in this industry. From the other perspectives, our country is not well known destination and therefore the number of foreign visitors is not very high. This results with less interest and demand for hiring new employees. The interest for new employees is high for the summer period (in the hotels by the lake of Ohrid) and this is only for a period of two months. Those employees are not employed for a permanent full-time job as their working shifts depends of how busy the hotel is. This is why the interest is very low for working in this industry. There are many examples where potential employees will choose to work as taxi drivers or work in other industries instead of being employed in the hotel industry.

It is essential for the hotel management team to start to look for a strategy of how to increase the occupancy during the whole year and start to offer permanent jobs to its employees. If the hotel is well managed and has a right strategy how to increase the number of guests throughout the year, then the hotel will not have any difficulties to employ well educated people with high motivation on a permanent base.

CONCLUSION

Offering a high quality service should be a top priority for every hotel organization. The competition in the hotel industry constantly increases and every hotel needs to look how the quality of the service could make it different from the other competitors. Every hotel should look for a unique service which will give an opportunity to establish a long term relationship with its clients.

However, a high quality service needs to be accomplished with a good government strategy in order to attract more tourists (business or pleasure) to visit Republic of Macedonia. You can offer 'perfect' quality service, but if the country is not well promoted and if the awareness about the country is on a low level, then the expectations for high percentage of occupancy will not be achieved. On the other side, if the country is well promoted and if the number of tourists constantly increases, this will result with increase of the profit which is aim for every hotel organization. This will give an opportunity to the owner of the hotel or the management team to invest in training and additional education for its employees which will result with improvement of the quality of the service.

It is very important for the government to have a clear picture about priorities in the tourism and what will be the target group for the Republic of Macedonia, whether the tourists will be targeted by the culture offer, their budget, or whether we will target business people or people who come for pleasure. However, not matter of what group of people will be targeted, all hotels need to have intention for offering a perfect quality service, because every guest, not matter of his/her intention for the visit, will be expecting a high quality service from all employees at the hotels. Also, generating 'high level' of quality service will increase the tourist's positive judgment for our country which is very important and this can lead to a new way of promoting the country which is based on the good experience that foreign tourists received at our country and their willingness to share their experience with other potential tourists who are eager to visit new destinations.

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THE AQUEDUCT OF SKOPJE AS A TOURIST POTENTIAL

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Abstract

The theme "The aqueduct of Skopje as a powerful economic and tourist potential of Skopje" has been subject of work and research for two years. Unfortunately, during this period only the phase of proposal has been reached. Experts of international, state and local level are involved in this project that is helped by two representatives who are supporters, advisers and executioners from the government of Flandria.

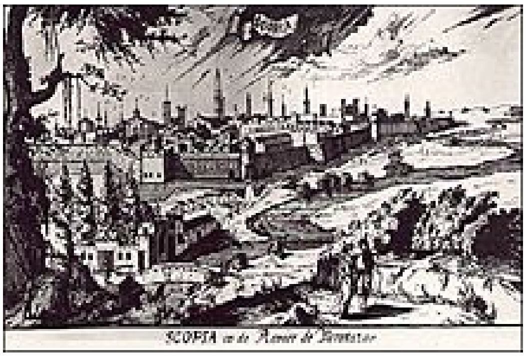
Both sides have made a strategic proposal for perceiving the vision and the possibility for its rehabilitation and its environment near the city centre.

In this paper the real importance of the aqueduct will be included and perceived with the analysis of the possibilities which will be thoroughly researched and implemented in the global fusion of the cultural heritage, ecology, urbanism, economy, etc. Therefore, all these will be assessed in the aspect of tourism.

Key words: *aqueduct, culture, economy, ecology, tourism*

CULTURE

The Skopje Aqueduct is located in the northern zone of the city center, particularly in the inner area of the border of Tetovo. This clearly indicates the importance of the location of the Aqueduct. The Aqueduct construction was a profane structure because through it is transported drinking water from the mountain Skopska Crna Gora to the highest elevation of the upper city of the fortress Kale.



The history of the famous Aqueduct in Skopje, built of stone and brick, which today numbers 55 arches that rely on massive pillars, connecting two possible dates. According to some, it was built in the VI century during the reign of Justinian to supply water to the new city-Justinian Prima (derived from the village of Taor - Taorisium), and by others in the XV century, during the reign of Isa Bey and Mustafa Pasha.

But, it is indisputable that the Aqueduct with its appearance delighted passengers who passed through the city and mentioned it in their writings. In 1669 the travel writer Brown PhD wrote that "the Aqueduct is a beautiful ancient building that this place brings great respect". Many historians have quoted the famous chronicler of the reign of

Justinian, Procopius, according to which the water supply was built in the period of 527 to 565.

It is believed that due to the similarity with the technique of building an Aqueduct with Kurshumli – An in Skopje, it is not originated from the Byzantine Period but was built in the XV century.

Travelers, historians and all who wrote for the Skopje Aqueduct disagreed about the number of its arches: according to some claims the number was over 200, then 60, the number of 55 arches was observed in the encyclopedia of arts, published in Zagreb in 1960.

It is believed that through the Aqueduct, water was carried from the source of Lavovec in the village of Gluvo of Skopskata Crna Gora to “Topdzhiska barracks”, Mustafa Pasha Mosque, the former Turkish administrative headquarters, Kurshumli An and Sija-Bey Mosque.

The water traveled through the Aqueduct was passed through pipes from the west to the east.

The quantity of water was transported through this, for many, a typical representative of the Roman – Byzantine way of building, which constantly guaranteed water supply throughout the year.

From the above mentioned examples we come to a clear conclusion that Skopje (Scupi, Scopios, Scopiensis) had a need of large quantities of water.

Prof. K. Petrov PhD gives an explanation why they can not accept the arguments that the Aqueduct is of the Roman or the Byzantine period:

- If it was Roman! - For what was the settlement used? – despite, the fact that Scupi was not a Roman settlement, the territory of the Roman Empire was near by.

In this period of the Empire, Aqueducts were used, but the Skopje Aqueduct by the opus of the structure does not belong to the Roman period. The arches are sharp that do not resemble Roman architecture that is semi-circular shaped and come out of the massive pillars. What is incomprehensible is how post the catastrophic earthquake in 58, when in the Skopje basin and the broader region suffered most of the profane structures, but only this construction remained intact. Also, it is impossible to accept the assertion that the structure is from the early Byzantine and Byzantine period, because until today the territory of the Skopje basin is not revealed as a major urban settlement from this time.

Skopje through the period of the Middle Ages crosses through restless intervals that confirm archaeological research of the Upper City. From the chronological stratigraphy on the grounds are visible changes in the XI, XII and later in the XIV century, when fortification walls were ruined then rebuilt and can not connect the infrastructure with the Aqueduct.

These comparisons and pre-settings can be found in the abandoned observations to the XIX century, when given information on the Aqueduct which we have today ...

... The length of the Aqueduct is 386 meters. Its composition contains 54 main columns and 42 arched openings set above the columns.

The lower part of the Aqueduct is comprised of 53 squares meters or rectangular columns and 2 lateral planes - North and South, with foundations[61].

The construction material of the structure is built of river stone, bricks and other materials related to mortar. The current remains can be observed more phases of construction and repairs. What is strange is that on this site are not carried out systematic archaeological research and could not be applied the C14 method that will determine the exact time of existence.

The minimum probe affected the southern ramp in 2008, which did not give important results. An obstacle that did not come to the cultural layer is the great layer of debris that was discarded in 1963 after the disastrous earthquake. This layer of rubble will be cleared (dislocated). For now, dislocation can not be done because of financial opportunities that are waiting for better times.

ECONOMY

With the help of a well devised strategy at a local level and with greater involvement of local media and marketing there is an opportunity to increase the social value of cultural heritage of the city through:

-Consideration of the possibility that cultural heritage is potentially an inexhaustible resource for the development of the city of Skopje,

-Protection of cultural heritage which will represent a source of existence through tourism development,

-Education of the local population around the Aqueduct and beyond for the advantages offered by this attractive structure.

-Awakening of consciousness in humans, in researching and studying the tradition gives opportunities of economic benefits,

-Archaeological research and revitalization of cultural and historical monuments gives the local people the opportunity of economic benefits,

-Understanding of the cultural heritage as a potential resource for existence, and

[61] Strategic vision to preserve the Aqueduct in Skopje and its surroundings, p. 16

-Understanding the meaning of sustainability of this cultural and historical structure.

The Major along with the local municipality should urgently draw up a project to revive the site – which would include several phases:

- Clarifying the situation of who owns property near the Aqueduct ... Property certificate of the immediate vicinity of the Aqueduct ...

- Draft resolution of the access road to the Aqueduct ... From the Slovenian Boulevard to the Aqueduct ...

- Under the urgent installation of signs on how to get to the Aqueduct ... (At least this does not cost a lot of money)

- To clean accumulated debris from the site which are abundant around the site ...

- Urgently needs to be done a drainage place where for decades water has been collected - three columns are tilted and ready to fall ... From the drainage to the Serava canal which was once a canal of less than 70 meters ...

- To provide content for the revitalization project at the site ... Greenery of nearby areas and planting of trees... There is an opportunity for a small park ...

- In the whole area to allocate several locations for restaurants and cafes that will give life and soul to the Aqueduct ...

- If the state has no money for all the above mentioned let's create an international tender that will find people that are interested in ... Capital will quickly recognize the profits from such a site ...
- Presumably some sort of expropriation of private parcels around the site should be carried out ...
- The urgency to make a water faucet - because we died for water under a massive Aqueduct - whose main purpose is to carry quality water)[62]

- From all that is best in the vicinity of the site does not have a fixed structure - neither wild nor tame ...

- Preferably the barracks to take part of the territory of the barracks - in this area ...

So the time will come when the barracks will have to be removed from this place because it is obvious that the whole area is built on a place that certainly there was once a site for the old people of Skopje ... To remind you that it is near Scupi – airborne is no more than 250 meters ... also close by is Kale and the third point is the Aqueduct ...

Nobody can convince me that in this triangle in the heart of the barracks is not hiding a valuable archaeological site ... Just ask yourself... where did the water lead to the end of its route? ... It had to be a populated place ... Turkish bath ... fortress ... settlement ... It makes sense to think that one possible route of the Aqueduct to leave for the nearby Scupi ... and Kale which is not far ...

It is from here to Kale from an underground canal that supplied the Fortress Kale with drinkable water. We should not forget that one of the biggest problems for which this cultural-historical structure for a long time won’t be revitalized and made available to the public and business to function due to the legislation of culture and heritage. What also is of importance is a national strategy relating to sustainable tourism development.

How long will it take, we'll see. Time, persistence and desire are needed to function, depending on state and local government. Initial steps are taken for traffic infrastructure. The municipality of Butel, on its

[62] Reactions of the citizens of the blog of the Municipality of Skopje, 2007

website has information on the necessary steps to make a program to revitalize this structure and develop tourism in the municipality.

TOURISM

The incomplete but started theoretical strategy for developing tourism in Skopje 2009-2013 are moved the following actions related to Aqueduct:

The first priority of the project is urbanization, in this part of the metropolitan area. Specifically - the infrastructure (in the current situation the road to the site can be accessed through Ilinden barracks). Regarding the arrangement of the environment around the Aqueduct, a project does not exist (some activities were announced by the local government in whose territory the structure is found in the program for revitalization of this important structure, but far from its implementation) and should be built: toilets, parking spaces, Information Centre complex, tour guide service, souvenirs, promotional material, brochures ... Also, on the location structures must be erected such as hotels and hospitality facilities.

For visits to the structure in the evenings this representative structure has to have adequate illumination such as the Millennium Cross.

Cultural events such as the already presented event of the group SYNTHESIS should be turned into an open music scene.

The surroundings of the structure need to be cultivated in the style of the Central Park in New York. In terms of safety, the structure needs to provide appropriate security and electronic equipment.

All these features listed as part of the Aqueduct should create the urban life and city environment. The location has the capacity to organize and technically enable visitation of the domestic and foreign tourists that can enjoy the past and present. Even more interesting and exciting is that this Aqueduct is the only preserved structure of its kind on the Balkan Peninsula, so the motivation of all the objective and subjective factors should be directed to complete its tourism evaluation and commercial purposes. For this purpose, adventure tourism as a challenge can benefit from systematic archaeological excavations that would be performed at the site. In this part of the project could include domestic and foreign enthusiasts and adventurers led by experienced professionals that will contribute to vindicating the essence of this structure.

This method is well tested in practice in many countries on a state and local level. The financing would be arranged through projects and donors. The teams would have established projects of higher educational institutions in accordance with their curricula.

With this type of activity, tourism will receive prominent promoters from around the world, greater popularity; new discoveries will contribute to the attractiveness of Skopje as a tourist destination. In recent years, the Tourist Association of Skopje has published promotional material for advertising the Aqueduct on numerous occasions, including: posters, content from the prospectus of the city of Skopje, the Skopje folder, in the tourism newsletter, etc.

More company websites, organizations and institutions have content that present the Aqueduct as an attractive tourist potential. Many of them make activity proposals that should be done about this cultural and historical monument and become attractive to move from the oblivion.

ECOLOGY

The environment and cultural heritage are mutually intertwined. It is characteristic of the surrounding of the Aqueduct. This ecological segment is located on the rivers of Serra, Lepenec, Vardar and the City park.

The Aqueduct and its immediate surroundings if observed from an ecological aspect is in danger because it is fragmented, that currently does not belong to anyone, does not have an owner who would care for it.

The area is filled with in urbanized habitats without infrastructure, with debris from non-operating helicopters. Through these observations we can conclude that the scenic environment is destroyed around the profane structure, with the adjustment and valorization of the monument in tourism, [63]economy, urban and recreational location should become a desirable ecological environment.

Simply merging the city park, the Vardar River and the archaeological site of Scupi along with the Aqueduct will become interesting for the whole city. This open museum will also obtain an environmental, cultural, historical and recreational value, incorporating the new detailed urban plan of the City of Skopje by the end of 2012, together with cooperation of the municipalities of Butel, Karpos and Center.

The preservation of the green area around the monument will have to be maintained and in the part where plants are missing should be supplemented with new and attractive ones.

VISION OF THE MONUMENT THAT IS LOCATED ON THE LEFT BANK OF THE VARDAR RIVER AND TERRITORIAL IS PART OF THE MUNICIPALITIES OF BUTEL AND KARPOS.

At this point, the structure is quite ruined, and represents a threat to the lives of the visitors. A large number of columns and arches of the profane building were damaged and the canal in which water ran along is impaired and around the structure exist swamps, reeds, shrubs and debris. It is great that the state and local governments began a strategic vision that affects cooperation and experiences with Belgium that will apply the experience received for revitalization of cultural-historical monuments in the province of Flanders.

[63] Last news (http://utrinski.com.mk/?ItemID=E700CE02DC70D3479F2F0ADAD9F7B08A) 16.02.2011: Revitalization Project of the forgotten Aqueduct. Developed a plan for the layout, activities and future goals for the cultural monument city of Skopje, the Office for Protection of Cultural Heritage and the Department of Planning and International Centre for Conservation at the Catholic University of “Leuven” in Belgium in the coming period will revitalize the Skopje Aqueduct. Presenting the publication “Strategic Plan for the protection and rehabilitation of the Aqueduct of Skopje and its surroundings,” Belgian Stenbergen Teresa, the project manager, said “that two years working on the plan for the monument and looked for ways for construction of walkways, hotels, entertainment facilities and recreation in the vicinity, but the opportunity for organizing cultural and artistic events for visitors. "It is not enough to restore a historic-cultural monument you need to attract both domestic and foreign tourists with an attractive content.” said Stenbergen.
Following the guidelines of Flanders, had a multidisciplinary approach to conserve and find appropriate solutions for the architectural project, in which made several researches on the activities of the monument and rehabilitation. “The Aqueduct needs to represent a new public space that would unite the citizens of its cultural, aesthetic, social and recreational content”, said the Director of the Office for Protection of cultural heritage, Pasko Kuzman. Koce Trajanovski clarified that the City will send a request to the Government to provide funds because he felt, the full and successful implementation of the project will be actively involved and the Ministry of Transport and Communications, municipalities of Karposh and Butel, but all local citizens, that their ideas and initiatives would contribute to the faster cleanup of debris around the site.

This cooperation should achieve the goal that will allow:

-Cultural-historical value of the structure,

-Economic and tourist potential,

-Symbiosis between the monument and ecology,

-Environmental protection,

-Rehabilitation of the structure and its practical presentation to the public, and

-Expedite change and amendment of regulations pertaining to cultural heritage.

One idea on how to revitalize the structure the preservation of its monumentality, environmental compatibility and attractiveness of the area around the Skopje Aqueduct. (Mirroring the practice in Norway).

CONCLUSION

Planning for the revitalization of the Aqueduct and investing in and around its space for economic and tourism objectives, should not forget to implement legislation and regulations under the cultural heritage of the country. Without them no one could make a precise strategy for further development on a local, city and state level.

The tourism development that would fit and the local element – the population will enable you to meet a local market. The valorizations of the monument as an inevitable element will impose and educate the workforce that will be involved in this project are as follows:

-Knowledge of history,

-Knowledge of foreign languages,

-Skills and ways of communicating,

-Eco-awareness,

-Adjusting to the rapid flow of the world tourism economy.

The Aqueduct and its surroundings offer a lot and utilization of the funds provided by the European Union for this project should be used properly as this project would become attractive not only in local terms. Then, tourists are always welcomed and the beauty and significance of the Aqueduct to be shared with them.

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METODOLOGICAL RESEARCHES IN THE HOTEL INDUSTRY

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Abstract

Tourism is of great importance and it can have significant role in the presentation of our planet as better place for all of us. In the developed countries it became first in its activities. Therefore it is named as the most important industry in the world. But it should also be shown in the countries that are facing many social, economical and other difficulties. The contemporary tourism became uniformed and not balanced in the prism of heterogeneity of the tourism researches with parallel rigidity of the tourism offers. The key problem can be defined through the question:

- "*Are the hotel guests satisfied or not satisfied with the offered hotel service*?".

Key words: *hotel service, tourism offers, future of tourism, contemporary tourism, attractiveness international tourist market.*

INTRODUCTION

The purpose of this paper is by application of methods in different ways and statistic analysis to offer solution and recommendations which will serve the management for obtaining important data how the offered services satisfy the needs of the clients.

The basic task is to discover the starting state (by the quality of service) with the help of structural and semi-structural Servqual questionnaire. The discovery of the constant state with application of Servqual questionnaire depends on the expectations and perception of the guests but also from the expectation and perception of the hotel managers.

Methodology of researching

There is great number of methods used in the methodology of work:

-case study method

-inductive and deductive method of decision making

-method of collecting data face to face

-descriptive and inferential statistic analysis

-methodology neuron network

Case study method

Case study method presents part of the general approach for education and development of the management. It is applied for the first time in the 20^{th} years of the last century at Harvard Business School where this method is most common today. This method describes real situations and provides learning of examples from the real surrounding as well as identification and defining of the problems which through analysis of cases give solutions and recommendations for future business. It must be emphasized that in the analysis of cases giving future recommendations for solving the problem can be neither good nor bad. It depends on the moment of objective judgment.

It can be concluded that this method provides concrete and real situations although they are considered as difficult, frustrating and incorrect.

Inductive and deductive method of decision making

The inductive method is systematic and consistent application of inductive way of concluding, in order to discover or prove the through. The inductive conclusion is conclusion which is developed from single and special to general. With the help of the special method of induction experiments, numbers and measurements are applied. The measurement is one of the most important procedures for collecting, verification and analysis of data. Results measured in scientific research are scientific data. With the help of Servqual method data are collected which are basis of the method procedure of determining the numerical values of all measured parts inside the five basic factors of service quality. The opposite procedure of the inductive method is called deductive procedure. That procedure is systematic and consistent application of the deductive ways of concluding in order to discovering and proving the truth.

This method starts with general views and is most commonly consisted of determining how one thing which has general value also has value in one specific case. In wider sense it serves in the science in many different ways among which: envisaging future events, discovering new facts for proving the set thesis, verifying the hypothesis and scientific presentation. By envisaging the future events hotel manager should be able to react timely, which is of great importance for decreasing the differences between perception and expectation of the hotel guests. All of this is with purpose to decrease the negative Servqual gap.

Method of collecting data face to face

Method face to face is used for research and interviewing hotel managers. Two structural and one semi-structural Servqual questionnaire are used like: Servqual instrument A (structural questionnaire-scale with permanent sum), Servqual instrument B (structural questionnaire-Likertova scale of 7 grades) and Servqual instrument C (semi-structural questionnaire-form for interviewing managers).

Application of descriptive and inferential statistic analysis

After the phase of collecting data, data are inserted in SPSS (Statistic Package for Social Science) which is information tool for statistic analysis of the collected data. In this research the following types of statistic analysis of data collected with the application of Servqual models are used: descriptive statistic analysis and inferential statistic analysis (t-test and analysis of the variation ANOVA).

Methodology neuron network

Artificial neuron networks belong in the method of artificial intelligence which with iterative procedure from the previous data insists on finding relation between input and output variables of the model, in order to obtain the value of output for the new input variables. Due to the capability of stipulation, classification and association the neuron networks showed great accuracy in many researches compared to the standard statistical methods (Zekic, 2000)[64].

Due to their ability of stipulation, the neuron networks are tested on a specimen in order to research if and how the demographic characteristics of the guests of the hotel can influence their satisfaction with the hotel services. With the help of the neuron network the satisfaction of the guests was envisaged through 5 dimensions (tangibility, confidence, equating, trust and obligingness) expressed in SERVPERC rankings Servqual questionnaire because they were famous demographic characteristics of the guests.

[64] Zekic-Susac M., Mesaric, J.,Osijek 2004

Model for measuring the quality of service - Servqual

If the productivity was a synonym of the 20th century, the quality appears as synonym in the 21th century. The quality presents challenge, and by that the work and the way in which we work and live is improved. Question is asked: How to adjust to the changes? There are two answers. First we wait for the changes in the surrounding to appear which will lead us to activity and second to plan and to direct the changes by ourselves depending on the planned goals. The first answer is completely passive which leads us to failure, and the other insists on building efficient strategy which would achieve changes i.e. rising of the awareness for quality.

Therefore one can say that the quality is becoming part of the everyday life. It is main driving force of many companies which stimulates the effort making to achieving and overcoming the competition.

Nowadays, besides the quality, one of the basic characteristics of the developed countries is not separating the observation of the product from the service that follows it or any kind of business from its service part.

Due to the characteristic of the services (intangibility, inseparability, from provider and user of service, impossibility of storing) specific concept is developed called Servqual (Service Quality Model) (Parasuraman, A.,Zeithaml, V.A., Berry, L.L., 1983)[65]

Parasuraman, Zeithaml, and Berry, suggested in 1983 research of services quality to Marketing Science Institute (MSI). Their researches were consisted of four phases:

First phase was the expanded quality research which contained clients i.e. service users, service companies. That resulted in development of model of services quality.

The second phase of the research was concentrated on model of services quality from the point of view of the client. In this phase methodology is developed for measuring the services quality under the name Servqual improving the conclusions for the dimensions that clients use for evaluation of the services quality.

The third phase was analyzing the part of the model of services quality which contains service providers, and at the same time presents the most complex part of the research.

The fourth phase was concentrated on the question “client’s expectations”: how clients shapes his expectations and what are the greatest influences on that process. The goal of the research was to research a model by applying qualitative methods and test the relations inside the model with quantitative methods.

Defining of tourism and types of hotels

It is very difficult to create simple picture for tourism. In Europe there are several accepted definitions for tourism. The first among them were created by the famous theorist Hunkziker, W., Kraft K., in its capital work Allgemeine Fremdenverkehrslehre from year 1942. The definition is accepted and supplemented in 19544 by the International association scientific tourism experts-AIEST. Other significant definition is a result of research of a famous American sociologist E. Cohena, published in the article “Who is a tourist? Conceptual consideration”, 1974.

Attention should be directed towards the difference of the framework of these two definitions: first one has the word “tourism” in the centre of attention while the other has the word “tourist”. Cohen sees the satisfied tourism needs as central point in his definition while AIEST’s definition of tourism treats the complete appearance with significant emphasis on its economic aspect.

Tourism is set of relations and appearances, combination of societal and economic character. Tourism is defined with travel on one hand and with temporary stay in some touristic place on the other.

[65] Parasurman, A., Zeithaml, V.,Berry, L., “Alternative scales for measuring service quality: A comparative assessment based on psychometric and diagnostic criteria”/ Journal of Retailing, 1994b

Hotels in many countries play important role because they offer facilities for doing business, holding meetings and conferences and fun and recreation. Hotels with their offer contribute to the total result of goods and services, which increases the material welfare of the people and the community. In many areas hotels are important as attractions for the visitors which bring with themselves consumption power and spend more than they spend at home. In areas where foreign citizens come, hotels are important for inflow of foreign currency so in that way they contribute for the balance of payment of each country. Hotels are important employers. In many countries hotels organize thousands of jobs in different professions that create the hotel industry. Hotels are also important as market for products of other industries. The construction and modernization of the hotels ensures the work of the construction industry and related areas, the equipment and furniture in the hotels supplies many producers etc.

Hotels are divided according to their location (city, country, mountain, sea), according to their exact position on the location (in the centre, in the suburbs) , according to the types of visit (business, congress, tourism), the duration of the stay of the guests (transit, or long stay) etc.

Definition of services

Providing and using services has characteristic related to the production and productivity of the work, design, quality, commercialization, competitiveness, distribution etc. There are four basic characteristics by which the services differ from the material product: intangible, inseparability of the production from the consumption. The service is a dynamic process. Companies which are traditionally considered as production are aware of the need of adopting and application of knowledge and skills specific for management and marketing of services. The service presents important weapon in the competitive fight in all production activities.

In table 3-1 example is given of classification of services which includes five criteria: type of market, level of working intensity, level of contact with users, qualification of the entity providing the service and goal of the entity providing the service. The service as subject of exchange has market value not only for the one that provides it but also for its consumer. The market value is accomplished only under two conditions: one refers to the material assets and staff of the service company and other refers to the consumers-clients which indicate needs and wishes which are satisfied by contacting the service company

Table 3-1 Classification of services

Category	Examples
Type of market Individual consumers Business consumers	Repairing, legal advices, consulting, services of maintaining and protection
Level of work intensity Work intensive Capital intensive	Education, hairdresser services, telecommunication, public transport
Level of contact with the consumer High Low	Health protection, hotels, house supply, post services
Qualification of entities providing services Professional Unprofessional	Legal advices, accounting services, dry cleaning, public transport
Goal of the entity providing services Profitable Unprofitable	Insurance, financial services, education, Government, health protection

Quality of tourism

The shaping of the tourism product of one country or a region is complex process firstly due to the number and complexity of the participants in the activity. But it achievement by itself presents establishment of consistency of quality of the product or service of all separate participants in the activity.

Harmonization of the level of quality of the product and service at all participants is based on unified norms and regulations through implementation. The quality of tourism is a result of processes which understand satisfaction of all justified needs for products and services, satisfaction of the request and expectations of the buyers, with acceptable price, and in accordance with the existing determinants of quality like the safety and protection, hygiene, availability, transparency, authenticity and harmony of the tourism activity related with human and natural surrounding.

The complexity of the quality of tourism confirms this definition for quality which is includes whole set of terms like: result, process, satisfaction, justification, needs, product demand, service demand, expectations, buyer, acceptable price, constant determinants of quality, hygiene, availability, transparency, authenticity and harmony. Each of these separate terms from the listed definition indicates to concrete activities which can be evaluated from the perspective of criteria for quality.

Definition of the quality of services in tourism and hotel industry

The quality today in a condition of strong competition and more and more demands of the consumers became basic factor of survival on the market, profitability and development of the complete economy of the country i.e. its separate activities and companies.

Although there are different definitions of the quality of services in tourism and hotel industry, not enough attention is paid to the research of the quality of services in tourism and hotel industry and less researches are made compared to the rest of the branches in the service sector.

At the measurement of guest perception for the quality of service it is possible to expect different answers. Also the satisfaction of the guests with the obtained service varies. Two different variables influence their perception: on one hand-the expectation of the client and on the other hand-standards of the offered service. The gap between the expectations and standards of service is primary indicator of the total quality service (Parasuraman,A.,Zeithaml, V.A., Berry, L.L., 1994b)[66]. Perceived quality service reflects the difference between expectations of the guests and received service (Parasuraman,A.,Zeithaml, V.A., Berry, L.L., 1994a)[67]. The degree to which the expectations and the obtained service are similar or different influence the degree of satisfaction or dissatisfaction of guests. Guests consider that the obtained service is excellent when that service pleasantly surprise them with quality and quantity. That results in – A satisfied guest is the best advertisement.

“Golden rule” service is expressed with equation:

Satisfaction=perception-expectations

i.e. if:

Perception ≥expectations=result is the satisfaction of the consumer

Or if:

Perception ≤expectations=result is dissatisfaction of the consumer

The quality of the services in the hotel industry is evaluated by the guests. The expectations of the clients in great measure influence the level of their satisfaction. Therefore it is very important to understand the concept “expectation”. Lewinson (1997)[68] categorizes the expectations in three levels: essential, expected and optional.

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[66] Parasurman, A., Zeithaml, V.,Berry, L., “Alternative scales for measuring service quality: A comparative assessment based on psychometric and diagnostic criteria”/ Journal of Retailing, 1994b

[67] Parasurman, A., Zeithaml, V.,Berry, L., “Alternative scales for measuring service quality: A comparative assessment based on psychometric and diagnostic criteria”/ Journal of Retailing, 1994a

[68] Lewinson, D. M., “Retailing” sixth edition, Upper Saddle, Prentice Hall, New York 1997

The essential services are those that present the service business. For example, the service provider in tourism and hotel industry must have adjusted working time, registration of guests and information of guests for the details of service.

The expected services are those that guests presume that the service provider should offer. These services are more important than the basic services which are necessary for the company to work. Services like appropriate working time, possibility for payments, reservations and obtaining legal information are the expectations of most of the guests.

The rest of the services are included in the optional and desired services. Guests consider those services as additional which adds greater value to their stay in the tourism destination.

In the last years hotels are trying to implement programs for improving quality services with different levels of success. Mane managers believe that the improvement of quality of services is only one of the caprices of the management, but it is not. It is exactly because of that kind of attitude of the management, where managers believe that the quality of services in intangible, the acceptance of techniques for quality management in the hotel industry was happening very slowly.

The quality of services should be measured from the guest perspective. Higher grade of the guest means higher perception of the quality of service. The recipe of services in the hotel industry is the same as in any other activity: determining clients' expectations, constantly satisfying and going beyond those expectations and doing it with price acceptable for the clients which guarantee profit acceptable for the company.

CONCLUSION

The process of researching the pleasure of the clients is dynamic. The initiative must have in mind the changes on the market-changes in the relations competitors and clients. Each company should develop process of research on the basis of its own initiative and its own characteristics. The research of the satisfaction of the client is based on the analysis of the value for the clients because the client doesn't value the dimensions and characteristics of the products and services in the same way i.e. the success in them creates different levels of satisfaction.

For the clients some dimension and characteristics of the products and services more significant than others. The research of the value for clients asks for the companies to make real recognition of what is important for certain markets or groups of consumers. The company that doesn't understand the relative value of different dimensions of products or services will manage maximizing that value for the client with great difficulty.

The satisfaction of the clients can serve as indicator the successfulness of the company in the past, present and as indicator of the successfulness in future. The satisfaction of the client is the most successful leading indicator for the success of the company with certain product or service in the future.

Maybe its time to understand Servqual as only one, important contribution in the development of understanding of the concept of services quality and its measurement.

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SPORT - RECREATIONAL ANIMATION A FACTOR FOR TOURISM DEVELOPMENT

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Abstract

While tourism is not a sport branch, still covers many sports activities (sports recreation, sports events, etc.). We can conclude that tourism and sport are interrelated phenomena. The connection between them dating from the early beginnings of their development. Sport in the modern tourism is not only perceptive role, he is also an important content to stay, that visitors become active participants in various sports. He becomes not just content to stay, but often the main motive for traveling to a tourist destination.

Key words: *animation, sport, sport - rec*

INTRODUCTION

Although tourism is not a sports industry, it covers many sports activities (sports recreation, sports events, etc.). We can conclude that tourism and sport are interrelated phenomena. The connection between them is dating from the early beginnings of their development. However, the relationship between them has changed significantly. Even in ancient Rome and Greece, the sport was the instigator of people to travel in order to visit major sports events. Lately, sport tourism has received wider role, which is created and a different relationship between these two phenomena. The functional relationship between tourism and sport long ago wrote the famous tourismologists Hunciker and Krapf. The phenomenon of sport in tourism, they explained on the basis of examples of Swiss tourism, which developed very early sport tourism, especially winter sports tourism.

SPORT – RECREATIONAL ANIMATION

Sport in the modern tourism does not only have perceptive role, but it is also important content with which visitors become active participants in various sports. It becomes not just content to stay, but often the main motive for traveling to a tourist destination._Such a relation between sport and tourism leads to the development of a special kind of tourism: sport - recreational tourism.[69] For sports recreation in tourism is spoken as a means of active holiday for the visitors, or content in which participation is active.[70] In this context we can conclude that tourism and sports have many contiguous points. The first point is that tourism and sports take place in free time. It specifically means that if a person is engaged in sports-recreation in place of permanent residence is outside the scope of tourism. And if a person deals with such recreation outside the place of permanent residence, he is considered as a tourist. So it may be concluded that sports - recreation comes in tourism, even when residents of a particular place will be included in tourist flows.

The second points are factors influencing the development of sports and tourism. In literature, many authors classify the factors for the development of tourism and sport differently. However, all classifications were reduced to three groups of factors: factors of tourism demand, intermediate factors and factors of the tourism offer[71].

All these factors influence the development of the sport, not just in tourism but also beyond. In fact, it is best shown in the parallel review of the factors for the development of tourism and sports in a table form:

Table 1. Factors for the development of tourism and sports[72]

Factors for the development of tourism	Factors for the development of sports and recreation
I factors of tourism demand	I Factors of the sport –recreational services demand
1) Objective 1) Subjective - - fashion population - behavior - - habits urbanization - prestige - - income - faith - - free time - love	- urbanization and industrialization - income of the population - free time - subjective factors (fashion, behavior, habits, prestige)
II.Intermediary factors -Travel Agencies - Tourist associations	II Intermediary factors - Travel - Sports agencies - Sport Organizations
III Factors of the tourist offer 1) Attractive 2) Communication 3) Receptive factors of factors factors tourist - transport accommodation offer means capacities - natural - postal links - anthropogenic	III Factors of sport - recreational offer - Natural Resources -Sport - recreational facilities and content

** source : D-r Mato Bartoluči i d-r M. Andrijašević: "Sportska rekreacija u turizmu", Animacija u hotelijersko - turističkoj ponudi, Hrvatska udruga hotelijera i restoratera, Opatija, 1999god.*

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[69] D-r Mato Bartoluči, d-r M. Andrijašević: "Sportska rekreacija u turizmu", Animacija u hotelijersko - turističkoj ponudi, Hrvatska udruga hotelijera i restoratera, Opatija, 1999god., str. 166.
[70] D-r Mirko Relac: "Sportska rekreacija u turizmu", Sportska tribina - Zagreb, Zagreb, 1979god., str. 7 - 12.
[71] D-r Ante Cicvarić: "Ekonomika turizma", Izdavačko poduzece "Zagreb", Zagreb, 1990god., str. 27 - 30.
[72]D-r Mato Bartoluči, d-r M. Andrijašević: Ibid, str. 166.

In this context it comes to factors relating to the economic and social life, which on one hand act on the need (Living and working environment, urbanization, industrialization, etc.) and on the other hand the possibility of practicing (free time, financial means, transport capabilities and etc.).

Togetherness is also reflected in the functions of both phenomena. Numerous features of tourism and sport can be classified into two groups:

- Humanistic and social, or
- Economic functions[73].

Overview of functions of tourism and sports is presented in the following table:

Table 2. Functions of tourism and recreation sports [74]

Functions of Tourism	Functions of sports recreation
I Social (humanistic)	I Social (humanistic)
- sports – recreational	- Health
- culture – educational	- Educational
- health	- socio - political
- socio - political	
II Economic functions	II Economic functions
- currency	- currency
- employment	- Employment
- development of underdeveloped areas	- multiplicative
- multiplicative	
- conversational	

** Source: D-r Mato Bartoluči i d-r M. Andrijašević: "Sportska rekreacija u turizmu", Animacija u hotelijersko - turističkoj ponudi, Hrvatska udruga hotelijera i restoratera, Opatija, 1999god.*

Given that here it is perceived only sport - recreational animation, the functions of sport and sport recreation will be elaborated only. Namely, one of the most important functions of tourism and sport tourism is the health function. It is known that various programs in the domain of sport and recreation have a positive influence on saving and improving the health of visitors. Numerous studies have confirmed the thesis that addressing the sport and recreation contributes to preventing diseases that are present in contemporary living, and also improves the functional abilities of the organism. The health function is one of the most important motives for travel and change of place of permanent residence, in respect of what it is accomplished in the presence of natural resources (sun, water and light). For these reasons it becomes important impetus for tourism development. Sport and recreation in tourism have an educational function that is expressed through teaching and learning specific sports skills. But this does not only increase the educational level of visitors, but this function has a certain educational effect which manifests itself by creating habits for practicing certain sports -recreational activities.

As a result of sport - recreational animation, during a tourist trip and stays, people meet, becoming closer regardless of social and other differences between them, which achieve the social function of sport in tourism. The sport is almost always tied to travel to different places, which it, together with tourism, becomes "an ambassador of peace between nations". In addition, top sports achievements are the best tool for promotion of individual countries. All this contributes for the affirmation of the political function of recreation in sports tourism[75].

[73] D-r Mirko Relac, d-r Mato Bartoluči: "Turizam i sportska rekreacija", Informator - Zagreb, Zagreb, 1987god., str. 36.
[74] D-r Mato Bartoluči, d-r M. Andrijašević: Ibid, str. 169.

[75] D-r Mato Bartoluči, d-r M. Andrijašević: Ibid, str. 172.

It is known that the economic functions have particular importance for the economic development of receptive tourism countries such as Republic of Macedonia. In addition, economists give priority to the currency function. The economic functions of the sports – recreation are accomplished through the consumption of various products from the sports tourism market and thus generate additional economic effects on tourism. We can conclude that the sports and tourism have important moments such as recreation, relaxation, changing everyday and so forth. Communication and games are the basic elements of sports activities on holiday, so animation should be emphasized. Of course the recreation – health aspects that arise as side items, should not be neglected. Sport - recreation animation can be arranged on land and water in a closed or open space. Sport – recreational land animation indoors has its advantages and disadvantages. The advantage is that is not dependent on atmospheric conditions (climate, season, etc.). The basic disadvantage is the limitation of space. This group includes:

- Activities that do not require special installations or equipment, such as gymnastics, aerobics, yoga, etc.;
- Activities that require little equipment such as ping - pong, pool, darts, etc.;
- Activities that require special installations or equipment, such as: bowling, sports hall and so on.

Sport – animation recreational land in open space is dependent on atmospheric conditions. This group includes the following:

- Activities that do not require special installations and equipment, such as climbing the mountain (Hill) and similar activities
- Activities that require little equipment and installations, such as badminton, various ball games and more;
- Activities that require special installations and equipment, such as mini golf, sports fields and so on;
- Activities that may take place on snow, such as sledding, skiing, playing snowballs, and more.

In sports - recreational water animation in a closed space (pool) include:

- Organized activities such as swimming, water polo, various competitions, and various water games.

In sports - recreational water animation in open space (lake, sea, river, etc.) include:

- Activities that do not require equipment, such as water polo, swimming, various competitions and so on and
- Activities that require equipment, such as water skiing, underwater fishing, diving etc.[76].

Sports - Recreational animation programs

As previously mentioned links between sport and tourism do exist. In modern society, these two phenomena get humanistic dimension. Sports recreation is active component of the tourism offer. It has enormous significance for psycho-physical and health condition of people as well as their mutual rapprochement. Actually I can say that sport -recreational animation is an imperative of contemporary tourism. The creation and implementation of sport – recreational animation programs necessary to certain conditions: provision of adequate facilities and equipment, using services of sport –recreational centers, the ability to organize various competitions etc. In this context, some research is carried out in the Republic of Macedonia on domestic and foreign visitors in terms of their desire for sport – recreational activities and come to conclusions that the programs should include more activities. Content of animation programs should be adjusted depending on what tourism is created (for example in our country it is possible summer, winter, lake, mountain, spa, etc.).

[76] M-r Aleksandar Cickovski: "Hotelijerstvo kao nosilac turističke ponude SR Makedonije", doktorska disertacija, Sveučilišni centar za Ekonomske i Organizaciske znanosti u Rijeci, Rijeka, 1985 god., str. 198.

According to us, their content should address the following:

- Animation program for sport - recreational water activities: swimming - swimming, sunbathing, flying over water, driving a speedboat, rowing, boat ride, water skiing, fishing and so on, and
- Animation program for sport – recreational activities on land: football, soccer, handball, basketball, tennis, golf, mini - golf, pool, aerobics and more.

CONCLUSION

Contemporary trends in tourism impose the need to organize the contents of the tourist visit. The times have passed when the basic tourist accommodation and food services were the primary motives of tourist movements. Today these services are performed as the need arise in achieving the goal, and it is meeting the needs of visitors. This is the reason for tourists to include content that will be aimed at visitors. The bid has two main goals: profit and meeting the needs of visitors. These two goals are complementary. This means that the degree of achieving the first objective depends on the realization of the second. The greater degree of respect to the second, the greater will be the degree of realization of the first order.

From the marketing aspect, the needs of visitors are oriented towards increasing the diversification and demanding a wider range of potential services. While earlier, housing and food were synonymous with the resort - catering service, today these services remain only as an assumption and less goal for guests.

They will be directed towards those destinations that offer new experiences, events, changes. In the structure of complex tourism product, the importance of individual elements that make up the product, are changing their importance. Its development as part of the marketing function, in Tourism – hospitalities enterprises start from products to meet the biological - physiological needs (food, accommodation and personal hygiene) to products to meet the various activities[77]. In that context you can specify the level of education which, in a survey of tourist motivation, is a significant factor of tourist movements. With the increasing level of education of visitors, tourism is becoming more active stay, regardless of what activities are taken.

This fact is very important for the creation of the tourist offer, be cause research shows that tourism trends to include an increasing number of higher educated people. From this we can conclude that more visitors will be among those who during the stay will seek opportunities for different sports – leisure activities, that visitors will choose places which tourist offer will enable such content. Thus it can be concluded that sport - recreational animation is an important factor for the development of tourism.

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BUSINESS TOURISM - MODERN FORM FOR IMPROVEMENT OF THE COMPETITIVENESS OF CROATIAN TOURISM

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Abstract:

Business tourism is a modern form of tourism which includes travel related to the work of business executives and professionals. Business tourism includes in its main forms: business meetings, conferences, congresses, exhibitions and incentive travel. Croatia, in an effort to be sustainable competitive, can improve its status on the tourism scene by making significant investments into the infrastructure of business tourism. Although initial investments might seem high, Croatia can't overlook the fact that the daily high expenditure of one congress participant would yield a fast return on investment. Looking long term, Croatia would increase its competitiveness in the national tourism industry and develop in the direction of being a high value destination.

Key words: *modern form of tourism, business tourism, tourism industry, competitiveness.*

INTRODUCTION

As a particular form of tourism, business tourism is nowadays even more present within the world tourism movements, with considerable impact on the overall tourism turnover of any country. It is based on the meetings turnover, both in their official (working) and tourism parts.

Economic gains of business tourism must be particularly accentuated. Consumption effected by participants, organizers, and delegations is relatively high, and differs in its structure from tourist consumption, with main reasons of its height originating in various stimulations.

By these characteristics its origin is indicated, as well as its relatively high requirements in congress tourism offer quality, which result in high capital investments and current costs. As the main indirect economic benefit for the destination-organizer, the promoting impact is shaped by the clientele quality and the industry reputation of the organizers.

In spite of relatively high capital investment costs, the stated reasons account for all economic efforts detected in many cities in building additional congress offerings.

It is generally thought that business tourism participants mainly represent highly-educated persons of higher disposable income and higher credit rating. Therefore, in order for the adequate social results to be expected, quality business tourism calls for relatively high investments.

BUSINESS TOURISM PARTICULARS

Although it represents only one form of selective tourism, business tourism, or MICE[78] as called by eminent scientists (Rogers, 2006, 121), can be considered the additional contribution to the main tourism form. As with every tourism activity, business tourism has characteristics similar to all other tourism activities, but it also has its own particular traits. These traits, reflected in seasonality, higher consumption

[78] Abbrevation Mice indicates: Meetings, Incentives, Congress and Exibitions.

of meeting participants, communication-educational aspects of conferences and meetings, and interaction with other economic activities, components and drivers, help in shaping the image of a/the selected business tourism destination.

One of the important business tourism characteristics is seasonality, which stimulates the development of the tourism destination, subsequently prolongs the tourism season, and increases the occupancy rate of accommodation capacities (Lucianovic, 1980, 61). Potentials in the year-round tourism development, with the help of potential seasonality factors, also bring higher employment of local residents.

Congress participant expenditure is up to three times higher than the mass tourism per capita consumption. Owing to the per diem costs paid by their companies[79], congress participants are therefore able to spend their money on non-business related activities (Bowdin, 2006, 41). Consumption amount is both directly and indirectly related to the main purpose of travel, i.e. to the participation in a congress or similar event. Consumption factors which can be influenced are quality and accessibility of other services or offers. One of the most important factors, accessibility, is nevertheless constrained by the length of the participant's stay.

Furthermore, their stay in a hotel or within a destination is primarily tied to work and not to leisure; congress are mostly organized during weekend, which understands the rather short stay of business people within the destination. Such guests must be given the opportunity to access other aspects of tourism. A short stay within the destination and easy access to quality services and other facets of tourism adds to the enlarged daily consumption of congress participators, according to the "time is money" proverb present in the business world. Such increased congress participant consumption brings quicker return on investments (ROI) in the business tourism infrastructure. Due to their increased paying capability business people want to get quality service according to the "value for money"definition (Davidson and Cope, 2003, 88).

The communication-educational characteristic of business tourism represents the need for communication between business people, which leads to the organization of business meetings and congress. Consequently, congress communication implies exchange of information, new ideas, spreading news on scientific achievements within a particular area, and, furthermore, establishing contacts with other congress participants. Particular forms of business tourism include business meetings, conferences[80], workshops, and congresses[81] of educational contents. Development of technology and science contributes to the development of both business tourism and the society. It motivates individuals in their personal business development and continuing education, while companies send their employees to conferences or seminars to keep them in step with innovations and new ideas and to improve or refresh already acquired knowledge from their line of work. In order to ensure good business results, knowledge is crucial for business people and companies.

Everything stated so far indicates business tourism and all its segments give rise to new insight values.

Interaction of business tourism and other economic activities present on the tourism scene is of utmost importance (Weber and Chon, 2002, 91).. Besides the organization of the gathering itself in a rented hall and the use of the local hotel accommodating capacities, various other economic components indirectly supporting congresses: transport services, telecommunication services, catering services, local shops, organization of various excursions or particular events, which all contribute to the better post-congress experience of participants. For instance, the organization of excursions and sight-seeing tours to places of cultural and historical heritage can induce and motivate local authorities to undertake all possible actions

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[79] The participant's company pays transfer, accommodation, food.

[80] Form of meeting, usually smaller than congress, but can asssemble up to a few hundred participants. Its topics and focus is of interest to a particular professional group within a single discipline.

[81] Form of meeting ranging from a few hundred to a few thousand participants. Participation is free to all organizations and qualified individuals. Conclusions obtained in these meetings are intended for the general public. Congresses take place in the intervals of several years.

in environmental preservation and improvement of road infrastructure, induces local inhabitants to activate services, native goods and local customs, and restore to life economically eventual inactive or less attractive places and simultaneously introduce congress participants to local customs and life of local people.

It all indicates the breadth of positive economic effects of business tourism. All previously mentioned economic segments stimulate each other and function as a whole within a particular national tourism destination.

Business tourism forms the image of a destination. It helps a site oriented towards mass tourism understand the potentials of business tourism development and not spare pains to invest in its development to improve its status and image in the tourism market.

The promotion of the business tourism destination is influenced by the conference participants themselves, who relate their positive post-conference experiences to their friends and acquaintances.

From all the above, business tourism has a multiplicative effect on economic and social components of the destination through stimulation of its development towards the high-value destination, highly positioned in the business tourism market.

IMPORTANCE AND PARTICIPATION OF BUSINESS TOURISM WITHIN THE CROATIAN TOURISM

Business tourism has considerable influence on the increase of Croatian tourism competitiveness. The Republic of Croatia offers all the requisite and desired natural and geographical characteristics for business tourism development. It is positioned within the ideal geopolitical area with well-developed infrastructure, has rich historical and cultural heritage, and has an image of a leisure destination that has been developed for years. Croatian tourism competitiveness can be improved considerably by investments into business tourism.

Potentials in development of year-round tourism by means of business tourism could form the reputation of a high-quality tourism destination which could consequently evolve into a world well-known business tourism destination like Milan, Barcelona and Madrid… The Croatian coast[82] has been a highly popular tourist area for decades: why not mix pleasure with business?

Development of Croatian business tourism results from the geopolitical position of Croatia, its easy accessibility from almost all important European business centers, airport proximity to all larger Croatian towns, and stability of the region, which has lately become one of the imperatives in the organization of all forms of business meetings.

Business tourism is indicated as one of the most profitable forms of selective tourism in Croatia, who's economic and financial indicators have registered considerable growth in the last two years.

According to the National Bureau of Statistics data, organized congress and other business gatherings, conventions, public gatherings, incentive gatherings[83], team building, etc., have been registered from the year 2006 onwards.

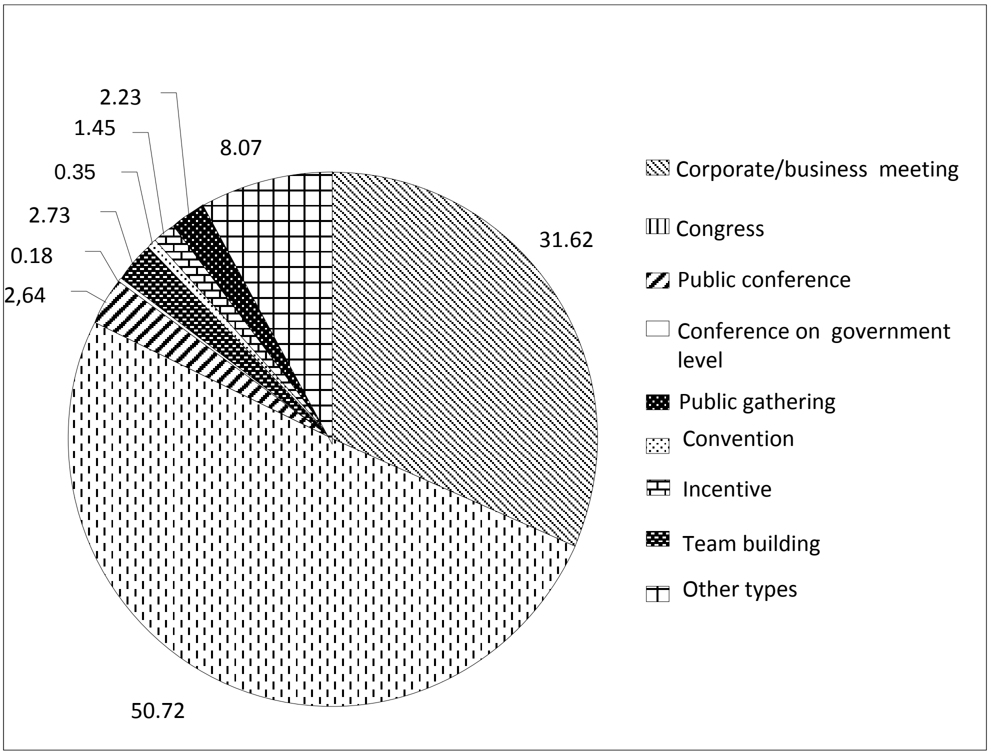
The following graphs are dedicated to the additional perceptible presentation of statistical data on organized business meetings per particular types in the Republic of Croatia for years 2007 and 2008, and on the realized overall turnover by particular business gatherings in the Republic of Croatia for years 2007 and 2008.

[82] Istria and Kvarner, Dalmatian coast.

[83] “Incentive travel” is a marketing instrument to stimulate employees of a certain company and promote its business. It also represents”reward” travel for the outstanding company employees, and it therefore replaces traditional financial bonuses. Incentive programs can also include: golf, sailing, rafting, balloon flying and bicycle riding.

In the period of January-December 2007 a total of 5,639 business meetings took place in the Republic of Croatia. From this number, 47% (2,623) gatherings included overnight stays and 53% (3,016) were day meetings only. Business gatherings from January to December 2007 amounted to the total of 10,561 days, with the average meeting lasting 2 days. The total of 415,822 participants took place in business gatherings, 89% (368,383) of which were domestic and 11% (47,439) were foreign.

Graph No. 1.
Business meeting main types in Croatia, 2007 (%)



Source: Author's elaboration according to www.dsz.hr data, 10.07.2009.

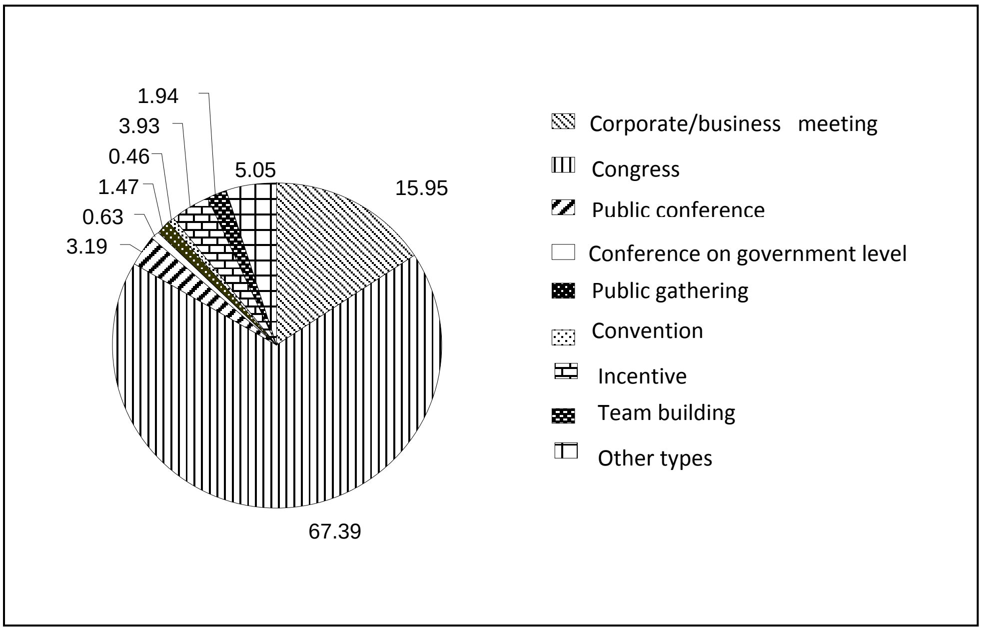
Graph No. 1 shows the various organized business meeting types in Croatia in 2007, with congresses resulted as most represented, totaling 50.72% (2,860) over 6,108 duration days, with the average length of duration of 2 days each. The overall number of congress participants amounted to 212,797. They were followed by corporate and business meetings amounting to 31.62% (1,783), with a low share in other forms of business meetings, such as public conferences (2.64%), government level conferences (0.18%), public gatherings (2.73%), conventions[84] (0.35%), incentives (1.45%), and team building (2.23%).

The overall obtained benefits of business meetings for the period of January to December 2007 amounted to kuna 228.283,187. From the total turnover, 84% (kuna 191.472, 445) was obtained in meetings with overnight stays, and 16% (kuna 36.810, 742) in daily stay meetings.

Graph No. 2 shows the percentage of overall turnover obtained in different types of business meetings for the Republic of Croatia in 2007.

[84] In the USA, for example, "convention" is used for large meetings for discussions or commercial exhibitions, while in France it is used explicitly when forming or changing a constitution.

Graph No. 2.
Business meeting benefits per main types in Croatia, 2007 (%)



Source: Author's elaboration according to www.dsz.hr data, 10.07.2009.

Graph No. 2 clearly shows that the greatest benefits for the period of January to December 2007 in the Republic of Croatia were obtained in congresses, and amounted to 67.39% (kuna 153.835,123), followed by corporate and business meetings with benefits amounting to 15.95% (kuna 36.406,010).

In the same period, the lowest business meeting benefits were obtained in conventions 0.46%, in the total amount of kuna 1.041,524.

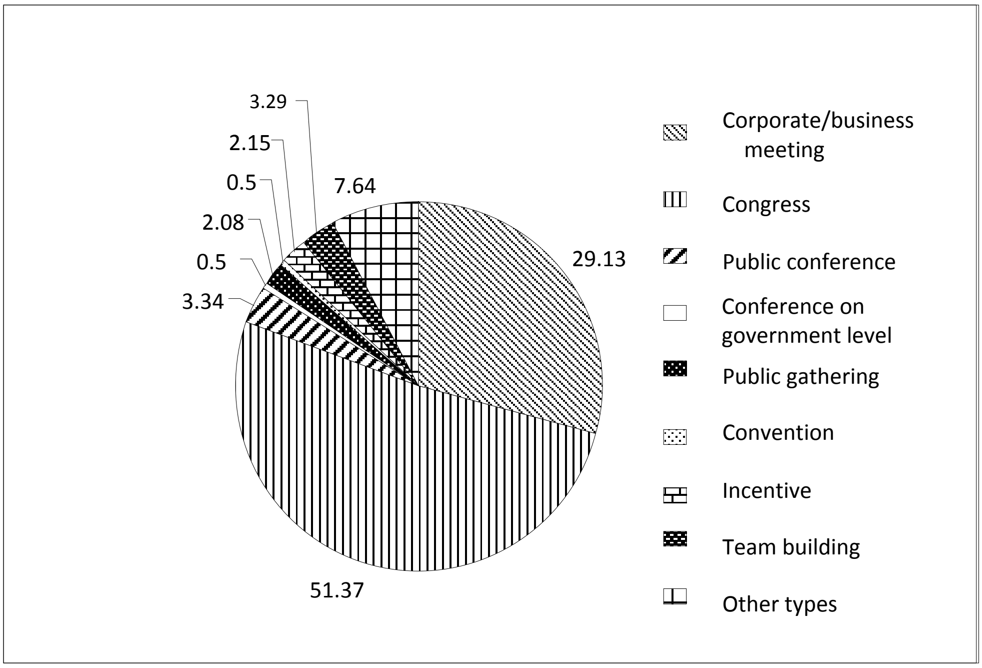
Consequently, comparison of Graph Nos. 1 and 2 indicates that the high percentage of organized congress (50.72%) is directly proportional to the greatest percentage of overall benefits of congresses (67.39%).

Consider 2008, with the total of 6.011 business meetings organized in the period of January to December in the Republic of Croatia, 51% (3,060) of which with overnight stays, and 49% (2,951) in daily meetings only. The total number of duration of business meetings in that period amounted to 12 204, with the average length of 2 days each.

The total of 511,338 participants took place in business meetings during the stated period, 88% (451,536) of which were domestic and 12% (59,802) foreign.

Graph No.3 presents the percentage of business gatherings per meeting type in the Republic of Croatia for year 2008.

Graph No. 3.
Business meeting per main types in Croatia, 2008 (%)



Source: Author's elaboration according to www.dsz.hr data, 10.07.2009.

According to Graph No. 3, the most frequently represented organized business type for the period of January to December 2008 was congresses, with the total of 51.37% (3,088) meetings amounting to 7,102 duration days and with the average length of 2.5 days each. The overall number of congress participants amounted to 259,333. They were followed by corporate/business meetings which amounted to 29.13% (1,751) with considerably low share of other business gatherings such as: public conferences 3.34%, conferences on government level 0.5%, public gatherings 2.08%, conventions 0.5%, incentives 2.15%, and team building[85] 3.29%.

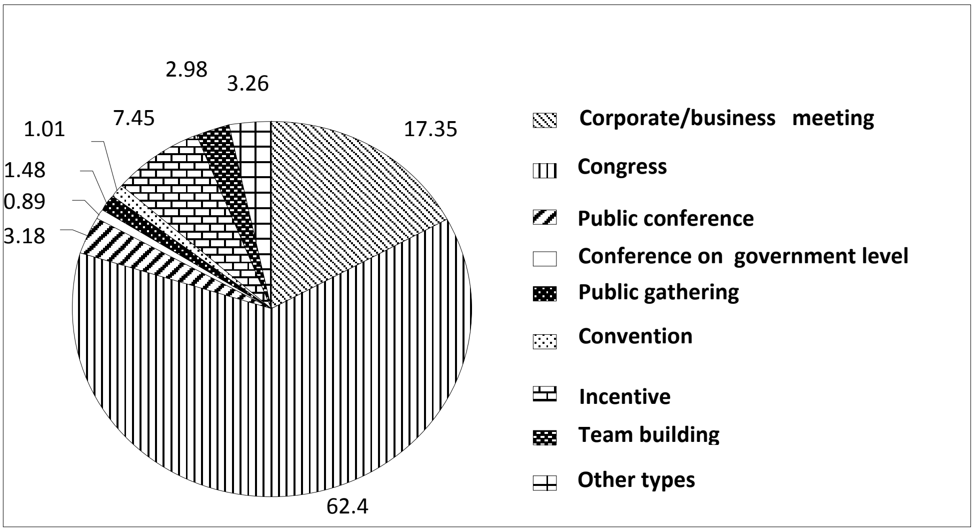
Consequently, if the comparison is made (Graph No. 1 and Graph No. 3) of meetings held in Croatia in 2007 and 2008 per main types, it results in 372 more business meetings held in 2008, which shows the trend of growth in Croatian business tourism. Furthermore, if particular types of business meetings are elaborated, the trend of growth is also shown in all types of gatherings; however, corporate and business meetings show a decline by 2.49% in 2008 over 2007, and public gatherings show a decline of 0.65% in 2008 over 2007. All other types of business meetings show growth, the largest one is team building which is rated 2.23% among all organized business meetings in 2007, with their number growing by 1.06%, i.e. amounting to 3.29% in the overall number of organized business meetings per main types in Croatia.

The overall business meeting benefits for the period of January to December 2008 amounts to kuna 269.075,302. From the overall obtained turnover, 84% (kuna 226.066, 398) was obtained from gatherings with overnight stays, and 16% (kuna 43.008, 904) from daily meetings.

Graph No. 4 shows the total income obtained from organized meetings for year 2008 in percentages.

[85] Team building programs (motivational program and team building) represent a specific incentive travel form of "active" vacations, organized by agencies for employees of specific companies and institutions in order to stimulate collective spirit, practices of coordination, and other incentives.

Graph No. 4.
Business meeting turnover per main types in Croatia, 2008 (%)



Source: Author's elaboration according to www.dsz.hr data, 10.07.2009.

Graph No. 4 data indicate the largest overall turnover for year 2008 was obtained in congresses and amounted to 62.4% (kuna 167.896, 907), followed by corporate and business meetings with the overall benefit of 17.35% (kuna 46.677, 954).

The lowest benefit in organized gatherings for the same period was obtained in conferences on government level, which amounted to less than 1% (kuna 2.382,027 at 0.89%).

The comparison of Graph Nos. 3 and 4 still shows the greatest benefit percentage in organized congresses (51.37%), followed by a high percentage of obtained overall income in congress organization (67.39%).

Furthermore, if the overall benefits for years 2007 and 2008 are compared according to particular business meeting types, the total benefit for year 2008. is shown to grow by 5.60% (kuna 40.792,115), which clearly indicates the growth in business tourism.

The comparison of the stated data indicates somewhat lower benefits in congress gatherings for 2008 (by 4.99%) over year 2007, but at the same time the growth in incentive travel for year 2008 (by 3.52%) over year 2007 is shown and amounts to 7.45% in year 2008.

The calculation of the conference participant's average daily expenditure in Croatia also underscores the previously set data for year 2007 it was kuna 719.60, and 2008 it was kuna 638.94.

From the previously stated statistical data the conclusion can be drawn of the growing trend in both organized business meetings and in business tourism in Croatia.

Their income shows that the continued growth and the participants' daily expenditure can contribute considerably to the accelerated return of the initial investment into the business tourism infrastructure.

The National Bureau of Statistics started conducting research on congresses and business meetings in 2006, which comprised the whole of the Republic of Croatia. It would therefore be interesting to gather statistical data on particular destinations with the greatest number of gatherings in order to follow statistically the number of participants and their companions; this would contribute considerably to the growing accommodation capacity utilization level, to the stimulation of both pension and non-pension offerings and consumption, and to the growth in the overall daily expenditure.

In Croatia there is the concept of planning the construction of large congress halls or centers that this type of selective tourism would led to a higher level of development.

CONCLUSION

The Republic of Croatia's tourism development must follow the trend of investments into business tourism. High profitability of this type of tourism, motivation, and positive investment activities can result from indicators in higher daily expenditure of congress participants, construction of additional and currently available accommodation. Business tourism has direct impact on increased employment of local residents and GNP growth. It also develops the potential for year-round tourism offerings and growth in off-season tourism capacity and occupancy; this improves the overall national economy and builds a recognizably positive image of Croatia in the business tourism market. Besides investment into essential business tourism infrastructure, attention must be paid to the quality indicators and the need for the high-quality additional services outgrowing the expectations of participants. This is achieved by quality and visionary programs of organized excursions, by top-level entertainment, and by additional tourism attractions integrated into the official congress program. This can, for instance, consist of organized tours dealing with the historical and cultural heritage of the congress's host city, including sight-seeing cruises along the coast, museum tours, tickets to the performing arts.

The trend of expanding co-operation and new understandings in both humanistic and economic fields, statistical indicators (obtained benefits, total number of organized business meetings and the high daily expenditure of congress participants), indicates the expansion of business tourism within the Croatian tourism offerings, which can in turn significantly contribute to the competitiveness of the national tourism industry.

The driving force detected within business tourism must be applied to direct Croatia towards the reputation of a high-value destination.

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TOURISME LIKE A SECOND CARIERE FOR VETERANS FROM LOGISTIC DUTY

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Abstract

The extra personal that is present in the modern armies is a result of the processes of transition and modernization of the armies. For returning of the military personal into civil life there are many methods in the world and in our country too. Definition of the research: the departments for returning military personal into civil life should organize activities for the ones who had been in logistical service to be prequalified into logistical service serving the army. This is used already in the NATO alliance. All objects that were previously for specified training, can be converted into civilian objects in service of the defense forces, where would work or invest with their own founds veterans that were previously in logistic service. Conclusion: The example of prequalification of the logistic service into tourist activities is a possible solution for the extra personal in the army.

Key words: *veterans, prequalification, logistic, tourism*.

INTRODUCTION

Human management in the defense

The human management today represents very significant factor for the efficient and effective accomplishment of the defensive tasks. The human management in the defense became an important factor in the realization of the national defensive interests[1,2,3,4]. Today, it has to successfully solve the issues in the reduction, that is reduction of the number of the members of the army, privates, civilians, to protect the qualitative staff, to maintain the readiness for execution of the tasks in the defense and to care for each private with great attention and with feeling of commonness[5,6,7,].

The system for obtaining staff for the necessities of the army has been built in order to secure staff that will be corresponding both by quality and quantity of the active and the reserve army[8]. The obtaining of people for service in the army will be made due to the confirmed quality standards which must be fulfilled by each individual. For the privates and the officers there is secured logical path in their career, which covers long-term professional training and practice and achievable oriented development[9]. To the military people (officers, non commissioned officers, and professional privates), according to the Law for service in ARM (The Army of the Republic of Macedonia)[10] can stop the working contract in the army on many bases and that is: the end of the working relation, due to age limit, certain level of disability or extinction of the working post, then in many armies in the world and in our as well there has been developed a program for adjustment and redirection of the military officers for civil life in order to achieve employment again and to have economic benefit.

The process of returning of the military officers to civil life has always been actual, since there had always been wars, officers and privates. After the end of the wars, after the end of the military period as a paid private he had to return to the civil life where there were different rules and behavior attitudes. It is in our interest to get knowledge for the following issues:

1. What are the condition and the way of the returning of the military officers in the civil life?
2. How is that solved in many countries in the world and in our country?

We have searched for many countries. The knowledge shows that the former people who served in the army by any status are named veterans. A veteran is a person who at any time served to the army as a professional or a reservist. Their number is not small in the world.

Existing model of management in the process of returning of the military officers in the second career in the United States of America

The most extended data for the management of the process of returning of the military officers in civil life we got for the United State of America[11]. The first organized forms of protection of the participants in war date from 1636. In 19th century an aid program benefiting and pensions for the veterans was reached. The Congress of USA in 1917 reached new system of benefiting for veterans directly after the including of USA in the military actions of the First World War. The benefiting included a program for payment in a case of disability by war, insurance for the veteran and professional rehabilitation for veterans. In 1920 for the first time it has been registered the existence of organized institutions for a veteran that is: Bureau for veteran, Bureau for pensions and internal affairs and the National home for disabled soldiers. The organized leading of the administration for veterans was founded in 1930.

The veterans' department in its frames has medical institutions clinic and program for administration of the benefiting for the veterans and their families, the administration for disability in work, pension education, residential credits, life insurance, professional rehabilitation, payments for survived, medical benefiting and funeral benefiting. The Department for Veteran Issues in USA constantly changes its work according to the legal regulation for the work and the actual happening or military activity. The last change of the law was in July 2010[12].

At the Department[19] for veteran issues there are in function many programs for returning of the military people in the second career. The veteran centers secure free adjustment services for the veterans who served at any military activity. There existed individual and group counseling centers, a family counseling centers and etc.

Existing model of management of the process of returning of the military officers in the second career in Republic of Macedonia

he basis for gaining knowledge for the way of conduction of the returning of the military officers in the civil life in R. Macedonia are the acts of the Ministry of Defense[13], the legal regulation and the program for returning of the military officers in civil life "LEPEZA"[14]. The serving and the end of the working relation in the army are regulated by law[15]. In MO there is a Section of the staff management that will conduct the program through the department of transition. The program will be in three educational centers that have for a purpose to make an evaluation of the qualifications of the military officers for inclusion in civil professions. There has been no cooperation with other institutions and the employment bureau until 2010. The employment was individual and in 2011 the program was developed with larger institutional care for return employment.

DEFINITION OF THE RESEARCH

In the current conditions of functioning of the defensive system in the Republic of Macedonia, faced with the process of transition and the tendency for admission at the North Atlantic Alliance defensive system, the offices and the professional soldiers take the largest burden by the necessities for reorganization of the defensive structures

The acceptance of an offered model of management in the process of returning of the veterans in civil life by the program “LEPEZA” in Republic of Macedonia should give the predicted results for integration of the military officers and the surplus of the staff without feeling of a refusal by the society. This program is doctrinally discussed by the higher structures in the country and abroad and should give its contribution in our country in the solution of this problem.

Starting from this the aim of this research is managing of the process of returning of the veterans from the logistic service to civil life with a preview of their previous knowledge and the ability of how they will be aimed to chose a second career in a civil department for the needs of the army.

Appearance, problem, and subject of research

Appearance in this research is managment of proces of access of military persons and theirs before conpetences in to target to secon cariere and emplojement on turistic and transport firms who shall work for army.

Problem- not existing aplicaple model for managing the military personal from logistic duty in Intendant transport civil duty.

Subject of our reserch is come back of program for retern a military personal from logistic duty in civil live, with reimployement in intendant transport civil duty for servis for army.

The purposes of research

Teoretical puprose to espy condition in prosec of meaniging of intergration of military person in second carriere who it is solution in NATO alijance, like a sustem of functioning of this proces in higest level.

Metodological purpose to develope aplicative instruments to instance on subjects of treaning, and corection in proses of management.

Practical purpose is to establisched system and proces by basis of research who shall help in future develope of this management proces.

Metodological way of research

With purpose to develope our purposes we shall investigate the actuel lows acts in suporting proces and to see it is posible to develope it. We like to investigate how much the military person from logistic duty can use theire competences in chose of second cariere from turisam and transportation for army by civil institution.

HYPOTHESIS FRAME

General hypotesis

Competences feom first cariere in logistic duty can be use significantly in desegion to chose second cariere in turisam and transportation.

The explanation of participians

In this research were included military persons (offcers and profesional solgers) who were working in logistic duty before.

The reseacrh method

To use a interwiu with three steps like is definited in program LEPEZA.

-First personal interwiu

-Transitional curse

-Seconf personal interviw.

Chose of traning for second cariera

By the basis of peronal plane for second cariere and personal preferences, but with relation of personal competence, the person is choose desigion to chose traning for second cariera in tourizam and hopitality or transport. The name of this special caind of treaning is part of program lepeza : Intendant transport traning.

RESULTS

Data was colleting from the center for qualification for second cariera by program LEPEZA in Skopje. The data was grouping by year of participiens in program, the frequentation of offcers and professional solgers, military persons from logistic duty and freqentation of them who choose Intendant transport training. The results are showing in table 1. The data could not be representing in numbers from the security reasons.

Tab.1 The freqentation of military persons from logistic duty and choose of Intendant transport training

Year	Under Officers	Offcers	Prof. solgers	Logistic duty	Intendant transport training
2010	0%	24%	76%	?	22%
2006-2008	38%	40%	22%	?	12%

QUALITATIVE ANALYSES IN THE RESEARCH

The organizational setting of the care for the veterans in the societies with different social system

From the researched material regarding the tradition and the care for the society for the veterans, it could be confirmed the following: the oldest social care by the analyzed countries exists in USA (1636), then The Great Britain 1947.[16] In the Kingdom of Canada there is a special care for the veterans by the Ministry defined for veteran affairs and the ministry for veteran affairs.[17] In the Republic of Turkey modern care for the veterans with protection as a special category in the society has existed since 1965.,[18,19.] The veterans in the Turkish army have special treatment of respect towards the society. In modern Russian federation and at the Ministry of Defense there is no department for veteran issues and the serving of the military term is a national duty and it is not paid. In Republic of Serbia[20], the Ministry of Defense has a national counsel which coordinates the work for care of the military officers that will appear as a surplus.

In the Law for serving in ARM the conditions have been correctly defined for contract for working relation in the army and its end[13] which after the end of validity of the contract for work on any of the listed bases, the ARM has no further obligation for the military officers. In the Ministry of Defense there is a Section for staff management and it has the department for transition which fulfils the program “LEPEZA”

The legal regulation for the working obligations in the army and the end of the same

In the USA there is the law which has been efficient for serving in the army since July 2010, but the legal regulations come since the time of the president Lincoln, who named the returned officers from war veterans and he gave special social status described in the previous text.

In Great Brittan and the Kingdom of Canada the serving in the army and the rights of the veterans have been regulated by law since 1947[11,12].

In the Republic of Turkey in the constitution there is a law number 5253 with article 10 and number 2847 by which the rights of the veterans and the treatment in the society have been regulated[16,18.]

In the Republic of Macedonia the law for serving in the army in the article 84 the relations for the end of the working relation with the army have been regulated [15] .The same law has no explanation of the status of veterans, because such category is not defined.

Reasons for end of the military service

The knowledge says that the end of serving in the army can be caused due to: regular retirement, premature retirement due to losing of the post or disability, end of the contract unfulfilling of the obligations from the contract by the military officers.

At the same time, there is no guaranteed working relation and in the society where there is health and pension insurance payment the person receives it until the working contract is forceful, but not after that. In USA as there is no obligatory health and pension insurance, the military officers after the end of the military service are treated on the burden of the state for any disease gained in the army. In all armies in the world there is constant employment and firing of the military staff.

The organizational programs for returning of the military officers in civil life

In the USA, the Great Britain, the Kingdom of Canada and the republic of Turkey, the returning of the military officers in civil life is imposed by the necessity of transformation of the military structures in modern number of small and efficient army. The programs have been organized and finances by the budget of the state. In the Russian Federation and in the republic of China on the web sites of the Ministry of Defense there are not available data for the organized programs for returning of the military officers in civil life.

Possibilities that are offered by the society for retuning into civil life and the second career

In the USA, the Kingdom of Canada and the Great Britain there is a similar system of organizational and offering possibilities for the second career[21,22,23,24,25]. Through programs for introduction in civil life, the veteran can choose to achieve his personal small business, to open factory which will work for the necessities of the army and will employ veterans, to be included in serving activities of the army with prequalification such as care of sick, transport of food, medicines for the necessities of the hospitals of the veteran association. They are included in different non military logistic organization which cooperates with the army.

CONCLUSION

By the observations of the situation in the Republic of Macedonia as well as with the comparison of the named state for return of the military officers in civil life we came to the following conclusions:

1.In the Republic of Macedonia at the Ministry of Defense a program has been started for return of the military officers in civil life named “LEPEZA”.

2.The realization of the program “LEPEZA” is a result from the necessary need with the appearance of the new organization of the army, the appearance of surplus of staff, the professionalism of the army and the tendencies towards NATO standards.

3.The program for returning of the military officers in civil life helps the individuals in the evaluation when choosing second career but does not solve the employment as it is case in USA.

There are individual differences in the society in the Republic of Macedonia and USA which result from the differences in the health and the pension insurance and the accomplishment of the benefits.

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ANTHROPOGENIC VALUES AS A FACTOR FOR TOURISM DEVELOPMENT ON THE SOUTHWEST SIDE OF THE SKOPSKA CRNA GORA

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Abstract

The research paper, "Anthropogenic values as a factor for tourism development on the southwest side of the Skopska Crna Gora mountain" made a complex evaluation of all the created values to the crucial stage for tourism development in this region. It displayed the basic characteristics of space as a starting point of research, and fully covered anthropogenic tourist values, opportunities for tourist valorization and exploitation, with the aim of forming a complex tourism offer. By activating the tourist potentials giving priority to alternative forms of tourism adequate for domestic and international market will achieve a higher level of tourism development and will achieve faster and better development of the rural environment of this area. The presented perspectives on the tourism development in this region as a whole prove the thesis that the area has potential for alternative forms of development tourism, especially rural and monastery tourism.

Keywords: *Skopska Crna Gora, anthropogenic values, tourism valorization, tourism potentials, tourism values, alternative tourism, rural tourism*

INTRODUCTION

Following modern tourism at a worldwide level, proved that tourism amid the global economic crisis when all spheres of the economy had a sharp decline and reduced revenue in regards to tourism offers which were drastically reduced but not at a halt. In 2008, the Director of the World Tourism Organization Francesco Frangialli confirmed this thesis and said: “Experience shows that tourism is much more resistant” than other economic activities[86] that proved true in the period of the greatest economic crisis since the war”.

Unlike before, nowadays trends in tourism are changing and therefore the modern tourism offer must contain more content, or complementarities of natural and anthropogenic values. According to the research conducted by the UNWTO, 2020 envisages an increase in tourism demand especially in the mountain resorts[87]. Very rarely are found mountains that represent natural tourist values which contain cultural and historical monuments as created values.

The Skopska Crna Gora Mountain, i.e. the area that covers the southwest side, has both natural and created values that can be valorized. The villages of the Skopska Crna Gora region have extremely high potential for producing ecological agricultural products, craft products, cultural and historical monuments, yet they are difficult to transform and be used as a tourism product which will achieve the overall development and economic benefit. This area has potential for tourism development due to the characteristics of traditional architecture, a favorable environment, diversity of the places that could be visited, activities that could be performed, and the hospitality of the population.

[86] www.dw-world.de/qw/article0,,3097644,00.html/ 15th of July.2010.
[87] \the World Tourism Organization (UNWTO/OMT). http://www.unwto.org/aboutwto/index.php, 2010.

The main objective of this paper is to determine the anthropogenic resources available to this area. The activation of these potentials is to achieve a higher level of tourism development than previously, as well as achieving a higher flow of tourism movement at a local and national level in accordance with the theory for the protection of the authentic and natural environment.

ANTROPOGENIC TOURISM VALUES

Many tourists are included in the tourism movement to become familiar with new spaces, people, cultures and customs. The area of Skopska Crna Gora despite the natural area is rich in created values and therefore presents an interesting area for research, and the degree of attractiveness that can attract the attention of tourists. Anthropogenic tourism resources of this area created by human through the ages and at various times represent a reflection of the historical and socio-economic development, the lifestyle of the people of this area, their culture and tradition. Rarely elsewhere, people here have kept the traditional values expressed through weddings and other customs, religious holidays, the treatment of religious temples, hospitality through numerous households and village celebrations, performing housework, cuisine preparation, as well as many other daily activities. All this is blended with authentic buildings; materials and ambience of the location for the material and spiritual culture that can potentially be used to develop various forms of tourism. Some of them are not sufficiently attractive for the formation of independent travel but offer great influence in its complementarities and enriches the tourism offer. These kinds of resources mainly attract tourists with higher education, a level of culture and greater purchasing power, which in recent times is needed more on the tourism market.

Anthropogenic tourism resources can be divided in various ways but most acceptable to the division of literature: cultural-historical, ethno social and artistic, ambient and tourism resources[88].

On the southwest side of the Skopska Crna Gora Mountain (among the locals it is called the area of Skopska Crna Gora)[89] has almost uniformly and equally distributed all mentioned types of anthropogenic tourism values.

Cultural and historical monuments

Very important in creating the tourism offer in the area of the southwest side of the Skopska Crna Gora Mountain are the numerous cultural and historical monuments that be found. Of greater importance and tourism value are the monuments which derive from the distant past and its attractiveness to attract the attention of tourists.

Monuments from the Prehistoric and Ancient period

The positioning and favorable natural conditions allowed benefits for this location to be inhabited many years ago. The location occupies the southwest side of the Skopska Crna Gora Mountain which has several archaeological sites. Among them the central site occupies:

• Gradishte – The dominant hill[90] of iron, Early Antique, Roman and Late Antique period. It is located on a high hill about 70 feet elevated above the surrounding area, with a flattened plateau on the southern outskirts of the village of Brazda. This site is known as a pre-Roman settlement which provided intensive life in the IV and V century BC[91]. In one of the lower terraces of the plateau a necropolis was found (a Paeonian cemetery) of carved stone from the same period with bronze items, pendants and other forms of jewelry characteristic of the VII century BC. Apart from these, very important archaeological sites in the researched mountain area of the Skopska Crna Gora Mountain there are other sites that are part of the

[88] M. Budinoski., Tourism principles and practices, UTMS, Skopje, 2009, page.129.
[89] www.stat.gov.mk / 14.07.2010
[90] Mikulchikj, I., Tomb Brazda in Skopje, Macedonia Akta Arheologica, Skopje, 1990.
[91] Mikulchikj, I., Old Skopje with the surrounding fortresses bk.1, Skopje 1982, page 17-34

list of archaeological sites in Macedonia. They are: Shtitinje, at the village of Banjani, where findings were discovered from the Roman period; Jazirci, also findings were allocated from the Roman period. In the immediate vicinity of the village in 1957 was discovered a grave stele with a Latin inscription. It is kept in the Lapidary of the Museum of Macedonia in Skopje; a church found from the time of the Late Roman period; Dulo, a rustic villa from the Late Roman period. At 1 km southeast of the village of Banjani, near the source of "Dulo" in 1977 the citizens of the village excavated foundations of the rustic villa. Two levels of the site are kept at the Institute for Protection of Cultural Monuments of the City of Skopje[92]; St.George, a discovery from the Roman period. At the doorstep of the church, there is a built in grave stele on a relief with a Latin inscription which was damaged; Carevec, a settlement from the Roman period; Irma, a settlement of the Roman period; Latina the settlement from which coins originated and are presumed to be among the local population; Tumba, the settlement from the Neolithic period. At 1 km south of the village of Brnjarci, covering 0,50 hectares are found fragments of pottery, flint, stone tools and fragments of house plaster; A tower, a archaeological site at the village of Bulachani which is a relic of the fortress / refugium of the Late Ancient period. On the outskirts of the village of Ljuboten are discovered the ruins of an Illyrian city, which is considered to be derived from the Early period of the Paeonian Kingdom, while in the village of Viniche exists an archaeological site; Gradishte, a castle from the Late Ancient period and the site of Ogradi, a necropolis of the Late Ancient period. In the village of Pobozje there are more Late Antique findings: Vrbiche (a necropolis of the Late Ancient period), Grobishta (a necropolis of the Late Ancient period), Zajkino, a finding from the Roman period, as part of the construction of a tomb with two Late Antique tombstones with Latin inscriptions which are located in the Museum of Skopje. In the village of Radishani a finding was found from the Roman period under the name of Golem Grad and in the village of Rastak a Late Ancient settlement known as Chiflik was discovered.

Also found are artifacts of the Illyrian shtringla, fibula and others. Numerous findings from these and other archaeological sites are located at the Archaeological Museum of Macedonia which are listed on the finding and located in the museum, at the Institute for Protection of Monuments, and at the location itself. Unfortunately, the places where these historical sources are found so far there is no feature that gives visitors or other interested parties indication of the value of the sites themselves, and often only the local people are not aware of the value of objects and remains of such buildings found. At the cemetery in the village of Ljubanci there is a marble cross with an engraving of a man's head with wings and no inscription which is unique of its kind in the Balkan Peninsula. According to the older residents of the village, it was erected in the beginning of XX century. According to the Professor Nikos Causidis[93] from the Institute of Art History and Archeology, the cross is a rare specimen and it is assumed that is a motive of the pagan tradition or Christian motive with pagan roots of folk mythology. This rare example might be interesting for those whose main motive for traveling would be of scientific-research work.

Medieval Monuments

In the period of the Byzantine Emperor Justinian II were built fortresses on the territory of the Skopska Crna Gora for which there are material remains such as the remains of the locality cave[94] in the village of Ljubanci, Kukjetina, a settlement from the Early Medieval period, in 1976 about 800 meters northwest from the village of Banjani were discovered three large pits where fragments of glazed ceramics were found from the Byzantine period, painted with spiral and floral motives.

At about a distance of 4 km. and a height of 1120 meters just below the peak of Pupljak there are remains from the site known as the Tower which cited data that was built during the reign of the Byzantine Emperor Justinian. So far, serious research on this site has not been conducted and therefore there are

[92] Archaeological map of the Republic of Macedonia, MANU, Skopje, T.2, 1996.
[93] Vest.com.mk, number 492,2002.
[94] Stojanovski, B., Ljubanci and Skopskoto crnogorie, Macedonian settlements Library, Skopje, 1994, page. 7 - 8

different claims about the origins of the construction. According to the studies made by Nikos Causidis,[95] this building represents a castle that served as a defensive fortress with crew as part of the complex for the defense of the Skopje valley, and is in the category of the already known castle from the VI century. There are many testimonies by local people for such stories, but they confirmed no serious evidence. Remnants of a similar structure known as the Fortress (Tower) Davina from the same Medieval Byzantine period and is at a distance of 3 km. from the village of Chucher. Although it is placed under the heritage of care protection it is not even close to the required level of protection. There are also many testimonies by local people for events and situations associated with these sites. Such stories confirm no serious evidence as scientific truth, but in the tourism sector can be used as additional content that would enrich the tourism offer.

Medieval churches and monasteries

Certainly the most attractive are the cultural and historical monuments as values which alone can attract tourists to visit medieval churches and monasteries in a very significant number. For these reasons, the need to perform comprehensive evaluation that will give a full picture of potentials offered by these anthropogenic tourism resources. There is a belief that the Crna Mountain is named after many dark ways of living (wearers-monks) and because of the large number of churches and monasteries was often among people of this mountain which is called the Skopska Sveta Gora.[96] Most of the numerous temples represent part of the national cultural heritage, which is descended from the XIV century and are evidenced as monuments of culture.

As witnesses of events who followed this region throughout the centuries back, the territory of the Skopska Crna Gora is: the churches of St. Nicolas and Virgin Mary and the monasteries of St. Nicolas and St John in Ljubanci; St. Nicolas church in Ljuboten; the monastery of St. Nikita between Chucher, Grnjani and Banjani; the monastery of St.Ilija and the church of St.George in Banjani; St. Archangel and the Church of Holy Salvation in Kuchevishte, the monastery of St.Ilija in Mirkovci, the monastery complex of St.Troica in Chucher, the church of St. Nicolas in Gluvo; the church or Holy Salvation in Rahstak, the church of St. Peter and Paul in Brnjarci and the church of St. John the Baptist in the village of Bulachani. Most of the monasteries possess accommodation facilities such as lodgings.

Ethno-social tourism values

The ethno-social tourism resources represent many heterogenic resources that cover more material and spiritual values of the culture of one population that through the mentioned resources is presented the life of the people from their existence until today. These values include folklore expressed through folk dances, songs, costumes, customs, handicrafts, food, mentality and other social characteristics. These resources can include the temperament, hospitality and tourism values which can have useful value and be utilized to attract tourists, especially foreign tourists.

Rituals that can grow into an attractive tourism story: such as the ritual “Crying of the bride's in the groom’s house where the bride transforms from a girl into a woman”[97] as part of a traditional Macedonian wedding. Similar customs in the villages of this area are the customs of Vasilica, Epiphany, Balaklija, Christmas, etc. Particularly interesting is the custom of Vasilica “vasilicharki'” which is performed in the blatija i.e. in the village of Bulachani and Rashtak. What is very interesting, but forgotten are the rituals related to the praying to rain, the surovari (vasilichari) and the customs during the holidays associated with Christ's birth, baptism and the resurrection.

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[95] Ibid

[96] www.mpc.org.mk, 18.07.2010

[97] Bwn.com / zoran_dzorlev__gora ... 09/12/2010. Ritual in the groom’s house where the bride transforms from a girl into a woman performed in the “cellar” when unraveling loops of the bride’s hair to make two braids. This is most frequent in the village of Ljubanci.

Folk costumes, instruments, dances and songs, in one term means popular folklore, are particularly interesting to visitors and can be part of the tourism offer. Macedonian folk dances and songs are certainly the most recognizable and most impressive part of the Macedonian folklore[98]. With a distinctive rhythm, that is unique and one and only in the world, a singing melody causes excitement in everyone, and hence they can be used as an element in the tourism offer that will cause interest in the tourism market. Such dances are folk dances and songs that originate from the area of Skopska Crna Gora. Some of them are: "tiny Lisa", "female baptized" "running" and "Crnogorka". The folk costumes are diverse and unique. An important component of the ethno-social features of the researched area are many handicrafts, especially those made on wooden looms as handmade bags, rugs, towels, pillows and other fabric with rich ornamentation and coloration.

The cuisine is abundant with traditional dishes and features a variety of recipes using local products, which can certainly be of significance to the tourists. Typical dishes of this area are baked beans, bacon, beans with dried meat, various home-made dishes are of major value in tourism that can be obtained and used as value in order to attract tourists, especially foreign tourists. The tradition kept and treated with the ever present inestimable value that can be used to develop tourism in this area, as well as contribute to the overall rural development and wider area of Macedonia. The lifestyle of the locals can be used as tourism purposes for the preservation of ethno-cultural elements in the area, and through valorization all these values can achieve positive material, social and cultural effects.

Manifestations

Manifestations which are expressed through cultural, sporting, scientific and other achievements of one population, despite their universal meaning can also have tourism value. Their roots are from the ancient history of mankind, first as a variety of sporting events, religious and entertainment events to modern major events of international character, its expansion experienced in the second half of the XIX century on the basis of many new discovered tourist attractions[99]. They in most cases are a tourism value alone and can attract a great number of tourists, thus contributing to the exploitation and other resources that otherwise would have no economic value, the natural beauty and rich cultural heritage that has left traces throughout the centuries and proven hospitality of the local population, making these manifestations interesting and massively visited by fans. Even though it is not a question of a large and international event, that is the subject of my research paper, very amusing and quite visited events are held in this area of local and regional character. To the affirmation of the Skopska Crna Gora area, as a cultural area, very few contribute to the cultural arts and sporting events which are selected: "the Sureti Carnival" on the occasion of the Christian Forgiveness in the village of Ljubanci that is growing into a manifestation of a regional character. The Sureti Carnival in the village of Ljubanci is traditionally held each year to mark the religious holiday of Forgiveness, which is always held on Sunday as a day of rest**;**[100] the Pobozje Carnival

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[98] Ibid

* Students of DBUC "Ilija Nikolovski Louis" At their repertoire performed Macedonian songs and dances from the Skopska Crna Gora region and so were the old Macedonian fellow songs sang at big holidays "Our village ate early," which is sung in Skopje's Derven and the village of Kuchkovo. The Meshano (Mixed) dance from the region of the Skopska Crna Gora which is danced and accompanied by the bagpipes and later by muzzle and drums. The folk dance in 7 / 8 beat, a characteristic irregular rhythm of the Macedonian region. In the 60th and 70th decade of the last century the piper Pece Atanasovski made the arrangement of the folk dance.

[99] Avramovski M., Marketing of Major manifestations, Graphotechna, Ohrid, 1996, page.23

[100] Stojanovski B., Ljubanci and the Skopskocrnogorie, Library, 1996, page.148-149.

* The carnival itself contains pre carnival traditions that last a whole week before the day of Forgiveness. All week, people prepare and consume food which does not contain meat and then all young people who got married that year have dinner with the bride's parents, godparents and other loved ones. Before dinner the young brides are accompanied by girls from the neighborhood to go to the Gorna Chesma (Upper fountain) in the middle of the village, where they meet with other brides. Following by a walk from the fountain to the locality of Gumenje, and have dinner. On the very day in the morning the carnival is organized, when only males are eligible to participate as "sureti". The visitors with excitement follow the carnival procession through the whole village accompanied by songs,

marks the Christian holiday of Easter, in the village of Pobozje on the first day (Sunday) at Easter is organized similarly to the theme and carnival in the village of Kucheviste at the Easter holidays. For now, these manifestations have great significance for the tourism market, but can represent a significant attractive factor and enrich the tourism offer and the city of Skopje.

Besides the importance of the carnivals, is the importance of the cultural event “Stankov days”, in the Municipality of Chuhcer Sandevo in the period of the 18th of January to the 1st of February when a three-day event was held dedicated to the life and work of the national hero Alexander Urdarevski-Stanko, originally from this region; The cultural manifestation of Viniche, with the tourism development program, the municipality of Gazi Baba traditionally organizes the cultural manifestation in Viniche, which is attended by students from the Skopje municipalities and is scheduled to become a traditional manifestation. It is organized in the beautiful monastery complex of St. Ilija in the village of Viniche. The manifestation includes an abundance of rich content and is expected to grow into an international cultural manifestation “an array of folk costumes, songs and instruments” in the frame of the “Cultural Summer of Gazi Baba” through which is formed a connection of Macedonian folk costumes from all over Macedonia. The national song, authentic instruments and costumes that appear at the parade contribute to nourishing the traditions and customs.

After all, the authenticity and the colorful folklore may be the strongest argument in attracting not only domestic but also foreign tourists who have a particular interest in this type of attraction through the development of alternative tourism.

Very interesting events that have elements of manifestations attended by the local inhabitants and the wider population of major public gatherings and celebrations to mark national and religious holidays. One of them can be singled out and that is the throwing of the cross on the Epiphany holiday, Christmas Eve feasts, Easter celebrations etc. These holidays are organized from the past where numerous transcripts and photographs which in turn can serve to realize the various exhibitions.

The old crafts in this region can attract attention of tourists including the hand made folk costumes and instruments. As an example given are the illustrations mentioned in the villages of Brest and Viniche where several residents have preserved the tradition of making traditional musical instruments. These and other activities may increase the attractiveness of the area which is the subject of my analysis.

CONCLUSION

The anthropogenic characteristics on the southwest side of the Skopsko Crna Gora Mountain represent a potential that enables the development of several types of alternative tourism. The tourism potentials available in this area are expressed by attractive natural and created values, i.e. authenticity and created nature suggest that by forming an adequate tourism offer will overcome many current and serious problems encountered by the locals and the wider environment. Forming an attractive tourism offer that will satisfy the tourist demand in the domestic and international tourist market which requires a serious approach by the state and three municipalities of the territory by devising strategies for sustainable tourism development in rural areas and concrete action plans in particular to create conditions through use of these values. Besides educating the local population and training of tourism workers, precisely this type of tourism is essential for planning and implementation of tourism development not only on a local level but also on a regional level.

Attractive anthropogenic resources are supplemented with the good positioning in relation to the city of Skopje and the cultural-historical monuments in the immediate vicinity. The southwest side of the Skopska Crna Gora Mountain could follow the world trend and focus on development towards more alternative forms of tourism to include rural, as the highest form of eco-tourism, religious, manifestation, ethno gastro-tourism and thematic, supplementing the transit tourism and various other forms of tourism. In

folk dances and customs from the pagan times to the present, and followed by a special program with the participation of KUD and general people’s celebration following the carnival.

that context, authentic Macedonian houses, medieval churches and monasteries, events, preserved ethno-social characteristics and cultural-historical monuments from several periods of development in this area. As confirmation of the above thesis and another fact which suggests that this area has monastic lodgings, weekend settlements, many children resort facilities with authentic architecture necessary for tourism development at a particular location. The development of tourism would prevent the abandonment of traditional values, the disintegration and destruction of authentic architecture and cultural monuments. Of course all this greatly depends on the implementation of the Tourism Strategy Development in Macedonia, local strategies and action plans which still has no serious approach for the community.

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WHAT IS A CULTURAL TOURISM – *KINGMARKOLAND* PROGRAM AND HOW DOES IT FUNCTION AS A TOURISM PRODUCT?

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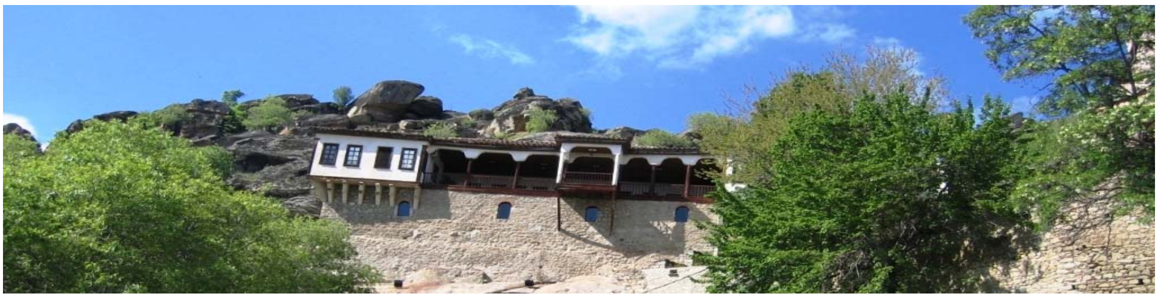
Abstract

Have you heard of enchanted princes, those disguised in frogs? And, do you know where they live? You must be wondering where they reign, where they long for, and where they dream ... Now and here we will discover the mystery, we will widely open the gates of their Empire, situated deep in the heart of the Balkans ...

Here, where the souls of ancestors have made home in the image of the frog, and fairies have captured the spirit of nature with its songs and dances, they occupy the wide meadows and deep forests. With its beauty, these blood sisters of Prince Marko mark every piece of the space with holiness, offering a chance for a mystical experience, an extraordinary adventure in this land of mythic and epic deeds, a land of heroes...

- What is a cultural tourism –KING MARKO LAND program and how does it function as a tourism product?
- Who are the 'King Marko Land' tourists?
- Why should this strategy be developed?
- On what basis is King Marko Land strategy of development made?
- What are the strategic priorities, measures and actions?

Key words: *cultural tourism, tourism product, 'King Marko Land' tourists, King Marko, mythic and epic deeds, a land of heroes*



CULTURE

What is KingMarkoLand tourism?

These are visits of the people in another place, people that are completely or partially interested in our legends, history, arts, cultural heritage or lifestyle of the sites, the region or the institution.

The product is a formatted, packaged and managed presentation of cultural heritage, art or a distinctive way of life in a certain space

The product contains

- uniqueness
- it is interesting
- it is creative
- offers service activities
- it has quality service

'KingMarkoLand' – imperative!

- A great increase of demand of this type of tourism in Europe and beyond
- Exceptional competitive offer
- The increasing trend of interest in cultural and tourism product between national and foreign tourists but also a great dissatisfaction from the offered
- Tourism within general guidelines of the tourism development- KingMarkoLand

What is the benefit of the offered program?

- Increased consumption
- Extension of the season
- Attracting tourists who have greater financial power
- Geographical expansion of all parts of the Balkan region

An approach to the development of strategy

- To establish the trends and demands of the European market
- To establish the demand of the domestic tourists, their habits of visiting attractions and events
- To establish the degree of readiness of the cultural institutions for involvement in the program KingMarkoLand

- Implementing the program with regional forums and workshops (with 300 participants of Skopje, Prilep and Ohrid).

Challenges

It is necessary to prepare:

- connection between the cultural and tourism sector
- to surpass the lack of knowledge of development and managing with the cultural and tourism product
- to improve and increase the presentation of the cultural resources which is inadequate, to improve the lack of marketing of immaterial wealth presented at festivals and public gatherings, especially the local and regional regions

Strategic priorities

1. To create a positive weapon for encouragement of the development of KINGMARKOLAND program
2. To establish mechanism of intersectional collaboration of cities and their tourism segments
3. To raise the level of knowledge, equipment, quality and skills for development of quality of KINGMARKOLAND programs
4. To achieve standard of interpretation, equipment, and quality of KINGMARKOLAND programs
5. To enhance the flow of information, promotion and distribution of KIngMarkoL and tourist passport, collaboration of sister cities of Skopje, Prilep, Ohrid, Serbia and Bulgaria, for which there are copyrights of this program.

To establish an environment

- To prepare a climate for the national development and support of the program of KINGMARKOLAND
- To prepare an environment in which all interested groups will understand their role and place in the complete tourism and cultural development of the program of KINGMARKOLAND
- in the culture and tourism Sector at the Ministries, a climate for legitimacy of investing in the development and promotion of tourism resources which are projected for the development of the program of KingMarkoLand, with the final goal adapting to their tourism functioning
- Collaboration with everyone who wants to ACTIVELY PARTICIPATE IN THE PROGRAM

Organization and partnership

- Establishing the structural organization of national and regional level
- To ensure a stable source of information

- To encourage networking and partnership of the cultural and tourism sector

Education in culture, tourism and local government

- Developing a structure that will solve the lack of short-term and long-term knowledge and skills
- Becoming aware of the value of cultural, ethnologic and mythological resources and their potential in the relevant institutions
- Developing awareness among the local population about the values of cultural, ethnologic and mythological resources and their potential

ECONOMY

Strategic goals-product development

- To raise the level of presentation-to achieve the power of experience, attraction and the accompanying tourism contents
- To mark the itinerary resources which are already visited by the tourists- ensuring the satisfaction of the guest
- Thematic itineraries should be connected with dispersed resources and expand the tourism demand
- To group the compatible products and promote them mutually

Information, promotion and distribution

- To achieve accessibility of the information of the cultural attraction while the visitor is staying
- To prepare thoroughly the presentation of all participants in the distribution of programs
- the promotion of the KINGMARKOLAND program in order to create an image that it is taken into account the fact that the same program actively develops the cultural tourist offer

To establish an environment

- To gain support and aid for the implementation of strategic measures of the key structures
- To stimulate people responsible for the culture and tourism to a more active collaboration with this initiative
- To promote the program of KINGMARKOLAND as one of the priority determinations in tourism development

Organization of partnership

1. To form a development team of the brand tourism KingMarkoLand in the cities of Skopje, Prilep and Ohrid
2. To choose members who will monitor and direct this initiative

3. To identify the method of financing of the development of the cultural-tourism product
4. to emphasize intra and intersectional collaboration and partnership with constant establishment of new memberships
5. To establish new professional teams who will provide advisory and technical assistance

Education

1. To identify the optimal models of education that will solve the lack of short term knowledge and skill
2. to encourage the introduction of appropriate programs in higher educational institutions, in order to create the necessary long-term human resources
3. To create a program- a workshop about the role and values of the cultural resources in tourism, members of the local government and citizenry
4. To implement a marketing program for raising awareness of the population about the values of cultural tourism

Product development

1. To develop themes and stories which will help in the interpretation of the cultural localities
2. To mark road signs and to interpret the sites of cultural significance which have been regularly included in tourism brochures and itineraries
3. To assist the cultural sector in the manufacture of quality promotional material
4. To completely use the potential of sites protected or proposed for UNESCO
5. Education of human resources in interpretation
6. Development of cultural tourism itineraries of local and regional character
7. Raising the quality of the theme presentation of urban and rural areas
8. To identify the localities with potential in order to become a regional and national tourism attraction and assisting in their conversion of cultural product
9. Clustering and forming products of cultural domain prepared to be involved in the tourism offer
10. Encouragement of private partnership in the development of a product which will be completed and development support of the tourism product

Information, promotion and distribution

1. The potential use of the local and regional demands of the existing visitors
2. The use of the full potential of the local population and tourists visiting friends and relatives
3. Coordination of the mutual marketing of the cultural tourism product
4. Availability of information about the cultural tourism offer via the Internet and on line sale
5. Organization of a bulletin
6. Encouragement of creating quality KingMarkoLand culture tours, KingMarkoLand souvenirs and KingMarkoLand cuisine

VISION

By 2020 the vision of the KINGMARKOLAND program has a task to

1. Be recognized and gain strategically priority determination
2. To create a crucial mass of human resources with knowledge and skills for the development of modern cultural tourism product
3. culture of partnership and a strong organizational structure with a good circulation of information
4. To secure stable sources for financial development of the KINGMARKOLAND project

To establish cultural tourism products on local, regional and national level

NGO KINGMARKOLAND

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www.kralemarko.org.mk

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RELIGIOUS TOURISM

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Abstract:

The religious tourism dates from the antique period and has stayed unchanged through the centuries. Travellers all around the world still go on a pilgrimage destinations.

Lately, visiting the places of worship and evident miracles - FAITH travelings , has got a mounting trend in the holiday industry. According to the World Tourist Association's data hundreds of millions of worshipers visit the holy buildings. The increase of the religious tourism leads to more new tourist products: national tourist parties and increasing number of tourist agencies offering religious tourism. The demand of the religious tourist services increases in Macedonia too.

This imposes an expansion of the traditional tourist season, enlargement of the tourist agencies which offer visiting churches, monastic complexes as well as all the types of sacramental buildings; and all these in the context of the global culture where people are looking for unusual reasonos and variety during their traveling.

Key words: religious tourism, culture, sacramental building

INTRODUCTION

The international tourism market is no longer about “one shoe fitting all.” It is divided into specialized segments ranging from shopping to adventure sports and from animal safaris to nightlife. Each region of the world is seeking to exploit its strengths. Macedonia’s competitive advantage lies in the area of religious tourism because its religious heritage and culture is unique. Macedonia is richly endowed with ancient temples and sacramental buildings. The two major religions in Macedonia, the Christianity and the Islam, have a vibrant culture and spiritual philosophy. The culture and religion has always been an inseparable compound that defines the Macedonian nation and affects its tradition and customs. Macedonia as Biblical country rich in churches and monasteries, mosques, sacred waters and miraculous icons makes a perfect place for one to find tranquillity and discover God's truth, the meaning of our existence and the mission of why we are here now. The number and diversity of over 155 completely preserved monasteries and 90 monasteries in various stages of disrepair suggest a past of a people whose story is that of creation, art and spirituality. Whoever knocks on a door of a Macedonian house or a monastery will be deeply touched by the hospitality and living tradition of welcoming the guests with traditional sweets, coffee and cold water.

Macedonian monasteries are our richest cultural treasure, which is filled with many frescoes, icons, engravings, old books and manuscripts. They represent the cultural heritage of our medieval art. Macedonian monasteries were spiritual centers, sources and witnesses of the Macedonian Orthodoxy. With their spirituality they shined through the ages. They shine and now with all their richness and beauty. They are inexhaustible source and challenge for the visitors and with open monastery doors they expect them to discover the secret and the truth which should be written in the cultural history of the Macedonian people. Macedonian monasteries represent a necklace of pearls which decorate Macedonia.

According to the number of monasteries, it is evident that Macedonia occupies top position on the Balkan Peninsula.

This paper is devoted to religious tourism in general, exploring its development in the world and drawing lessons for the practice in our country. Firstly, religious tourism is defined, with a parallel review of the world's best practices. Then the main idea in the paper is elaborated: situation, opportunities and challenges for religious tourism in Macedonia, with special attention to the monastery tourism. At the end, with emphasis on the disadvantages and obstacles, recommendations for their correction are provided.

TOURISM

Tourism is travel for recreational, leisure or business purposes. The World Tourism Organization defines tourists as people who "travel to and stay in places outside their usual environment for more than twenty-four (24) hours and not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited. The type of tourism depends on the reason for travel. Travel can be to destinations that are domestic or international. The United Nations has classified three forms of tourism :

- Domestic tourism involves residents traveling only within their country.
- Inbound and Outbound tourism both describe types of international tourism.
- Inbound tourism involves non-residents traveling within a country.
- Outbound tourism, involves residents traveling within another country.

There are also many other types of tourism that fall under a “niche” or specialty travel category. This category of travel has evolved in recent years, and describes the various reasons why people travel for recreation, business or leisure.This broad category of tourism includes: adventure, agritourism, culinary, culture, space, ecotourism, educational, ethnotourism, medical, helath, sports, religious and so on.

RELIGIOUS TOURISM

Religion is historically associated with tourism. Some of our most popular tourist destinations are founded on ancient places of worship: the Temple of Hathor - the Pharaonic Mother Goddess at Dendera in Upper Egypt; Dodona, location of the oracle devoted to Zeus, in pre-historic Greece and other cultural and historical monuments which are actually sacred places. In fact pilgrim hospices in Europe were the forerunners of modern hotels. And pilgrims are on the move as never before. The collapse of Communism in the former socialistic republics sees people now able to worship legally in churches and at historic shrines. Muslims performing the annual hajj pilgrimage to Mecca number three million, while the Kumbh Mela held every 12 years in Allahabad northern India attracted 75 million Hindus on the last occasion in 2001 .

Definition of religious tourism

Religious Tourism nowadays is considered as a common motivation for travel, as Jackowski (2000) estimates that approximately 240 million people travel every year because of the religion, including Christians, Muslims and Hindus. Although religious tourism is one of the most understudies areas in tourism research (Vukonic 1998), increases in spiritually motivated travel have coincided with the growth of tourism in the modern era (Lloyd 1998). Religion has played a key role from their very first days in the development of leisure over the centuries and has influenced how people utilize their leisure time. Horner and Swarbrooke (1999) explain how religious tourism is one of the oldest forms of tourism and it has undoubtedly existed long before Christianity. Egyptians, Greeks, and Jews expressed their devotion through religious motivated trips. Travel for religious reasons existed also in Africa and Asia. A good example are the Zoroastrians (Runciman, 1987), which motivated pilgrimages in ancient times with a less influence nowadays. Most researchers identify religious tourism with the individual's quest for shrines and locales where the visitors seek to experience the sense of identity with sites of historical and cultural meaning (Nolan and Nolan 1989). Smith ((1992) in Collins-Kreiner, 2000) explains how the link between pilgrimage and religious tourism comes from the Latin peregrinus which interpretation is foreign, traveler, newcomer or stranger. The term tourist, also with Latin origins, means tornus or the one who makes a circuitous journey, usually for pleasure, and returns to the starting point. The contemporary use of the terms, identifying the pilgrim as a religious traveler and the tourist as a vacationer, is a culturally constructed polarity that veils the traveler's motives.

World most famous pilgrimage sites

Religious tourism comprises many facets of the travel industry including: pilgrimages, missionary travel, monastery visits, faith-based camps, religious tourist attractions and so on. According to Collins-Kreiner (2006), Pilgrimage is one of the well-known phenomena in religion and it exists in all the main religions of the world: Christianity, Islam, Judaism, and Buddhism. For Christianity, places as Jerusalem, Rome, or Santiago de Compostela, remain as the three more important place of pilgrimage. Lourdes in France is considered as well as one of the most important pilgrimage sites. For Islam, Mecca, and Medina are still the places of pilgrimage, in this case not volunteered but obliged for every Muslim to go to Mecca at least once in their lives. Jerusalem and the Wailing Wall also in Jerusalem are the most important places of pilgrimage for the Jews. For Buddhism, there are four different places of pilgrimage, but the most important is the birthplace of Buddha at Kapilavastu in Nepal.

RELIGIOUS TOURISM IN MACEDONIA

Supply of religious monuments

Cultural and historical monuments in Macedonia are largely presented as a heritage of Christian and Islamic religious and secular buildings. In the period from IX to XI century, Ohrid, thanks to St. Clement and St. Naum, becomes cultural center of Slavic literacy. They have built the first Slavic churches. The oldest restored Slavic monastery on the Balkan Peninsula, dedicated to St. Panteleimon is in Ohrid. It is known as Clement's Monastery, located at the site Plaoshnik. St. Naum is built at the end of the IXth century. This monastery is considered one of the most important on the Balkan Peninsula. Not less attractive and valuable are numeruous churches and monasteries that keep the attention of tourists as such as St. Pantelejmon, Gorno Nerezi, Skopje; St. Andrej, Matka; St. Sofija, Ohrid; Presveta Bogorodica Eleusa, Veljusa; St. Leontij, Vodoca; St. Dimitrij, Markova Sushica; St. Arhangel Mihail, Varosh, Prilep; St. Atanasij, Zhurche, Demir-Hisar; Monastery Bigorski St. Jovan Krstitel; Monastery Lesnovski St. Arhangel Mihail; St. Nikola Shishevski, Matka; St. Spas, Skopje; St. Jovan Bogoslov - Kaneo, Ohrid; Poloski manastir St. Georgij, Kavadarci; St. Partenij Zografski, Star Dojran; St. Preobrazenie, Zrze, Prilep; Uspenie na Presveta Bogorodica, Treskavec, Prilepsko; Vovedenie na Presveta Bogorodica "Precista", Kicevo. Macedonia is rich with a great number of churches and monasteries located in picturesque caves, which are great attraction for tourists : St. Nikola, Ljubanishta; St. Marko, Dradnja; St. Arhangel Mihail, Radozda; St. Bogorodica, Kalishta; St. Atanasie Kalishte; St. Erazmo, Ohrid; St. Bogorodica Peshtanska, v. Peshtani; Monastery St. Petka, v. Velgoshti; Cave church St. Bogorodica, Velgoshti; Church St. Stefan, etc. In this context, the ascetic cells are also of immense importance for the monastery tourism. In the area of Kratovo and Zletovo around 30 ascetic cells are found, which are still completely undiscovered secret for the life of ascetic monks who settled in the abandoned and impassable places where there were monasteries and devoted themselves on fasting and prayer. Most of them are dilapidated caves that are difficult to be reached, and for the rich spiritual past often only the remnants of frescoes speak.

Very important for the tourism are the Islamic religious buildings, too. Their appearance is connected with the arrival of the Turks in this region and the period of their domination. The most important group of such monuments includes the following: Sultan Murat-Hjunkjar mosque, Ishak-Bej colorful mosque, Isa-Bej mosque, Mustafa-Pasha mosque, Jahja-Pasha mosque and Husein Shah-Pasha mosque in Skopje. In Tetovo: Aladza mosque or Colorful mosque and Arabati Baba Tekje or Sersem Ali Baba .

Monastery tourism

More specifically, we will discuss the monastery tourism in the country. The renewal of monasticism over a decade ago in many ways meant opening the doors of the monasteries to those who need spiritual peace. It is actually the beginning of today popularly called monastery tourism. An important precondition for development of the monastery tourism is wealth with attractive monasteries. Fortunately, Macedonia has it in abundance. Macedonia can not sell to the world something that is practiced as a massive, summer tourism. But it can offer the beauty and picturesqueness of Christianity and it can offer this at much larger scale than in some other Orthodox countries that practice monastery tourism, too. Today, Macedonia has about 30 live monasteries and three times more temples. All are open to tourists. They retold the history. Many of the stories told by the monks actively witness for Macedonian independence. One necessary detail from vestment of the arhierej, the mitre, developed by the sisters from the monastery in Rajčica will not be found in any other monastery on the Balkan. Their uniqueness lies in the secret of the Byzantine-style and embroidery, which monks treat as a tradition.

Religious tourism in Macedonia started to develop thanks to the reconstruction of the lodgings and the rehabilitation of the traditional activities of the monasteries, like the production of food. Development of religious tourism in Macedonia is evident due to the fact that in Macedonia there are large numbers of monasteries restored and opened in the last fifteen years. Pioners of this kind of tourism are the monastery of St. Leontij located in Vodocha and the monastery St. Presveta Bogorodica located in Veljusa . These monasteries attract for their architecture, monumentality and good preservation. All of the premises of these monasteries are open for tourists, except those occupied by the monks. Hosts of the Eparchy of Strumica are saying that greater number of visitors comes in groups from different organizations and schools and monks very often describe the historical value and importance of these buildings for the Christianity in the country. On the lists of the tourist agencies the most visited monasteries are “St. Atanasij” in Leshok, “St. Jovan Bigorski”, “St. Joakim Osogovski”, St. “Naum Ohridski” and the monasteries in the villages Brajcino and Jankovec. According to the tourist agencies which promote the monastery tourism in the country, the foreign tourists prefer big hotels like “St.Naum”, which is given under concession and they rarely decide to spend the night in the simple monk’s rooms, but on the other hand they are very interested in the trips and in the meals in the monasteries . In Macedonia there aren’t many agencies involved in alternative tourism, hense in the monastery tourism. Some of the first were the agencies “Go Macedonia”, “Ekonekt” and “Teabo Travel”. Thanks to them there are more than two hundred tourists per year wiling to discover the beauties of the country . The most often visitors according to the representatives of these agencies are the Europeans. Specifically, the Scandians have shown the biggest interest till now. Also, there is expectation for arrival of Russian, Romanian and Israeli tourists.

Monasteries with developed tourism

The monastery of St. Joakim Osogovski in Kriva Palanka is among the most beautiful, most attractive and most equipped facilities. There are excellent conditions for residence and this year the monastery was included on the tourist map of the most important Macedonian landmarks. The monastery excites the domestic and foreign visitors not only with the ten centuries old cultural heritage, but also with the picturesque and clean environment. In the monastery a number of cultural events - art colony, school of Architecture and other public gatherings are held. Osogovo monastery is the most equiped complex for cultural and alternative tourism, which provides excellent relaxation to the guests. It has about 120 beds in many quarters, decorated in traditional style with fully equipped kitchens. Guests can eat in a restaurant or they can prepare food by themselves. Fresh milk, cheese, “zelnik” and other traditional food can be ordered from the inhabitants of the nearby village Varovishte. Tourists can enjoy walks through beautiful mountain scenery; can collect medicinal herbs and wild fruits that abound “Osogovieto”. At this complex a number of seminars, conferences, concerts, theatrical performances and similar events take place. During the patrons’ holiday, August 29 most guests are present, when a huge number of pilgrims and visitors from the country and abroad pay tribute to their patron St. Joakim Osogovski .

The village in Tetovo, Lesok thanks to monastery St. Atanasij has all the prerequisites for actual development of monastery tourism. With the abundance of churches and monasteries in the closer and wider environment and geographically, Leshok is a center that offers all the conditions for mass visits of domestic and foreign tourists. In the monastery complex in Leshok are already created conditions for guests. The monastery quarters at this time have about 120 beds . Quarters, the former hospital and other facilities, which represented a spiritual center of the Macedonian educator, writer and translator Cyril Pejcinovic - Tetoec, are attraction for everyone who visits this place. Although it is not sufficiently organized and designed in Lesok, primarily in the monastery complex, very often organized groups and individuals are dwelling, truly enjoying the rich nature and beauty offered by the region.

Disadvantages and obstacles for the monastery tourism in the country

Organized carrying tourists in Macedonia with previously planned "religious program" will remain for a long time only in the most optimistic visions tourism strategies. The opportunities available to our country, rich in churches and monasteries, which are attractive for tourists from Orthodox countries, is under-used because of disorganization and lack of coordination between tourists agencies and the Macedonian Orthodox Church. For these reasons the number of so-called religious tourists is small. Tourist associations haven’t developed an organized program in which all interested travelers in a "religious route" could see the most important sacramental buildings in the country and those few agencies working on tourism promotion of the monasteries are facing many problems. The image of Macedonia as a cradle of Orthodox Christianity or the one of Ohrid as a Jerusalem in theBalkans is muddy due to poor transport infrastructure, lack of suitable catering facilities and to the unwillingness of the church to open the gates of religious facilities for foreign tourists and guests. The absence of a strategy for the policy of so-called cultural or religious tourism in our country was confirmed by the MOC, whose representatives in 2000 on a seminar devoted to the protection of cultural heritage in Ohrid, spoke of the need for specific treatment of this type of tourism in Macedonia. Representatives of the Macedonian Orthodox Church on the international seminar in Ohrid in 2000, in their speech, instead the term religious or cultural tourism, primarily because of its purely secular content, suggested the biblical term "hospitality" for the simple reason that only this term is illustrating what needs to be happening in the spiritual atmosphere in churches and monasteries in Macedonia .

Opportunities and expectations

Even without strategy for tourism, Macedonia is still known in the world for the value of the monasteries. Although the country does not show visible interest in an organized and systematic management of tourism in the monasteries, and the agencies still do not sell tourist tours on a common route, monasteries’ beauty and specific spiritual and cultural values are more and more revealed at home and to the world. Adventurer Richard Bengs in exciting stories about Macedonia published on the Internet portal Yahoo writes about the mysteries of the Monastery of St. Bogorodica Precista, Kicevo, indicating the value of the monasteries as a very important for the cultural and economic development of the country . Interesting is the phenomenon of foreign tourists visiting the monastery Treskavec. After printing the tourist guide of the Australian company Lonely planet for Eastern Europe in which the monastery is described as a place that must be visited during stay in Macedonia, in 2005 the monastery visits by foreign tourists, is substantially increased . In the period from early spring until late autumn the number of foreign tourists is average of 20-30 per week, given that inaccessibility is really great. Most of them are from USA, Canada, Australia, New Zealand and almost all European countries. A bit unusual, there were guests from Israel, Bolivia, Ecuador, Mexico, Philippines .

IMPORTANCE AND BENEFITS OF THE RELIGIOUS TOURISM

Taking into account the fact that tourism is complex and multidimensional phenomenon and the insufficient and not readily available statistical data, it is almost imposible to examine its economic, social and cultural influence. Today there are probably no orthodox theologians or other theorists who would deny the economic impacts of religious tourism.

It is certain that this type of tourism is growing rapidly from year to year, while in China, Russia and other post-communist countries it is extremely developed.

Most remarkable benefits of the religious tourism are:

- Support for social solidarity by taking care to profit the local populations from the tourist activity;
- Making the effort to give the right of travel to all people by offering services at suitable prices to all the social classes;
- Respect for the various religions;
- Preservation of religious values and religious education;

From this point of view, tourism, due to the opportunities, offers people from different religions and cultures to come to know each other, it can play a major role in bringing people together, providing mutual understanding and peace between the people of the whole world (Shakiry 2003).

CONCLUSION

Sacramental buildings in the Republic of Macedonia fulfil the shiniest pages of the history of people living in the Balkan, witnessing the rich and glorious in creative, artistic heritage. These sacramental buildings are picture of the creative artistic production of the Macedonian soil - a challenge for intentional and random passers-by in search of beautiful and sublime.

While, in principle, religious tourism in Macedonia has immense potential to evolve as a niche segment, there are obstacles to be overcome. The first oblstacle is the poor tourism infrastructure in general, and perhaps the even poorer infrastructure of religious centres. Basic precondition for enhancing the number of tourists in the sacramental buildings is the improvement of the infrastructure and the general access. As important steps toward the aim of enhancing the volume of religious tourism is the creation of promotional materials on specific religious topics, opening of this topics and organization of tribines and congreses for its development. Also, creation and modernization of facilities is needed. The presence of two major religions in the country, along with their monuments and landmarks, is another positive factor that highlights the uniqueness and richness of the country with potential for development of religious tourism.

The second aspect that will need to be taken care of will be to provide the tourists with a holistic religious experience. Tourists may not find it worthwhile to come all the way just for a pilgrimage. A packaged trip that offers the different hues of religious tourism will have to be prepared. This would require blending the ritualistic part of the religious tours with informative, cultural and philosophical inputs. Information on the significance of every monastery, church and mosque will need to be provided in advance so that tourists are better prepared. Considering the wider opportunities of this segment of tourism, it is recommended traditional dances, music and theater to be included in the route, as well as dialogues and workshops on the essence of religious beliefs.

Religious tourism in Macedonia can provide an experience that cannot be had anywhere in the world. But for it to fructify, the seeds will have to be sown and the saplings will have to be nurtured.

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FORMING OF MACEDONIAN TOURISM BRAND – THE FACTOR OF INCREASED COMPETITIVNESS AND EXPORT THROUGH TOURISM

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ABSTRACT

Tourism in modern times is a lifestyle of people during their stay outside the place they reside. The quality of the tourism / hotel product satisfies the service consumers and with extra benefits and favorable price of the services, provides satisfaction to the consumers. The satisfied guests finance the operation of all the factors in tourism and the satisfaction is multiplied, in regards to the employed, organizations and other facilities which take part. Tourism is the most favorable form of export at the location of the service. The foundation of the quality which accomplishes the goal makes the standards and management of quality. The perspectives for tourism development in Macedonia in forming a system of Macedonian tourism brands and promoting the export of branded products through tourism. The standards are the foundation, the accomplished quality is the projection peak called a brand which are the best indicator- measure of business success. The standards are indicators of leading the rival and development politics, export thorough tourism and national brands.

***Key words**: forming brands, quality, standards, competitiveness*

INTRODUCTION

Today tourism is one of the biggest businesses in the world. It is under the influence of globalization, the world lives in motion and tourism has become the most developed industry worldwide as a consequence of the everyday are bigger and differentiated needs and desires of the tourists. Tourism is an industry of people, where the center of events is the human on one side as a consumer of services, and on the other side as a provider of services. In that sense, the human is a moving force in of the industry called tourism. In tourism everything is subordinated to humans, everything is directed towards the creation of products and services tailored to humans, so tourism is identified as an activity that has a multilevel impact on humanizing the world. Tourism is a method and a lifestyle of modern humans during their stay outside the place of residence, regardless of the motives for travel, business, leisure, recreation etc. The philosophy of life of the modern human is to live a quality life, which means to live well, be active, healthy and according to their choice. The material is replaced with the spiritual and it is changing the approach to tourism. People are predisposed to constantly discover and experience new and authentic values. On the scene is, conditionally speaking, individual tourism molded in small numbers of segments of the offer. In today's world the tourists knows what they wants. They have high perceptions to the actual values towards the strived for, and is willing to pay a price for value. Tourism no longer recognizes national markets, but recognizes a world tourism market, and it is moved by quality as a philosophy of life of the modern human.

Therefore, each national tourism product or offer is only a small part of the global tourism industry, so, the necessity to conform to the criteria of quantitative and qualitative modeling.

The developed world has established quality as a clear business, social purpose and philosophy of life and work.

If quality is the right choice, then the choice is an optimistic vision of the world. The optimistic vision and the assumption between “to be or to have” will prevail. “To be and to have” is the foundation of tourism development that will encounter all material and spiritual needs of the tourist.

The Republic of Macedonia, based on its potentials for tourism development, can and deserves to be a successful tourism story on a broader scale. Macedonia despite the attractive geographical conditions, location and natural beauties, represents a rich picture of the cultural heritage. From a survey conducted in 1993 in Macedonia, 49% of the tourists, among other things expressed interest in the culture and customs of our country. Such knowledge leads to the conclusion that a strong incentive for tourists is to visit the country's cultural values, and tourism is one of the means of spreading culture. With its mass, organization, association and material base, tourism is the explication of cultural forms, contents and contributes to the realization of the humanistic values of culture.

Macedonian tourism potentials are major, but not utilized. The constructed inbound tourism facilities for conducting hospitality activities particularly for the facilities of accommodation and food - hotels are the biggest representative of the tourism offer, so the impact they have on the quality of the overall tourism offer of the country is great and very important for the economy. The hotel product is the largest structural element of the tourism offer; it absorbs a huge number of products of the national economy, and thus provides indirect export through tourism.

CURRENT SITUATION OF OTEL MANAGEMENT IN MACEDONIA

The survey is aimed to highlight the current situation of hotel management as the biggest representative of the tourism offer. According to data from the State Office of Statistics of the Republic of Macedonia, from the inventory of restaurants conducted in 2008, the size of catering facilities and structures according to their purpose is as follows:

- Total restaurants in Macedonia 5.206
  - Catering facilities – shops 4.731
  - Accommodation facilities (of all categories and uncategorized), 475 facilities
- Categorized accommodation facilities 181
- Categorized catering facilities – restaurants 21

The quality standards in hospitality of Macedonia

The standards are realized on two levels, through:

• Categorization of hospitality facilities in accordance with the Regulations on minimum technical requirements of hospitality operations and Regulations on the conditions for categorization of the facilities for performing hospitality activities, as an institutional framework for providing – compulsory quality, and

• Certification for the application of international ISO standards and the HACCP system to control the process of production and distribution of food products.

The structure of graded accommodation facilties in Macedonia

1. Table 4 – The structure of categorized hotels and restaurants in the Republic of Macedonia, 2009

Category	Hotels	Restaurants
First – 5stars	9	
Second – 4 stars	21	3
Third – 3 stars	36	4
Fourth – 2 stars	60	6
Fifth – 1 star	55	8
Total	181	21

It is calculated according to the principle of arithmetic's means getting a result of 2.27 (412:181), which pictures an extremely low average level of hotels categorized standards in the hotels in the Republic of Macedonia from 2.27 stars according to the hotel facility on average.

FORMING OF THE MACEDONIAN TOURISM BRAND

The Republic of Macedonia has a necessity of tourism as an evaluation tool of the exceptional and numerous tourism potentials. The development of tourism, and therefore the hotel management, in the Republic of Macedonia, should be sought in the ability and skills of all factors, to distance the business practice that belongs to the past, from one side and to approach to the concept of the new time period on the other side.

Today the quality as a market category represents a key prerequisite for the survival of the dynamic, turbulent and competitive tourism market and the valorization of tourism as a potential of a country.

It is obvious that in the last 20 years the quality, as a feature of the products and services, it is exceptionally represented and promoted on the market. As such, nowadays it occupies a priority in front of the numerous measurable parameters such as productivity, profitability, liquidity etc. Numerous theoreticians connect this phenomenon associated with the intense trend of change of the attitude of buyers towards quality. In order to stay in the market competition the producers have to adapt to such understanding. Therefore, the application of quality standards has become the only alternative to the road to success. Standard and quality are not objectives; they are the way to the aim and are the achievement of successful operation of the hotel.

The determination of the Republic of Macedonia to integrate into the European and world development trends and to become a state of prosperity and distinctive quality can be achieved only by uniting all the forces, knowledge and guidance to the sole purpose – forming of the Republic of Macedonia as a country of quality.

Creating a strategy to form a Macedonian tourism brand

The starting point of forming a Macedonian tourism brand is creating a national strategy for this purpose i.e. the formation of a system of national standards of the accomplishment of individual brands of all factors in tourism. Legal entities in the activities which individually act to support the achievement of planned strategic objectives in its operations implement standards that will enable achievement of quality products and services to meet the needs and expectations of its consumers.

However, the realization of a national tourism brand means integrating individual brands i.e. their formation based on an integrated system of specific standards or in other words, integrated quality management based on standards.

Macedonian tourism brand-an export component on a domestic field

The brands in general, including hotel and tourism brands, are already "identified as the most powerful idea in the world of business." The Macedonian tourism brand should be a mutual national tourism brand, individual brands, joint individual brands of producers and consumers on the territory of the Republic of Macedonia, created by an increased participation of domestic inputs in the tourism product and realization of integrated quality.

The forming of hotel and tourism brands is conceived as a mutual joint marketing brand of the Macedonian economy primarily aimed at achieving global competitiveness and distribution in the area of sales and purchases.

The strategy for building an integrated Macedonian tourism brand should be based on the appropriate identification of the tourism potentials, in the spirit of the times and needs of the modern tourist, and a system of standards for the forming of:

- Brand of hotel accommodation facilities

  Highly classified hotels which will offer the service with quality compatible with quality services in accordance with European standards
- Brand of Spa Centers

  Macedonia abounds in thermal springs, a total of 38 spas with 1.327 beds, in beautiful natural settings and an advantage of operation throughout the year.
- Brand of Macedonian Cuisine – cuisine as a brand of Macedonian dishes

  Restaurants with licenses of Macedonian National Cuisine offering a minimum number of national dishes and an unlimited number in their offer
- Brand of Macedonian wine

  Macedonia – on the road of wine - wine tours
- Brand of the strategic cultural, sport and other manifestations

  Ohrid Summer, Galichink wedding, Strumica Carnival, Epiphany in Ohrid, Vevcani Carnival, and many others of the existing to new manifestations
- Brand of Macedonian folk and contemporary music
- Brand of the healthy food – environmentally friendly produced

  All types of agricultural and livestock products of domestic production with a feature of healthy fresh food and industrial processing
- Brand- Macedonia a clean country – environmental protection
- Macedonia- tourism brand

CONCLUSION

Who and how can form a Macedonian tourism brand

This noble mission is necessary and logically to be conducted by the: department ministry, Macedonian tourism community, tourism commerce and associations of the field of activity associated with economic facilities and factors in tourism.

The form of establishing a brand is based on the adoption of certain guidelines such as: identity, value, rank, performance, reliability, system, responsibility and continuous investment in the brand. The forming of the brands is based on the system of common standards of MTB (Macedonian Tourism Brand), such as the standards of quality management. Their characteristic is that these standards are documented; the emphasis is placed on responsibility, human resources, orientation toward consumers, planning, and design procurement in the process of the product / service, management, control, analysis and continual improvement. With common standards there is an intention to define all processes of the system as:

- Managing with integral quality of the brand which is based on established quality standards
- Standards of marketing, sales and purchases related to the global distributional and central reservation systems
- Managerial information and communication systems through which the selected national export brand, i.e. branded products are integrated

In regards to the human resource management, the employees of the tourism industry, increasingly gains importance with the introduction of integrated standards of all factors which participate in tourism. It primarily comes from them being irreplaceable in the process of the performance of the service, but remarkably is emphasized by applying high standards. This indicates the profound need for continuous learning and training.

The Macedonian tourism brand is a necessity because of the need for an effective method of creating a value and integrated managing with the benefits of increased market competitiveness and increased exports through tourism.

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TOURISM AND SOCIO-CULTURAL SUSTAINABILITY

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Abstract:

Tourism provides socio-cultural contacts of the people from around the world. It can have positive or negative effect on the culture of the host country. The positive impact is reflected in stimulating the interest of the host for his own cultural heritage which he seeks to preserve and present to the tourists. The negative impact is reflected in the unconscionably adjustments of the host to the tourists and the lost of the hosts' cultural identity. Providing services to the tourists from different cultures sometimes undermines the culture of the host and tourists are sometimes an intrusion on the lifestyle of the host. Socio-cultural sustainability implies the development of the tourism with the preservation of the culture and the value system of the people which that tourism development affects on. It also implies the continuous maintenance of the identity of the host. The main focus is to protect the socio-cultural values of the tourist destination.

Key words: *tourism, host country, socio-cultural sustainability*

INTRODUCTION

Increased rate of industrial development, population growth globally, as well as the wish to give a chance to almost everybody to enjoy the material well being, have considerably ruined the natural balance and faced us with some questions regarding the possibility of the global economic growth at present rates. The traditional concept of economic growth proved inadequate, since it affects the environment in a dangerously detrimental manner, and because it pays inadequate attention to the chances the next generation will have. Scientists have pointed out the need for a new concept of growth and development, so called the concept of sustainable development.

Sustainable development is the economic development when both the rise and the change of the manufacturing and consumption structure are developmentally acceptable. The developments of a community is considered to be sustainable if it improves the standard of living, not bringing at the same time the environment under undue pressure and not exploiting the natural resources over their acceptable capacity. Economic, environmental and social systems must be kept in relative equilibrium and balanced with each other to be sustainable.

Tourism has a special role and position in contributing to sustainable development. The concept of sustainable development refers to all human activities, including tourism industry.

SUSTAINABLE DEVELOPMENT

The growth and development of the economies of individual countries, as well as of global economy, is an undisputable fact and a necessity. It is necessary to make distinction between the growth of economy and its development. The concept of economic growth means the growth of the real level of net national product, whereas economic development is a wider concept, including the process of economic development together with the improvement of living standard and the quality of life achieved by means of the income increase. Economic growth has allowed for advances that have fundamentally changed the ways humans live from previous centuries, but these activities have also brought problems with potentially dramatic consequences. (Strange and Bayley 2008, 20) Climate change is the most visible one.

It is important to point out that the conventional concept of economic growth has become inadequate due to its detrimental impact on the environment, as well as to the insufficient regard to the benefits of future generations. In the course of the last few decades civilization came to the level where an urgent need for a new concept of growth and development, so called sustainable development has occurred. The idea of sustainable development does not mean slowing down economic development, but guiding it in such a way as to solve material together with social issues.

Sustainable development means restructuring the conventional model of economic growth, based on economic-quantitative indicators only, and moving towards development that will enhance the quality of citizens' life and work. (Wasserbauer and Grgat 2004, 148) It implies a shift from just material needs to the needs of self-realisation of personal identity and liberty, towards the welfare state and welfare world.

Viable development is development where the growth and structural changes in manufacturing and consumption are developmentally acceptable. (Dragičević 1996, 70) Each generation is «obliged» to hand net resources to the next one so that they are, per capita, not lower than the ones it has inherited. Net resources include natural resources and the environment, knowledge, technology and human resource capital. (Wasserbauer and Grgat 2007, 148)

Sustainable development is an ethic ideal, to be realised by the people who care for future generations. The following six criteria should be met: (Dragičević 1996, 65)

- achieving a holistic view of the development,
- integrated conservation and development,
- satisfying basic human needs,
- achieving equality and social justice,
- contributing to social self-determination and cultural diversity,
- achieving ecological integrity.

To attain sustainable development means to show respect for natural diversity and to preserve the environment. Achieving these goals means employing sustainable technologies, ecological funding and global ethics, based on social responsibility. The trend of sustainable development includes a few aspects. It primarily includes economic development resulting in the increased material standards of living. However, social, political and cultural development should not be neglected, as they mean raising the quality of life, political liberties and respecting human rights, as well as the right to express autonomously some specific and primarily ethnic cultural differences. The trend of sustainable development also includes an environmental dimension and new global ethics, which means it is necessary to protect and enhance the environment and inspire international responsibility as a token of safer future for new generations. (Wasserbauer and Grgat 2007, 149)

Sustainable development can be realised only by respecting the differences, autonomy, through international co-operation at all levels and in all the areas (economy, politics, culture, ecology). It respects long-term global and local aims, through respect for local community and through global awareness.

SOCIO-CULTURAL PRINCIPLE OF THE SUSTAINABLE TOURISM DEVELOPMENT

Social cohesion, cultural identity and generally accepted social values are part of a social capital of every community. Their conservation is the foundation of socio-cultural sustainability. Socio-cultural sustainability can be achieved only by strong and systematic actions of the whole community and by the development of civil society.

"Sustainable tourism development respects sociocultural origin (authenticity), accommodation, preserves cultural heritage and traditional values and contributes to intercultral understanding and tolerance." (UNWTO 2004.) In other words, task for this principle is to take care of the local population. This refers to their cultural heritage. When local people see benefits of the tourism development on the observed area, they will be motivated to protect the natural and cultural heritage and support activities. However, if local people do not realize the benefits of tourism, their behaviour may impair the image of the destination. Local people should be aware of what tourism can bring them. Measures to achieve the socio-cultural principles of sustainability, among others, are education of local population and its involvement in the decision making process in terms of tourism development.

"Socio-cultural sustainability refers to the ability of communities to accept new inputs, in the case of tourism that would be tourists, for a shorter or longer period of time and continue to function without the social disharmony that can cause this input. If there is disharmony, mechanisms must be pre-built to mitigate it to a minimum. Tourists who come from different cultural environments than those of the local population, should be informed about the customs of the local population, the normal rules of behavior, religion etc., which is essential for the tourists so that they can show their respect for local values and customs." (Smolčić Jurdana 2003, 69)

Socio-cultural sustainability of tourism development implies the preservation of culture and value systems of the people effected by the development and also implies continuous maintenance of the identity of the local people. The main focus is the protection of social and cultural values within the tourist destination.

Socio-cultural impact of tourism on the host country

The impact of tourism on the culture of the host country is often mentioned in the tourist literature. Tourism creates changes to host societies and cultures. Socio-cultural impact of tourism on the host country can be both positive and negative. "The magnitude of the socio-cultural change is determined by the extend of the differences between the host and guests" (Sharma 2004, 89) These differences include traditions, customs, basic values, religious beliefs, lifestyles, behavioural patterns, dress codes, attitudes toward strangers. Manner and intensity of the impact of the tourism on the socio-cultural characteristics of the local population will depend on a certain level of the tourism development in tourist destinations. "The form that the tourism development takes can have an impact on the rate of socio-cultural change." (Sharma 2004, 89)

"Culture can be divided into material and non-material elements. Non-material culture can be divided into habits and customs and non-material art forms. The forms of material culture which are most important for tourism are handicrafts and architecture." (Kandari and Chandra 2004, 121) These may be the elements that indicate the possible impact of tourism on the local culture.

Positive impact

It is necessary to satisfy several requirements for the positive impact of the tourism on the local population. Among others, the involvement of the local population in the tourism development is a necessity. "Encompassing elements of empowerment community based tourism can be viewed from at least two perspectives: public participation in decision making and resident involvement in the benefit of tourism." (Timothy 1999 in Sharma 2004, 6) "Participation in decision making entails community members determining their own goals for development and having meaningful voice in the organisation and administration of tourism." (Sharma 2004, 6) Residents should be involve in decision making and creating the tourist products of the destination. It will affect the achievement of sustainable tourism development.

The positive effect is primarily manifested in the preservation of the socio-cultural values of the local population that seeks to highlight its authenticity, originality and uniqueness. Tourism may stimulate a renewed attention for old cultural traditions and art forms." (Kandari and Chandra 2004, 121) "In cultural terms, local control is vital because residents have a greater tendency to do the tourist products in a way that is in harmony with cultural traditions, which might assist in building ethnic pride." (Sharma 2004, 7) Traditonal values, customs and heritage have been repressed by the modern way of living, and the development of tourism in a particular region can actualize them again.

Negative impact

Attractive tourist destinations are often very interesting for a large hotel chains. Hotel chains have their own standards and distinctive features of the business which they bring at the tourist destinations. These standards may not be in accordance with the characteristics and requirements of the local community. This could be the start for the negative impact of the tourism development on the local community.

Negative socio-cultural impacts of tourism development often focus on changes in basic values, traditions, gastronomy, customs, language of host country. "Negative impacts of rapid modernisation of societies through tourism development has created a series of stereotypical notions. Host communities are often viewed as "victims" having to accept the social and cultural changes brought about by tourism, while the guests who impose their own values on the host communities are the "villains". Generalisations that portray tourism development sponsored by multinational enterprises or transnational corporations as "evil invasions" also exist." (Sharma 2004, 88)

"The main areas of discussion are often related to cultural imperialism and assimilation of the weaker culture. As the majority of tourists come from economically developed nations, they tend to expect familiar amenities and conveniences of life in the destination areas such as they have in their home country. In order to accommodate the lucrative tourism business, the host community often has to accept the tourists' culture." (Sharma 2004, 99) In that situation host are assimilated with the tourists.

There are two situations in changing the behaviour of the host caused by the tourism. "Host change their behaviour when interacting with guests, but these changes are only temporary and context-dependent. This is called shift. Here, the changes are merely cosmetic instead of fundamental as in the case of acculturation. Acording to the acculturation theory cultural changes brought about by tourism are permanent. This theory states that when a strong and weak culture meet, the weak culture adopts the habits and customs of the stronger culture." (Kandari and Chandra 2004, 123)

The elements of material and non-material culture of the host may be affected by the tourism development in the negative sense. "For example, the form of material culture as architecture may be affected by the tourism development in the negative sense. Impacts on architecture arise mostly because tourist buildings are not build according to local architectual standards. Impacts on non-material culture, such as dance or religious manifestations, are similar to impacts on material art forms. Cultural expressions may lose their deeper significance when confronted with commercialisation. Commercially produced art forms without significance also called fake art, may be used to distract tourist attention from the real cultural expressions by the local population." (Kandari and Chandra 2004, 122) This may be the reasons why the host community lose their cultural features. Socio-cultural sustainability principles are there to prevent this negative effects and keep them to a minimum level.

CONCLUSION

Sustainable development should be based on conservation of resources so that the future generations could use preserved resources and meet their needs. Sustainable development includes economic, environmental and socio-cultural dimension. Among others, tourism affects the socio-cultural aspects of the host country. These impacts can be positive or negative. Negative effects of tourism should be kept to a minimum level. Tourism should preserve the tradition, culture, customs, social values of the host country and encourage the positive effects of tourism development. Host country should use the tourism for preserving own identity.

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PHYUSYCAL EDUCATION AND SPORT TURISM

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Abstract

Sports tourism as relatively new scientific discipline transcends boundaries of sport re-creation and opens new horizons in contemporary living. Each job is psycho-physio-logical process which consumes energy. The work requires an increased effort on the muscles, the more organs and the nervous system. The environment in which man lives and works, using correct diet, sun, water, clean air and more, affects the working capacity, strengthen and improve the physical health of children. Natural factors have major impact on the realization of the objectives and tasks of teaching physical and health education. Successful implementation of school activities are conducted in collaboration with parents inevitably requires high coordination with tourism officials from one side and with teachers in schools, on the other side. Only a maximum commitment, proper planning and systematic willingness of both sides anticipated as instructional content can to reach the necessary requirements.

Key words: *Education, recreation, natural, education, sport ,turizm.*

INTRODUCTION

The modern period of life is characterized by scientific and technological achievements in all cognitive areas. There is not a scientific discipline that is closed in itself. Interdisciplinary and are recognized in all scientific fields, it is one of the factors that enabled rapid growth of scientific knowledge and achievements.

Historically speaking, physical culture develops primarily influenced by the practical needs of society which were mainly oriented towards human preparation for work. However, physical culture is increasingly becoming one of the most important means of safeguarding and promoting human health and improving the functional abilities of the body, or as a tool for optimization of physical condition and vitality of man.

When we are talking about physical culture, the word "physical" should remind us of the material nature of the human body, its movement becomes a mean and object of physical activity, while the word "culture" we identified to the man as a social and human being that is subject and goal of its own creator engaging in that area. So, while physical education should be understood as a system of specific forms of physical activity that are used for the creation of human values and through them as a creation of man as a new value.

The degree of development of physical culture encompasses everything that make society in the interests of human development, linked with the creation of conditions, organization, personnel, and establishing various institutions and organizations that monitor the physical and functional abilities of children and youth.

Most working people in contemporary living and production are deprived of active physical stresses tha are necessary for optimal maintenance of high capability and normal life activities. Scientific and technological development makes human life better and more cultural but are upsetting the natural balance and seriously endanger the biological status of man. As a consequence of significantly reduced physical effort and low motor activity, begin to significantly reduce physical and working ability, so there are psychological stresses and other adverse effects on the body.(Bartoluci 2003, 9).

Such human inactivity leads to the emergence of hipokinesis - reduced mobility. According to the World Health Organization reports, there is recently increasing diseases that were previously not known or were not so massive as today (neurosis, heart disease, ulcers, cancer, etc.). Recognizing these phenomena and dangers arising from them, and regarding the health, economy, the industrialized countries are preparing special programs for education, and realized through the activities of sports recreation.

Sports recreation is aimed to meet the basic needs and interests in physical education using sport and leisure activities that are consistent with the level of skills and health and adult characteristics of men.

Natural faktors

Natural factors have major impact on the realization of the objectives and tasks of teaching physical and health education.To improve human health,itis necessary to understand it so the harmful impacts can be avoided. The work in its various forms must comply with age. Besides work, leisure must be present every day.

Children need free time to spend in nature, dealing with various activities. To achieve the goal of physical exercise and sport, proper body evolution, preservation and promotion of health, exercise must be properly selected and need to be performed under the supervision of a physician (eg exercises deformities). In performing the physical exercise should be paid attention to proper exercise and control of health, that is care of the doctors.

Air

Pure air with different particles, non- contaminated with harmful gases and elements, is particularly useful for the work of the respiratory system. There are other beneficial effects to the body, maintains nervous tone, helps in the exchange of substances with increased presence of oxygen. People who long for fresh air, have a fresh look. Studying the functions of the skin emphasized that it makes termoregulation, especially if you're exposed to cold water or air.

Therefore, clear air significantly affects the centers regulating body temperature. It is necessary to expose certain body parts or the entire body to fresh air. In warm periods (spring, summer), children should be dressed more easily just to be exposed to the sun and air, so the body is breathing through the skin. Influence of fresh air rich with oxygen affects the development of lung and respiratory muscles, and thus increases the resistance of the organism to respiratory diseases. It is particularly important to children, which in cold periods are breathing through the nose (which heats the air).

You should always pay attention to the ailing students and be careful for their health.

Sun

Solar rays can be harmful or make beneficial effect on the body depending on the moderation of exposure to sunlight. Sun rays can cause skin damage, and if more influence on the unprotected head, can cause damages which can be deadly. Ultraviolet rays have a very beneficial effect on the skin if you act with moderate duration and dosage. They absorb the epidermis and did not miss the deeper layers of tissue.

The epidermal melanin which is under the influence of solar radiation from deeper layers of the skin migrate to the upper layers, so it gives a dark color to the skin that protects against the effects of solar radiation. However, if the effect of solar radiation is long and with stronger intensity, it can cause burns and blindness.

Under the influence of solar radiation pro-vitamin D is activated, which has a positive effect on bone system. Sun bathing should be careful so children take place throughout the game. In the afternoon sun bathing should be avoided . The head must be protected with a cap to avoid adverse effects from the action of sunlight on the body.

Water

Water and air are necessary for life, but the water serves to revise and strengthen the body, and for the treatment of many diseases. Water is the primary mean of maintaining personal hygiene.

Children in the younger age must bathe daily. When bathing in summer time should be taken and gradually, to adapt the body of the temperature difference, thereby avoiding side effects, particularly on the cardiovascular system. The water should be adequate to be applied to games that stimulate nerve-muscle system and provide a pleasant stay in the new environment.

When bathing or showering should be taken the temperature of the water should be optimal, and certainly, its purity and pollution. For children issuing solar and water baths to stimulate the work of many organ systems.

Diet

The introduction to the basic principles of nutrition and normal functioning of the organism, it would be impossible without a proper diet. Necessary elements for survival of man are oxygen, carbon, hydrogen and nitrogen, which constitute 95% of organic substances in our body. The mineral constituents have the most calcium and phosphorus, then potassium, sodium, chlorine, and magnesium sulfor. Besides the human body has a whole range of elements such as iron, iodine, fluorine, zinc, manganese, aluminum and silicon.In our diet minerals like sodium and potassium and many other substances are necessary for normal functioning of the human body.

To provide the body with the necessary materials we need to consume different foods, both plant and animal origin. Food should be of varying density, to allow normal function of the digestive tract. Children need to eat more times a day (4-5), to bring diverse and quality food, which among other things contains vitamins. Vitamins are not creating the body, so they are introduced through the diet. Vitamins are organic compounds that fall into the group of biocatalisators because their presence allows all life processes, participate in the conversion of energy from one form to another.

Lack of vitamins cause serious diseases. Hypovitaminosis occur if you bring smaller amounts of vitamins needed while hypervitaminosis is extremely increasing the intake of vitamins in the body. Programme at a physical and health education offers a broad spectrum of topics-cooperation activities with parents at the local level are mandatory annual number of classes, so the cooperation and assistance of the parents can hold up with the training classes in swimming and skiing, picnics, hiking in nature, and multi-day trips, hiking, biking, roller skating and other activities. In agreement with the parents program prepares muat have selected content to be realized under the direct control and support of parents and adequate professional.

Sports Tourism and Education

Each job is psycho-physiological process which consumes energy. The work requires an increased effort on the muscles, the more organs and the nervous system. The work can be physical as well as mental. Although as two types of work, it should be noted that in reality the sharp division between them does not exist.

The teaching process acquires the learning material as a process in which energy consumption is high. Regeneration of the energy potential is significantly higher if realized through prozes. Rules of diet and other stimulating activities that affect the regeneration of energy consumption, and thus the elimination of fatigue. To remove the fatigue, there are two main ways: rest and use of various means of stimulating activities.

Starting with one of the main goals of sport tourism, removing fatigue and cultural use of leisure time, these activities can be implemented at local, national or international level. Ambient changes in symbiosis with motor activities actually are the primary factors of active rest.

Engaging the motor system activities that are close to the individual, provide not only physical but also psychological recovery of working ability, are the primary for human life.

Sports tourism as relatively new scientific discipline transcends boundaries of sport recreation and opens new horizons in contemporary living. For these reasons, sports tourism cooperation with educational institutions can significantly contribute in the implementation of election programs for physical and health education are realized in cooperation with parents.

Conclusion

Based on the above mentioned, there is an evident need for cooperation in tourism workers with educational institutions, especially with teachers at the elementary school teachers as well as physical and health education.

Successful implementation of school activities are conducted in collaboration with parents inevitably requires high coordination with tourism officials from one side and with teachers in schools, on the other side. Only a maximum commitment, proper planning and systematic willingness of both sides anticipated as instructional content can to reach the necessary requirements. The education system still does not include appropriate experts from the sports tourism majority, which offers through adequate implementation of these instructional content to open the road to sports and recreational real animation of our youth.

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THE MONASTERY TOURISM IN MACEDONIA

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Abstract

Churches and monasteries in Macedonia have the richest cultural treasure vase role in the development of tourism in the country. Rich in frescoes, icons, engravings, old books and manuscripts, they are representative of the cultural wealth of Macedonian medieval art. Macedonian monasteries inexhaustible source and a challenge to researchers and to open doors monastery expect them to discover the secret and the truth needs to enroll in the cultural history of the Macedonian people.

Monasteries are an excellent representative tourist destination with its wealth provide quality offer the world market and a vase link in the development of the tourism business. The monastery tourism is a priority in tourism and a branch in which everyone can invest to improve and much to achieve the promotion of cultural and natural values of Macedonia. This paper will present the beauty and value of the monasteries in Macedonia as a big opportunity for tourism development in the country and region.

Key words: *tourism, monastery tourism, monasteries, cultural heritage, Macedonia*

INTRODUCTION

Macedonian monasteries are our richest cultural treasure, which is filled with many frescoes, icons, engravings, old books and manuscripts. They represent the cultural heritage of our medieval art.

Macedonian monasteries and spiritual centers were, source and witnesses of Macedonian Orthodoxy. They radiated with their spirituality through the ages. They shine even now with all their richness and beauty.

They are the inexhaustible source and a challenge for researchers and to open doors monastery expect them, to discover the secret and the truth needs to enroll in the cultural history of the Macedonian people.

Macedonian monasteries represent a necklace of pearls which decorate Macedonia.

Offered Rarities

One of the necessary details are the mitras - archiepiscopal vestments, which are made by the sisters from the monastery in the village. Rajchica who can not be found in any monastery in the Balkans. Their uniqueness is the secret of the Byzantine style and embroidery for centuries that there are groomed and kept. Only these Mitras decorate the vestments of the Ecumenical Patriarch, Russian and Romanian. But how much does the general public know about them as they are animated at all, just those from a position of neutrality, would have seen it and would give his own assessment and gasp and felt the genuineness of the biblical country - Macedonia.

After nearly two decades of independence, Macedonia decided to build a national strategy for tourism. But the key issue really is what Macedonia can offer the world. Why there is not a national monastery tourism strategy? The renewal of monasticism over a decade meant many things and opening the monastery gates for those who need spiritual peace and the trump card with which Macedonia will attract foreign tourists.

Macedonia in the world can not sell a massive summer tourism, but we can offer the beauty and vividness of Christianity and so much more than some other Orthodox countries that practice monastery tourism. Experience shows that religious tourism takes a larger scale. Today, Macedonia has about 30 monasteries that are still alive and three times more shrines. And they are all open to tourists. They retell the history, testimonies of Macedonian independence from the narrations of the monks.

The monastery tourism in Macedonia began to evolve along with the reconstruction of the lodgings and the restoration of monastic activities and food production. Pioneers of this type of tourism are monasteries.

St. Leontius in Vodocja and the Bigorski Monastery in the Debar - Kichevo diocese are one of several monasteries which voluntarily invest in this type of tourism. Currently there is room for about 100 guests in the monastery quarters. Despite the spiritual peace, the guests can feel the life of the monks. And their diet is similar to religious practices, worship, spiritual instruction.

St. 15 Vinopolski martyrs.

They represent a break for the soul where all Orthodox holidays are celebrated in the spirit of Christianity and folk customs. Unfortunately, the story of the making of the mitras, the icons and the frescoes in the art colony in Veljusa, the stories about the healing power of the monasteries and their historical destiny remains inaccessible to foreign tourists by an organized promotion.

Monasteries in Vodocha and Veljusa are open to visit all premises except those in which the monks live. Often groups come from different organizations and schools and some of the monks present the historical value and importance of these temples of Christianity in the country. These monasteries fascinate with their architecture, monumentality and preservation. Their frequent guests are the diplomats residing in Macedonia.

Monastery of Our Lady in the village Matejce

This monastery is located in Skopska Crna Gora, 13 km away from Kumanovo, near the eponymous village. The monastery church is based on five domes, one more centrally located and four on the side.

Monastery of St. Archangel Michael – Teovo

Nearby, over Teovo as a natural terrace, one can see the beautiful monument, who has not been seen by the centuries - the monastery of St. Archangel Michael. Over four years, engaged selfinvestment, the founder in the glory of God and in honor of the Holy Archangel Michael, built a monastery.

The monastery founding category is known throughout the Orthodox Church, but within the Macedonian, especially in the newer history, it is a rare pedestal. The monastery is situated at an altitude of 450 meters, a location which is found on old foundations of a former monastery.

The monastery inn is a real masterpiece of construction and arrangement of housing.

St. Virgin Perivleptos (St. Clement of Ohrid)

Today St. Clement, built in 1295 under the name St. Virgin Perivlepta (Preslavna), is completely preserved medieval monument of Ohrid, known for outstanding architecture and wall painting.

the church is cruciform - St. Clement was built in the shape of a cross. There is an eight-sided domed roof with oval wreaths. The builders used materials from baked brick and limestone. With their master stacking they have achieved outstanding solutions and decorative harmony of the external appearance of the church. Therefore the church St.Clement takes a prominent place among the top achievements of medieval architecture.

Today's name was given after the transfer of the relics of Clement of Ohrid in the monastery church of Sts. Panteleimon, because it is converted into a mosque. In St. Clement from the churches of St. Sofia. And St. Panteleimon there have been carried many precious icons, manuscripts written in Greek and Slavic language from the 10th century. Until the present days there are preserved many exhibits, mostly from the famous collection of Ohrid icons.

The frescoes of St. Clement were the first known dated works of Michael and Evtchious, later court painter to King Milutin.Joint inspiration was the ancient art, more precisely- the masks that actors wore during the performance of tragedies in ancient theaters.

Here is exhibited a work of great artistic and historical value. That is the only and unique sculpture which represents the character of St. Clement of Ohrid. It is believed that the sculpture was made in the late 13th century. Probably occurred under the influence of Western art at the time of crusades and quests capture of Constantinople by crusaders. Here is the ancient seat of the Ohrid Archbishop Prochorus, adorned with a sedef. Amidst the barely visible Slavic inscription we learn that this throne was built in 1540. Another work that causes impacts is ruling throne of the metropolitan Gregory, carved in wood, work of the masters from Debar – the Todorov brothers from the village of Gari.The frescoes in the vestibule are also painted in 1295. The current outdoor porch of the church St. Clement was drafted in the 19th century.

St. Sofia (Divine Wisdom)

The oldest preserved church is the cathedral of Ohrid St. Sofia which for many centuries was the seat of the Ohrid Archbishopric. It is one of the most important medieval monuments in Macedonia and abroad, the only gallery of medieval painting of the first half of 11 to the second half of 14vek. It was built by the Archbishop Leon (1036-1056). In this period the Byzantine Empire ruled the Macedonians and the style of the church is Macedonian. Parts of the original stone iconostasis are found in several places near the altar. Impressive are the major figures of ecclesiastical dignitaries, monumental Old Testament and New Testament scenes. Painting in St. Sofia in Ohrid, however is associated with the art of the Byzantine clergy of the time, and it created a new Slavic environment in the midst of the Ohrid Archbishopric St. John the Theologian-Kaneo.

St. John the Theologian – Kaneo church is built and painted in the 13th century and it has no written data. It is located in one of the most beautiful places on the Ohrid coast. Raised high above the marble in Kaneo, a former fishing village and over one of the most beautiful beaches in the old part of the city. Built in the shape of a cross, congruent shapes and remarkably successful facade and dome shaped, it is significant in the study of medieval monuments in Ohrid. Of particular importance is the iconographic display of Clement of Ohrid.

St. Naum of Ohrid

The area where the monastery is located is one of the most beautiful at the Lake Ohrid. Beautiful greenery of this area, both romantic islands surrounded by sources of Black Drim, spacious sandy beach, the monastery and a panorama that shows the izvishuheight at which it is built, make this place one of the most attractive pick-nick places. .

Today dormitories were converted into a hotel with excellent view over the lake. Here are two Cyrillic and one glagolian inscriptions, graffiti that occurred in the late 10- 12 century. These posts are important documents for the oldest Glagolitic and Cyrillic script. About the miraculous power of Naum Ohridski there is a belief for its ability to heal spiritually sick people. The first "hospital" in the monastery of the Holy Book. Nahum was built back 1662g.

St. Naum Ohridski

The monastery area is one of the most beautiful around the Ohrid Lake. The fauna of this area, two romantic islands and the Crn Drim river around them, long sandy beach, the monastery its self and the panorama, are making the place one of the most attractive resorts.

Today part of the priest chambers are turned into hotel, with the most beautiful view on Ohrid Lake. At this place are located two cyrilic and one glagolic writings, which emerged at the end of the 10th till 12th century. This writings are very important documents. There is a believing for the might of St. Naum and his ability to heal spiritually ill people. The first “hospital” in the monastery book of the monastery St. Naum, was built in 1662.

St. Jovan Bigorski

The church is build for St. Jovan the Baptist. According to the monastery monument built in 1833 the church was built in 1020, form the Archiepiscop Jovan. But, this information has its own legendary character. In the 16th century it was destroyed by the forces of Ottoman Empire, and they left only one small church. In 1743 the priest Ilarion rebuilt it again.

Zograf monument from 17th century

This monastery has its own library of hand writings: In NB – Sophia is kept Zlatoust from 1547 written by priest Visarion at the igumen Seraphim in Slepche Monastery, and also could be found in the library of St. Jovan Bigorski.

Zrze Monastery – Prilep

West from Prilep above the village of Zrze is located the church built in name of Holy Disguise. It was build by the priest named German in the middle of 14th century, in the time of Tzar Dushan. According to one of the legends in the monastery was married Volkashin, and his son Krali Marko.

St. Mother of God – Veljusa

It was built by the priest, later episcope of Strumica Manojlo in 1080. Manojlo placed for his apprentice the priest Ilija. According to one of the legends the church was built before that by Cyril and Methodius brothers.

In the middle of 13th they were 23 priests living in the monastery. In the library was placed 4 evangelija and 64 other church books. In 1913 there were a fire in the monastery, but today is well conserved and well kept.

Markov Monastery – Skopsko

Behind the south falls of Vodno at the village Sushica – Skopsko. The church is built in the name of St. Dimitrija. The building of the monastery was started by King Volkashin in 1345, and it was finished by King

Marko and the name of the monastery emerges from the kings name. it was painted in 1376/77 . The monastery was never destroyed

In 1645 the monastery name was found in hard copy book, and in 1663 was found in a note in one hand writing book. In the beginning of 19th century Cyril Pejchinovik has gathered the younglings in the monastery and teach them how to read and write.

In the Markov Monastery he wrote his book “The Mirior” in 1816 . In 1830 was built open balcony, and Hamzi Pasha Skopski has financed the process of building.

St. Joakim Oskogovski Monastery

In the falls of the mountains of Osogovo near Kriva Palanka according to some legends was build by anachortet Joakim Osogovski who lived in 18th century. There is a chance this monastery to be built after his death also.

CONCLUSION

What should be done for the monastery tourism to be better in Macedonia?

In sort of using her spiritual treasure, Macedonia without exact solution and idea, is flowing in place.

But for successful development of the monastery tourism of Macedonia, its wrong to think that the focus is placed on exact number of monasteries and churches, mostly from Ohrid area, because Macedonia is rich with a lot of other beautiful monasteries and churches across all of her territory. Its un doubtful that the summer tourism in Ohrid is fulfilled whit this thematic, but because of the tourist marketing there could be offered also other monasteries and churches, which could offer a lot of differentials, characteristics and products.

Comercialisation of this field in Macedonia its used in very low percentage. It is known that Macedonia is country with the most churches and monasteries in the Balkans (approximately 900 of them). Despite the number, most of them are known by their special characteristics, rareness.

There is a lot of unmarked temples in Macedonia. Infrastructure, roads which leads to many of them are ruined, and located in mountain areas, and also are unreachable.

Infrastructure and marketing are the most essential thing that should be considered. So the missing thing in the chain should be fixed, and the should be on stand by to receive the incoming wave of tourists. Development on long period, and insurance on economic, social, cultural and ecologic way and plan is not to be polluted.

All participants for tourism development are not changing their mind that this is the brand that Macedonia could offer to the world. With all this we are proving independence of Macedonian Orthodox Church.

Monastery tourism in Macedonia has emerged together with reconstruction of priests chambers, and renewing of monastery activities and food providing. Our final goal should be the groups of different organizations and public schools, also tourist that some of the priests are introducing to the historical values and meanings of this temples about the Christianity in this country.

Trying to get this oldest sector of tourism better, Macedonia needs to be explored, educated and of course world advertising. Exploring will get us closer to the countries with successfully developed monastery tourism.

Educations or introduction to our own citizens with our cultural treasures will get them closer to destinations which these treasures are located.

Using the modern advertising will bring a lot of tourists here in Macedonia on “history class” .

Here should take part and the tourist agencies with their own marketing campaigns, according to the needs of the modern or so called e-tourism.

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THE IMPACT OF TOURISM ON THE ENVIRONMENT

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Abstract

The main objective of this paper is to recognize the link between tourism and the environment. The basic is that the development of tourism should have the kind of rational use of resources in the environment On the other hand, to indicate the negative environmental impacts as a result of faster development of tourism.

All it requires to be defined and proposed measures that could lead to the improvement of the environment as a result of tourism development. In the paper all the following components will be placed in the closest connection with social and socio-economic conditions that correlate with the development of tourism worldwide.

Key words: *environment, tourism, impacts, environmental management.*

INTRODUCTION

Generally pollution is a term that we encounter every day and who challenge themselves, a problem that has occupied the world. There are a number of pollutants that destroy the environment is also important to mention the fact that tourists are major polluters of the environment. With each succeeding season tourists leave large traces and destruction of the environment.

With sustainable development provides a clean and unpolluted environment for all subsequent generations. The concept of sustainable tourism development which is actually an application of the concept of sustainable development of the tourism industry contributes to maximizing the positive effects of tourism development and to minimize the negative effects of which are very important negative effects on the environment. Thus, sustainable tourism development contributes to the protection of the conservation of natural resources and environment in places where tourism is practiced.

Tourism represents a specific phenomenon or special social, socio-economic, natural, geographical and socio-any other phenomenon of today.

His power is so great that he now, during the year, may initiate a wave of more than half a million tourists to engage in process of tourist movements, not counting those that are going on domestic destinations.

The total, however, revenue from tourism is estimated that today more than seventy billion dollars. However, despite meeting the tourist-recreational, cultural and other kinds of human needs that arise as a result of increased urbanization and industrialization in places of permanent residence, as well as huge global economic effects that are effected On tourism, mass tourism is now emerging as a potential and significant environmental pollutants, especially those areas that are characterized by intact and very attractive, is semi urban environment. So today, one of these areas are on track to lose the function of quality environments and thus a process which, in turn, represents a very dangerous and worrying phenomenon. Most countries in the world take series of steps to establish a regime of protection to parts of the natural environments in which there is great danger of the so-called tourist pollution.

In this paper we show the impact of tourism on the environment, understands the negative aspects as well as positive consequences, and defining the possible measures that could lead to mitigation of its adverse, impacts relationships, thereby not to disturb the social and economic component that occurs as a result of tourist movements.

The environment presents a kind of combination of natural and human factors while, among other things, not neglecting of her very strong and active connection with the tourist economy, or economic management or, using more modern terms, the economic management of tourism.

Thus, it must be stated and very close sensitive link between tourism and the environment for tourism, in large part, based on natural and anthropogenic resources that often are not renewable.

Negative effects on the environment caused by intensive development of tourism

Tourism represents a factor in good standing of the economic prosperity of a country, specifically those that deal with tourism businesses; it also has the role of association of groups and individuals who participate in tourist movements. Tourism also helps to create their own identities of states, and consequently the tourism represents one of many key factors in economical, fast, social and cultural development of countries in the world. Also tourism represents a major factor in good condition and those who use their holidays for stimulate their physical and mental abilities.

Basic resources such as water, space, flora and fauna, cultural heritage, are factors that certainly create some damage and contribute to environmental pollution. Environmental pollution is a result of the increasing expansion of travel claims, and the use of technology posofisticiranata be applied in tourist trips.

Seasonal nature of tourism represents an additional pressure on the environment because it is a period when tourism collides with eco systems at that time when they are most vulnerable. Also a quick pressure environment are performed by the unfair competition of tourism operators that every day is greater.

Global warming and the growing increase of the hole in the ozone layer are major environmental problems associated with the globalization of tourism, and it will greatly reduce the quality of natural resources.

As mentioned above, one of the most important factors for the destruction of the environment and depletion of natural reserves and tourism. On the one hand, the purpose of tourist movements is not pollution and preserving the environment. But on the other hand, they travel movements are a factor of pollution of the natural environment and violator of the natural setting. The negative effects on the environment, tourism can gradually destroy the natural resources that actually depend. Because tourism lately is called "destroyer of space”

Among the many impacts of tourism with a strong negative impact on the environment as most important can highlight the following:

- ✓ destruction of the ozone layer - air travel and hospitality industry are among the main generators of substances that destroy the ozone layer;
- ✓ The destruction of flora and fauna in tourist destinations during tourist visits
- ✓ The destruction of the hunting game, as a result of excessive hunting and inadequate tourist activities during recreational sports tourism.
- ✓ Pollution of air and soil as a result of construction of catering facilities.
- ✓ Increased noise in tourist destinations, which is due to the large number of tourists
- ✓ pollution of the environment

Air Pollution

In the last century, the internal combustion engine transformed the planet. Allow people to travel faster and farther than ever before, by car, plane, train, boat. But new state of the 21st century has its price. As people travel and release more sulfur, lead and many other toxic substances are released into the atmosphere. But the biggest problem is carbon dioxide, a gas that is released during combustion of fuel. Millions of tons of gas released during each year. Carbon dioxide creates a layer that reflects sunlight back to Earth, causing climate change. It should be emphasized that transportation is one of the main polluters of the atmosphere, and that it is increasing growth, as well as automotive air, shipping and rail. Also transportation of tourists despite large air pollutant with harmful chemicals and catering facilities and factories working for the benefit and the benefit of tourism.

Water Pollution

Construction of hotels, recreational and other facilities used in tourism purposes, often leads to increased water pollution. Wastewater has polluted seas and lakes surrounding tourist attractions, damaging the flora and fauna. Sewage causes serious damage to coral reefs because it stimulates the growth of algae that feed corals and recommended their ability to survive.

Pollution of soil

Land resources include minerals, fossil fuels, fertile soil, forests and wild animals. With the increased construction of recreational facilities that are used for tourist purposes, and increased pressure on these resources. In forests often suffer negative impacts as a result of tourism in the form of destruction of forests to create space for the construction of various facilities that will be used for tourism purposes or cutting of forests for firewood. Also, excessive use of fertile land and good land for building new accommodation and facilities for the purpose of tourism, contributes to land degradation and establishing a direct negative effects of tourism development. Thus, not only destroy the forests and fertile soils, but wildlife suffers because of these decisions for tourism entrepreneurs.

Goals in environmental management and their association with environmental management in tourism

Environmental management or environmental management in tourism is one of the main issues arising as a result of more intensive tourism development today, mostly in industrialized countries.

Many countries are increasingly organized numerous international conferences, which points to the ethical code that stands for principles and values that people should respect in order to improve the quality of life. Frequently noted the general principles and objectives in environmental management.

The most important principles are:

- ✓ self-respect and respect for others, respect for future generations and respect for the environment
- ✓ relation to the environment as the heritage of humanity
- ✓ The right to healthy and clean environment
- ✓ solidarity, responsibility, tolerance and autonomy in environmental management

These principles define the concept of sustainable development, among other things correspond and are in full compliance with environmental management in tourism because tourism development must incorporate environmental issues which still depends and enduring appeal of the areas in which he presents the primary activity. Respecting these principles, the tourism policy must be committed to the development of appropriate economy spaces having no regard to the social component of the local population.

All these principles must correspond with the objectives for which they apply. The most important of them are the following:

- ✓ **Environmental Protection** or the dimension of biological and landscape diversity and long-term production of eco systems
- ✓ **Valorization**, ensure sustainable development of resources
- ✓ **Social dimension** that is improving quality of life
- ✓ **Security dimension** that guarantee individual and collective security risk and danger to life
- ✓ **Cultural dimension** that is keeping the elements of natural and cultural heritage

Environmental management in tourism

Environmental management, looking in terms of tourism, must start from the overall structural and planned long-term assumption of responsibility for problems, and possible actions for problem solving, and systemic prevention and reduction of all unavoidable adverse impacts and effects should be taken at all stages and levels where they are contact, as soon as possible. Management necessarily imply real planning of tourism development through: data collection, determining priorities, selection of participants, compiling a register of resources, time terms, fees etc..

Therefore, it is essential to evaluate the usefulness and effectiveness of these measures and if necessary, to take any additional corrections. Sure here are need imminent need for an indication of the principles and ways of managing tourism, such as:

- ✓ Principle of sustainable development planning which will include procedures for preparing a study to assess the impact, as well as that of strategic environmental assessment,
- ✓ The principle of management of tourism facilities and activities, based on the analysis and knowledge of the environmental impact of tourism facilities and all with the preparation of studies for analysis of the primary load bearing capacity
- ✓ The principle of involving all those participants that are important for decision making in the management system, all instruments using the information (charters, recommendations, eco labels and codes) and instruments (public surveys)

Compliance with the above principles, the basic goals of environmental management would be as follows:

- ✓ Encourage new and specific tourism ethics and change the approach, attitude and behavior of people in the process of tourist move
- ✓ Stressing touristic the effect of development on natural, social and cultural environment,
- ✓ Integration of environment in the stages of planning, preparation and decision making,
- ✓ Providing sufficient resources for the implementation of environmentally friendly programs, plans and general implementation of environmental policy,
- ✓ Maximum respect for the principle of encouraging and involving local populations in the design and implementation of projects
- ✓ What is the possible greater respect for the decisions, opinions, declarations and strategies of all major conferences

The principles and objectives of environmental management, among other things, the provision of general corresponding strategic environmental assessment of policies, plans and programs regarding the legitimacy of the planning of tourism in certain specific areas, is the so-called strategic environmental assessment. In this direction we define the following elements:

- ✓ The goals, objective and subjective difficulties and scope of assessment,
- ✓ Methods of assessment
- ✓ Fuzzy assessment
- ✓ Technical and financial feasibility
- ✓ Definition of proposal
- ✓ Receipt and review of assessment

After completing the process of assessing the state of the environment, can be accessed to evaluate the proposal, according to six most prevalent and most common sizes, such as:

- ✓ effects in terms of environmental
- ✓ Economic effects
- ✓ Allocation of expenses and profits
- ✓ Respect for the optimal social welfare of tourists and locals
- ✓ Respect the integrity of the population in the neighborhood.

Following the principles, goals, giving general strategic environmental assessment or evaluation of state of the environment, and its review, the approach to preparing the application modules, which, of course, the most important are those relating to development projects. As with all other types of projects, and here there are several stages in their development including: project selection, its preparation (stage of research, development and research justification, the period of training, evaluation of results) and oversight of the project.

In the case of environmental management with tourism, major types of projects would be as follows:

- ✓ Research in environmental and tourism in order to improve knowledge about the relationship between tourism and environment. This type of project involves the application of scientific approach in monitoring, formulation of assumptions, data tabulation and analysis, interpretation of phenomena as well as measures to avoid the negative effects of tourism economy.
- ✓ Solving a problem, irregularities in the relationship between tourism activity and the environment as a result of excessive use in some locations, resulting in some disruption in the eco system.

In terms of examples that are most specific for the preparation of appropriate project types, most commonly used are the following models:

- ✓ Model Creation of a tourist activity are the most common topics such as: designing and building of infrastructure, preparation of studies on the impact of tourism infrastructure and its activities, the design of environmentally friendly activities or intensive tourism products and exploring the impact of an activity, or facility on the environment.
- ✓ Control Module for the development of tourism, with the following topics: preparation of a plan for sustainable tourism development, programming tourist activities and strategic assessment of environmental impact, development of tourism in protected areas, restoration of degraded sites and eventual presentation of the possibilities for their rehabilitation and so on.

Training on environmental management in tourism

Training for all tourist professions at all levels is one of a free or if not the most important activity in environmental management in tourism. Under this training is essential to build principles of environmental management and to promote a new code of ethics in tourism behavior. For each long-term strategy for environmental protection are of great importance training and education for the same.

The goals, however, the training would be as follows: preservation of natural ecosystems, preservation of landscapes and cultural and biological heritage, restrict the use of mineral and energy resources, quality management of water resources, pollution control, improvement of quality of life, incorporating environmental issues into all economic activities and more.

The implementation of the training, as indeed usual, to be observed some basic principles, namely: principles of careful decision making, the precautionary principle, the principle of translocation, the principle of ecological compensation principle of ecological integrity, principle Using cutting edge technology and environmental practices, the principle of public participation in the creation of tourism policy, the principle of restoration and the like.

In terms of methods, training can be realized in the form of the following activities: courses, workshops, seminars, futures research, organizing round tables, using a variety of simulation techniques and more. The duration, however the same would be determined depending on whether it will be comprehensive, extended, etc..

Overview

The main topic of this paper is the impact of tourism on the environment. In this regard, the underlying message of its users is that they are not intended recognition of the growing risk from tourism on the environment, to understand her need for intensive care, and recognition of optimal ways and solutions for governance, management or tourist areas. In this regard it is essential to pay attention to the following:

- ✓ to demonstrate that tourism must be kept natural and cultural capital, and in order to protect economic resources
- ✓ to highlight the fact that the environment has an internal, which is not bound by its tourism value,
- ✓ To be noted that the relationship between tourism and the environment is very sensitive and that represents a basic assumption in the overall tourism development,
- ✓ That people need to create awareness about the possible risks of tourism on nature or environment, landscape and cultural heritage tourism development if it starts getting unwanted and uncontrolled dimensions.

We should be aware of the losses they suffer from unscrupulous exploitation of natural resources available to the environment. What we do directly affects us and our future generations that they will most feel the effects of environmental degradation and improper use of natural resources.

Therefore, to reduce the negative effects of tourism development and to preserve the primordial form of clean environment and on the other hand, to maximize the positive effects of tourism development should be introduced to the concept of sustainable tourism or sustainable tourism as best solution for the development of tourism in the future.

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LOCAL TOURISM INFLUENCE ON THE ECONOMIC DEVELOPMENT OF WESTERN MACEDONIA

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Abstract

Tourism is a complex economic structure composed of sequence of fragments of different industries and sectors in a national economy, so its cohesion strength in the economy results in numerous economic effects. These effects are the result of a series of market interactions and interdependences on both direct (direct provision of services) and indirect basis (logistics).

Since the 1980s, Macedonia is facing a high rate of unemployment. The restructuring of the economy led to a global decline in labor demand and the low economy growth and lack of large investments haven’t led to a creation of sufficient number of jobs.

It is important to understand that tourism is a specific sector where introduction of new technology has little impact on (ie does not reduce) the number of employees, as it is the case with other sectors.

Key words: *tourism, economy, new technology, Macedonia*

INTRODUCTION

Tourism is a complex economic structure composed of sequence of fragments of different industries and sectors in a national economy, so its cohesion strenght in the economy results in numerous economic effects.

These effects are the result of a series of market interactions and interdependences on both direct (direct provision of services) and indirect basis (logistics). Tourist consumption is the basis of all economic effects of tourism, as without its realization it would not be possible to achieve any economic impact that would arise from the development of tourism.

Tourism is very important for many countries due to revenues generated from tourist consumption of products and services, from taxes collected by the tourist industry, as well as employment opportunities in the service industries related to tourism. Tourist activities in Macedonia have had notable success in the1980s. At those times, Macedonia was visited mainly by tourists from other parts of former Yugoslavia, Western Europe – Germany, Netherlands and France.

The events of 2001 in Macedonia have influenced the country's image in the eyes of potential visitors and the foreign tour operators and travel agents who create different perceptions in the global tourism industry. The situation, however, has improved in recent years.

Since the 1980s, Macedonia is facing a high rate of unemployment. The restructuring of the economy led to a global decline in labor demand and the low economy growth and lack of large investments haven't led to a creation of sufficient number of jobs.

Recent reforms on the labor market, including the new Law on Labor Relations from 2005, are a step forward towards improving the situation of unemployment in Macedonia. Currently, the unemployment rate is 35%. According to the National Economic Development Strategy, Republic of Macedonia, if using the tourist potential, has a real chance to significantly advance the development of tourism[101].

Apart from the lake, mountain, spa and transit tourism, our country has not exploited yet the opportunities that rural tourism offers. However, both in the area of rural and national tourism, because of the distance of the markets of tourist demand, an increase of the volume of tourist traffic in our country is possible to achieve only by a permanent and organized appearance on the tourist market, by price reductions for the services and a continuous improvement of their quality, constant improvement of hygiene in the tourist and catering facilities and on touristy sites, increasing the kindness of the staff and so on.

Such a policy in the development of our tourism results from its importance in the development of our economy, but also from the strong competition of our neighboring countries and their commitment to place tourism on their lists of priorities in the future.

It is important to understand that tourism is a specific sector where introduction of new technology has little impact on (ie does not reduce) the number of employees, as it is the case with other sectors. In other words, tourist services are more intensive than the efforts of other services in the economy. In that sense, we can conclude that in a situation of high unemployment, tourism development will greatly contribute to secure new jobs and reduce the unemployment rate.

Tourism not only creates jobs, but it also creates an increase in primary and secondary sector of industry.

Money that was invested in a hotel helps create jobs directly, at the hotel, but also indirectly creates economic activity and vacancies in other sectors of economy. The hotel, for instance, will procure food from local farmers, who can use part of this money for purchasing fertilizers, fuel or clothing. Manufacturers, vendors of fertilizers, fuel or clothing, further spend the money they received for their products and hence, these subsequent circles of expenditures continue to create additional economic activities.
Most investments in our country (76%) are made in the areas of Skopje and Ohrid - Struga. Still, the remaining part of the country has a great potential for development of rural tourism, cultural / historical tourism, spa tourism, etc., but very little has been done sofar to stimulate their development.

The greatest benefit of tourism is that it has the ability to turn noneconomic resources into economic ones, ie those resources which without tourism or being included in tourist projects would never accomplish economic effects, primarily revenues (eg, rural, ecological and abandoned areas).

RURAL TOURISM

The concept of rural tourism is not a novelty. Renaissance which it is experiencing lately is the result of the consequences arising from the development of mass tourism, and monotonous and uniform stay of tourists in resorts. The term "rural tourism" is globally used rural culture is a key component of the tourist offer[102].

Rural tourism has appeared in Western and Central Europe in the early 20th century. Switzerland is the first country that started developing rural tourism. The first organized approach in its development

[101] MANU: National Strategy for Economic Development of Republic of Macedonia. Skopje, 1997, pg. 284

[102] WTO: Tourism - A Tool for Sustainable Development in Transitional Economies. Belgrade, 2005

happened in France (1955). After the Second World War it started developing in Austria, Germany, Belgium, Sweden, Norway and other countries of Western Europe. Rural tourism is now well developed in the U.S., Canada and the South African Republic. Of all the eastern European countries, only Hungary has a well developed rural tourism.

At the beginning of this century, rural tourism appeared for the first time not only on the domestic but also on the international market. "International tourist product" consists of all tangible and intangible elements that belong to the original and upgraded tourist offer by rural areas. Today, according to the World Tourism Organization, rural tourism in Europe has about 200,000 accommodation units (4 beds to accommodate produce income equal to one employment).

If the experience of countries with well developed rural tourism and its current trends are used in planning the development of rural tourism in our country, we should start from the fact that its main tourist market is the domestic one. Everything starts here, from the need to escape from urban temptations and spend a weekend in the countryside to the need to experience the quality of the rural environment and its surroundings.

Settlements that have attractive tourist resources well preserved ethno-ambient motifs, modern communal infrastructure with residential facilities that suit the needs of tourists and are located in the vicinity of the renowned touristy areas or near transport corridors, can be subject to further analysis of the development of rural tourism. Rural ie village tourism is an important component of overall, sustainable rural development (renewal of villages, revitalization of rural areas and developing rural tourism organizations). This is also in line with the preacession activities to join the European Union.

In addition to the above said, facts show that Macedonia has significant economic, cultural and natural conditions for development of rural areas. In addition to traditional production and preparation of food, rural tourism should be included equitably as an additional business, in terms of restoration of villages and overall development of rural areas.

The Program for sustainable development in rural areas aims to develop tourism by allowing tourists to experience the harmonious relationship between nature and people who live there, ie the presence of both natural and cultural - historical heritage, and interconnection of different activities and measures in rural areas.

The overall rural tourism, where tourism of village estates and other forms of village tourism have a special place, is not a form of mass tourism - it has its own exclusivity to be maintained and upgraded.

The attractive properties of some natural resources can easily be economically valorized in tourism, while in other industries those same resources and their properties do not give good material basis for starting a business and achieving economic effects. By conversion of those resources, which as a rule lack in consumers and are of a limited quantity and quite inactive, tourism gets a particular importance for a certain region, and perhaps even crucial role in creating revenues and vacancies.

Lately, among the population of many countries, the interest in spending a part of annual leave in rural environment is increasing. Such interest is a consequence of the development of tourism so far, primarily a result of the uniformity of its travel contents and massive visits to certain places.

This means that rural tourism deviates from the standard contents and is one of the alternatives for development of mass tourism from the past. It's tourism with other contents and different behavior of its participants.

Within the global economy of tourism, rural tourism is defined by the tourist value of agricultural land, natural tourism resources, cultural heritage, rural accommodation capacities, local folk customs and the partiucular labeled products that should reflect the peculiarities of the region.

All this should be aimed at meeting the needs of tourists for leisure and recreation, and meeting their needs for accommodation (full board or half board) in order to ensure sustainable local development within the new social solidarity between the town and the country.

Our neighboring countries use these resources the best they can, and loudly and openly promote this type of tourism, very often integrating it within other travel offers. Croatia and Montenegro are countries that have already defined tours with Europe's biggest tour operators.

Case Study

BABINO

In the Republic of Macedonia the biggest and most current problem is the high unemployment rate. According to the researches and analyses done, this problem is most evident in western Macedonia, especially in rural areas.

Unemployment, being the main problem, is the cause of migration from villages to cities, and especially migration of young population, resulting in abandoning the natural resources. This prompted a large number of tourists as well as non-governmental organisations to take part in the promotion of rural tourism in the RM by promoting the opportunities that this king of tourism offers, but also by being directly involved through their own projects offered to the Macedonian authorities and applied in international funds for support of tourism. One of the NGOs that is most active in this field is NGO BALKANIJA. Their project "Babino" attracted great attention in our community, but also in some foreign donors' circles.

The villages in the western region, where the village Babino is, do not have accommodation capacities appropriate to their potential and the need for development of tourism as an economic branch, which could contribute mostly to improvement of the living standard of the local population, as well as the economic development of the whole region in general.

By providing these conditions a possibility is created for new employments, creation of new vacancies, use of local capacities, creating new contents – i.e. shaping the tourism product that would encourage rapid development of local tourism, and therefore the economic development, which will meet the needs of the municipality of Demir Hisar, the village Babino and the wider community.

This paper is aimed at improving local economic development of this village and the region, which will further on help to reduce the problem of unemployment in Macedonia in general.

Babino village is situated on the road from Kicevo to Bitola nearby Demir Hisar and it has about 180 houses. The village has all the characteristics of a typical Macedonian village, with specific houses in the Macedonian style, built of stone (well preserved) and lined along the river Babino.

Picture 1: Babino village

This village is nearly abandoned and it has only fifteen elderly residents. Migration takes place mostly to Bitola, Demir Hisar, Kicevo and a small portion to Skopje and Prilep.

Access road to the village is 500 meters from the main road. It is paved and provides access to the village itself. The village has running water and electrification, which means that it has the basic prerequisites for normal functioning.


Picture 2.

Favourable climate (850 amsl), natural heritage, ecologically clean environment, clear water springs, cultural heritage, traditions and folklore are an excellent potential for rapid development of alternative forms of tourism that this area offers. In the village there are already facilities that attract attention, like the fishpond "Babino", a fish restaurant that is visited by around 20,000 guests anually, and the private library AL-BI (with over 17,000 books), some of them of great historical and cultural significance , attended by over 4,000 visitors annually. The disadvantage is that the visitors leave Babino by the end of the day since there are no accommodation facilities to stay two or more days.


Picture 3: The library "AL BI"

Old stone houses made by village craftsmen defy time and show only small signs of age. It is possible to adapt some of the existing houses into guest houses and start using them for tourism.


Picture 4.

This would create opportunities and conditions for employments (creation of new jobs and reducing the problem of unemployment in Macedonia in general) and encouraging the rapid development of tourism, ie, improvement of local economic development of villages and regions. At least five houses could be put into use and with little investment and imagination the village could have at least five boarding houses.

There are conditions for building animal farms, and develop agriculture - cultivation of fruits and vegetables for the catering needs, construction of sports terrains, a mini zoo, and adaptation of some of the existing houses in ethno museums. In addition, the existing facilities could be renovated. Thus, the library could be re-established, the mountain house that is used for hunting could be renovated, and natural resources that this place offers. Untouched nature and clear springs would be the destination of the one-day mountaineering tours, and tourists could spend the night in a modernized mountain home. On these tours horses or donkeys could be used for riding and this would further contribute to the attractiveness of the offer. Along the creek had been released there is an old mill that could be put back in function and the old mill where the flour would be grounded in the traditional way.

This would reduce the problem of unemployment, prevent migration to the cities and end up the neglect of local facilities, would create new contents and make a complete tourist product, will achieve economic and social cohesion, raise awareness for the potentials in the southwestern region by tourist promotion of the Macedonian village as a concept.

Final beneficiaries would be the residents of the municipality of Demir Hisar and village Babino, subjects indirectly and directly involved in tourism.

This would attract big interest among displaced population to return to their village and the region, which will open up opportunities for developing more businesses. The number of domestic and foreign tourists will rise, as an example of revitalization and development of villages in Macedonia.

CONCLUSION

The biggest benefit of tourism is that it has the ability to turn the non-profitable resources into profitable ones, ie resources (eg, rural and abandoned ecological areas) which without tourism or being incorporated in it would never accomplish economic effects, primarily revenues. The attractive properties of some natural resources can easily be economically valorized in the field of tourism (Babino), while for certain industries those same resources and their properties do not present good enough material for a basis for starting a business and achieving financial effects. The conversion of these previously non-profitable and limited in quantity, inactive resources, tourism gets a special importance for certain region, and perhaps even crucial role in creating revenues and vacancies.

This benefit is recognized by all Balkan countries and in their strategies for economic growth tourism takes important place. In its plans, Macedonia also has a great hope about tourism as a branch that can greatly contribute in increasing the gross national product. Macedonia has the rural areas and villages that can tell a mystical stories, places with rich cultural heritage, traditions and folklore, clean environment, untouched nature and clear and clean waters. Large areas and many villages were abandoned and left for the time to take its toll. It only takes a good strategy and its implementation to bring back the people in these villages, people who would earn solid money by investing in their own small family businesses that will be part of a local rural tourism. It is very important that this kind of tourism does not require large investments, but can use resources that we already have.

Since rural tourism is associated with short stays and is suitable for the so-called second vacation i.e. spending the last days of annual leave in the country, our country should focus the offers of rural tourism mainly towards domestic clients.

In Macedonia there are 1.640 rural settlements. They do not have equal conditions for development of rural tourism. In many of them there is no opportunity to develop this type of tourism, because it does not contain the basic conditions (bad road and communal infrastructure and lack of quality housing stock).

Such statements should not mean abandoning the idea of developing rural tourism. Rather, by valorization of tourism resources that have the highest value for the development of rural tourism, a promotion should be started about the capabilities of villages for this type of tourism. The case of Babino undoubtedly introduces to us the picturesque scenery and villages of Western Macedonia, where opportunities for rural tourism are the largest.

Whether that potential will be used depends on all stakeholders: the state, tourism officials, NGOs, local authorities and population.

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NEW TOURISM PRODUCTS IN ORDER TO DEVELOP TOURISM IN TUZLA CANTON

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Abstract

There is no doubt that the tourism products in the area of Tuzla Canton need to be repositioned in relation to tourism competitive region, with better complementary connections and higher share of new economic resources in tourist generating unit. Due to this, tourism product can be better and more recognizable, while achieving the desired business results. Given that the situation in practice is far from satisfactory, there is one logical question - how is it possible to change the situation, how and who can do it?

Some other experiences show that the situation can change significantly due to new participants who, on the new economic and technological basis, establish new relationships in the tourism industry, and indirectly create the foundations for long-term-oriented alignment of tourism demand (spending) and the possibilities of production and processing (offer).

The paper gives an overview of new tourism products developed, which can be a guideline in designing the new direction of tourism development in the area of Tuzla Canton.

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Key words: *tourism, tourism product, the regional development of tourism products and tourist industry, tourist demand, tourist infrastructure, tourist destination, a new tourism product, promotion, bed & breakfast - Rural tourism, destination image, tourism education, ...*

Tourist Products

One of the important, if not the most important prerequisites for successful tourism development, is the recognition of the tourist values and "manufacture" of tourism products that could be offered and sold to domestic and foreign tourists.

The development of tourism products is very demanding and complex. In this business often demands a lot of expertise and experience from various forms of life and work. When the tourist offer in the tourism product is richer, more diverse and of better quality, it is more likely to sell the product.

Very often, the individual tourist and catering service or product is mentioned as tourist product, which is not adequate. You could say that the tourism product is a unique set of distinct but related individual tourist, catering and other services that are bundled and synchronized and can be used in a holiday arrangement. The tourism product is a commodity that has a use value and value.

The use value of the tourism product, no matter what kind of individual goods and services was it all about, is measured by customer satisfaction during and after the "consumption" of tourism products. This satisfaction is reflected in the satisfaction during the trip, during accommodation, food, visits to natural, cultural and historical monuments, cultural entertainment and sporting events, conferences and other experiences, introducing new places, people and customs, cultures that are acquired during the "use" of the product. The value of the spiritual satisfaction gained by using a specific tourism product, as well as the satisfaction that a user acquires by fixing their health, physical and mental stability by using all natural and other benefits that it provides are invaluable.

The tourism product has its value, expressed in price. Tourism product's price is the sum of individual prices of goods and services that are an integral part of the tourism product, such as the cost of transportation, accommodation, food, etc. Since tourism is directly related to the voluntary use of leisure time and the use of surplus income individuals or families , it is important to adjust the price of tourism products to these requirements and capabilities of potential customers.

Each tourism product must have: a name and a brief description of the tourism product, composition or structure of individual services and goods that are an integral part of the tourism product, time and place of "consumption", quality, price, payment conditions. With the tourism product, the basic data and information about the holder of the tourism product offer must be pointed out.

So, in order to reach the market, each tourist product, "translated" into a dictionary of trade, must have its declaration from which it can be seen what tourists buy, what does he get and how much the pleasure will cost.

Name of the tourism product must be clear and concise so one can see from the title what is being offered. The name needs to represent the essence of tourism offer. It is about individual product in the tourist offer.

In the narrow sense, tourism products refer to accommodation service, food service etc. The composition of the tourism product in the wider sense includes all travel, catering, trade, banking, postal, cultural, sports, hiking, scouting, educational, and other services related to the use of main supply contained in the tourist product. In this case it is the so-called. total (composite) product, which consists of a number of elements as its component parts (components) .1

Tourists today are not satisfied only with accommodation, food, swimming and sunbathing, they also have a need to rest and they want that their stay allows them to more fully see, hear and experience everything and in some way to remember it.

These elements of the tourism product are the most important part of the offer. Each product or service must be of high quality and tested. The preparation of the tourism product could be compared with the job of the best culinary masters, who in preparing their dishes always have something special, something that only he knows and makes his product is so unique.

The integrated product of the tourist destination consists of three basic components:

• Attractiveness (various elements of the natural attractions and both cultural and historical heritage)

• Accessibility (communication skills, excellent traffic connections)

• Conditions of stay (receptive factors)

When planning an integrated tourism product managers of tourist destinations are guided by the following criteria:

• The destination (product) needs to be based on the image which makes the destination recognized in the market (natural, social, cultural, historical and other special characteristics);

• Tourism demand in selected segments of the tourism product which is being developed needs to be very significant with the expected long-term development trends;

• It is necessary to have a plan for each product in terms of availability of necessary personnel, financial resources, natural resources and infrastructure required;

- Investment in the development in tourism products needs to be economically feasible and resulted in a significant impact on the development of tourism and overall economy.

The theoretical aspects of the strategy of the tourist product takes place through stages: 3

- Identification of opportunities (developing ideas, market definition)
- Design (concept development, market development)
- Testing (promotion, market testing)
- Introduction (planning, implementation).

In this context, what can be applied is the concept of life cycle stages of the products which means to follow from it the introduction (via exploitation phase - growth - consolidation - stagnation) to the stage of decline. Depending on the stage in which the tourist Product Data Sheet is located, different strategies may be applied.

Chart 1

Stage in the life cycle of products	Marketing Strategy
Introduction	Variations in promotions and pricing and strategy selection - Quick removal of effects - slow removal of effects - rapid penetration - slow penetration
Growth	Improvement of the quality, characteristics and products - add a new product model - entry into new market segments - introduction of new distribution channels - the change of advertising appeals from introduction to the convincing into purchase - lowering the price with the idea to engage price-sensitive group of customers
Maturity	Modification of the market through a) increase in new users - attracting new customers - entry into new market segments - taking over competitive consumers b) increase in the consumption of existing users - frequent use - greater use for one opportunity - improvement of the performances - improvement of living Revision of marketing mix in the light of the research of prices, distribution channels, and promotion mix.
Decline	- Establishing criteria and procedures for the identification of weak products - Determination of strategies for the management of declining products (selection of the effort on the most critical competitive advantages, investment reduction, sales, etc.) - Making the decisions about eliminations.

Source: Dr. O. Bakić, Marketing menadžment destinacije, Ekonomski fakultet Beograd, 2002, str. 125

When handling the product, following strategies are common:

• To promote a more common use of products among the existing tourists. To strive to improve the range of products, extend the average length of the stay of the tourists in order to encourage frequent visits to the destination;

• To develop a variety of possibilities of the use of existing products among tourists;

• To create a whole new possibility of the use and utilization of products;

• To find a brand new market segments that would be consumers of an existing product.

In this particular example, a tourist destination when it comes to the tourism product, analysis of the offer aims to determine the decisive factors which characterize this territory from the tourist point of view. It should present different types of tourist activity for a given destination at the same time present a systematic review, as a reminder for business programs tourism entrepreneurs and investors.

Tourism offer is divided into two macro parts:

a) The types of accommodation - hotel and non-hotel

Hotel accommodation has been categorized as a system of 5 stars. Non-hotel accommodation can be of different types, e.g.:

• Boarding house	• Houses;	• Hotels
• Tourist villages	• Camping	• Bungalows
• Tents Bed & breakfast	• Mountain Houses;	• Tents
• Agro tourism;	• Rural Tourism;	

b) Tourism infrastructure the most important facilities are:

• Roads	• Airport	• Parking	• Park	• Sports facilities
• Electricity Network	• PTT communication system		• Utilities	• Water supply

Based on the opportunities arising from the previously made analysis and procedures that are described, there is a "prediction" about positive impact on the economic system.

The increase of average value of spending is also very important goal of tourists' overnights. On the one hand it is necessary to diversify the market for the more mature destinations without minimizing- on the contrary, trying to valorize the spending of tourists. On the other hand it forces the great work on increasing the quality and diversity of tourist attractions, with efforts to valorize the production of typical products and services- at this moment it not that represented in the local tourist systems.

In relation to the manner of implementing the marketing strategy is very different when it comes to working on supply or demand.

• From the supply side, these activities are understood as "the main lines", with the function of strategic orientation, characterized on the basis of specific proposals formulated by the territorial institutions, particularly within the integrated projects, bearing in mind the specific projects that are being implemented at the local level by private and public employees. These basic guidelines include two types of intervention: On the one hand, they refer to the promotion of offers, different regions vary according to specific characteristics of different functions (travel, accommodation, services and income targeting tourists, services for the use of territorial resources), on the other hand, “help" interventions are necessary and common to the entire territory of the canton (arrangements, signaling and education);

• From the demand side, activities consist of well-defined marketing operation. Their efficiency is largely dependent on the behavior of local territorial institutions. These procedures include advertising activities, promotion and commercial activities but also "help" interventions (informational, technical, organizational and transverse type) that are necessary for implementation of a marketing plan towards the target audience.

Mobility is one of the basic man's natural and cultural features. This is one of the most important functions of the living world in general. Tourism is a social movement, conditioned by recreational and cultural needs.

In a broader sense, this can include the economic effects of tourism developments.

It is known that the root of the word 'tourism' in French and in English means a round trip, walking. Tourism is without a doubt: a so-called social movement or a form of the general “circulation” of the population (labor movement, various types of migration, etc.).

Of all other social movements, tourism is most clearly defined spatial relation, i.e. places where tourists go.

Tourism creates business opportunities to entrepreneurs for successful business in the sphere of investment: the infrastructure, the production of goods and tourism services, but it also provides opportunity and employment of the labor force.

Tourism provides opportunities for the citizens in the area of tourist destinations in order for them to direct their services and the production of goods to tourists-visitors so they can earn revenue by providing services to tourists.

Travel destination is an attractive space for its natural wealth, cultural and historical sites which allow visitors to enjoy beautiful experiences (recreation, rehabilitation).

In order to gain the name “tourist destination”, the destination needs to have one of the landmarks by which it is recognized in a geographical area. The basic characteristic of a successful business program is to provide the experience that leads a visitor-tourist to be a consumer in a certain tourist area.

In order for an attraction to be accessible for use, travel communications and infrastructures need to be built. There also needs to be a potable water and electricity, environmental protection of a tourist destination.

NEW TOURIST PRODUCT

Pannonian Lkes- Tuzla - *Declaration - Product Name - Pannonian Lake Complex*

Pannonian Lake Complex is situated in the heart of the city of Tuzla. This is an area that represents an extension of the Memorial Complex "Slana Banja” (“Salt Spa”) and of the Boulevard of Liberty with the partisan cemetery and it is located within the forest and park surfaces area in the area of “Slana Banja” - Boric.

Location of the new tourism product

The complex is defined by: Kulin Ban Street -- Northern city road/ south west, Slani Bunari Street/north-west, Duga ulica (street), “Slana Banja” Promenade and Salt Mine Complex /north, amusement park for children “Vrtic” and projected extension of the Duga Mahala Street/south-east.

Construction of the lakes was done according to the concept of landscaping and the formation of artificial lakes for swimming, where fresh water mixes with a certain percentage of brine fromthe salt wells.

Because the capacity dimensions of created lakes, it was necessary to provide a significant amount of water (approximately 25 000 m3). The first lake was put into operation in July, 2003.

The designed capacity of the lake is for 1500 bathers. For the past period in the bathing season 2003-2009, the number of visitors-buyers ranged from 1000-10000, which represents an increased number of users and 8.5 times more than it is projected.

Construction, sanitation and other characteristics of the new tourism product

In the basis of the lake ("Shell of the lake") there is a complex structure that provides water resistance. Around the Pannonian lake are essential building blocks and facilities:

- toilets and dressing rooms, technical facilities installations; restaurant with terrace
- open stage; sports and recreational facilities, fences and gates for the entrance to the lake complex
- the existing mine building which is reconstructed.

Climate

Wider coverage of complex Pannonian lakes, which stretch of Slanu Bunari Street in the west to Slana Banja Promenade in the east and which includes tennis courts of the total area of 12 ha, is resting directly on the memorial complex "Slana banja" and the Forest Park Trnovac.

On the south side of the area, the lake area is bordered by the main road (North), which it separates and at the same time connects with the traditional urban center zone in which there is also a pedestrian zone. According to everything that is mentioned, the location of the complex is extremely attractive and one can quickly get there from all parts of urban areas by urban public transport and pedestrian routes as well. If we take into account the fact that the slope Trnovac before ca. 30 years was an interlude of greenery, it is clear what is actually important is this area, and in this sense there is an opportunity to use it for recreational needs of the citizens.

All these characteristics of the area have created the possibility that the problem that caused the subsidence of terrain and the devastation caused on that occasion turn into an advantage, and the existing area is converted into a salt lake with all the necessary support facilities to be used for swimming, active and passive recreation, etc.

The direction of the Pannonian lake 1 per axis is in the direction east-west. The length of the lake is 172.50 m, the minimum width is 43.00 m and maximum width is 80.00 m.

On the eastern side of the narrow part of the lake and closer to the kindergarten, there is a bathing area built children whose depth is 40-60 cm.

On the broader, western part, where some facilities are located, the depth of the lakes is 80- 170 cm, and that part is designed as a bathing area for teenagers and adults. The size of the total water area is 11000 m2 and its volume is 10-11000 m3. Pebble beach for swimming is located along the northern shore of the lake, between the lake and the accessible roads near the north gate extends into the Slana Banja Promenade.

After the implementation of the phase 1 (the construction of the bigger lake in July 2003) The development continued in the year 2006 with the construction of the Archaeological Park, Neolithic- lake-dwelling communities with a museum setting that tells the story of the continuity of life in the area of Tuzla since the Neolithic period. At the beginning of the summer season 2008, the capacity of the complex is considerably increased by building the second salt lake and in late September another unique tourist product has been created salt waterfalls in the form of an inhalation health center in the open, which is unique for this area. In the next year, Pannonian Lake Complex will be enriched by the Pannonian Sea Museum, children's amusement park and a fitness center out in the open.

Pannonian Lake Complex with its tourist activity (attractiveness, cleanliness of water and the environment, good and cheap service, location, a large number of visitors) influenced the decision of the award "Zlatna ruza" (Golden Rose) for the last three seasons to Tuzla municipality in the category for the best tourist city in Bosnia and Herzegovina. There is also the award "Zlatna ugostiteljska kruna" (Golden Catering Crown) in the category of special attitude towards traditional cultural and historical values of Bosnia and Herzegovina.

The present work of the lake complex in Tuzla gives optimistic outlook for the future development plans. During the last bathing season, the lake complex (total area of the complex: 5.5 ha; the coastline: 1000 m; the surface of the gravel beach: 10.000 m2) was visited by ca. 1 million of guests. When taken into account that the lake complex is an outdoor water park for all nature lovers beyond the summer season, it can be said there were 1.5 million visitors during the past 5 years. The highest number of visitors was recorded in the season 2008 (ca. 340.000 visitors).

Salt lakes are artificial accumulation of water inside the shells, which are built from a combination of natural and geosynthetic materials (geotextile, geogrid and geomembrane in combination with sand, gravel, and pebbles). The bigger lake has the water surface of 1014 ha (10. 140 m2), maximum depth is 1.6 m,maximum length is approximately 180 m and its maximum width is approximately 80m. The amount of water in the lake is 13 000- 15 000 m3. The smaller lake's ware surface is 0.530 ha, depth: 1.35- 1.6 m, the amount of water is 6 000- 7 000 m3, its girth is ca. 320 m.

Uniqueness of the lake is its water which is full of a combination of technical water (delivered by pipeline from the artificial lake reservoir Modrac) and salt water from salt wells in the vicinity of the Pannonian Lake (salt rock's remains of the former Pannonian Sea) and brine from the production well called "Tetima". The share of salt water in total volume water is 30 percent, with salinity of 35 g/l which is slightly below the salinity of the sea water. In addition to salinity, water of the lake contains minerals (calcium, sodium, sulfur, iodine, bromine, etc.) and has gained a justified image of "healing" waters unique to our region and in Europe.

Given the "wealth" that we have in the water of the lakes, a special care is taken in order to maintain the (chemical and microbiological) water through a specific technological process.

The technological process is carried out through 24-hour filtering of the total lake water volume (2.5 cycles) and its chemical treatment through a variety of procedures such as maintenance of pH, disinfection, destruction of algae, removal of turbidity of water, and constant cleaning of the lake complex.

Disinfection of water as the second most important process is done by the liquid chlorine whereby depending on weather conditions and the number of guests, the concentration of chlorine is maintained at a level of 0.2 to 0.5 mg / l. All measurements and analysis of the lake water (three times a week in the bathing season) out at the Department of Public Health of Tuzla Canton whereby all previous measurements have shown the absolute accuracy and quality of the lake water during the bathing season.

Additional activities

As part of the beach there are some facilities, such as:

- open Stage,
- playground for volleyball on the beach,
- dressing rooms, (20 dressing rooms)
- showers (16 showers)

- sun deck,
- a promenade which is located between the beach and fences, and many other elements of the furniture, and which is a standard part of the beach,
- The toilet is located in the central part of the beach and is equally distant from the beach for children, as well as from the beaches for adult swimmers. There are 8 toilets for men, 5 for women and there is one for disabled persons.

Within this area, there are some catering facilities. Increased height of the terrain has created a greater difference in altitude between the surface of the lake and the surrounding terrain, which makes the necessary degree of insulation for the beach organization.

Characteristics of bathing water

Besides the recreational aspect of the complex, salt water has positive effects on human health (rheumatic diseases, chronic respiratory disease), which increases people's interest in visiting the complex.

By mixing salt and fresh water in the desired aspect ratio (7:3 in favor of fresh water), we get the salinity NaCl 30 g / l (the brine has a concentration of NaCl 160 g / l).

Water quality in the Pannonian Lake is controlled by:

1. Laboratories of the company, in terms of physical and chemical properties
2. Department of Public Health of Tuzla Canton in, terms of physical and chemical and bacteriological characteristics of water for bathing.

GRAPH - Panonnonian Lakes Tuzla

- Source: www.panonika.ba

Chart 2 The Length of the Coast/ Beach- Annual Turnover

Micro- Tourism Destination Pannonian Lakes Tuzla	The Length of the Coast/Beach	Number of Visitors/Tourists	Number of Visitors/Tourists (1m2)
2008	1000 m	ca. 340 000	340
2009	1000 m	ca. 310 000	310
2010	1000 m	ca. 300 000	300

- Our own research

Chart 3

The concentration of tourist traffic of the micro-tourism destination of the Pannonian Lake. Area of gravel beach - Annual turnover

Micro-Tourism Destination Pannonian Lakes Tuzla	Size of the Beach	Number of Visitors/Tourists	Number of Visitors/Tourists (1m2)
July 2008	10 000 m	ca 340 000	34
July 2009	10 000 m	ca 310 000	31
July 2010	10 000 m	ca 300 000	30

- Our own research

Chart 4

The concentration of tourist traffic of the micro-tourism destination of the Pannonian Lake Coastline - Daily turnover

Micro-Tourism Destination Pannonian Lakes Tuzla	Length of the Beach	Number of Visitors/Tourists	Number of Visitors/Tourists (1m2)
July 2008	1000 m	ca 12 000	12
July 2009	1000 m	ca 11 000	11
July 2010	1000 m	ca 10 500	10,5

- Our own research

Chart 5

The concentration of tourist traffic of the micro-tourism destination of the Pannonian Lake. Area of Gravel Beach-Daily Turnover

Micro-Tourism Destination Pannonian Lakes Tuzla	Size of the Beach	Number of Visitors/Tourists	Number of Visitors/Tourists (1m2)
July 2008	10 000 m	ca 12 000	1, 2
July 2009	10 000 m	ca 11 000	1, 1
July 2010	10 000 m	ca 10 500	1, 05

- Our own research

The designed capacity of the lake is 1500 bathers. For the past period in the bathing season 2003-2010, the number of visitors ranged from 1000-10000, which represents an increased number of users and which is 8.5 times more than the projected.

The implication is that it is necessary to increase the capacity of the complex in terms of finding solutions for the construction of new lakes in the given micro-tourism destination.

NEW TOURISM PRODUCT

Archaeological Park & Neolithic and Lake Dwelling Communities

When you are moving through the city on a grain of salt, you can see that we walk on the former seabed. This is confirmed by the excavations, petrified shells, coal and many salty wells by which Tuzla got its name. At the site of today's Tuzla, stretched the former Pannonian Lake/Sea. There was this cataclysm; the mountains rose, the sea disappeared by changing the original appearance.

Neolithic village of Tuzla lies on a small hill that stretches from the right side of the river Jala. The highest point of elevation is located at the place where the Atik mosque was built. The resort is stretched between today's cinema called “Mladost” (“Youth”) in the West, city mosque in the east, and between the river Jala in the south and the music school in the north.

In addition to the remains of lake-dwelling residences on eight sites there were found: rich archaeological material in the form of fragments of coarse pottery (legs and bottom of pan, edges, abdominal vessels, and the handle), then finely polished fragments of vessels made of black, gray and red pottery of various ornaments, axes of polished stone, flint knives and scrapers and artifacts made of bone (awls, needles, dagger, deer antlers). There was also found a large number of animal bones, remains of wheat and barley, river shells, which proves that the inhabitants practiced hunting, breeding, agronomy and gatherer economy.

The emergence of villages and communities can be related to the existence of the source of the salt water. Confirmation of this hypothesis is the lake-dwelling community which was found. For the Neolithic man, it was easier to build on a land and solid ground than to make a lake dwelling on wetlands. The more serious variant of construction was influenced by strategic reasons. One of these are the sources of the saline water which, together with the river Jala contributed to the wetland in the area. Neolithic people in the area of Tuzla secured themselves from floods and at the same time, they controlled and exploited the salt sources by –constructing lake dwellings. Neolithic vessel for salting out salt water (from the ceramic fragments of the Vinca 3500 and 5000 B.C) is evidence that the lake- dwelling community was one of the first Neolithic settlements where people produced salt.

It should be noted that the Neolithic settlement found in the center of Tuzla, which is a unique case because the settlement was the beginning of the continuity of life through all historical periods from the Neolithic period to the present.

In August 2006, people in Tuzla built Archeological Park of the Neolithic- lake dwelling settlements (9 lake dwellings, totem and bridges).

What is also planned to be built is a restaurant with prehistoric food- breakfast of porridge, meat, mead, etc. Salt is a mineral resource that built Tuzla and through which it has grown into a modern European city.

NEW TOURISM PRODUCT Soni Trg (“Salt Square”)

The Importance of the “Salt Square” as a Tourism Destination

The emergence of Tuzla basin is related to more orogenic phases that emerged after the Mesozoic, which resulted in the creation of various conditions of sedimentation, together with the characteristics of poly climate left very diverse and specific sedimentary formations.

Wider area of Tuzla is built mostly of young geological sediments (The Neogene), but, from an economic standpoint, this is very important (deposits of rock salt, coal, etc.).

Pannonian Sea, about 10 million years ago, due to geotectonic movement retreated to the Black Sea, leaving behind deposits of rock salt and salt water sources.

The emergence of settlements in the area of Tuzla, even from the Neolithic Period, may be correlated with the presence of saline water sources.

Confirmation of this hypothesis is found in lake-dwelling communities. Specifically, for the Neolithic man, it was simpler to build settlements on land and firm ground than lake dwellings on the pillars of the wetland.

One of the reasons is that the source of salt water along with the river Jala, contributed wetland in Tuzla. By building lake dwellings, the Neolithic people were safe from floods, and at the same time, they controlled and exploited sources of salt.

Neolithic vessel for salting out the salt water are the proof that lake-dwelling community in Tuzla was the first known Neolithic settlement whose inhabitants have exploited this precious mineral.

The earliest European cultures that used salt, dated to the Copper Age. This means that the Neolithic findings in Tuzla moving frontier of knowledge and use of salt in human nutrition from the Eneolithic to Neolithic Age.

Also, it should be noted that the Neolithic settlement found in the center of the modern city of Tuzla, which is a unique case, because the settlement was the beginning of the continuity of life in the area of present-day town of Tuzla, through all historical periods from the Neolithic period to the present.

It should also be noted that the Neolithic settlement was found in the center of the modern city of Tuzla, which is a unique case, because the settlement was the beginning of the continuity of life in the area of Tuzla, through all historical periods from the Neolithic period to the present.

Through its long history Tuzla has always been called by its natural wealth-the salt, whose deposits are retained after Pannonian Sea withdrawal, about 10 million years ago. During the Medieval Bosnia, Tuzla was called Soli (Salts).

Unfortunately, the domestic production of salt has been sacrificed for the interests of the state- alliance with Dubrovnik, in the fight against Hungary. Evidence for this is the Charter of Kulin Ban in year 1189. Due to this, merchants in Dubrovnik received the monopoly of salt trade in Bosnia.

Retreating before the Ottoman army, in 1463, the last Bosnian king Stjepan Tomasevic burned the wooden medieval city (Soli) so the salt water sources could not be used by the Turks.

Significant exploitation of salt in Tuzla comes precisely during the Ottoman Empire. Salt production and revenues from it were a key factor that established Tuzla as a backwater (town).

The start of the organized production and sale of salt was digging a well in today's Salt Square (Soni trg) in 1476 and the announcement of Tuzla as an emperor's property in 1477.

Tuzla’s salt producers belonged to special kind of craftsman. This was the job of mainly Muslim population, while Christians were responsible to cut and deliver wood to maintain the fire.

At the Salt Square (Soni trg), there were up to 80 pans in which the salt water from wells was boiled. Production of salt increased the population of Tuzla. Tuzla salt was known outside the Bosnian eyalet.

In the eighteenth century, French King Louis XIV through its retailers supplied his palace with the salt from. It can be said that salt connected the two different countries, cultures and civilizations of the time.

The salt from Tuzla was one of the main items which Bosnian eyalet presented at the International Exhibition in Philadelphia in 1876.

One of the main goals of the occupation of Bosnia and Herzegovina by the Austro-Hungarian Empire was the exploitation of natural resources, among them-the salt from Tuzla had a special place. Thanks to the salt, Tuzla has grown into a modern European city with a long historical and cultural tradition.

The Salt Square Complex is located in the heart of the city of Tuzla. It is an area that represents the basic starting point to other sites Tuzla: Memorial Complex "Slana Banja, " (Salt Spa), Boulevard of freedom with the partisan cemetery, Ilinčica Complex, all cultural institutions such as theaters, galleries, museums, etc.

According to everything mentioned, the location of the complex is extremely attractive, since one can get to this area quickly from all parts of urban by public transport, or pedestrian routes.

If we take into account the fact that Soni trg (the Salt Square) is surrounded by various and cat facilities, the proximity of the museum space, gallery, Kapija, which is a libertarian symbol of the city, is also close to the attractive "Panonnica" complex. This makes it clear that this is actually important area and it represents an opportunity to create an active tourism product, not only in Tuzla, but also in the entire Northeast region of Bosnia and, it might be said, in whole Bosnia and Herzegovina.

All these characteristics of this area have created the possibility that the problem that caused the subsidence of terrain and the devastation that occurred due to this, turn into an advantage. the existing park area is turned into a tourist destination with all the necessary supporting facilities that could serve modern tourists, such as improvised lake dwellings - a kind of open museum with valuable exhibits, which indicate the development of Tuzla and the use of salt from ancient times to today.

NEW TOURISM PRODUCT Lake “Basigovci” Zivinice

Lake “Basigovci” near Živinice is located in the southeastern part of the municipality and is situated 6 km from the city. The lake occurred in 1984 when ore mining was stopped. Its length id about 400 and its width is about 350 meters with a maximum depth of about 40 meters in the middle. The depth of the lake in the shore area varies from 2.5 to 5 meters in the eastern and northern part, while in the southern and western part; there is a slight increase in depth.

Shallower side of the lake is covered with reed and sedge and somewhere you can see bushes of the marsh grass in the water.

Lake water has no pollutants, it is exceptionally pure, and whose small amount water is rainwater which means that the lake supply the water from underground sources of solid capacity. This is corroborated by the fact that there is almost no change in the lake water levels during droughts. The lake water excess creates a trickle that finds its way to the river Spreča. Purity of the water is confirmed by the presence of waterfowl and shellfish.

From the very beginning and to the present day in the lake were put various species so the lake now has northern pike, catfish, bream, carp, Prussian carp, roach and other small fish. The lake is visited daily by fishermen. The largest fish that was caught here is pike (4 kg) and there was also bream (1.5 kg), catfish (7 kg).

CONCLUSIONS

1. Tuzla Canton is an excellent tourist destination in Bosnia and Herzegovina due to the abundance of natural tourist values, its extremely valuable cultural and historical heritage, a very favorable geo-traffic location, available infrastructure, etc.
2. The development of tourism and catering of any tourist destination, thus the development of the tourism industry in the area of Tuzla canton, is extremely dependent on the structure and level of development of basic infrastructure. There is, first of all, facilities and equipment of technical infrastructure, road traffic, air traffic, electric power networks, telecommunication infrastructure, water supply and education system as a segment of social infrastructure, which primarily results in terms of education of environmental protection, concern for wastewater, etc..
3. Tuzla Canton is a destination with significant natural resource values suitable for the development of the tourism industry. Very wide range of Natural Heritage goods in the territory of the municipalities of Tuzla Canton on its grounds for decades achieved remarkable economic and other effects, especially when it comes to health, sport and recreation, hunting and fishing, cultural tourism, bed & breakfast - Rural Tourism and other forms of tourism. Cultural and historical heritage is also an important prerequisite in the development of tourism destinations. Tuzla canton within Bosnia and Herzegovina belongs to the area that is highly characteristic of the numerous cultural and historic monuments from the earliest, pre-historic eras.
4. Summarizing what has already been said in the professional part of this work seems to require a real picture of the characteristics of segments and new tourism products in the Tuzla Canton. In this sense, what is very important, regardless of whether it is new or existing tourism products, is the need for continuous analysis of trends in the tourism market, as well as the expected qualitative and quantitative targets regarding the promotion, presentation and evaluation of new tourism products. This could make possible the possibility to take steps whish are necessary to overcome any weaknesses, but also in coordination with numerous other activities and successful business.
5. The essence of responsible tourism development is the fact that supply and demand must develop forms of alternative tourism, which means that supply and demand need to become more specific. There is an individualization of the requirements of tourists; they seek an active holiday as opposed to passive. Nowadays, it is more wanted to spend the free time in healthy and environmentally friendly natural environment, exploring the culture of the area, a new and wide range of possibilities for sports activities, recreation, entertainment, etc. The application of domestic and international tourism demand is to develop regional tourism product.
6. Tourism products in the area of Tuzla Canton (both Pannonian lakes, Tuzla; Archeological Park – Lake-Dwelling Community of Tuzla, Tuzla; Salt Square, Freedom Square Tuzla with the most beautiful and largest fountain in the region and Baroque buildings; Lake Basigovci Živinice; Lake Smoluca Lukavac; Ramicko Lake Banovici) really talk about the effort of public and private sectors to make areas that were once the landfill, abandoned pits and surface mines become an attractive tourist products. This refers primarily to the efforts of the municipality of Tuzla, Brown Coal Mine Banovici and Kreka Mine in Tuzla and also the municipality of Živinice to

invest in the revitalization of derelict land and abandoned mines and converts the same into new, attractive tourism products of the Tuzla Canton.

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ENTREPRENEURSHIP AND HUMAIN RESOURCE MANAGEMENT IN THE TOURISM INDUSTRY AND HOSPITALITY

POSSIBLE ASPECTS OF ENTERPRENEURSHIP IN SPACE TOURISM OF THE FUTURE

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Abstract:

In the recent period, the interest for space tourism has unstoppably been increasing. This is a reflection of a different, more modern perception of the tourism demand for a tourism experience that involves additional adventurous moments. Above all, the market (entrepreneurial) initiative, which was until-yesterday exclusively directed by and under the control of state agencies of individual highly developed countries thus limiting its development, is also being aggregated. The development of modern technologies, IT, as well as new materials enabled specialized small and medium size enterprises to enter the area of high technologies for the purpose of realizing commercial activities. In today's global business practice, there are already several well-defined companies that have, due to their initiative, offer and services, earned the status of space entrepreneurs. The interest of entrepreneurs for this type of tourism offer is ever more present since it predetermines and directs the increasingly present (potential) space demand. In the paper the authors have tried to futuristically aspect the possibilities and perspectives of space tourism as one of the forms of commercial activities in space and related to space.

Key words: *space, space tourism, space entrepreneur, space tourism*

INTRODUCTION

Today, the tourism industry is for surely one of the most significant industries in the world, both in terms of number of employees engaged and its impact on the social and economic development of each country that sees tourism as a serious and potentially socially developmental and processing economic activity. Regardless the fact that tourism was already present in a large number of countries in the 19th century, it has become a phenomenon of large scale involving a great number of people since the 2nd half of the 20th century. The calculated data indicate that in the year 1950, only ten out of a thousand inhabitants of the planet Earth were involved in international tourism, whereas this number was nine times higher in 1993 – i.e. 94 (Stipetić 1995, 105). In the mid 90-ies of the last century, the tourism industry employed 212 million people, or every ninth worker, and it accounted for 11% of world gross domestic product (Šubić 1996, 18). It is expected that in this century the tourism industry will continue to evolve rapidly, and the structure and number of employees engaged in tourism will change in accordance with the contents of the tourism offer, the standards of the population and its purchasing power, the development of new communication technologies, as well as the overall technological progress.

From a tertiary activity, the tourism industry will become a primary activity and today's primary activities will become its service. As far as people are concerned, the new century will be marked by more free time, increased living standards and higher quality of life. Namely, the man-employee will have more time for rest and leisure activities. These activities will be related to meeting the distinct needs of all people for resting, preserving and fostering health, prolonging life, creating a state of comfort, pleasure and relaxation which will result in the increase the life quality. To live a life of high quality means to live well, actively, healthy, free, at one's choice. Improving the quality of life is a great challenge of the tourism of the future (Avelini Holjevac 2001, 11). This is how Pizam (Pizam 1999, 339) sees the future, even though he is aware of the fact that forecasting is risky. The same author believes that by 2050 the tourism industry will become the largest industry of the world with 2 billion tourisms and a revenue of USD 24.2 trillion (domestic and foreign tourisms), and that the major tourism destination will include India, China, Indonesia and Brazil. According to the World Tourism Organization, the qualitative determinants of the future global tourism development forecast that the number of tourisms will increase from 673 million in 2000, to a billion in 2010 and 1.6 billion in 2020 (Avelini Holjevac 2001, 12).

Certain estimates by the UNWTO (World Tourism Organization) also suggest that tourism will continue to remain the leading industry i.e. the most important primary activity.

Figure 1. Forecasts for tourism movement in the world and regions *(in millions)*

Region	Base year	Forecasts			Average annual growth rate (%)		
	1995	2000	2010	2020	1995 - 2000	2000 - 2010	2010 - 2020
Africa	**20**	**26**	**46**	**75**	**5.4**	**5.7**	**5.1**
America	**110**	**131**	**195**	**284**	**3.6**	**4.0**	**3.8**
East Asia/Pacific	**81**	**105**	**231**	**438**	**5.2**	**8.2**	**6.8**
Europe	**334**	**386**	**526**	**717**	**3.0**	**3.2**	**3.1**
Middle East	**14**	**19**	**37**	**69**	**6.4**	**7.1**	**6.5**
South Asia	**4**	**6**	**11**	**19**	**5.6**	**6.8**	**5.8**
World	**563**	**673**	**1.000**	**1.600**	**3.6**	**4.5**	**4.4**

Source: World Tourism Organization. 1997. Seminar on Tourism Statistics and Economic Impact Measurement. Cairo: World Tourism Organization

As far as transportation goes, Pizam forecasts that by 2050, new means and possibilities of transportation will be possible, such as mega cruisers for 5 to 10 thousand passengers that will serve as floating resorts and centers of entertainment located in the open sea with passengers boarding and disembarking them offshore (Pizam 1999, 340).

EVOLUATION OF "CLASSICAL" FORMS OF TOURISAM TOWARDS SPACE TOURISM

Since the emergence of tourism and during its historical periods, it is possible to distinguish among the following: 1) the period of privileged groups and individual tourism, 2) the period of mass tourism and 3) the period of selective tourism. Mass tourism is still the prevailing and the most dominant category of tourism, also referred to as traditional, industrial, uniform and "large" tourism. On today's development stage, mass tourism is considered to be that, which is available to all categories of tourism residents and is mainly seasonally motivated, i.e. by the "sun and sea" and/or "winter-mountain" activities. The growth and development of mass tourism began in the 50-ies when the tourism masses were strongly concentrated in terms of time and space. In the past forty years, mass tourism (large and ready-made) has been showing significant signs of crises, since the strong expansion of tourism onto the developed and some receptive countries has, in addition to many positive effects, had a series of negative consequences (Jadrešić 1993, 167).

By abandoning the concept of mass tourism, a responsible development, based on selected programs and forms of tourism, is being supported. This development leads to a new diversification and quality on the ever more demanding tourism market resulting in the restructuring of tourism towards a balanced and polycentric development. Quantity and growth are being replaced by the development of the quality factors, i.e. the quality of choice, identity, environment and ecology reducing the importance of mass tourism which is being transformed, in accordance with its potentials, into new forms or is being replaced by the new forms and types of tourism called selective tourism, or in other words the tourism of sustainable, supportable and reasonable management (Jadrešić 2010, 171). In theory, this kind of tourism is referred to as: sustainable, responsible, high quality, environmentally friendly, alternative, specific, universal, individual, humanistic, tall, fit, genuine, elite, etc tourism. Today, the most representative forms of selective tourism include: nautical , family, continental, health, rural, insular, mountainous, urban, cultural, religious, day-trip, recreational, sports, extreme, diving, hunting, fishing and etc. tourism, etc., and from recently space tourism.

The development of technology and the ingenuity of the human mind, made once an impossible idea of space travel for the common man, a reality. On April 29, 2001, the International Space Station welcomed the first space tourism, Dennis Tito, a Californian millionaire and entrepreneur engaged in investment management, whose tourism venture had cost him USD 20 million and 6 months of rigorous preparation (Jurman 2004, 1). He flew with Russian astronauts in a Russian spacecraft, the International Space Station (ISS), which is the official name of the space shuttle. In 2002, Mark Shuttleworth, a private entrepreneur, a great admirer of technology and space flight, was the second space tourism sent into space. The third space tourism flight was in 2005, by Gregory Olsen, a scientist involved in optical electronics. Mrs. Anousheh Ansari, a native of Iran, was the first female space tourism in the 2006. (She and her family also support the spaceport in Singapore). The co-founder of Microsoft Office and the owner of the International Software, Charles Simonyi flew into space 2007 (Burić & Bojkić 2007, 7). It is still not known how much money they have spent on individually but the value of individual flights is estimated to about USD 20 to 30 million. There are some forecasts that say that if we take in mind the further development of technology, the prices of flights will fall down to USD 30,000 after 2010 (Klauški 2008, 2-3).

However, there is no doubt that these commercial space flights, have brought about the development of the complete tertiary sector of the industry named space tourism.

DEVELOPMENT AND COMMERCIALIZATION PERSPECTIVES OF THE SPACE INDUSTRY

So far, the Western governments have invested several hundreds of billion dollars into the space industry. However, in order for the space industry to experience a real boom and realize its potential, it is necessary to commercialize it i.e. to allow commercial capital investments and abolish state monopoly. Dozens of companies are eager to get into a position that could, according to estimates, “weigh” billions of dollars. Moreover, in professional tourism literature, there are theoreticians who have in their works analyzed and introduced new expressions in the tourism terminology explaining the term "space tourism". For example, the term "space tourism market" encompasses all individuals who express a desire or intention to travel, as tourisms, to space.

The results of one of the first research on space tourism, conducted on a sample of 1,500 respondents from American families were published as early as 1996. In this research, 34% of respondents reported an interest in spending two weeks in a spaceship, and even 42% of respondents wanted to cruise around the universe, which would be an equivalent to today’s sea cruises. Particularly indicative was the fact that the majority of respondents expressed their intention to spend USD 100,000 or more for such a journey. Similar results in the interest of potential tourisms for tourism trips were reached by a survey carried out in Japan in the late 20th century involving a sample of more than 3,000 respondents. The survey found that more than 45% of people over 60 firmly stated that they were very much interested in various forms of space travel, but showed the most interest in journeys lasting for several days. Even 20% of respondents claimed that they were ready to spend their entire annual income for such an experience. Similar results were achieved by surveys conducted in other countries, such as the on conducted Germany in 1996 or the one in 1999 in the UK (Vukonić 2010, 199). Above all, recent research conducted in the United States show that in 2005, approximately 20 million Americans were ready to board a spacecraft, and engage uncertainty, naturally, if the price was lower. This figure falls dramatically as the travel expenses increase, but even at the price of USD 100,000 the predictions are that the market would include almost half a million of people.

As early as 1985, when a survey was carried out on a sample of 1,000 respondents in the USA asking whether they would like to spend their holidays in space, 50% of the respondent answered affirmatively even though the price of such a journey was unquoted.

Therefore, even then, the idea of such type of vacation was considered interesting and challenging to many. Based on the research carried out by Society Expeditions Inc. from Seattle, assessing the market interest for space tourism services, the following data was gathered:

Figure 2. Prices and the number of passengers interested in space tourism

Price (in USD)	Number of passengers on annual basis
1,000,000	50
500,000	100
100,000	500 -1,000
50,000	5,000
25,000	30,000 – 40,000

Source: Lončar, Jelena. 2005. Industrija i turizam u svemiru. http://www.geografija.hr/clanci/print-verzija/775/industrija-i-turizam-u-svemiru.htm: 4 (25.02.2011.)

On the other hand, there are also some interesting predictions in Futron studies on the development of space tourism. Futron offered objective viewpoints on the future of this industry; he predicts that by 2021 the space tourism industries could generate about a billion dollars a year, with more than 15,000 people reaching the space boundary, i.e. will have seen the Earth from a perspective that is now possible only to some (Burić & Bojkić 2007, 2). The mentioned study also states that more than 15,000 passengers will participate in suborbital space flights generating thus USD 700 million, and even 60 passengers in orbital flights (compared to the present number of 1-2 passengers per year) bringing USD 300 million.

There are several phases needed to completely commercialize space tourism and vacations on orbit stations, or the Moon, among which, the first two have already been performed, although by planes to be fair (Jurman 2004, 2):

a) The first phase involves weightlessness (or parabolic) flights - which are being performed on the Russian flying fortress (aircraft), the IL-76. However, such flights are also performed by cargo planes such as Boeing 727-200 used by the Zero Gravity Corporation, whereas, the French Novespace uses Airbus A-300. The simulation of weightlessness is done in a way that the aircraft climbs to a height of 9-10 kilometers after which it plunges to 6 kilometers. The curve which is then performed neutralizes gravity and the plane remains floating in air for about 25 seconds. This procedure is conducted ten times or for 4 minutes of zero gravity in total. ZeroG, a company with an indicative name, offers this experience to all interested. They are among the companies offering the cheapest and most massive commercial flights. ZeroG has estimated the value of such flights to USD 3,500 per person, while the Russian company Rustourism values it at USD 2,500 per person;

b) The second phase includes suborbital flights – those reaching up to 100 km of altitude and include the return to Earth. Namely, the 100 km boundary, called the Kormarov line, was determined by the International Astronautical Federation, and represents a rough administrative boundary between the Earth's atmosphere and outer space. At this altitude, the air resistance is too small and a couple of orbits would slow down the spacecraft enough to "fall" out of orbit. The suborbital flight lasts for approximately 2.5 to 3 hours whereas the state of weightlessness for only 3-5 minutes. The mere preparations for such a flight last for about 5 days, during which the space tourism is being trained for all possible situations that might occur during the flight. Suborbital flights are cheaper in relation to those orbital. Namely, a suborbital flight offered by Viorgin Galactic costs around USD 200,000 (Jurman 2004, 5). According to the difference in the price, it can be concluded that these two types of flights do not provide an anywhere similar experience, although they are both very attractive. This type of flights is being performed in Russia on MiG 29s;

c) The third phase involves orbital flights- those that reach and retain in the Earth's orbit. So far, they have been performed five times and each time successfully. They are performed once or twice a year because there is yet no other place in space, except the International Space Station, to which the spacecraft could attach itself to. Furthermore, the reasons for such rare orbital travel lie in the fact that the space travelers are allowed to travel only during the International Space Station crew shift which last for about 10 days. The space traveler then goes with the crew, as an additional member, and returns with the crew going home. During the entire 10 days, the space traveler spends in weightlessness alongside the professional astronauts. This phase, which is the most important, insists on the design and construction of a spacecraft, the "Reusable Launch Vehicle" (RLV), which will be cheaper to launch than the launching of a "shuttle". The price of a "shuttle" flight is USD 20,000 per kilogram of weight. In order to reach the stage of orbital flights commercialization this price should be lowered to at least USD 5,000 per kilogram. Moreover, cheaper spacecrafts lead to lighter constructions of orbital stations, thus opening the door for a fourth stage;

d) The fourth phase includes accommodation at the space station – During the orbital space flight the spacecraft joins the International Space Station. The development of such flights will cause problems in their attachment to the International Space Station. Considering the fact that in the future there will be an increased number of orbital flights, the International Space Station will not have the capacities to receive all spacecrafts. Although this problem has not occurred yet, the company Bigelow Aerospace has been working on a station which would be sent into space to receive spacecrafts during their orbital flights (Burić & Bojkić 2007, 11).

e) The fifth phase includes hotels and space habitats (either in orbit or on the Moon). Japanese construction giant Shimuzu announced that in 2020, it plans to open an orbital hotel with 60 rooms at the altitude of 450 km above the Earth. Moreover, during the 60-ies, O'Neall and his colleagues designed a project entitled "space settlement" i.e. habitat. The problem of a hundred year-lag length to build such a habitat makes them seem very distant and unachievable at the moment. Some visionaries talk about the sixth stage - space culture and sports (e.g. orbital galleries or stadiums).

Above all, some companies have already started with space business. SpaceShipOne, the first private manned spacecraft was launched on June 21, 2004 from the Mojave Desert. This spacecraft, designed in Scaled Composits, is the leader in the development of orbital tourism flights. However, although it has an imposing name, the spacecraft has been designed only for ballistic flight and is not intended to enter into orbit. In addition, the company Space Adventures that wishes to develop space tourism is already recording bookings and confirmations for orbital flights at a cost of USD 20 million per person. There are also those interested in flights around the Moon but in order to do so, one must be willing to spend a sum of USD 100 million (Lončar 2005, 1).

CURRENT ISSUES RELATED TO SPACE TOURISM AND SOLUTION FACTORS

In the distant future, once the drastic fall in the cost of orbital flights occurs (price below USD 100,000 per passenger) and when the individual demand for recreational trips into space suddenly increases, there will be a true development of space tourism. Truthfully, there are still a number of issues to be addressed systematically in order to reduce to a minimum certain risks and open questions. Among other things, these issues relate to the following (Vukonić 2010, 200):

1. Spacecrafts should be modulated in order to be able to return to Earth and then be re-launched for the same purpose in a relatively short time. This could reduce the cost of production and launch by nearly 90%;
2. In order to decrease production and launch costs by 90%, besides a suitable aircraft, the number of passengers i.e. launch (space) traffic should also increase. In order for this to happen, the service providers should offer lower prices and thus attract potential passengers;
3. The technology required for all activities in the Earth's orbit is very sophisticated and very expensive;
4. The safety of passengers depends on the level of internal equipment and comfort offered by the spacecraft intended for tourism trips.
5. It is also necessary to complete very comprehensive and sensitive administrative and legal jobs prior to the introduction of more space tourism flights. In this regard, the work is just beginning, although several international meetings, congresses and symposia discussing these issues have already been held;
6. Space flight experts are particularly suspicious in terms of health care legislation that will have to follow the development of space tourism. Namely, experience has shown that the astronauts' health status, despite the thorough preparation before the flight, often deteriorated. The question is how tourisms will behave during spacecraft acceleration and vibrations, in conditions of weightlessness, as well as the issue of radioactive impact on individuals;
7. It is also necessary to see who and under what circumstances will bear the health insurance of tourisms during their travel through space;
8. What effect will tourism traffic to space have on different space research, satellite programs, etc., and vice versa;
9. Will, in just ten years as some predict, mankind succeed in finding solutions to the basic problems without which it will be difficult to consider commercializing tourism trips into space?

In addition to the above questions, there is a whole a range of questions among which are: How and who will be in charge of controlling commercial tourism space flights; How will space tourism be regulated at international level; What are the responsibilities of the departure countries; Who will be responsible during the time of flight or the time spent at the space station and who will cover the costs; Who will bear the risk of danger for passengers; How will necessary rescues if needed be regulated? The fact is that similar issues occurred in other tourism areas (periods) as well. However, after decades of intense organization of tourism trips by tour operators, all these were resolved (some immediately, some "as one goes"). Practice had given us very specific answers, and thus these issues are no longer raised. Consequently, regarding these issues, the solutions for the initial problems will be found relatively quickly, especially when tourism space travel becomes an established practice.

These, as well as many other questions are primarily addressed by the competent world institutions such as NASA and ESA, around which many world countries as well as EU member states are integrated.

Already in 1997, NASA published a report with forecasts on the possibility and profitability of space tourism. Although it was a small report, the forecasts were more than good; the predictions talked about billions of dollars on annual basis. The meticulous Japanese made their own, more extensive, survey which reached even better results. The figures talked about space tourism as an industry that will, in its first decade, generate a profit of USD 10 billion per year which will be doubled during the next decade. However, in order for this industry to be launched, the main problem of the commercialization of space tourism has to be resolved and this is the price of launching the spacecraft into space. In 1998, NASA and the Space Transportation Association conducted a new study stating that, with the advances in technology, the price of space travel arrangement should cost USD 50,000 U.S. and attract half a million tourisms in 2010. Using math basics, one comes to USD 25 billion in profits from space tourism per year for the period 2010 – 2020 (Jurman 2004, 2). Even if we looking optimistically, we still have to say that these forecasts are a bit exaggerated and that at least another ten years will go by before the beginning of the era of space tourism, and the cited figures could maybe be achieved by the end of this decade.

The European door to space is the ESA - European Space Agency. Its goal is to develop European space capacities and to ensure a continuity of investments into research. Its task is to draft a European space program, as well as its future implementation. ESA projects are designed to find out more about the Earth, the solar system and universe, but also to develop space technologies and services and promote the European industry. ESA cooperates with space organizations outside Europe, and has 17 member states: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. As it can be noticed, not all ESA members are EU member states. ESA is a completely separate organization, although it is tightly connected to the EU. ESA headquarters are in Paris, but there are also other centers in Europe (the Netherlands, Germany, Italy, Belgium) and even in the United States and Russia, each being in charge for different responsibilities. ESA employs approximately 1,900 people with a budget of 2,977 million euros and receives funds from member states (Lončar 2005, 4-5). It is very important to understand the size of today's space industry, its future development trends and the impact of these trends on national and world economy and other industries. The development of space industry could open up many jobs, and also impact the change in the employment structure. This development requires an increase on the labor market in number of engineers, technicians, mechanics and scientists. These flows might be even joined by the developing countries, because there will be a significant market expansion and the circumstances are now such that they require mutual co-operation between civil, military and commercial users of space. China is a good example of a country joining space flows, with over 460 institutions and organizations employing 10,000 engineers and technicians who are directly involved in applied research, testing and manufacture of satellites. In cooperation with Japan, China is also intensely engaged in micro gravitational research, and it also cooperates with Russia. Certainly, the Chinese biggest achievement was launching mankind into space in 2003, by which China became the third country in the world to launch a manned spacecraft (Lončar 2005, 4).

CONCLUSION

Space tourism will surely be getting even more publicity, marketing and wider recognition over some shorter period of time, as well as more specific market significance within the tourism valorization of individual segments of selective types of tourism. Unquestionably, space tourism is already realizing some of its goals – individual flights (travel) have already been performed and space tourism consumption is being more and more aggressively agitated and aggregated through bookings. However, in order for individual countries to have a space industry with actual space enterprise it is necessary to meet the first prerequisite - the commercialization of space travel. Among all, this primarily implies a drastic drop in space technology production and launch costs, the involvement of the private sector, a closer approach to the "small" people, establishment of certain legal and administrative as well as health-insurance and other regulations and ultimately, the development of space tourism. However, there is no doubt that the issue of space tourism, in the true sense of the word, is entering through the "main gate" and that it, in its basis, has already a wide mass of supporters infected by the "alien” consumer mentality.

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MANAGEMENT BY OBJECTIVES (MBO) – MANAGEMENT PHILOSOPHY FOR PROSPEROUS TOURISM ORGANIZATIONS

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Abstract:

In the last fifty years since the term Management by Objectives (MBO) was introduced, numerous methods, models and theories surfaced.

The first segment of the paper addresses issues regarding the organizational objectives, more specifically the importance of the objectives as a basis upon which the organization is established, the possible approaches of leading a tourism organization, and how the organization should be managed by these approaches.

The principal characteristic of management is to direct the leading toward achieving the predetermined objectives. The second segment of the paper discusses the MBO process, its advantages and disadvantages. The practical implementation of the MBO is also elaborated.

***Key words**:* *tourism organization, objectives, management ,MBO*

INTRODUCTION

Every organization, including the tourism organizations works on the basis of defined and appointed specified objectives. Organizational objectives are the reason for establishing a tourism organization and according to them, the organization is managed and the planning process is organized.

The founder of the tourism organization has pre-determined objectives and to be able to achieve these objectives; he/she establishes a tourism organization. The organizational objectives are clear: to produce positive economic results (the revenues to be higher than the expenses).

The founder invests capital and his//her aim is to achieve "good" profit. The term "good" indicates a profit margin, for example this can be between 10% and 15%. The organizational objectives specified as specific profit margin, in future can be supplemented with other components. It is not recommended that the organizational objectives for one tourism organization to be mono dimensional: to focus only on making profit and nothing else (!).

The tourism organization as a social entity exists in its own broad environment. The organizational objectives can be directed towards:

- Business ethics
- Corporate responsibility
- Environment protection
- Employee's safety and health
- Shareholders' interests

The organizational objectives, from the beginning defined as a profit, but later on extended with additional elements, cannot be achieved if:

- The tourism organization does not operate
- The operating of the organization is not properly managed
- The tourism organization did not define paths which it needs to follow to be able to accomplish its objectives.

The organizational objectives without defined paths for its achievements can only be a list of wishes. For example, one tourism organization as an objective for the year 2011 can have increasing of its profit margin from 12 % in 2010 to 15 % in 2011. This is very clear as an objective. But, the organization needs to create a strategy to achieve this. For example:

- the number of clients will increase from 4000 to 5000
- the number of foreign tourism destinations will increase from 40 to 50
- the working expenses will reduce for 5 %

If the tourism organization achieves these objectives, it will achieve the key objective: increasing the profit of the whole organization.

To be able to achieve all objectives including the key objective, the organization needs to be properly managed. The organizational objectives cannot be achieved by themself. The management needs to accomplish its management functions (planning, organizing, staffing, leading and controlling) and to be able to make decisions according to the organizational objectives. The planning process needs to be directed to achieve the key objective and everything has to be adapted to achieving the established organizational objectives. This is the core-concept of the Management by Objectives (MBO).

ORGANIZATIONAL OBJECTIVES

Organizational objectives need to be:

- achievable and realistic;
- concrete and measurable;
- time-determined;
- clearly defined;
- in written and available to all employees.

The organizational objectives need to be realistic in order to be achieved. Increasing the profit from 12 % to 15 % is a realistic objective. To increase the GDP for 3 % is also realistic objective. But, unrealistic objective will be to expect to increase the profit from 12 % to 82 %. If the organizational objectives are not realistic, they will not be achieved and this will decrease the motivation of the owner of the business, the management team, the shareholders and the other employees.

The organizational objectives need to be concrete and measurable. One tourism organization cannot have an objective in 2011 as follows: “Our aim is to work very hard and make effort to achieve good business results” (!?)

The major of Ljubljana, Zoran Jankovic in December 2010 has stated: “Ljubljana at the moment is at number 77, according to the scale “Mercer” which measures the quality of life in the cities. My aim is during my term Ljubljana to be within the first 10 in the world” (“Dnevnik”, 04.12.2010)

According to the president of “Toyota Motors”, *Katsuaki Watanabe*, the aim of the company for the next year is to produce 9, 42 million vehicles. If they achieve this objective, it will be for the first time in the history to overtake the USA giant “General Motors” and become the biggest world automotive producer (“Politika”, 23.12.2006).

These are examples of concrete and measurable objectives.

The objectives need to be time-determined, too. If the tourism organization has an objective to increase the profit from 10000 EUR to 15000 EUR, this objective must be time-determined, also.

The organizational objectives for the tourism organization need to be clear and precisely defined. For example: The hotels of the company “X” have 25 % market share. The objective is within the next five years this percentage to increase and after five years this chain of hotels to have 48 % market share. The clearness, preciseness and time dimension are the basis to see if the objectives are achieved – when the time for the achievement has concluded.

It is recommended the objectives to be available in written form and be accessible to all employees in the tourism organization.

There are some important notes regarding the organizational objectives for the tourism organization:

1. If the organizational objectives are not achieved, this can happen due to two reasons:
   a) The objectives are not realistic and achievable, they are over optimistic.
   b) The objectives are realistic, but the tourism organization was not well organized and managed, so it did not achieve the goals. Another reason can be if the operational and executive objectives are not well placed.
2. The objectives can be achieved if there are précised ways for its achievement.
3. If the objectives are not achieved, the responsibility needs to be addressed to the managers or other employees who are directly responsible for the tasks.
4. When tourism organization set its objectives, they must not forget about the employees. The objectives of every tourism organization must include the employee’s objectives.
5. The survival of the tourism organization is of course the first and foremost, but not the only objective. It is certain that the tourism organization firstly needs to survive and then to establish new objectives. The objective for survival is a basic objective; it is understandable for everyone and does not need to be expressed. It is not going to be good if all objectives refer to this objective. This is a basis for establishing all other objectives.

MANAGEMENT BY OBJECTIVES (MBO)

“For someone to be a manager, he/she needs to be able to take responsibility. Manager’s duties include the objectives of the company and not his/her individual needs and therefore the manager needs to be committed to the organizational objectives. The manager needs to understand the company objectives, what is expected from him/her and how his/her performance will be measured. The views and the attitudes of all the managers within a company need to be compatible.” (Drucker, 1961, 150).

Until now, MBO by Drucker is still in the main focus for many researchers in the field of management.

The management can be defined as:

- Setting up objectives,
- Creating “paths” for achieving the objectives,
- Managing the organization through these paths to achieve its objectives.

The Management by Objectives is a management “philosophy” which is used by Peter Drucker who states that the management based on set up objectives and self control can be understood as a philosophy of management (Drucker, 1961, 158).

The objectives of the MBO need to be SMART (Specific, Measurable, Achiavable, Relevant, Time-determined). In some areas SMART can be extended to SMARTER, where E – means exciting and R – recorded.

Typical MBO program has the following phases:

1.Formulation of the company objectives and the organizational strategy.

2.The company objectives are given to all the departments.

3.The departments' management determines its specific objectives.

4.Each department's objectives are concluded in a co-operation with the employees.

5.The planning process for defining the ways of how to achieve the goals is done by the management team together with the employees.

6.There is a plan process for the tasks.

7.The progress towards achieving the objectives is observed periodically.

8.The success of achieving the objectives has a positive impact to the reward for the employees (Robbins and Coulter, 2005, 165).

Instead of traditional way of choosing the objectives, many organizations have started to use MBO. This is a system where the management team together with its employees decides what the specific objectives in each department are. In doing this, each department is led by the overall, company objectives. The process of achievement is periodically controlled and along follows appropriate motivation and reward system.

As any other method, MBO has its advantages and disadvantages. However, there is an evidence of positive effects. Out of 70 MBO programs, the productivity has increased in 68 cases (Robbins and Coulter, 2005, 165).

It is very important in the process of selecting the organizational objectives not to end up in a situation where some objectives are contradictable one to another.

Experienced managers who applied MBO believe there are two advantages of this process:

First, the program MBO continually emphasizes what needs to be done in the organization in order to achieve the objectives.

Second, the MBO program provides guarantee for the employee loyalty for achievement of the organizational objectives. Both, the managers and other employees are concentrated on achieving the organizational objectives because they were the ones who set the objectives.

But, the MBO in spite of having many advantages also has disadvantages. First, the progress of the organizational objectives takes long time and this reduces the effective working time for the managers and other employees. Second, writing about the objectives, giving a statement about organizational objectives and detailed evaluation about the achievement of the organizational objectives increases the paperwork (Certo and Certo 2008, 145 – 146).

Every manager – starting from the CEO, till the first-line managers, need to have clearly defined tasks (sub-objectives-T.K). These sub-objectives should show what results (goals) can be expected from the respective working group. All the sub-objectives ought to clarify the contribution from the working group in order to help other groups to achieve their objectives (Drucker, 1961, 147).

CONCLUSION

MBO is a management philosophy. Before the organisation is established, the organisational objectives are usually in only one direction, mainly focusing on the profit side of the bussiness. When the tourism organisation starts its operations, the organizational objectives become multidimensional and apart from the profit, there are also other parameters included (for example: with relation to the business ethics and the social responsibility).

The tourism organization, same as any other organization, needs to set up a long term, middle term and short term objectives. Those objectives need to be realistic, concrete and time-defined. On the basis of the key objective, the tourism organization can apoint its other objectives for different organization units (departments, branches, representative offices etc).

If some of the objectives are not achieved, the organization needs to find the reason. The system for reward needs to be adapted to the MBO.

The employees' involvement and their co-operation with the management team for defining the objectives is one of the characteristics of the MBO. This is in a correlation with elements of participative management which includes the employees in the process of making business decisions.

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REQUIRED SKILLS AND LEADERSHIP CHARACTERISTICS OF A MODERN MANAGER IN TOURISM AND HOSPITALITY

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Abstract:

This research was conducted on 209 respondents in the field of tourism and hospitality. The aim of the research was to determine the necessary leadership characteristics and skills of a modern tourism and hospitality manager, as leader of the organization or team in it. For the purposes of the survey questionnaire was used to ascertain the views and opinions of the respondents in terms of categories: psychological characteristics, personality, social characteristics, skills for establishing good interpersonal relations, intelligence and ability and characteristics related to work relations. As a result of the survey the following important characteristics and skills were determined: energy, mobility, self-confidence, originality and creativity, communication skills and ability to set and track goals.

Key words: *Leadership, manager in tourism and hospitality, research, communication, characteristics and skills*

INTRODUCTION

Tourism, as a non-production economy branch, today, in the world, represents a significant factor determining the overall development of a society or a state. The fundamentals of tourism as an economy branch, consists of: hospitality, traffic, trade, travel agencies, community services, agriculture, food processing industry and craftsmanship. The function of tourism is multiple: health-caring, social, cultural and historical, educational, entertaining, and above all economic. Hence, the main characteristic of tourism as a complex, mass and dynamic phenomenon, is the local, regional and global mobility of people. Tourism, and hospitality, as its essential constituent part, influences the global exchange of goods and represents a kind of bridge bringing closer people and cultures from all over the world. The development in tourism is in tight correlation with the development of a democratic, pluralistic and entrepreneurial society, as a basis for prosperity.

As it is the case with any other economy branch, the key factor to improvement and to efficient and effective working of tourism and hospitality organizations is good management.

MANAGEMENT IN TOURISM AND HOSPITALITY

Management nowadays represents one of those terms that are very frequently used in everyday contacts and practice, but is rarely and not by everyone, taken in its correct meaning. It is necessary to treat management more like an activity or process rather than a term or event. The management refers to performing tasks or providing grounds for the things to happen and it refers to a process that everybody accepts as a manner or culture of living within the frames of their organizations.

The management is goal-oriented and takes care of achieving good results. Visible results understand establishing a set or a system of values regarding the nature of these results and the significance due to which the results are to be achieved. Becoming a successful manager is actually developing a capacity to understand the nature of results and achievements and their linkage within corresponding systems of values. This implies that the management is not and can not be neutral when it comes to values and results.

People are educated to become successful managers, both via the process of actual leading the organizations and via the formal and non-formal education. The management expresses itself by means of behavior. The successful manager is capable of working in conditions that are ranked among complex situations. In order to achieve this, the manager needs to possess skills for analyzing, setting priorities and communicating.

The term *management* derives from the verb *to manage* (the etymology of the word lies in the Latin roots of *manu agere,* or taking somebody by his-her hand) meaning: to direct, to govern, to supervise, to steer, to succeed, to take decisions for meeting the needs. The contemporary theory and practice treat the management from the aspect of:

- Process – it leads towards existence of managerial functions
- Institution – it refers to managerial roles
- Hierarchy – it discusses the existence of managerial levels.

The manager is a person that achieves results by means of the work of others, that is to say, his/her cooperators, individually or collectively, under complex circumstances of permanent change and suspension. Having in mind what was said previously, it is made clear that the managers are to be efficient and effective, they need to acquire certain competences (knowledge, skills and well-defined positions regarding certain issues), but also to display a specific kind of behavior. The essence of the successful management is the leadership.

The focus of the modern managers in tourism is placed upon creation and designing of corresponding organizational structure, including the way of distributing the activities, their organizing and coordination (1). In this context the development of an appropriate organizational culture and creation of a healthy working climate are given important attention. In order to achieve the above, managers in tourism need to excel in decision taking and problem solving and be good motivators and communicators.

What is next, tourism managers need to have well developed emotional intelligence to help them cope with unknown and problem situations, to recognize and control their emotions, to recognize other people's emotions and to adjust their behavior to the given emotions in a given situation.

> *According to Professor Daniel Goleman from Harvard University, USA, emotional intelligence represents (2): "self-awareness; self-control; managing one's own emotions; motivation; empathy; 'reading' other people's emotions; socializing skills such as, team work capability, persuasiveness, listening, leadership and managing relations with other people".*

The emotional intelligence is being acquired through the experience of the individual, but it is being modeled in a process of education. There are four skills of emotional intelligence: self-awareness, self-governing, social awareness and interpersonal relations. These four skills define people's ability to recognize and understand the emotions, as well as their capability to use this kind of awareness in managing their own behavior and their relations to other people (3).

Self-awareness is important for an objective viewing of one's own situation and it represents ability to register one's own emotions in a given moment and given situation, in line with one's own general tendencies: controlling the typical reactions of one's own. Situations creating strong emotions always require deeper thinking. As soon as the person admits and takes time to consider what s/he feels, that very moment s/he obtains the necessary information needed for making the right change in his/her life or work, to take an action. This is nothing more than managing one's own self, or making a good plan that is to be implemented successfully. Managing one's own self might mean taking an action or complete inactivity. Inactivity is also a kind of activity! Managing one's own self is an ability to use the awareness about one's own emotions in order to remain flexible and to positively direct the behavior of one's own.

Whenever a person is able to analyze the things as they are, but from an aspect of other people, the way these people consider the things and activities, then this person is said to possess social awareness. Social awareness is an ability to register the emotions of other people and to understand what happens with these people and what they think. But it is very important to possess an ability for getting into relations with others, or an ability to establish good interpersonal relations. This provides clear communication and efficient acting in conflict situations. It is necessary to show confidence and respect towards collocutors.

The four skills of emotional intelligence tend to group in pairs of the so-called primary competencies: personal (self-awareness and self-governing) and social competence (social awareness and interpersonal relations).

These four skills actually represent blocks that build on one another. Goleman creates a special model of emotional intelligence that is particularly designed for the work place (4).

Picture 1: Goleman's model of emotional intelligence

	Self (personal skills)	Others (socializing skills)
Recognition	Self-awareness Emotional self-awareness Precise self-estimation Self-confidence	Social awareness Empathy Orientation towards the others Organizational awareness
Regulation	Self-governing Emotional self-control Reliability Conscientiousness Adaptability Aspiration towards achievement Initiative	Interpersonal relations Improving the others Influence Communications Conflict management Visionary leadership Changes Relation building / networking Team work and cooperation

LEADERSHIP CHARACTERISTICS AND SKILLS

Every individual personality is validated through three essential elements: character, cognitive intelligence and emotional intelligence (3). The character is usually said to be the person's infrastructure. According to Robert Hogan, the term *person* is pretty ambiguous and the two meanings it might acquire are fairly contradictory. One meaning refers to the impression that the individual leaves on the others. This aspect stresses the societal reputation of a person and does reflect just the description but also the grade awarded to the individual in the eyes of the others. The other aspect of understanding the personality, completely different from this one, emphasizes the "invisible" structures and processes inside the personality, that on the other hand explain why every individual behaves in a given manner or why the conduct of certain people tends to be relatively the same in different situations and different from the conduct of other people. (5).

Although each of these approaches provides useful perspective of introspection into the personality, still most of the research regarding the linkage between the person and his/her successful working activity, is based upon the approach that deals with characteristics or features. They refer to the things that are being repeated, or follow this trend in individual behavior. This approach implies that people support that type of behaving which results from the strong features they possess. In order to enter the structure of necessary qualities that a successful individual should possess, it is necessary to introduce the basic structure of the person that is characterized by its: abilities, temperament, character, will, interests, attitudes and physical features. There is one personality model which incorporates the following five dimensions: influence, perseverance, agreeability, adaptability and sensibility (5).

The influence comprises of two personality features, predominance (the degree to which the person wants to control or influence the others) and socialization. Perseverance is connected to behaviors that are related to: endurance in accomplishing assignments, confidence and performance in accordance with the rules and policies. Perseverance as a characteristic is in direct relation with the energy capacity of every individual. It requires aspiration and dedication. Its constituent parts are the four features: orientation towards achievements, harmonization with the set goals, organization and credibility. In order to achieve the goals and to surmount the impediments on the way to it, it is necessary to possess self-confidence. Real self-confidence represents conviction based on: knowledge, future-orientation and proved successful work, which understands belief that one's personal views, aims and programs are the right directions leading towards solving the problems.

Agreeability relates to cooperation. A highly agreeable person is warm, cordial, accessible, whereas on the opposite side is cold and sullen person. Agreeability consists of three features: optimism, empathy and popularity.

Adaptability refers to the way of reacting of people in stress situations, or in cases of failure, or personal criticism. This dimension involves: emotional stability and self-criticism. People of high emotional stability seldom lose control, whereas the emotionally unstable people continuously complain about the situation, criticize team members and have emotional outbursts.

People of high sensibility, or intelligence degree are imaginative, curious, explorative, whereas those of low degree of sensibility (intelligence) always repeat what they have tried previously and do not want to make experiments.

A recent interesting research showed the features of managers that do not succeed in their businesses or functions: rudeness, showing no consideration for the others, sold, arrogant conduct, betrayal, over-ambitiousness, wrong interpretation of problems, inability to delegate responsibilities, inability to create teams or think strategically, selfishness. There are certain personal leadership characteristics that are considered of special importance for leaders in tourism. They are given as follows:

Picture 2: Personal characteristics of a leader

Psychological characteristics	Person	Socializing characteristics
Proactiveness Energy Social reputation Mobility	Carefulness Originality and creativity Personal integrity and ethical behavior Self-confidence	Ability to establish cooperation Popularity Communicativeness

Intelligence and ability	Characteristics related to work relations	Skills to establish good interpersonal relations
Ability to make judgments Confirmation Decisiveness Knowledge Eloquence	Wish to success Stimulus for achievement Stimulating responsibility Ability to set and pursue goals	Ability for socialization Carefulness Diplomacy

EMPIRICAL COGNIZANCE

As a result of the survey conducted among 209 surveyed in the area of tourism and hospitality, as well as users of services in this area, certain empirical cognizance has been achieved. The aim of the survey was to determine the necessary leadership characteristics and skills of a contemporary manager in tourism and hospitality, as a leader of an organization or of teams within it. For the purpose of this survey a questionnaire checking the attitudes and opinions of the surveyed regarding: psychological characteristics, personality, socialization characteristics, skills to establish favorable interpersonal relations, intelligence and characteristics and skills as regards of working relations, was applied. The instrument was so designed as to make the surveyed produce ranking of the given skills and competences with grades 1-5 in accordance with the necessity, importance and usefulness.

Resulting form the survey, the following more important characteristics and skills have been determined: pro activeness (initiative and responsibility) – average grade 4.38, vigorousness – grade 4.51, mobility – 4.32, self-confidence – 4.42, originality and creativity – 4.56, communicativeness – 4.63 and ability to set and pursue goals – 4.47.

It should not be neglected that there were no big or significant differences in attitudes and opinions of the surveyed employees when compared to those of surveyed managers in tourism and hospitality, in correlation to attitudes and opinions of their customers and users of services, but still some of the notions were rather indicative. Largest portion of coincidence in attitudes and opinions falls within the parts relating to communicativeness, vigorousness and pro activeness. Tourism and hospitality workers, particularly the managers, put a special emphasis on the ability to establish cooperation, ability to set and pursue goals and the ability to judge, or in other words, the abilities to establish good interpersonal relations and characteristics related to work relations. They prefer efficiency or efficacy in working. On the other hand the customers are more focused on the need for effectiveness, or quality and benefit. In this context, to them, communicativeness, ethical behavior, knowledge and pro activeness are the important features.

CONCLUSION

Successful manager in tourism and hospitality as a leader should be a well-educated person with a high level of culture in various domains of life. The good knowledge and information provide the security in work, but they also make the manager appear attractive. The overall appearance, behavior, good manners, way of speaking, eloquence, all contribute to the attractiveness of the manager in public. High and rigid ethical standards and norms are a characteristic of a successful manager – leader. True leaders are highly motivated people with aspiration for achieving, ambitious, vigorous and original. They have confidence in their personal values, have capacity to accept, process and interpret huge amounts of data. They are capable of adapting to different personalities and situations, but they also wish to succeed as leaders.

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THE CHALENGES OF A FAMILY BUSINESS

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Abstract:

Small businesses give a lot of possibilities for realization of your own creativity and inventivity. Employment of new family members creates work atmosphere that cannot be felt in other companies. Organizational culture results from the employee cohesion and from their devotion to the organization and to the work, and therefore cannot be achieved in other organizations and with any other motivational techniques. These excellent working conditions are a great base for fulfilling the organizational aims, as well as for united and satisfied family.
The work in the family organizations is specific from two aspects: from the advantages that it offers and from the problems that arise from this kind of business.

Knowing the conditions in the family business, i.e. knowing the factors that influence the effectiveness and efficiency of family business enables more efficient work.

Family business development with change of generation or with the increase in the number of family members brings new moments. In addition, one good story can be transformed in an unpleasant conflict and can get to disunion in the family as well in the business.

Knowing the possibilities and threats in connection to the factors that influence the family business enables preventive actions in order to avoid undesirable situations.

Key words: *family business, organizational culture, family conflicts, possibilities, threats, tradition*

INTRODUCTIUON

Family businesses are a way of life for many successful families. It is normal for every modern country for an adolescent to want to continue his education in order to set up new business or to maintain his parent’s business. However, if the parents have their own business, the son thinks in a direction of self management so that he can work in the same sector or to start a new business in his area of interest but according to the long term family strategy.

Macedonia cannot be praised for the number of family businesses. Generally speaking the conditions for family business development are inconvenient, so the number of people that would take the risk is very low. The number of unemployed people is rising, and one the main solutions to this problem is starting a family business. Frankly speaking, the small improvement made in rising awareness for self employment in your own business, seems to be coming to the previous condition with the criteria for setting up small business.

Buying power of the Macedonian citizens is decreased and by that underlines the problem, making it look like Macedonia is in an enchanted circle and there is no way out.

Anyway, not everything is black! Family businesses are a good solution for the unemployed, but capable of work, with great skills, knowledge and competences for establishing their own business. Also, each one that feels unsatisfied with the current job position or is well aware of his qualities can make a decision and take the risk of starting a family business. Everyone cannot make it. Only those brave enough to be entrepreneurs, with the appropriate knowledge and skills for anticipating in the changes the environment creates, accepting those changes and later on creating a team willing to follow the strategy he has created, can embrace the challenge and turn the idea into profit.

Last researches show that only 3% of the world's population is born with an entrepreneurial talent, and those that are not, all of the necessary skills for developing small business can be learnt.

One of the possibilities that should be taken into consideration is the existence of business faculties. The curriculum of these faculties offers varieties of subjects covering all the areas necessary for creating a good entrepreneur, ready to continue the family business. Also there are many companies working with consultant, going to training sessions for business, seminars etc.

FAMILY BUSINESSES IN MACEDONIA

The structure of Macedonian economy is constructed in the way that small and middle businesses have the biggest share on the market. Practically 96% of the economy is in the hands of the small businesses. Related to the bigger companies successfully going through the transition and implementing the western working standards, as well as few foreign investors, everything else is considered to be business environment.

Some statistic researches show that small part of the business subjects have had a business plan. Mostly, even if the business plan has been created in less than 10% of the cases business subjects are guided according to the previous global business plan.

Practically speaking, experiences and companies' life cycle in the transition period from planed to market economy, the facts say that business environment analyses show that may companies in Macedonia do the opposite of the calculated methodology, that is totally contrary of the behavior of the business subjects in developed countries. This condition is a result of the revitalization of the meaning of business planning i.e. of the insufficient efforts for anticipation in the future business surroundings for better estimated future effects of investment. What is more important for the developed world today is also important for Macedonia. The time of improvisations and voluntarism has passed even in our country. The experiences from the previous market economies systems show that only the serious companies with full respect towards the market rules and the behavior according to modern trends have chances of long term business success. The objective estimation of the economy and financial sustainability of the business idea and full business strategy are very rare. What makes it worse is the absence of precognition for many vital business concepts, and for same there is bad translation and misunderstanding.

Investment activity in the years of the change in the socio political system is mainly through the investors, and that is why formal business planning is not a practice. The basic tools for planning and management are used only when an entrepreneur wants to take a bank loan, but even then, the plan is made simplistically or with a great idea so that the bank board can see the ideal picture of the business. That is how a wrong association is created among the business plan and the application for loan i.e. their meaning are taken misunderstood. When entrepreneurs are asked if they have a business plan, they are confused and answer that they do not have and do not need one, because they are not looking for a bank loan.

There are many negative indicators, as the high unemployment rate and the decrease in industrial manufacturing, that clearly indicate the need of small business development. Beside the employment of the owner of the company as its creator, he employs part of the family. The conditions for establish your own business in Macedonia are very difficult, especially at the moment.

Here are some of the things that are barrier for starting up a family business:

- Institutional weaknesses (example: slow and complex administration, drawbacks of the administration of justice and the insufficient development in land and property registration)

- High taxes
- Difficult market approach
- Small business loans
- Not developing entrepreneurial culture among the people
- Not having a strategy for creating lobby groups of interest
- Corruption beside the government efforts

Owing to this, business clime does not stimulate the families and individuals to start up their own business. The existence of non-formal sectors creates huge distortions in the economy. Due to the non balanced business structure of the export the economy is facing big difficulties to deal with the pressure of the competition on the market. Solving the identified weaknesses through the structured reforms should contribute to reinforcement of the economy and to its competitiveness justified. The change of the political system will not make more efficient investments.

PRIORITY NEEDS OF THE FAMILY BUSINESS

In the beginning of the business two things are basic for the successful development of the family business:

- Control ownership and
- Flexibility to respond to the client needs

In order these priorities for the family business to be fulfilled, the managers – owners must to the employee selection according to the skills and knowledge they have. Having done that, they can give direction, can secure the finance for investment and operating fund, manage the money income and budget for different project for the company. In the early period of the company's life, business must be in condition to prove the possibility for growth. The personal style of the many owners can contribute to the creation of initial client's base. Politics and procedures in the first phase of organizational development are characterized with informal control ownership of the business organization.

Lack of routine and control will not harm the organizational flexibility if the employees are qualified for the job position and if the communication is on a desired high level. Independently, each one of them can aim to fulfill the organizational goals.

In the early phase of beginning three aspects of family business can be determined:

- Organizational culture
- Strategy for sustainable development and
- Competencies of the manager.

Organizational culture (as a culture of any other social group) are assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors. These norms and values should be maintained and people should act according them in the following areas: build authority (hierachical or indivudual), role of the management (authocratic, consultive and participative), task oriented employees, loyalty to the leader of the organization, organizational respect, the role of the family in the business oriented companies (focused on the past, present and future). Members of an organization soon come to sense the particular culture of an organization.

Strategy for sustainable development is the initial idea of the business. Among the other it is inevitable to create financial, personnel and material strategy with strictly calculated activities for each employee, team leader and all the necessary resources for each activity as well as strategy evaluation.

Competencies of the manager are the aspects that ask professionalism and high level of competencies for every manager as well as the efforts for strategy fulfillment using the organizational culture as a main tool for competitiveness.

FAMILY CONFLICTS

-Why are family businesses important?

-Why the solutions to the family conflict are crucial for the business?

The answers to these questions are important because of the economy development in every country. Stable economy depends on family businesses. Even the biggest world corporations started as small family businesses, and later became big corporations (Cargill in the United States, Samsung in Korea, LVMH in France, BMW in Germany, larks Shoes in the United Kingdom, H&M in Sweden). Family businesses are one of the greatest challenges in the world of business. Even the non- family businesses have something to learn of the family businesses because the devotion to work and the organizational culture are the fundamental characteristics which others managers seek for in their organizations.

Beside the possitive sides of the family business we can take this fact for granted because of the easiness for its trnaformation into negative due to lack of self control and instead cooperation ans support there is jeaolousy and wish for higher position in the company. Often parent favour one of the children or the owner favours one of the brothers or sisters, and thus family business is faced with great problems. Being aware of these problems, helps the family businesses recognize the symptoms, analyze the circumstances, find the reasons for the problem and successfully avoid or solve the problem. Conflicts are present everywhere around us, especially in the family business, but only with a systematic treat of the problem the conflicts can be solved in interest of the family members, employees not being part of the family and every concerned party. Some of the reasons for family conflicts are mentioned in table 1. These and many other reasons for starting a conflict in the family can be mixed and can be happening at the same time. However, that may not be crucial for the future success of the family business.

Table1: Reasons for family conflicts

Reasons for family wars	
1.	Fight for resources and higher job position
2.	Conflict: Enchanted circle of revenge
3.	Gaining trust of third person for their own goals for higher position
4.	Group of people taking power over another one
5.	Fight with a newcomer to the family: son in law, daughter in law
6.	Sons, brothers or sisters fighting for the father's heritage
7.	Making different decisions and plan for the company

Table2: Positive and negative sides of family businesses

Positive and negative sides of family businesses	
Positive	Negative
Love, devotion, trust	Leader's assumptions based on emotions
Trust coming from the telepathic connections of the family members	Risk of negative transfer from personal to public areas of interest
Research and problem solving in private atmosphere	Making bad decisions based on emotions
Sense of solidarity and devotion to mutual goals	Lack of skills necessary for successful accomplishment of working activities
Unselfish involvement of the personal and professional potential in the work	Bad meetings lead by the family heirs, and not from professionals (nepotism)
Specific organizational culture	Danger of jealousy and family enemies
Long term vision of the company's life cycle	Devoting more time to personal than to professional business goals

It is easy to analyze the reasons for international wars, but the wars in the frames of the family are the most difficult ones. The difference between the real wars at the family ones is the lack of emotions.

Emotions are uses as a very good weapon for manipulation. Because of them among the researchers there are two main streams. One emphasizes the positive thing in a family business like devotion; challenges, "money laundry machine", and the other one emphasizes the obligations and fears that brings along the family business (see Table 2).

Conflicts should not be seen and treated always as negative. We should not forget that some of them are productive and represent creativity engines for change in the organization.

FAMILY CONFLICT ANALYSES

When making analyses of family conflicts it is very important to find the basic of the conflict and the conflict process; i.e. what kind of a conflict occurred and why. Often these two things are mixed, but anyway both of them should be analyzed.

Mainly as a **conflict bases** are the opposite interest of the family members or with other word different people want same thing or have same interest. More difficult win-lose situation. When analyzing the conflict if there is material background the solution to the problem is easy. It is easier to financially divide the sides that are arguing that to call to their moral, ethics, principals and criteria for value systems. Financial division solves the problem easily and the work can continue without any problems.

But, not always the conflicts can be solved with money. When the problem is more than money, some personal connection, wish for authority and mistrust, the conflict is bigger and complex. Here the emotions take a big part, which makes it more difficult. Here the family businesses are the most vulnerable.

Mistrust in a person is created when he or she sets up unreal goals or is changing the decisions constantly. Once the trust is lost, it is very difficult to get it back – this sentence is often heard in family business but if the promise is not kept that the forgiveness does not come easily and it is a beginning of a family war.

Non-material conflicts of interest and mainly connected through emotions with the psychological elements of the person. In these cases, the individuals want to be the ones that are respected and loved more than the others.

Misunderstanding and conflicts between family members are hard to be accepted. It is not easy to lose a loved person, especially a relative (brother or sister). Emotional and ethical dilemmas are part of the family conflicts. That is a natural man's reaction, asking for forgiveness and reasons for the things done.

The process of conflict situation mainly starts with the opposite interest of two or more people. When these opposite sides will define their incompatible goals and explain to each other, they start to gain supporters on their side and they are thinking about resource division. The divisions created like cannot be easily outruned. In situations like this, the conflict becomes a conflict process and everything the company owns is divided to every party taking a part in the organization, and they continue to function separately. It is good to mention that this process is not harmful for the interested parties. They simply continue functioning separately. That should not be the end of the business.

CONCLUSION

Family businesses are challenge for every entrepreneur. Learning family businesses, with all the positive and negative sides, enables the managers and brave entrepreneurs to solve the problems and to avoid the business traps.

-There is one question to be mentioned: *Family businesses YES or NO?* or *Will this effort be worth?*

Certainly YES! Conflict are present everywhere even in the family businesses. The professionals' competencies are needed to fulfill the work duties professionally and to avoid the risks that every business has. The positive side of the competencies is that that can be learnt through life and experience. That means family business is build and grows through stuff improvement, learning the pro and cons of the business, studying the techniques and tools for problems solution, just like every other business. That is the recipe for increased possibility for success and maintenance of the business and the organization. Positive emotional energy of the leaders of the family companies also plays a great role. Not only it is necessary to analyze the reasons for the existence of family business conflicts, but also it is necessary to learn and to apply the tools to avoid and solve the risk that are a black cloud for every organization.

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STRATEGIC MANAGEMENT WITHIN THE TURISM AND THE WORLD GLOBALIZATION

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Abstract:

Within the world of tourism development, it is indisputable for strategic planning of tourism, especially for defining and existence of a development strategy for tourism. The implementation of the development strategy for tourism is determined by the functioning of strategic management in tourism.
Strategic management is a proactive process of achieving long-term compatibility of the corresponding field in planned tourism environment. This management is a profitable way for implementation of priority development goals in tourism, set by the national economy, which is affected by tourism development. Strategic management basically has all the necessary features that promise efficiency and effectiveness in achieving development goals in tourism.

With increasing competition and globalization trends, dynamics and development of tourism is increasingly intensified, and strategic management to ensure efficient and effective business operations (resource management, management information systems, maintaining and developing relations with tourisms, expanding and development of the tourism business, managing to new and innovative tourism projects). Therefore the importance of strategic and operational management without successful parts of operations, threaten the development of the tourism component.

Keywords: *Strategic planning of tourism, long-term compatibility, efficiency and development effectiveness in tourism, stable environment, innovation in tourism.*

STRATEGIC MANAGEMENT IN THE FRAME OF TOURISM AND THE WORLD GLOBALIZATION

In the frame of global tourism development, it is indisputable need for strategic planning of tourism, i.e. the definition and existence of a development strategy for tourism, it is logical that its implementation is conditional on the functioning of strategic management in tourism.

Strategic management is a proactive process of achieving long-term compatibility of the corresponding area in planned tourism. This management represents most profitable way for implementation of priority development goals in tourism, defined by the national economy which is affected by development of tourism.

Why I support the idea of developing a strategic management in every national economy if the country wants effectively to organize its developing strategy in tourism? Basically, because strategic management has all the necessary features that promise efficiency and effectiveness in achieving development goals in tourism.

Namely, as one of the characteristics of strategic management, is that it promotes organizational efficiency in all entities involved in tourism. This means that the management imposes control through which it is perceived how successful one operation is running. Mainly the efficiency confirms whether the entities responsible for tourism development “perform things properly”, because efficiency is determined by the relationships among all participants in tourism development.

Furthermore, the support for strategic management and looking at the fact that it is always a long-term oriented. Generally, as in tourism development strategy refers to achieving the goals that extend for a period longer than one year, strategic operational management has the task to move all operations from the current position to the desired, future position. This means that the time horizon may be related to many years, decades, etc., in accordance with the strategy and process of world globalization.

It should be also emphasized, that the solely strategic operational management, speaks for the fact that itself is based on decisions taken at the highest level, so-called strategic decisions. Such weight of decisions ensures authority in their implementation. Finally, as another important aspect of strategic management, which should be applied if we want to achieve a dynamic development of the strategy in tourism, is that it could relate to different organizational levels, analogous to the definition and elaboration of development strategies in tourism: national level, regional level, local level, etc.

If we define strategic management as the engine of tourism activity, there are several practical experiences in its implementation, regardless of the subjects that are affected by the development of tourism: domestic tourism entities or foreign investors who provide funds for tourism development.

From the people’s experience, whose job is to find suitable management personnel, for the necessities in the area, specifically within the tourism industry, often there is a problem finding experienced managers for operational functions.

With the surge of foreign investments, which are expected to be even larger in the coming years, the trend and the need for operational managers will be even more pronounced. The problem will be simplified, if the foreign investors in the visiting country bear the full managerial and organizational structure, as it has previous extensive experience in relevant field. Establishment of good managerial personnel in tourism means a team that knows well the mentality and habits of the local population, geographic and spatial capacities, tourism demand, competition etc. Only good operational management can conduct the strategic and operational objectives set in tourism development. With increasing competition and globalization, dynamics and development of tourism is increasingly intensified, while strategic management, should ensure efficient and effective business operations (resource management, management information systems, maintaining and developing relations with tourisms, expanding and developing the tourism business, constant managing to new and innovative tourism projects). Therefore the importance of strategic and operational management is important, because without successful operations parts, the development of the tourism component is threatened.

THE CURRENT EFFECTS OF THE STRATEGIC INVESTMENT POLICY IN DOMESTIC ECONOMIES AND TOURISM POLICY

Tourism and travel is expected this year (2011) to make 6.5 billion denars or € 105 million, as a direct contribution to the country's economy. This amount is only 1.4 percent of total gross domestic product (GDP), according to the report of the World Council for travel and tourism[1]. World Council for Tourism is a forum of business leaders from the tourism and transport industry in which executives of 100 largest global companies from these industries are directly involved. The Council monitors the data in terms of tourism for 20 years as one of the world's largest industries, which on average contributes 9.2 percent to world GDP and employs 260 million people worldwide.

According to these data, Macedonia is on the 168th place in the world, according to how much tourism contributes to the country's GDP. All our neighbor countries are before Macedonia. In Bosnia tourism contributes 2.31 percent to GDP, in Bulgaria 4 per cent, 8 per cent in Montenegro, and while in Croatia even 11.64 percent. World average, in terms of how much is the direct contribution of tourism to the GDP of countries in the world, is 5.12 percent and we are far below this average.

[1] World Council of Travel and Tourism

The situation is similar when it comes to tourism contribution to the total employment in the country, as well as investment in tourism. While in Croatia tourism directly employs 12.7 percent of total labor, 8 percent in Greece, Montenegro 6.9 percent, Bulgaria, 3.9 per cent and 2.1 per cent in Bosnia, in Macedonia only 1.3 per cent of the total number of employees are directly involved in tourism.

In terms of investment, the country is on the 156th place in the world where we are again last in the region. World Council Travel and Tourism predicts that this year in Macedonia will be invested only $ 50 million, versus $140 million in Bosnia, $270 million in Montenegro, $620 million in Bulgaria, Croatia $1.41 billion and 7.41 billion dollars even in Greece and even greater amounts in Turkey and Italy, which are incomparable with our country.

The Council has somewhat better forecasts regarding the development of Macedonian tourism in the next ten year period till 2021. The contribution of tourism to national GDP is considered that it will grow in the next 10 years from 1.4 percent to 4.9 percent and that would bring revenue in the amount of 10.5 billion according to today's prices. The Council also considers that investment in tourism will rise to the level of 4.7 billion and would amount to 2.8 percent of total investment, compared to 2.3 percent today. On the other hand, it is not expected a significant increase in persons employed in tourism with their number expected to rise to 10,000, compared to 8,000 people, who are employed today.

For our country can be said that: "Republic of Macedonia is still relatively on a low level in attracting and using foreign direct investment, compared to other countries in the region. To increase the influx is necessary to create a stable economic environment and strengthening the private sector."

Therefore Macedonia should provide input to foreign direct investment, because it ensures intensification of economic development, job creation and poverty reduction.

MANAGEMENT IN MACEDONIAN TOURISM ECONOMY

According to mentioned considerations and plans for tourism development in our country at all levels, constantly are mentioned requirements for investment in various tourism regions and cities. It certainly is good to realize, because every new building, modern and contemporary built, would be welcomed in the global tourism offer.

The Republic of Macedonia currently does not need new buildings for accommodation, or hotels, especially in tourism regions. Of course, any foreign investment is welcome, but in times of bad economic power of the Macedonian economy, there are many other priorities, necessary for the functioning of the state and its citizens, i.e. other major problems during the so-called transition.

What more affects the Macedonian tourism economy right now is something else - complete reorganization of its operations, or a new concepti of carrying out the tourism activity, with the existing facilities. This means that existing facilities which have been already started to be rebuilt and modernized, should comprehend the tourism to another way; hence, the role of strategic management in the transformation of Macedonian tourism. Namely, strategic management needs to change organizational culture in the tourism field. How to achieve it?

Certainly, the way that already exists in the world of tourism, a way that is proven to be successful in many countries, which take the tourism seriously and develop it very quickly. How do countries such as Turkey, Morocco, Algeria and Tunisia, Austria, Hungary and others? And what they do what kind of strategies and targets they use to promote tourism activity and provide comparative advantages in tourism?

For starters, they began to organize the stay of the guests in the existing buildings, like tourism superpowers - Spain, France, Italy and others. They started to think the way how the client thinks or the so-called tourism way, which means the application of new communication culture and behavior with a high degree of helpfulness and efficiency.

It requires strategic thinking in terms of implementation of continuous training of tourism personnel - from the most demanding training of management teams to basic training for serving, behavior toward the guest and his animation. Seemingly, we would say a usual work that still hides inside great persistence and work.

Strategic thinking must be in another direction - the use of financial instruments of the EU, available to Republic of Macedonia, that they treat the strategic approach to tourism. These Instruments of Pre-accession Assistance (IPA), provides support for multiple components such as[2]:

- Help in the period of transition and institutional building;
- Cross-border cooperation;
- Regional Development;
- Development of human resources and
- Rural Development

IPARD is the fifth component of the IPA funds intended for rural development. The most important thing is that with these funds and programs rural and alternative tourism are supported, while the measures of the same should be our strategic commitment to the projections for tourism development. Extracted from the IPARD program supports:

- Reconstruction of houses on farms for tourism activities, including recreational facilities;
- Restoration and adaptation of houses on farms for accommodation;
- Establishment of catering services, shops and tasting;
- Establishment of rural museums;
- Adaptations of wineries with annual production of wine is a minimum of 20 to 400 hl;
- If the building is located in a protected cultural area or is located in a protected zone, the applicant must comply with relevant national standards;
- Investment in recreational facilities must be accompanied by accommodation facilities;
- Diversification and development of rural economic activities;
- Investments aimed at establishing micro enterprises and reconstruction of buildings in and outside the agricultural economy for the purposes of rural tourism, which should contribute to increasing competitiveness and improving the quality of living and creating employment opportunities, while appreciating the natural advantages and traditional for the rural communities.

Hence the need to use all ways to attract these strategic investments for the Republic of Macedonia, which are aimed at creating and developing micro enterprises development of handicrafts, alternative and rural tourism, promoting entrepreneurship and developing the economic structure.

The opportunities that IPARD program offered must not be neglected, and are directed towards the following priority sectors[3]:

- Promote the activities of country tourism;
- Investments in reconstruction of objects of agricultural economy with the purpose of rural tourism, supplemented with recreational facilities;
- Investments in building restaurants, outdoor accommodation (camps) and facilities for recreation.

[2] "With European money to development of alternative tourism", Soros Open Society Institute, Macedonia
[3] "With European money to development of alternative tourism", Soros Open Society Institute, Macedonia

OPERATION OF THE MANAGEMENT IN THE BENEFIT OF TOURISM ENTERPRISE

In the current complex situation of the economy in our country, and tourism is related to its lack of organization and function. Hard-earned tourism penny by catering and tourism workers, hardly used for themselves or for upgrading of their services and expanding their work in the non-use of promotional activities, both domestically and abroad. The approved money for propaganda and development of tourism is difficult to realize, for the simple reason that tourism in our country is not sufficiently organized, left to itself. It is not learnt from the experiences of countries in which tourism is taken seriously, and the state accomplishes a good influx of foreign currency.

With frequent changes in management structures in Macedonian economy, tourism is increasingly losing its value as an economic branch; which is probably the unique in using only domestic raw materials.

Hence the main strategic activities in tourism; the whole process of working to use domestic employees, homemade food, including an increasing number of hotel-and-catering organizations, small private businesses such as catering and other entertainment facilities, a large number of sales and manufacturing firms for production and sale of souvenirs and local handicrafts. Strategic management in tourism must also include the additional activities, which means a development of tourism such as transport, postal services, and other services and manufacturing facilities.

Republic of Macedonia has many possibilities to offer a hotel accommodation for transit tourisms from central and southern Europe, as Skopje and Macedonia are the most convenient places to rest after having spent thousands kilometers. For this purpose, with good strategic management, a separate tourism brochure should be made for transit tourism in Macedonia, which should be promoted to our presence abroad - at fairs, congresses, tourism events, etc.

The geographical position of Macedonia can be used as a significant competitive advantage for all these motorized tourisms, too. The territory of Macedonia is the most suitable place for the rest of the way to Greece, but little is invested and managed all. Macedonia as a state, although is extended on a small piece of land, has many natural and cultural treasures waiting for someone to evaluate, to put them in position to become tourism attraction and profit from their visit.

CONCLUSIONS

If tourism represents a part of the overall socio-economic system in each national economy, it means that it is a part of the future prospects of that system. Namely, no doubt we can confirm that we live in a paradoxical time, rich and at the same time worrying poor. And in the new century there is a large gap between material wealth and poverty on our planet. However, scientific thought is with great optimism in the positive changes in global sense and that transformation will the humanity experience, above all on the spiritual level. This primarily refers to the fact that man will become more aware of himself, and spiritual values and achievements of cultural and artistic plan will become available for the majority of the population. That means subsequent transformation and the plan of tourism behavior of people, the majority of people. The right to rest should become a universal right of all who work, regardless of the still large differences in content and ways in which the holiday is used. Therefore, the use of leisure time should be arranged in a certain way, with travel, especially leisure travel, to bring the development of the tourism phenomenon to unforeseen limits.

Regarding the current globalization and development incurred in place of existing conditions, which remains the art of scientific thought, to provide general, global environmental conditions, which in the future, would place tourism. What all authors, who on one or another way deal with tourism, agree with, is the claim that the future of this phenomenon depends on development of the structure of the population, but most of the economic potential, not only the population in emissive but in receptive countries.

The theoretical thought believes that tourism in the future will be developed for current major technical changes with such character and intensity, which will simply act on the roots to change in today's tourism.

Tourism in the future or rather the development of tourism will depend on the development of business activities and their promotion of knowledge about the manner and content of activities, from the application of new technological achievements (communication and computer technology) in the business. Increased efficiency of business activities produces, in the future will produce even more response than larger potential mass of tourisms. In this context it will provide greater protection for consumers and increased quality control of the tourism product, which in turn should positively influence the overall increase in tourism communication.

Finally, the investors and management, depending on the incentives of the country may be interested in investing in tourism, if we provide enough valid arguments to encourage this industry, to ensure them a profit.

To increase the inflow of FDI, once again has to be emphasized that it is necessary, creating a stable economic environment and strengthening the private sector. Republic of Macedonia must ensure the entry of foreign direct investment, because it guarantees the intensification of economic development, job creation and poverty reduction.

Frequently for the shown interest in investment in domestic national economy, investors looking for profitable alternatives developed tourism products: sun and water; content beyond the summer months; creativity of mountain and rural tourism; content of sport tourism and so on.

Tourism in the future will increasingly develop a form of domestic tourism market. It is hard to otherwise imagine balanced growth of international tourism in countries where domestic tourism is a marginal phenomenon, but otherwise have all the prerequisites for more intensive development of international tourism.

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CONTEMPORARY TENDENCIES IN THE TOURISM OPERATION

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Abstract

If the tourism organizations in our country want to survive in the newly created economic conditions they should introduce the changes in the method of operation. The changes refer to the method of creating the tourism product, the segmentation of the market and the choice of target markets and the method that the management of the tourism organizations will use to organize the stay of the tourisms in the hospitality facilities and the tourism destinations wider. This means that the perspective development of the tourism in our country will depend on the managerial team of the tourism organizations.

From the methodological aspect the significance and the role of the modern manager in the development of tourism organizations is emphasized in this paper. In the process of realizing the role of the modern manager in tourism, experiences from foreign research organizations and personal research are used. This way it has come to the perceptions about the activities of the managers in our tourism organizations and the way the modern manager should be in tourism.

***Key words*:** *tourism, manager, planning, organizing, motivating, leadership, communicating*

THE MAIN CHARASTERISTICS OF CONTEMPORARY TOURISM

Tourism as social-economic phenomenon has major significance in developing the economy of every country. Although tourism development is associated with the development of humanity and its culture, however the development of tourism as a social, economic and spatial phenomenon should be connected with the development of humankind in the industrial and post-industrial period[4].

Tourism is a complex economic activity which penetrates into all pores of human life. If we want to express all the important characteristics of the development of the tourism as a phenomenon, the sentence will state - continuous growth and development, which is conditioned today, and represents the largest industry in the world. The global development of tourism phenomenon is marked by the following six characteristics[5]:

(1) rising standard of living, not only in the most developed industrial countries, but also in many countries and parts of the world;

(2) increasing of leisure time and the right to paid annual leave of the employed population in many countries in the world;

(3) an increase in free financial means after repaying the existential life needs that are eliminated and the means intended for tourism purposes;

(4) high level of urbanization;

(5) an inclusion of new segments of the population in the category of potential tourisms; and

(6) an increasing of opportunity of using modern means for mass transport.

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[4] Cerovic, Z.: Hotel Management, Faculty of Tourism and Hospitality Management, Opatija, 2003, p.63

[5] Vukovic, B., Keca K,: Tourism and development – the notion, principles and practices, Mikrorad and Faculty of Economics, Zagreb, 2001, p.38

Each tourism destination is comprised of inbound facilities. They can be divided into two groups:

(1) primary facilities that participate directly in the provision of services to tourisms and charging the services directly

(2) secondary facilities that participate indirectly in provision of services and they are not able to charge the services directly but indirectly from tourisms through primary facilities.

On the basis of the division inbound tourism facilities are divided into[6]:

- Primary inbound facilities: accommodation facilities for the tourisms, especially hotels, hospitality facilities which provide services to tourisms concerning food, beverages and entertainment; transportation; travel agencies; retail, crafts and various types of utility services; facilities which contribute to a richer and more diverse tourism stay, (culture and entertainment facilities, sport facilities and other recreational facilities); postal and telecommunication facilities; specific tourism activities and services; and
- Secondary inbound facilities: parks, promenades, coastal belvederes etc.; public decorative facilities (fountains etc.); local roads, public parking lots, facilities for water supply and electricity supply, utility infrastructure etc.

This division of inbound tourism facilities is the most appropriate because it covers the secondary facilities which although do not participate in the direct charging of the services by the tourisms, but their existence is necessary for satisfying the needs of the tourisms and as well as the locals.

SPECIFIC WORK IN TOURISM

The concept of work in hospitality

Hospitality is a service (tertiary) economic activity, which provides services in accommodation and food for tourisms. In literature and practice, because of the great importance for the development of hospitality in tourism, there are attitudes that hospitality is identified with tourism. Such identification may not be accepted because hospitality represents only one part of tourism[7]. Hospitality differs from all other activities, not just the subject of work (provision of accommodation services, food and serving of drinks and beverages), but also by its specific characteristics. Those peculiarities consist of technological and production or service process, organization, standards and categorization of the facilities, economics and techniques of operation. Of the three basic functions of the hospitality business: purchasing, production and sales with a special technique of serving, two are significantly different by the above mentioned in other economic activities, and they are: the production and sales function, with a special technique of serving in restaurants, banquet halls, appropriate receptions in the hotel halls etc.

Special characteristics of hospitality services are the following[8]:

- it is produced for a familiar customer (guest);
- it is often produced according to a special request of the client, which in principle is used on the spot;
- it is not produced for storage, but for disposable use;
- the quality level of the offered services should be appropriate to the category of the facility, but also in accordance to the national and international standards;
- for the production of hospitality services an expertise and culture of service is necessary;

[6] Markovic, Z.: Principles of tourism, Skolska Kniga, Zagreb, 1980, p.142
[7] Unkovic, S,: Economics in tourism, the ninth upgraded volume, University in Split, FTVT Dubrovnik, 1993., p.7
[8] Pirija, D.: Standards in the hospitality management, University of Tourism, Sibenik, 2003., p.5

- the services of food and beverage are sold first (that are being ordered), then prepared in the hospitality facility, where they are used (consumed);
- the services offered to the guests are offered through menus, wine menus and prices. Today, the hospitality services are treated as products, i.e. "goods". Quality hospitality service is the basis for competitiveness and survival of the tourism market, and a constant or an increased tourism turnover is achieved by the hospitality facilities that offer the best services and the best prices.

In the Macedonian language the term hospitality can be interpreted as a warm welcome, while in the foreign literature the term hospitality is not quite identical. In England the hospitality – “Hospitality” is translated as accommodation, services and food, while instead of the term hotel management the term “Hotels Industry” is used, and in a narrower sense “Catering”, only for the facilities that provide food services. In France it is called “Industrie hotellerie”, and in German the term “Gaustewerbe” is used and this term unites the activities and facilities that provide services of accommodation, the preparation and selling of food[9]. Hospitality as a complex economic activity besides the basic purpose of meeting the needs of people in relation to accommodation, food and beverages, it also has a task to meet other social, cultural, health and other needs of people who were motivated to visit or enquire for a certain service in the hospitality facility. Hospitality provides a place of rest, entertainment, recreation, taking a yearly vacation, picnics, providing food for the local population and tourisms, rehabilitation etc[10].

Hospitality as a part of tourism

Hospitality as an economic activity can be divided in several ways depending on the aspect that can be observed[11]. According to the trading hours, hospitality is usually divided into hospitality with permanent operation and hospitality with seasonal operation. From the aspect of the stay i.e. retention of the guest’s hospitality is divided in boarding hospitality and transit hospitality. Boarding hospitality means a longer period of guest retention and previously paid services, compared to transit hospitality where shorter guest retention pay for the service after using it.

So far in the most common worldwide practice of hospitality the division is according to the basic hospitality services. According to this criterion, hospitality is divided into two main groups:

(1) Hotel management, that provides accommodation services; and

(2) Restaurant management, that provides food and beverage services.

Hotel management

Hotel management is the most representative component of hospitality. Hotel management offers services of accommodation, food, beverages, entertainment etc. to travelers and tourisms; however the main activity of hotel management is the provision of accommodation services[12]. There are various definitions of the word hotel, which is dependent on the understanding, legal regulations, the statutory decisions of hotel associations and other factors. The word hotel derives from the Latin word “hospes” which means guest, warm welcome[13], i.e. facility where guests are accommodated, and where they are offered hospitality[14]. In the contemporary world hospitality mainly carries names such as: L’Hotellerie,

[9] Ruzic, D.: Marketing management in hospitality, Faculty of Economics, Osijek, 1997., p.10
[10] Borkovic, V., Kobasic A.: Operation of hospitality enterprises, University of Split, FTVT, Dubrovnik, 1993, p.7
[11] Nikolic, M.: Tourism and Hospitality Management, Association center of promoting tourism and hospitality – Belgrade, 2001, p.95
[12] Cickoski, A.: Organization and techniques of hotel operation, St. Clement of Ohrid University, Bitola, 1994, p.22
[13] Pirija, D.: Standards in the tourism hospitality, University of Tourism, Sibenik, 2003, p.10
[14] According to some authors the term hotel originates from the French word “hotel” which means an inn, a place where gests stay and then they are offered hospitality (Klaic, B.: A great dictionary of foreign words, Zora, Zagreb, 1968, p.528)

Hotel Industry, Hotelgewerbe, etc. Nowadays, hotel management represents a large international business with significant economic factors. Therefore the term hotel industry is used frequently.

Thus the basic activity of the hotels is providing accommodation services (issuing equipped rooms for overnight stay and rest), food and beverages, in a hotel practice, thus satisfying the needs and motivations of guests and providing the employees income to exist by the management[15]. Besides this main activity hotels perform other subsidiary activities such as production of bread and baked goods, animal husbandry, farming and processing of vegetables and fruits, production of wine and brandy, washing, ironing and cleaning clothes etc. Among the more important subsidiary (secondary) activities included are selling newspapers, postcards and stamps, cigarettes, souvenirs, cosmetics and hairdressing services, transportation of passengers, mechanic services etc[16]. This means that the hotel is a hospitality facility that in a business, organization, construction and operational terms represents a whole and the most important component of hospitality, which by its services integrates all the important characteristics of that activity.

Restaurant Management

The term restaurant originates from the Latin word “restaurante” which means recuperation[17]. The first restaurant in the world was opened in 1767 in Paris by Boulanger, one of the constellation of masters of the French cuisine[18].The restaurant management is a branch in hospitality which the main activity is the specific way of production and selling of food and beverages. According to this the restaurant in a narrower sense is a hospitality facility where warm and cold food are prepared and served which require professional, complex preparation and serving drinks.

In restaurant management the efficiency of operation is based on four principles:

(1) the quality of the cuisine;

(2) serving the guests;

(3) high hygiene standards; and

(4) the price acceptability.

STANDARDS AND STANDARDIZATION IN TOURISM

If the management functions such as planning, organizing, motivating, etc. are conducted impeccably then the need of controlling will be minimal. Control can not exist in a vacuum, it is linked to other fundamental management functions, which means the more connected it is, the more effective it is. Planning involves the preparation of plans in accordance with the objectives of the company; the control ensures that the actions taken for execution of the plans is correct and the standards are the final result of the planning process. Before the standards are being set, the objectives must be pre-formulated. The objectives represent the final desired results, while the planning standards are the final result; in the process of control standards represent a starting point.

The principle conception that with a change of standards in tourism and hotel management will limit the personal services, human warmth, communication between guests and staff are shown to be inaccurate from the very beginning. Namely the application of standards stimulated the quality and brings safety for the guests; therefore raises the guest’s level of security, and allows management to achieve maximum

[15] Radisic, F: Economics and organization of operation in hotel management, Otokar, Kerosovani Opatija, 1988, p.21
[16] Ackoski, N.:Economics and organization of hospitality, Faculty of Tourism and Hospitality- Ohrid, 1997, p.66
[17] Pirija, D.: Standards in tourism hospitality, University of Tourism, Sibenik, 2003, p.11
[18] According to some authors the term restaurant originates from the French word “restaurant” which literally translated means institution for mutual food of the workers (Klaic, B.: A great dictionary of foreign words, Zora, Zagreb, 1968, p.347)

organization. It also encourages better control, effective leadership, with one word it comes to quality that ensures greater profits[19].

Standards as a basis for quality service in tourism

The various facilities in tourism, of which the hotels have the greatest significance, represent the basic substructure of a tourism destination. They have the task to accept guests from different countries of the world, with different culture, habits and age, regardless of whether they are traveling for leisure, recreation and entertainment or business purposes. From the capacity of accommodation facilities, their quality, equipment and reputation depends on the number and structure of guests and the overall economic tourism effects of the tourism destination. In order to give the guests exceptional quality service appropriate to the standards in the countries where the tourisms originate from, it means in the everyday operation, services need to be delivered with the prescribed qualities.In many required and extremely competitive tourism and hospitality service, the main goal of each guest is to be offered with superior service at the best “price” and to meet their expectations. Therefore the goal of each hotel is to promote their own competitiveness, organization and effectiveness, and one way to accomplish this is by management quality based on standards ISO 9000.Achieving a certain level of quality standards depends on certain norms and regulations that provide guidelines for achieving certain characteristics of the tourism product or service. In that sense the standard is a result of the standardization process as a specific procedure that determines the way of achieving the same characteristics of hospitality products and services[20]. When compulsory measures which form successful quality, four procedures are based on quality should be applied, they are[21]:

(1) Quality aims to meet the more complex and justified demands of customers and other users (in this case the buyers of tourism services) and these requirements should be satisfied with the first purchase;

(2) Quality should be a permanent commitment, not only in the cases when the errors and observed deficiencies are removed;

(3) The desired quality standards for the quality of tourism services will be achieved at the moment when there are no major drawbacks in the content and services structure, and in the process of serving; and

(4) The obligatory introduced measure of quality to be treated as a means to satisfy the tourisms as consumers of services.

Circles of quality hospitality products and services

-*What are quality circles?*

Quality Circles are a technique by which a group of employees - collaborators meet regularly in order to identify and solve problems, how to improve their work, the work of other workers in the hotel, and how to improve the quality of all services. They should discuss the method of improving the quality of service, research the reasons for the problems, offer solutions, propose corrective actions and assess personal contribution[22]. The proposals of the quality circle are considered by managers who make the final decision. Thus, the members of the quality circle have developed a sense of ownership in improving the quality of tourism products. The group usually suggests possible solutions which can be applied by the manager to improve the quality of service. That means, the goal of quality circles is advancing the process

[19] Cerovic, Z.: Hotel Management, Faculty of Tourism and Hotel Management, Opatija, 2003, p.136
[20] Dujanic, M.: Complete Quality Management (volume), Proceedings of the Faculty of Economics in Rijeka, 1995, p.154
[21] Dujanic, M.: Ibid, p.155
[22] Suklev, B.: Management, 4th edition, Faculty of Economics, Skopje, 2004, p.32

of work, and orientation towards the client is the most important criterion, if we want to impose competition on tourism market.

The introduction of Quality Circles is associated with entrepreneurial philosophy. It is not used to "calm down and to silence" the employed in hotel enterprises, but rather useful for suggestions to be accepted and implemented, to accept criticism and poor business results and also to become an obligation that all employees in the hotels to actively participate in teamwork. In order for the hotel to be successful in Quality Circles management, the hotel must be fully accepted. The Japanese were the first to introduce Quality Circles which today is widely applied in the economy. Nowadays when speak about Japan in our thoughts are created excellence for Japanese products that are the result of top techniques and Quality Circles.

Elements of the quality of the tourism "product" and service

Today, expectations and demands of tourisms as consumers are much larger. In this direction it is changing the concept of standardization and standards that are increasingly based on unification, classification, standardization of everything and are more focused on what should be taught to meet the various needs of the tourisms. To ensure the quality of tourism services, especially competitiveness, it is necessary to research the international and national tourism market including the competition, establishing and achieved quality standards in competitive countries, destinations and hotels, and on the basis of that the management of tourism enterprises to find out what kind of services are required by the tourism market, in which form, when, who are the stakeholders of the demand according to the social status, age structure, occupation, traditions, habits etc. Then you need to make the right choice of content, structures and forms of tourism services[23].Apart from the Quality policy is always possible to have a claim (complaint) by the guests. The basic principle of improving the diversity and continuous improvement of hospitality services can work only if employees in tourism facilities (hotels, restaurants, travel agencies) understand that they do not work for the employer nor their supervisor, but for their customers - guests. The maximum satisfaction of the hotel guests has to be in the first place.Under the concept of quality services the total properties that make up the basic characteristic of services and their use value are understood, and they are defined according to the satisfaction level the consumer requires and expects[24]. Every hotel and tourism-hospitality facility has its own specifics in maintaining and improving the quality of services that provide accommodation services, food, drinks and entertainment. They are[25]:

(1) What time standards are used to meet internal organizational norms?

(2) With what expenses level of quality of services is achieved (maintained)?

(3) Expectations and desires of the guests should be predicted in advance, in that sense, what activities are taken by the managers of the tourism enterprise (hotel) in order to meet the same? and

(4) How and in what way can we satisfy the needs and wishes of the hotel guests, with one or more valuable tourism "products", with one acceptable price and exceptional service par excellens?

Needs of implementing the standards in tourism and hospitality requirements arise from the international tourism market for quality tourism products and services that will meet the requirements of the guests. This means that, the competitiveness ability of the tourism enterprise (hotel) on the international tourism market depends on the method by which the tourism demands will be met. Therefore employed at the tourism enterprises (hotels) have to provide services professionally and the managers to know how to

[23] Vizjak, A.: Croatian Tourism in the European and World Tourism Exchange, University of Rijeka, Faculty of Hotel Management, Opatija, 1997, p.67
[24] Pirija, D.: Standards in the Tourism Hospitality, University of Tourism, Sibenik, 2003, p.36
[25] Avelini-Holjevac, I.: Controlling-managing the business result, Faculty of Hospitality Management, Opatija, 1998, p.28

manage the quality, because the implementation of the international standards in tourism contributes to the increasing of competitiveness, business success and the performance of the tourism enterprises – hotels.

Standardization as an activity usually is comprised of three group tasks, including:

(1) standardization is the process of establishment and application of certain rules (norms) which regulate the activities in a particular area;

(2) standardization is a specific procedure for determining measures to ensure the requirements of paragraph (1); and

(3) standardization is the process of adoption and application of standards.

Standardization and standards in tourism and hospitality is essentially a technical and legal document (the Act) for standardization that contains the defined standards, which must be met by certain products, services and other items that are subject to standardization[26]. The Republic of Macedonia as a inbound country, expects a lot from the development of tourism, but in order to achieve this, it should apply the standard of quality at the level done in other tourism countries by :

- Introduction of a certificate of quality according to standards ISO - 9000;
- Introduction of a certificate of environmental protection according to ISO - 14001; and
- Introduction of standards under the HACCP (Hazard Analysis Critical Control Points) - Analysis of key processes in the production of food)[27].

a) The role of management in applying the elements of the quality in hotels and chain hotels

One of the most significant changes that occurred in the business world is a positive approach to quality. The management of the leading international hotel corporations and hotel chains starting from the expectations of guests were the first to implement quality standards. The application of the elements of quality based on ISO standards not only contributes to increased efficiency in operations, but the possession of ISO certification means advertising of each hotel. When the client (consumer) will see that the hotel or restaurant, its tourism product and service has aligned with ISO standards (norms), means that the offer is secure and verified by an authorized institution and complies with the prescribed standards.

b) Classification, standardization and unification of the products and services in tourism

If you look at standardization and classification only in hotel management, then it refers to[28]:

- Accommodation services (issuing of rooms and apartments);
- Products and services to feed the guests; and
- Provision of services (serving) the guests with drinks and beverages.

Provision of accommodation services, provided guests stay overnight, it is counted in clean services. In this case it is a service whose standardization is lighter compared with the standardization in restaurant management where preparing and serving of food from the kitchen is much more sensitive and complicated.

When it comes to food services and serving of beverages and drinks, they are very sensitive products that must meet the expectations of nutritionists (gourmet) and satisfy the guests. Although it seems that in the phase of food preparation in hotel kitchens its quality can be accurately determined, according to the

[26] Vizjak, A,: Croatian Tourism in the European and World Tourism Exchange, University of Rijeka, Faculty of Hospitality Management, Opatija, 1997, p.124
[27] Council Direktive Nr. 43/93, Bruxelles, HACCR on the hygiene of food stuffs (Hazard Analysis Critical Control Points)
[28] Pirija, D.: Standards in the Tourism Hospitality, University of Tourism, Sibenik, 2003, p.42

prescribed standards, it is not so. The tradition in the preparation of food despite our wishes moves to indigenous, customs of the area and that is certainly good. Therefore the standards as an expression of quality of certain foods, according to the recipe and standards of preparation of food (unless it is not regarding to semi-industrial foods), always considerably individually depends on the tradition, local and national customs.

Every hospitality facility (restaurant tends towards its own specialties, its own way of preparing food); wants to create its own "image" and attract visitors in order to increase efficiency in operations. Therefore it is possible to unify the standards of food preparation and in this sense the classification, standardization and unification of the preparation of food is not desirable. If the standards accurately determine food quality (the standard is quality), in which case we eliminate creation, the specificity and variety of different cuisines. For example, if we take chefs from three hotels to prepare the same food, each chef will prepare it in a specific way.

After implementing the standards, management of tourism enterprises needs to constantly monitor the changes of demands, to adapt the tourism product to the requirements of potential visitors, because product quality has to be constantly improved.

Regarding the standards in hospitality the problems of classification is closely related. If the purpose of standardization is product quality, the classification is limited only to the development research of products in specific forms which meet the needs and desires of consumers.

The start and application of standards in hospitality and brand names in the world of standards in tourism

The rapid development of tourism and hospitality led to major changes in the way of operating. In essence, these changes are associated with business activities of enterprises within the international frame. Orientation towards the international market is a characteristic of any enterprise in tourism, no matter the size or scope of activities. A typical example of modern work is the "hotel chain and restaurants" in which in professional literature in the field of tourism more commonly the term "hotel industry" is used. As a result of rising expenses and the question of efficiency in the operation of tourism enterprises on the international and domestic market, it has come to evidence that without set standards as an indicator of the quality of services the expectations of the guests cannot be optimally met and the operation of the company would not be rational.

Hotel chains are mostly composed of facilities with similar comfort and have common standards (equipment, promotion, staff, service, and price). The quality of service is an exceptionally important factor in identifying the hotel chain. The client who buys a service in one hotel of the chain can be sure that he/she will get the same service in all hotels that belong to this chain hotel, regardless of the country where they are located. If it is a hotel under the franchise agreement, not respecting the standards and the organizational structure of the hotel chain, with itself entails loss of the franchise and expelling from the hotel chain. Quality of service is strictly controlled, and guests usually know what pleasures and under what price they will pay for it.Besides hotel management a significant component of the tourism offer are the tourism destinations and restaurants. The international chain of restaurants indicates the rapid development of this branch of hospitality, in which a special contribution is the concept of fast food. The major restaurant chains are oriented to specialized products out of which the basic product carries the range and image of the company. Restaurant chains now dominate the world, and the quality that is known and recognized is maintained by the presence of the following conditions[29]:

- The service is extremely fast;
- There are no middlemen in the realization- front desk staff directly deliver the product;

[29] Rakicevic, G.: Management in tourism and hospitality, Center for scientific and research work and Faculty of Tourism, Ohrid, 2007, 97

- The food is always fresh – it is prepared on location and has a distinctive taste;
- The range is standardized;
- Equalquality;
- The expenses of goods relatively low;
- The payment is cash;
- The locations of the restaurants are busy places;
- Hygiene and conditions are at the highest possible level etc.

The concept of fast food is developing based on the franchise that was developed first in the United States of America. The largest and most successful chain of restaurants is McDonald's, with more than 20,000 restaurants worldwide. The application of hospitality standards in the work of its hotels was introduced first by the world famous hoteliers such as[30]:

- Hilton Conrad (1887-1979), hotelier of the world format. He is the founder of the famous hotel chain "Hilton Hotels Corporation" (Beverly Hills) in the US. Within his corporation he was the first to introduce standards in hotel operations, system of entry and exit of goods, monitoring of revenue and expenditure as well as standards of small inventory. He developed a system of planning the daily needs of workers in every department of the hotel. In order to gain new insights into the organization, equipping and introduction of standards in hotel operations during his visits to Paris, he always stayed in the hotel "RITZ" which was built in 1989 by the famous hotelier of XIV century César Ritz. The hotel chain "Hilton Hotels Corporation" today has 101,891rooms and 255 hotels worldwide. His business philosophy was "for the least in order to get the most"[31].
- César Ritz (1850-1918) "king of the hoteliers and hotelier of the kings". He was an ingenious person who has made an outstanding contribution to innovations and promoting hotel management. He was the first who introduced the basics of organization and standards in the work of hospitality facilities in the second half of the 19th century. He has great merit for the contemporary understanding of hospitality. He had a great entrepreneurial personality and knew how to use his time for setting rational business processes in restaurant management and hotel management, and he never allowed it to be detrimental to the client, nor to reduce the quality of providing hospitality services. His professional work was specifically directed to the service organization to receive guests (reception) and servicing of meals (preparation and decoration of dishes), which in the restaurants is presented and served by the head of the kitchen and personnel responsible for serving and animation in hotel halls at his "Grnad Hoteli". He was the first who introduced the work uniform in the kitchens of his hotels, and in the restaurants he organized region serving (chef de rang and commis de rang), with special work uniforms for every hotel department. He introduced the biggest standards in the construction and arrangement of the hotel interior. As a friend of the famous French chef A. Eskoffier in his menu he introduced his most famous dishes. The hotels that were run by César Ritz in time became known for the delicious food and high quality services, and they have still retained that reputation. César Ritz in the late 19th century organized the first hotel chain in the world "Ritz Development Company Ltd" with the main headquarters in London.Other big names that are credited to the achievements in the field of application of standards in the hotel management and restaurant management are: Henderson Ernest, the founder of the hotel chain "Sheraton", then Kemons Wilson, the founder of the hotel chain "Holiday Inn" and Marriot Wilard, the founder of the hotel chain "Marriot".

[30] Pirija, D.: Standards in the Tourism Hospitality, University of Tourism, Sibenik, 2003, p.49-53
[31] Cerovic, Z., Pavia, N.,Galicic,V.: Organization and categorization of hospitality facilities, Faculty of Tourism and Hospitality Management, Opatija, p.111

Informing guests in tourism and hospitality facilities

From the organizational nature of tourism raises the exceptional need for several forms of informing the guests who stay in resorts, hotels, camps and other accommodation facilities, the employed and public (video, written and other kinds). All written materials besides the informative role of the guests, they have a propaganda role for sales channels of hospitality services that are offered, and provide information to visitors about efficient presentation of hospitality services. Information for guests can be divided into two parts:

(1) Primary or required information in written form; and

(2) Secondary or optional, but very important for informing the guests.

In the primary information are included:

- Information on house rules;
- Hotel prices;
- the menu, wine menu and a price list for beverages.

The optional information that are very important for informing guests include:

- Prospects of the facilities;
- A list of services provided by the hotel;
- Information on the daily events in the facility or place “billten du jour”, and weekly and monthly program of events in the field of culture and other events;
- A questionnaire sheet;
- Guidelines for handling technical equipment, hotel directory etc.

The basic information in hospitality is the house rules in the hospitality facilities. Guests are required to obey the house rules. The failure of obeying the house rules may be the cause of financial and other consequences. The guest who violates the house rules can be refused to stay in the hotel. For practical purposes which mean better information on + the house rules should be available to all guests. The best solution is the house rules to be placed in a nice designed frame and to be placed in every hotel room along with a menu, the price of the room with breakfast in euros, dollars and denars. The House Rules provides the following information:

- Money and valuable items should be left at reception, otherwise the hotel does not guarantee for the lost belongings;
- Combustible materials with a strong and unpleasant smell must not be worn in the hotel;
- Guests have to check out by 12 am and leave by 2 pm;
- If it comes to board guests they are obliged to cancel the board service, otherwise the hotel will not reduce the price of unused services;
- Parking services, laundry and other services offered by the facility the guests are obligated to pay according to the price list of services that must be displayed in the hotel room;
- The use of the rooms is allowed only to guests who are properly registered (check in), or room accommodation (room status);
- Room service is charged with an additional cost;
- In the hotel the entry of visitors with dogs, cats and other animals is prohibited.

In the optional information the prospectus of the hospitality facilities has more significance in which besides the content of the facility there is content of the offer of the tourism destination. As a result of frequent changes of the prices in the prospectus it is not advisable to write the prices of the services. In order to achieve better quality in informing of the guests who stay at hotels, a special newsletter can be printed with the services they offer in their business units. These are various hospitality services, special gastronomic specialties, entertainment, recreational, cultural and other content offered by the hotel and tourism destination.In the hotel management and restaurant management there are two types of consumers (guests) of hospitality services:

(1) guests who are satisfied with the services and who will visit you again; and

(2) guests who are not satisfied with the service and will not visit you again.

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STRATEGIC MANAGEMENT OF HUMAN RESOURCES ORGANIZATION

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Abstract

Nowadays the world is facing with rapid technological development so the importance of human resources is the key factor when speaking about development and progress of any organization. The world is dynamic and the work requirements are drastically increased. The top management alone is not anymore sufficient for fulfillment of the organization needs. Therefore for implementation and development of the organization strategy educated, well trained people who are highly motivated are sought.

Human resources management as a process of applying the functions of human resources must have strategic approach in order to achieve the goals. The concept of the above mentioned is based on the part of the human resources management strongly linked with the strategic nature of human resources and the need to integrate human resources strategy with business strategy as such.

Key words: *strategic approach, management of human resources, organization, goal of the organization.*

INTRODUCTION

"The organization is known for the people it has"

In times of rapid technological development, the importance of human resources still holds the key to development and progress of the organization. Well-educated, trained and highly motivated people are the determining factor for the development and implementation of the overall organizational strategy, especially in today's fast flows, in the dynamic world, where top management alone is not sufficient in order to ensure that the needs of the organization are satisfied.

Organizational management strive to meet the needs of their employees, to develop and improve the working environment encouraging productivity, and consider the Human Resource Management (HRM) the best way to achieve it. To have the ability to plan employees' needs thinking in advance, can help to improve the rate of skilled workers who chose to continue working for the organization. Increasing the employees' retention rate, can reduce the financial cost that the organization spends on finding and training new employees. Each organization requires usage of a complex array of resources in order to grow, survive and to achieve the ultimate mission or objectives which are critical to its existence or creation. Mobilization and deployment of these resources - human, financial and material - in the right combination provide the organization with leverage for achieving the desired goal. From these resources, human resources are the most powerful and central resource that significantly contributes to competitive advantage. That is why the organization gets its sustainable competitive advantage through people, through organization's labor force, which represents something that gives priority to the organization prior to its market competitors. In the current millennium, organizations are increasingly making efforts to develop sustainable competitive advantage that differentiates them from other competing organizations and will help them to survive and prosper. According to Porter (1985), the unique abilities of employees, including flexibility, innovation, superior performance, high productivity, are ways for employees to provide a basic ingredient in the development of the competitive position of an organization. Similarly, Chiavenato (2001) notes that employees are suppliers of activities and knowledge, and their individual talents and intelligence are the most significant contributions to the organization. Most authors agree that effective human capital management is crucial to the success of the organization (Barney and Wright, 1998; Jackson, Hitt & DeNisi, 2003; Akhtar, Ding & Ge, 2008). The skills, experience and knowledge have economic value to the organization, because they allow it to be productive and adaptable, which means that people make the organizational human capital. Organizations can use HRM in different ways in order to increase their human capital (Flamholtz and Lacey, 1981). HRM significantly affects human resources within the organization and organizational resources, and therefore can be used to achieve advantage among huge competition (Schuler and MacMillan, 1984).

In the contemporary business environment where talent is becoming a source of competitive advantage, attracting human resources becomes a strategic function. The strategic importance of human resources planning helps in gaining a quality workforce. Globalization, mergers and acquisitions, reduction, technological advances, flexible working arrangements, composition of the workforce, women in the workforce and so on, opened a magnum of challenges facing HRM in the knowledge economy. The literature for Strategic HRM confirms the importance of effective management of people as a source of competitive advantage, which encourages academics to develop a theoretical framework in which we highlight the strategic role of the function of human resources (e.g. Beer et al, 1985;. Fombrun et al.,1984).

Over the past decade, researchers and experts on human resources focused their attention on other important issues. First, what is it that determines whether an organization adopts a strategic approach to HRM, and how is the strategy of human resources formulated? Of another interest was which organizations were most likely to adopt a strategic approach to HRM.

In the modern world of business, HRM plays a strategic role in order to facilitate the achievement of the mission of the organization and to provide competitive advantage to the organization. The purpose of the organization is the strategy to move towards activity and thereby to create practices that can be aligned with business strategy. With the fulfillment of this role, the HR professionals increase the capacity of business to implement their strategies and to do it successfully. In addition to this is the view of Boxall (1992) who points out that the management of human resources is an integral part of the strategic management in any business.

The strategic approach to HRM is a process of applying the functions of HRM to achieve organizational goals. The concept of strategic human resource management (SHRM) is based on that part of HRM that emphasizes the strategic nature of HRM and the need to integrate human resources strategy with business strategy.

In the past 20 years, senior executives have become more strategic in the way of thinking. They also became aware that the considerations related to people can be of key importance for the success of their organization. As the competition is becoming more and more global and technological development faster and faster, more sophisticated frameworks for managing this complexity started to be developed. SHRM includes linking of HRM with the results on organizational level which are of financial and strategic importance. SHRM is a complex process that is being constantly evolved, discussed and studied by scientists and experts for HRM, who state that the general aspect of SHRM must be in accordance with the intentions of the organization to future guidelines that it wants to achieve. It has been created to help organizations to best meet the needs of its employees, while at the same time they support the goals of the organization. Wright and Snell (1989) suggest that in business, SHRM deals with those HR activities that are used to support the competition strategy of the organization, with longer-term issues regarding people and macro-issues related to structure, quality, culture, values, commitment and adequate resources to achieve future needs (Armstrong and Baron, 2002). It is a process of connecting the functions of human resources with strategic objectives of the organization in order to improve efficiency. SHRM should be aligned with the desired future direction of the organization. For an organization to function successfully, the strategies of various levels should be linked. Policies and practices of HRM in an organization must fit into its strategy in the competitive environment and with the immediate requirements of the business with which it faces.

A comprehensive strategy for HRM has a vital role in achieving full organizational strategic goals and vision, and it illustrates that the functions of HR support fully understand the direction in which the organization is moving. It also supports other specific strategic objectives taken from marketing, financial, operational and technological sectors.

In essence, the HR strategy should aim to capture the "human element" of an organization by which it hopes to have the right people in the right positions, a real mix of skills, staff to present the real attitudes and behaviors, and the employees to develop in the right direction. HR strategy should show that careful planning of issues regarding employees would make it significantly easier for the organization to achieve its broader strategic and operational objectives. It is very important to achieve integration of HR strategy with broader organizational goals. Fatal error will occur if you develop and implement HR strategies regardless of the goals and objectives explicitly or implicitly identified by the organization.

Despite its current popularity among academics and HR professionals, SHRM still has problems with the status of identity and precise definition (McMahan, Virick and Wright, 1999: 101). Defining SHRM and its relationship with other aspects of business planning and strategy is not absolute and opinions vary between authors. However, one can still think that it is a general approach to strategic management which is consistent with the intentions of the future directions that the organization wants to take over. Dyer & Kochan (1994) pay attention to the influence of the problem of identity status on the development of systematic theory of SHRM. Even definitions of SHRM differ in emphasis among scientists: Wright & McMahan (1992), and Lundy (1994) point out the elements of planning of human resources and Hendry and Petigrew (1992) emphasize the management of organizational change; Watson (1986) defines it as coordination mechanism of the organization; Guest (1987), Daer and Holders (1988), Schuler, Dowling and De Cieri (1993), Ulrich (1997), Boxall (1999); Wright and Snell (1989) highlight the HR policies as a tool of business strategy. Despite differences in definition, a common thread that appears in the literature is that the link between business strategy and practices of human resources is being emphasized, as the essence of SHRM. In literature there is also a broad agreement on the basic function of SHRM, which refers to creating and implementing a set of internally consistent policies and practices, which provide human resources of an organization to contribute to achieving its business objectives (Schuler and Macmillan, 1984, Baird and Meshoulam, 1988; Jackson and Schuler, 1995). For his part, Armstrong (2004:105) states that SHRM is essentially 'interested in the relationship between human resource management and strategic management of the organization'. After this, he defines SHRM as 'a process in which the entire leadership of the organization tends to achieve its objectives through people".

There are definitions of other authors for SHRM, such as the one by Schuler (1992) who believes that it represents all those activities that affect the behavior of individuals in their efforts to formulate and implement the strategic needs in the work. Wright and McMahan (1992) mostly move in the direction that it is a model of planned development of human resources and activities designed to provide forms to achieve those goals. The following definitions of the term 'strategic resource management' are important to be mentioned. According to Miles and Snow (1984) Strategic Human Resource Management refers to "A system of human resources tailored to the needs of the business strategy."

Walker (1992) defines SHRM as a means of connecting the HRM to the strategic content of the business. He points out that the strategies of HR are functional strategies such as marketing strategies, manufacturing or IT strategies, but they are different in the sense that they are intertwined with all other strategies in the organization. HRM is a unique feature in the organization, and human capital provides resources for implementation of all business strategies. Therefore, HR planning should be an integral part of the formulation of all other strategies in the organization.

Taking into consideration the above stated definitions of the term, undoubtedly the SHRM actually refers to the connection of human resources with strategic goals and objectives in order to improve business performance and develop organizational culture that encourages innovation, flexibility and competitive advantage. Within the organization, the SHRM means acceptance and inclusion of the function of HR as a strategic partner in the formulation and implementation of the organization strategies through HR activities such as recruitment, selection, training and rewarding staff.

Charles R. Greer wrote: "Some authors define strategic human resource management, as an effective implementation of human resources of the organization to achieve the overall strategy of the organization. In addition to this statement is the position of Guest (1989), who suggests that SHRM is interested to ensure that HRM is fully integrated into strategic planning of the organization.

The concept of SHRM was first formulated by Fombrun et al. (1984), who considers that the following three elements are necessary for organizations to be able to function effectively:

- Mission and strategy
- Organizational culture
- Human Resource Management

Their most important conclusions were that "HR systems and organizational structure should be managed in a manner consistent with the organizational strategy.

Overall, in literature most authors consider SHRM as an integrated formulation of a strategy of how HRM can help in achieving the business plans of the organization. Based on these definitions, we can see that there is an interest in HR on long-term plans and goals in order to improve business performance.

But what exactly is SHRM (strategic human resource management) and what are its main characteristics? SHRM is a branch of the HRM. It's a pretty new field, which appeared outside the main discipline of HRM.

SHRM fundamental concept is based on the assumption that the HR strategy can contribute to business strategy, but it is also justified that the validity of this concept depends on the degree to which people are believed to create an added value and therefore should be treated as a strategic resource. SHRM is only real when it is translated in some personal strategies that are afterwards implemented.

The business world has become a struggle for organizations to gain competitive advantage for much larger and more demanding market. The markets are now stretched across international borders, trade barriers are demolished and distribution channels have become more efficient. In order to survive, SHRM provides support to managers in the formulation of successful strategies. Strategic management refers to decision policy which affects the organization, the general goal in order the organization to be in a position to effectively deal with its surroundings. So therefore, SHRM goal is to provide direction in often turbulent environment, so that organizational and business needs can be translated into coherent and practical policies and programs. It provides a competitive advantage over others.

In the late 1980s, Armstrong began to write more about the approach of SHRM to management of people. He states that SHRM focuses on programs for human resources with long-term goals. The focus is directed to reference and solving problems which affect the management of people through programs in the long term and on a global level. Therefore the primary objective of the strategic approach to human resources is to increase employee productivity by focusing on business obstacles that arise out of human resources. The core activities of the HRM manager are to identify key HR areas where the strategies can be implemented on a long-term plan in order to improve the overall motivation and productivity of employees.

In most organizations people are considered to be the greatest value. Knowledge, skills and capabilities must be developed and exploited to the maximum if the organization wants to create value. The intangible value of the organization which lies in the employees is necessary to be recognized by managers, and that is generally accepted that it contributes to long-term sustainable performance.

So therefore, it is very easy to say that SHRM derives from business strategy. They must be mutually integrated. The way people are managed, motivated and developed, and the availability of skills and knowledge, all together shape the business strategy. It is common to find business strategies inextricably linked and incorporated into SHRM, defining the management of all resources within the organization.

A key feature of SHRM is the existence of an explicit connection between policy and practices of HRM and overall organizational strategic goal and organizational environment.

Scientific representations have repeatedly stressed the need for HRM to become a strategic business partner. That means SHRM must be integrated with business strategy. In fact, SHRM must be incorporated in the formulation and implementation of organizational strategies and there should be alignment of SHRM with the strategic needs of the organization (e.g. Buyens & De Vos 1999; Schuler & Jackson, 1999). To become a strategic business partner means that HR managers should participate in making strategic decisions alongside with other higher level managers in the organization. That, according to Ulrich (1997), would provide more opportunity to align HR objectives, strategies, philosophies and practices with organizational objectives and implementation of business strategies.

The whole concept of SHRM develops as a new approach to management of people, specifically focusing on the integration of human capital to business strategy in order to improve organizational competitiveness. This integration creates a match between business strategy and HR policies, which together enhance the achievement of objectives, even to the lowest level of organizational structure, competitiveness and performance. According to Aswathappa (2004:39), "the appearing of SHRM brought forward the issues regarding the connection between employer-employee relationship and the broader organizational strategies and goals. "Miller (1989) believes that for this situation to exist, it is necessary to ensure that management initiatives in the area of human resources are in accordance with the decisions reached in other functional areas of business and in accordance with the analysis of product-market situation. Strategic integration is necessary to ensure congruence between business strategy and HR, so that what follows will support the planned performance. The goal is to provide a strategic fit and consistency between the policy goals of HRM and business.

This point was originally made by Fombrun et al (1984) who stated that "only organizations that will confront inefficiencies and try to implement new strategies in obsolete organizations, they will also face the problems of implementation, trying to impact the new strategies with inadequate systems of HRM.

Since mid-1990, Armstrong and Baron (2002) proved the impact the practicing of management of people has on business results. Great emphasis was placed on the importance of "integration". In other words, the HR strategies are necessary to blend with each other but also with other organizational strategies in order to have maximum effect.

According to strategic theorists of human resources (Tyson, 1997, 277) "Guidelines on the strategic process of human resources usually refer to meaningful ways of managing people which will contribute to achieving organizational goals. Moreover, we can hope to see within the framework of strategic shaping of the process of the official version of how senior management believes that these policies, practices and philosophies will contribute to organizational performance”.

Finally, many surveys of productivity in recent years have been devoted to examining the relationship between HR and organizational performance. Is the HR strategy really important? For organizational practitioners who are searching for ways to gain competitive advantage, implication of the strategic selection of human resources for the organization's performance is certainly a key factor.

The influence of SHRM on organizational performance is quite obvious. The greater importance that people have for the organizational success corresponds with the rise of SHRM as a field for exploring the world. Researches on SHRM issues have grown progressively over the past ten years. The origin is, however, through a variety of academic disciplines (e.g. psychology, sociology, economics) and geographical regions (though primarily Europe and USA), and this literature was necessary to integrate and synthesize. In it one can come across many results pertaining to researches on the relationship and impact of SHRM to organizational performance. SHRM have a positive effect on performance at work (Martell and Carrol, 1995); SHRM can help an organization to use its human resources more effectively, promote operational efficiency and to encourage creativity and innovation (Dyer, 1983) it enables the organization to deal more effectively with the challenges of environmental change (Cook and Ferris, 1986, Tichy and Barnett, 1985); it encourages more proactive management style, transmits clear organizational goals and encourages greater involvement of line managers in HRM (Gomez-Mejia, Balkin and Cardy, 1995); improves organizational ethics, financial performance and overall organizational efficiency (Boselie et al., 2002); it contributes to commitment, customer satisfaction and innovation (Pfeffer, 1994; Bowen, Galang and Pillai, 2000, Wright and Kehoe, 2008); enhances the market value of the worker (Becker and Huselid, 1998); creates value for customers and shareholders (Ramlall, 2006); and contributes to the return on capital (Delery and Doty, 1996). Garavan (2007:11) sees the strategic development of human resources, as a contribution 'to the creation of organizational specific knowledge and skills when it is aligned with the strategic objectives of the organization.' Increased productivity is also seen in small companies which comply or integrate their formal and informal practices and HR strategies with business strategies of the organization (Singh and Vohra, 2005).

Boxall and Purcell (2003) agree that SHRM is interested in explaining how HRM affects organizational performance. Empirical results have showed that the impact of HRM is lower in highly institutionalized sectors (hospitals and local governments) than in the less institutionalized sector like hotels (Boselie at all., 2002).

According to Gomez-Mejia, Balking, and Cardy (1995), SHRM means managerial orientation which ensures that human resources are employed in a manner that contributes to achieving organizational goals and missions.

CONCLUSION

There is no single strategy of HRM, which will bring success in all situations. Organizations should define a strategy that is unique to their own situation in relation to the context, objectives and organizational requirements.

Despite the fact that advocates for the use of HR strategies have made proposals over twenty years ago, however, perhaps it is good to be mentioned that the use of HRM strategies is not as great as it is expected. Even if it is so, we can draw encouragement from organizations that have successfully implemented some aspects of SHRM.

Benjamin Franklin said, "Well done is better than well said." By that, he understood that words alone cannot achieve much. Instead, they should be supported by well-designed activities. In business language it means that strategic planning enables organizations to put it on paper where they are, where they want to go, and how they plan to go there. But even the best planning in the world does nothing for an organization if you do not act on these plans in an appropriate manner (OPM, 1999). However, the success of the adoption of SHRM is in the ability of organizations to implement and internalize. Accordingly, the factors associated with implementation and internalization of the practice should also be taken into account.

SHRM is obviously directed towards the achievement of organizational goals. And while it is guided by organizational strategy (which may change depending on whether the organization is expanding activities, there is new product development or reorganization of its activities), SHRM must be an ongoing activity. Management must be active and must constantly scan the environment with HR to identify the developments that may increase or endanger their survival.

It is quite understandable that organizational strategy is a result of HR planning, as one organizational strategy is long-term plan of the organization on how to balance its internal strengths and weaknesses with its external opportunities and threats to maintain competitive advantage.

The appearance of SHRM as a paradigm creates more added value of the basic liability, and it emphasizes the need to integrate HR practices with business strategy. SHRM model is a strategic model of business partner who strongly assures that the basic organizational skills or performance behaviors are necessary to achieve a particular business strategy or goal. It is more radical and systematic approach to the management of human capital, placing greater emphasis on the performance of the organization rather than individual performance. It is an approach that helps to create an integration of HR practices with business strategies that enable the organization to achieve sustainable competitive advantage.

There is no doubt that the strategic position of human capital, as an organizational value, contributes significantly to the overall performance of the organization, when a proper investing in human resources is made. HR practices must be properly aligned with the strategic goals of the organization.

SMCHR involves more than just the administration of programs or human resources activities. The efficient management of people is all that which refers to the application of strategic management in the management of people.

SHRM is based on the principles of HRM incorporated in the concept of strategy. So therefore, if the HRM is a coherent approach to the management of people, then SHRM means that something is done in a planned way that integrates the organizational objectives with the results of the policies and activities of HRM. SHRM is interested in the contribution of human resource strategies to organizational efficiency, and the ways in which these contributions are achieved.

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HOSPITALITY MANAGEMENT AND STRATEGIC ANALYSIS IN CREATING BUSINESS IN HOSPITALITY INDUSTRY

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Abstrakt

Hospitality management as a field of work and a field of study offers ability for economic growth of every country or region. A question may arise - is it possible to develop the hospitality industry as one that is primarily focused on customer satisfaction in countries which are not economically well developed. The management of hotels and resorts, cruise lines, travel agencies, airlines and other various forms of travel, special event planning, and restaurants is a big challenge and needs serious approach and developing a strategy relevant for every region or city and it's respective capabilities.

In this paper the case method, as a method used in strategic management, will be applied as a general approach of strategic analysis in creating strategy map for businesses in hospitality industry.

Key words: *hospitality industry, case analysis, strategy*

INTRODUCTION

The companies in tourism and hospitality industry around the world are occupied with adapting to transforming markets, transforming industries, and transforming business rules. These changes and transformations are caused by new view of customer satisfaction, and by new business paradigms. Through the growth of e-commerce and globalization, a wide variety of opportunities have emerged in the meeting and convention, event planning, travel, gaming, attractions, recreation, transportations, airline and food and beverage fields. Any time people travel, go in a restaurant, stay in a hotel, eat out, go to the parties, and engage in similar activities, they are using establishments in the hospitality industry. The management of such establishments is very challenging, as managers need to be flexible enough to anticipate and meet a wide variety of needs. They must also handle tasks such as training employees, handling staff, setting standards, and applying different forms of collaboration and coordination between companies and within companies. The challenge is bigger because of the innovations in hospitality by exploiting business potentials of new or enhanced service, product, technology, information, communication or solution. That means that companies trying to find many different ways to intensify cooperation with customers and suppliers.

Many innovations in hospitality are today a natural part of tourism. To introduce these innovations however, complex transformations were necessary.

The transformation is not possible without strategy analysis making and determining the ways of development and potentials for economic development.

The hospitality industry is vast and very diverse. The challenges of transformation of the companies in hospitality industry are discussed and the transformation model of electronic business (Winter,2001) is applied in transformation from a businesses for meeting basic needs into businesses for customer satisfaction built on leisure or luxury-based.

TRANSFORMATION AS A CHALLENGE FOR DEVELOPING A LOCAL STRATEGY

Every region or city interested to develop tourism and hospitality industry and to create businesses is in front of the question whether the transformation and transition to hospitality business is a limited phenomenon or whether a sustainable economic development can be started.

“Transformation means to re-create existing companies or to create new companies” (Winter 2001, 3).

“Most transformations are triggered by new or improved” hospitality components, new standards, new or improved standardized tourismic packages, new services in hospitality, or new forms of sourcing and utilization, etc.

The transformation model of informatics industry suggested by Österle and Winter (Winter 2001, 4) can be applied in a transformation model of hospitality industry. According to the model, the role of innovations in hospitality industry as transformation enablers is illustrated by Figure 1.

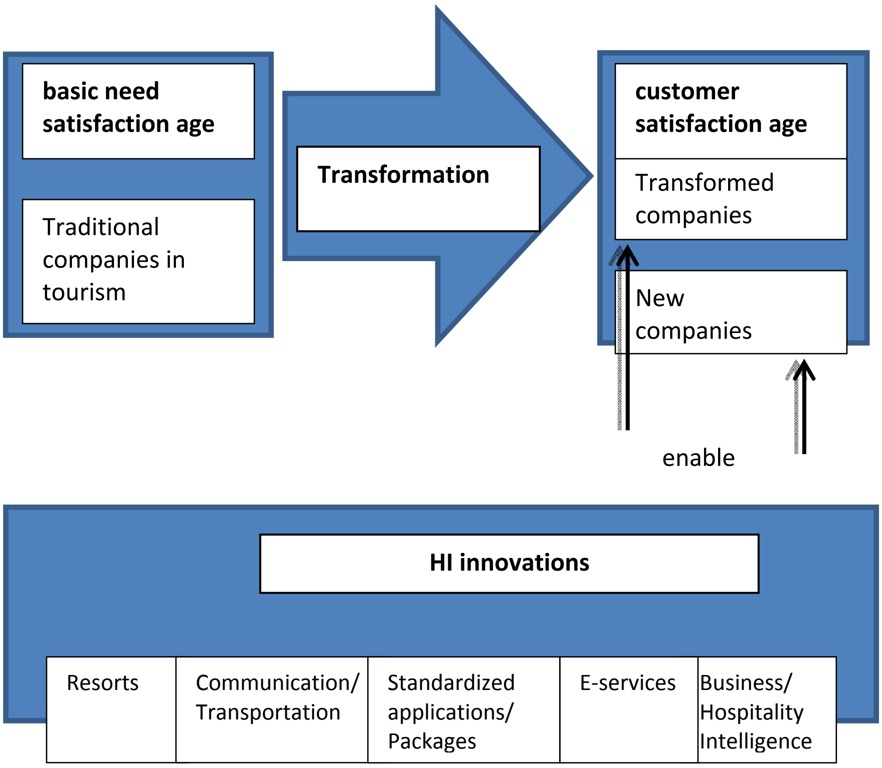

Figure 1: **Transformation Model of hospitality industry** according the Transformation Model (Österle/Winter 2000) in (Winter 2001, 4)

“From a business perspective, it is mandatory that business potentials of innovations” in hospitality industry are “systematically assessed, that appropriate business strategies are (re-)formulated, that appropriate business processes and organizational structures are (re-)designed, and that appropriate information systems are implemented. Organizational structures may have to be decomposed and re-assembled, mergers and acquisitions may occur, business units may be sold, start-ups may have to be split off, or alliances or other forms of formal cooperation between companies may have to be created. In addition, transformation means that contracts have to be negotiated, appropriate qualifications have to be provided for employees, attitudes have to be changed, and political decision processes have to be modified.” (Winter 2001, 4)

The new scope of tourism and the changed needs of the clients/customers in hospitality, needs the analyses of existing tourism strategy not just for every country but even for every region, district, city or village, and develop a new one taking into account all economic perspectives, transformations and innovations in hospitality. Strategy developers can merge two approaches: the Strategy map by Kaplan and Norton and The Case Method to obtain the broad range of information and data for making analyses and creating the strategy.

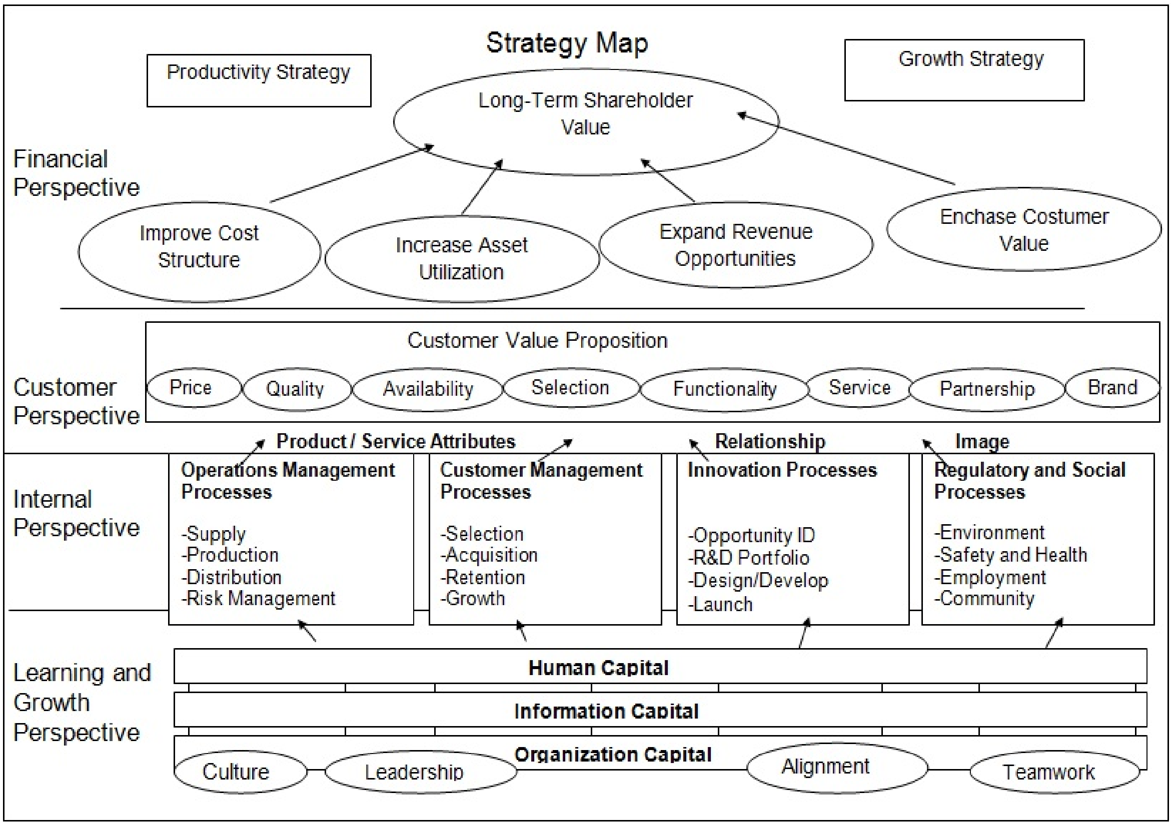

Figure 2: **Strategy map** (Kaplan and Norton, 2003)

The case method, as a method used in strategic management, can be applied as a general approach of strategic analysis in creating strategy map for businesses in hospitality industry. Case analysis proceeds through the following seven stages or steps (Barnett and Wilsted 1989, 1) that can be passed from the aspect of hospitality management:

Stage 1: Sizing up the situation

Stage 2: Evaluating the present strategy

Stage 3: Identifying issues and options

Stage 4: Evaluating options

Stage 5: Making recommendations

Stage 6: Implementing strategy

Stage 7: Monitoring results

Every stage can be reviewed from the four perspectives suggested by Kaplan& Norton: Financial perspective, Customer Perspective, Internal Perspective and Learning and growth Perspective, paying attention to every single element of the Strategy Map.

First stage- Sizing up the situation

In this stage the creators of strategy should answer the following questions: What the existing enterprises in tourism and hospitality industry are doing in present? In what circumstances? With what results?

1. Analyze the economics of the situation: (Barnett and Wilsted 1989, 1),

   -Attributes of products and of the demand for them

   -Attributes of the technology, including the productive and distributive processes

   -The input mix, the cost mix, the unit (average) cost curve

   -The competitive situation both in the market for the inputs and in the market for the finished products

   -The price-cost-volume-profit relationships

2. Analyze opportunities and constrains, and strengths and weakness relative to them

3. Identify the existing strategy , which refers to established policy concerning

   -Mission, objectives, and goals

   -Strategy being employed: to improve opportunities, to overcome constraints, to meet competition, to gain access to markets

   -Basic decisions concerning: products and markets, technology, make-or-buy, resource procurement, location, scale, standards

All this facts should be carefully collected, completed, selected and objectively analyzed.

The strategy makers can identify the existing strategy of a district, region, city or the tourism organizations by studying its:

- Pronouncements as to its purpose by looking for statements about what a district, region, city or company want to be or what they want to do. For instance: "We want to be Microsoft in tourism industry" or "We want to be a second Venice"…
- Resource allocation-"Strategic pronouncements might be too general to be of help, or they might be contradictory or misleading" (Barnett and Wilsted 1989, 2), that is the reason why it is necessary to see where the money are spent and how the resources are located.
- Products, services and markets in order to understand "What we are selling and to whom?". The strategy makers should analyze the existing products and services and answer questions like: Does a hotel provide just accommodation for people or entertain them? Should we just transport people or can we give them food and joy?
- Method of competition in order to find out which elements in the strategy can be competitive: price, quality, technology, service, marketing skills, availability, functionality and/or brand. That means the region or city can competes on the basis on elements of Customers Perspective but also on Internal Perspective including all internal processes.

Evaluating the Present Strategy

In this stage, Barnett and Wilsted suggested the following criteria for evaluation of the strategy plan: (Barnett and Wilsted 1989, 3),

1. Are the separate elements that make up the strategy consistent with each other and mutually supportive?
2. Is the strategy appropriate considering the surrounding circumstances (externalities) and the internal situation (resources, purpose)?

3. Are these policies and strategies likely to enable the enterprises to meet not only short-term goals but long-term objectives as well?
4. Have considerations of ethical and social responsibility been properly taken into account?
5. How satisfactory are the results?
6. Is the strategy practical and workable?
7. Does the strategy adequately consider risk?

Identifying Issues and Options

The strategy makers should identify what policy or strategy issues are most important, and what are the alternatives to these issues? It is very important to distinguish between primary and secondary issues and to concentrate on one, or on just a few primary issues. The analysis should be more effective by narrowing the field and sharpening the focus. Carefully considering a small number of important issues is far preferable to an extensive and, therefore, more superficial coverage. Cases often contain an "action" question which is only symptomatic of the real problem. (Barnett and Wilsted 1989, 4)

Evaluating options

In this stage, the strategy developers develop the arguments for and against each option, including the option of making no change from the present course of action. They need to consider costs and implications for organization and personnel. In this stage it is necessary to pay attention to elements of Financial Perspective, Internal Perspective and Learning and Growth Perspective from the Strategy Map. Barnett and Wilsted suggested consideration of the following criteria for each option: (Barnett and Wilsted 1989, 4)

1. *Appropriateness:* Will the option allow us to achieve our objectives?
2. *Feasibility:* Do we have the resources – tangible and intangible – to achieve our objectives?
3. *Reality:* Do we want to go with this option?
4. *Workability:* Can we gain corporate – wide organizational commitment?

Making Recommendations

After evaluating options, the strategy makers should consider what would they recommend for change in the present strategy? "And how these recommendations should be accomplished? Useful policy/strategy recommendations are specific, making explicit the *rate* of change and any scheduling or phasing being recommended; the additional resources, if any, to be procured; and any organizational and personnel changes involved." (Barnett and Wilsted 1989, 4)

Implementing Strategy

"A proposed strategy is useless unless" the region, city or "organization commits to its adoption." Barnett and Wilsted recommend the following considerations: *Who* will be in charge of its implementation? What *time* frame is involved in its implementation? Does the region, city or organization need to restructure, or is the present structure appropriate? Why? How will people be affected by its implementation? Will a new motivation or compensation system be necessary? How can be reviewed if the plan is not working?

Monitoring Results

The monitoring and appraisal of results is necessary for the strategy developers in determining if the strategy process and all elements of the Kaplan and Norton's Strategy Map are relevant and if the proposed recommendations can work. "Any variances must be quickly identified and corrected, so that operating remedies may be identified, evaluated, and implemented". (Barnett and Wilsted 1989,4)

These seven stages for making analysis will help strategy makers to develop more quickly a logical approach to strategic problems. Since each region, city or organization is unique, some aspects of some or even all of these steps may not be appropriate according to the nature of the issues and alternatives.

CONCLUSION

The strategic analysis in a tourism region, city or even a small town can be delivered with different approaches, methods and techniques. A consistency should exist in developing a general strategy and strategy for separate businesses development. The economics of tourism and hospitality industry influence the tourism and hospitality companies and opposite the company's success has impact on the whole industry. That is very important for strategy developers because they should look for information about the industry in general: (Batnett and Wilsted 1989, 5)

1. How does the general economy affect the tourism and hospitality industry?
2. How does the tourism and hospitality industry affect the economy?
3. What is the general trend of the tourism and hospitality industry sales?
4. What are the characteristics of the tourism and hospitality industry?
   - number of tourism and hospitality companies
   - percentage share of industry sales
   - barriers to entry
   - capital versus labor intensity
   - value added
   - level of competition
   - method(s) of competition
   - rate of technological change
   - research and development expenditures
   - international factors
   - regulatory factors

The general strategy of a region or city has strategic implications on the development of every particular company. The success of a specific company versus the success of the industry as a whole can show the capabilities of the companies and their strength relative to the strength of the tourism and hospitality industry.

To begin analyzing a region's or city's strategy for tourism and hospitality or company's strategy, it should be identified critical aspect, by answering the following questions:

-What does the region/city/ or company say its strategy is?

-How does the region/city/ or company spend its resources?

-What does the region/city/ or company sell and to whom?

-How does the region/city/ or company compete?

Using the case method, the strategy analysis makers can answer the relevant questions and move from the identification of strategy to the more demanding evaluation of strategy, identifying issues and options, evaluating options, making recommendations, implementing strategy and monitoring results.

As a result of merging the Strategy map by Kaplan and Norton and The Case Method the strategy makers will obtain the broad range of information and data for making analyses and creating the strategy. In that process they will have very specific information, varying from region to region, or from city to city.

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HUMAN RESOURCE MANAGEMENT IN TOURISM AND HOSPITALITY INDUSTRY

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Abstract

Human resources management is responsible for the successful management of the most valuable and unique resource for every organization – the employees. Attracting and retaining human resource with adequate skills and abilities is the key task of every organizational management.

The problem that arises is that organizations and managers in the Tourism and Hospitality Industry face real challenges in recruiting, developing and maintaining a committed, competent, well managed and well motivated workforce which is focused on offering a high-quality 'product' to the increasingly demanding customer.

Thus the focus should be in identifiying the factors that influence human resources in Tourism and Hospitality Industry and the necessity of creation important policy responses and HRM models which may offer cause for greater optimism in the way people are managed.

Key words: *management, resources, tourism, hospitality, industry.*

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INTRODUCTION

The importance of tourism and hospitality employment in both developed and developing countries is attested to by the World Travel and Tourism Council (WTTC), who suggest that travel- and tourism-related activities account for over 230 million jobs, or 8.7 per cent of jobs worldwide (WTTC, 2006). However, whilst the quantity of jobs is unquestionable, the quality of many of these jobs is of great concern to academics and policy-makers alike. Despite the rhetoric of policy-makers and business leaders that people are the industry's most important asset, many remain unconvinced that such a view is borne out by empirical evidence. The challenges of living and working in a service society, is characterized by two kinds of service jobs: large numbers of low-skill, low-pay jobs and a smaller number of high-skill, high-income jobs, with few jobs being in the middle of these two extremes. Such a situation leads labor analysts to ask what kinds of jobs are being produced and who is filling them. This point is also true for the tourism and hospitality industry and it is important at the outset of this paper to add a caveat about the generalizability (or otherwise) of the conditions of tourism and hospitality employment worldwide.

Organizations and managers in the tourism and hospitality industry face real challenges in recruiting, developing and maintaining a committed, competent, well managed and well-motivated workforce which is focused on offering a high-quality product to the increasingly demanding and discerning customer. This paper addresses some of the key human resource (HR) issues that have to be tackled in order that organizations can maintain such an environment. To do so it will critically review some of the problems which lead many to characterize tourism and hospitality employment as generally unrewarding and unappealing, whilst also considering examples of good practice, important policy responses and models of HRM which may offer cause for greater optimism in the way people are managed within the tourism and hospitality industry.

THE TOURISM AND HOSPITALITY INDUSTRIES

Many academics, industrialists and policy-makers have attempted to define the nature of the tourism industry – and the place of the hospitality sub-sector within this broader conceptualization – yet there is still no one commonly accepted definition. Hence, there are inherent problems seeking to define what is a large and diverse sector, which means many of the activities may overlap, and could be described as encompassing tourism and hospitality.

In an attempt to avoid too much imprecision and, at the same time, capture the diversity of the sector I used the framework offered by People 1st, which is the Sector Skills Council (SSC) for the hospitality, leisure, travel and tourism sector, to exemplify the broad range of activities that may be seen in the HCTS (Hotel, Catering and Tourism Sector). Therefore, People 1st suggest that the sector as a whole is made up of 14 sub-sectors (People 1st, 2006):

- Hotels;
- Restaurants;
- Pubs, bars and night-clubs;
- Contract food service providers;
- Membership clubs;
- Events;
- Gambling;
- Travel services;
- Tourist services;
- Visitor attractions;
- Youth hostels;
- Holiday parks;
- Self-catering accommodation;
- Hospitality services.

Moreover within this broad classification of travel, tourism and hospitality there is massive diversity in the types of jobs generated, in relation to their technical and skills demands, educational requirements, terms and conditions and the type of person that is likely to be attracted to employment in them. For example, the range of people a person buying a package holiday is likely to interact with (Baum, 1997):

- The retail travel agent;
- Insurance companies;
- Ground transport to and from the airport;
- At least two sets of airport handling agents (outbound and return);
- Airport services (shops, food and beverage outlets, bureaux de change) (outbound and return);
- The airline on all legs of the journey;
- Immigration and customs services;
- Local ground transportation;
- The hotel or apartment;
- Tour services at the destination;
- Companies and individuals selling a diversity of goods and services at the destination (retail, food and beverage, entertainment, cultural and heritage, financial, etc.);
- Emergency services at the destination (medical, police, legal);
- Service providers on return (photography processing, medical).

All of these possible intermediaries, and the interactions they will have with the holiday maker, are crucial in 'making or breaking the tourist experience'. Thus while the physical product is important, for most tourists the quality of their experience is likely to be also reliant to a large degree on the interactions they will have with the variety of front-line staff in the travel, tourism and hospitality industry. These so-called 'moments of truth' (Carlson, 1987, 26) are therefore crucial for organizational effectiveness, success, competitiveness and profitability. Indeed, within an industry that is characterized by diversity and heterogeneity in terms of the purpose, size, ownership and demands of the enterprise, the only real point of homogeneity is delivering service to customers and the need to manage people in such a way that they offer a quality service. The corollary of this point would be the belief that such front-line staff would therefore be sufficiently well paid, trained and motivated to offer outstanding service. The reality however is that often such staff have the lowest status in the organization, are the least trained, and are the poorest paid employees.

In recognizing the diversity both of the range of sub-sectors and types of jobs they are likely to generate, more is known about employment in certain sub-sectors than others. For example, the commercial hospitality industry encompassing hotels, restaurants and pubs, bars and nightclubs is the largest sub-sector. Unsurprisingly, then, the commercial hospitality industry is well served with extensive research on the nature of employment and HRM strategies. On the other hand, little has been written on the events industry or the nature of HRM in Youth hostels, for example. A further issue to consider is the manner in which the sector is heterogeneous in terms of the predominance of small- and medium-sized enterprises (SMEs). Heterogeneity is mainly seen in relation to the way that organizations adopt differing routes to competitive advantage, depending on which type of market they operate in. For example, full service carriers in the airline industry are likely to have very different approaches to HRM compared to low-cost airlines (Lukas, 2004). The same is true for the hospitality sector, which may range from first class and luxury hotels providing extravagant, full 24-hour service to the more homely comforts of a bed and breakfast establishment; from fast food restaurants to VIP restaurants (Eaton, 2001). In turn, the jobs provided by these various organizations demand a variety of skills and attributes from those employees interacting with customers, which again will impact on HR strategies such as recruitment and selection and training.

THE TOURISM AND HOSPITALITY WORKFORCE

The International Labor Organization (ILO, 2001) in their wide-ranging report on the global tourism and hospitality industry provides evidence that suggests that the industry globally is largely reliant on so-called 'marginal workers', such as women, young workers, casual employees, students, relatively high numbers of part-timers and migrant workers. More specifically, the hospitality sub-sector is indicative of the broader sector in having a higher proportion of part-time employees than most other industries with the all industry figure. Young people are also prominent within the hospitality, leisure, travel and tourism sector. Related to this last point a significant part of the tourism and hospitality workforce consists of student, seasonal and migrant workers. Students are an increasingly important segment of the labor market for hospitality and tourism organizations They are prepared to work for low wages and be flexible in their working patterns creating 'coincidence of needs' between employers and students. Thus, nearly three quarters of all students who are working are employed in the retail and hospitality industries and the vast majorities of students who are working do so in front-line jobs such as sales assistants, waiters/waitresses and check out operators. A very small number of employees in hospitality, leisure, travel and tourism have a relevant degree or qualifications. Having briefly considered the nature of the hospitality and tourism industry and the characteristics of its workforce attention now turn to understanding HRM and the increasingly important role it is felt to play in organizational success.

HUMAN RESOURCE MANAGEMENT

Definitions of HRM

There have been many attempts to define what exactly HRM might be. It is a subject of considerable academic analysis and ultimately, there is no common agreement on what HRM means. HRM can be defined in several ways (Heery and Noon, 2001):

- A label HRM is seen as simply being another name for personnel management and there is nothing distinct or special about HRM.
- A convenient shorthand term that allows for the grouping together of a whole series of sub-disciplines that are broadly concerned with people management: such as employee relations, industrial/labor relations, personnel management and organizational behavior.
- A map to help guide students and practitioners to understand the concept and ideas associated with the management of people.
- A set of professional practices suggests that there are a range of personnel practices that can be integrated to ensure a professional approach to managing people. In this view a potentially key role is likely to be played by the Chartered Institute for Personnel and Development (CIPD), which is the professional association for those entering the HR and personnel profession.
- A method of ensuring internal fit again sees the need to co-ordinate approaches to people management, but here the co-ordination needs to be with other areas of the organization.
- A method of ensuring external fit where HRM activities have to be fully integrated with the demands of the external environment.
- A competitive advantage where HRM is the means by which an organization can gain competitive advantage, a view best captured by the cliché of 'our people are our greatest asset'.
- A market-driven approach is that decisions will often be market driven and the needs of the business determine the manner in which employees are treated; some may be treated well, others less so well.
- A manipulative device sees it as inherently exploitative and manipulative.
- A hologram captures much of the above discussion in recognizing the fluid identity of HRM and the fact that it has multiple meanings.

Clearly what the above discussion points to is that HRM means many things to many people, depending on whether you are a manager, an employee or an academic and there is no one definition that will adequately capture the potential complexity of the topic. Thus, HRM 'is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques' (Storey, 1995, 31). The challenge of HRM then would seem to be how to recruit, deploy, develop, reward and motivate staff, leading to them being a source of competitive advantage. As the above discussion suggests, however, there is more than one route to seeking competitive advantage and this point is further considered in examining the notion of 'hard' and 'soft' HRM.

HARD AND SOFT HRM

As well as different definition utilized above exist different approaches to HRM (Storey, 1987). These different approaches are captured by the idea of hard and soft HRM. The hard version is seen to be an instrumental and economically rational approach to HRM. In this view people management strategies are driven by strategic considerations to gain competitive advantage, maximizing control while achieving the lowest possible labor cost. This approach is quantitative and calculative and labor is a commodity/resource, the same as any other. The focus is on HRM. On the other hand the soft version is seen to be much more about adopting a humanistic and developmental approach to HRM. As a result an organization's people management approach is likely to be more consensual and based on a high level of managerial commitment to employees, which is intended to lead to mutual high commitment from employees, high trust, and high productivity and so on. Employees are seen as being proactive, capable of being developed and worthy of trust and collaboration. This approach focuses on HRM.

What hard and soft approaches to HRM point to is that employers will vary their people management strategies? Clearly as well there are likely to be a number of external influences as HRM in practice. These external influences will reflect a variety of political, social, economic and technological aspects which will have an effect on HRM policies and practices. Hard and soft HRM point to the manner then in which organizations can vary their approaches to HRM and as a result the impact on employees may vary. A similar attempt to recognize that there may be different approaches to HRM is also seen in the debate over whether organizations should aim to achieve 'best fit' or 'best practice'.

BEST FIT V. BEST PRACTISE

The attempt to understand the way in which organizations approach the management of their HR can be seen with regard to whether they aim for 'best fit' or 'best practice'. On the one hand, the best fit school argues for an approach to HRM, which is fully integrated with the specific organizational and environmental context in which they operate. On the other hand, best practice advocates argue for a universalistic approach to HRM where all firms who adopt a range of agreed HR policies and practices are more likely to create a high-performance/commitment workplace, as organizations aim to compete on the basis of high quality and productivity (Boxall and Purcell, 2000).

Best fit

One of the earliest and most influential attempts to develop a model that recognized the need for a fit between the competitive strategy and HRM was that offered by Schuler and Jackson (1987). Schuler and Jackson developed a series of typologies of 'needed role behaviours' that enabled the link between competitive strategy and HRM practices to be made. The type of needed role behaviors within Schuler and Jackson's model was contingent on the overall strategies that an organization could adopt to seek competitive advantage and the HRM approached adopted to sustain this.

First, there is an innovation strategy, where organizations seek to develop products or services that are different from competitors, such that the focus here is on companies offering something new and different. Organizations adopting this approach seek to develop an environment where innovation is allowed to flourish. Resultantly, the employee needed role behavior in such a scenario is characterized by things like a willingness to tolerate ambiguity and unpredictability, the need to be creative and risk taking. Given these characteristics the type of HRM strategy flowing from this approach is based on having a large number of highly skilled individuals who are likely to enjoy high levels of autonomy.

Second, is the quality enhancement strategy wherein firms seek to gain competitive advantage by enhancing the product and/or service quality. The approach once again points to certain HRM practices to support a total-quality approach. These practices include the encouragement of feedback systems, teamwork, decision-making and responsibility being an integral part of an employee's job description and flexible job classifications. The intent of these practices is to create needed employee behavior such as co-operative, interdependent behavior and commitment to the goals of the organization. Lastly, the cost reduction strategy sees firms attempting to gain competitive advantage by aiming to be the lowest-cost producer within a particular market segment. The characteristics of firms seeking to pursue this strategy are tight controls, minimization of overheads and pursuit of economies of scale, in the pursuit of increased productivity. In following such a strategy organizations may use higher number of part-timers, seek to simplify and measure work via narrowly defined jobs that encourage specialization and efficiency, and offer short- term results oriented appraisal. Needed employee behaviors include repetitive and predictable behavior, low-risk taking activity and a high degree of comfort with stability.

Best practice

Whilst arguments for best fit advocate a close fit between competitive strategies and HRM, those in favor of best practice approaches to HRM suggest that there is a universal 'one best way' to manage people. By adopting a best practice approach it is argued that organizations will see enhanced commitment from employees leading to improved organizational performance, higher levels of service quality and ultimately increases in productivity and profitability, Usually couched in terms of 'bundles', the HRM practices that are offered in support of a high commitment and performance model are generally fairly consistent. For example, Redman and Matthews (1998) outline a range of HR practices which are suggested as being important to organizational strategies aimed at securing high-quality service:

- Recruitment and selection: Recruiting and selecting staff with the correct attitudinal and behavioral characteristics. A range of assessments in the selection process should be utilized to evaluate the work values, personality, interpersonal skills and problem-solving abilities of potential employees to assess their 'service orientation'.
- Retention: The need to avoid the development of a 'turnover culture', which may of course, be particularly prevalent in tourism and hospitality. For example, the use of 'retention bonuses' to influence employees to stay.
- Teamwork: The use of semi-autonomous, cross-process and multi-functional teams.
- Training and development: The need to equip operative level staff with team working and interpersonal skills to develop their 'service orientation' and man- agers with a new leadership style which encourages a move to a more facilitative and coaching style of managing.
- Appraisal: Moving away from traditional top down approaches to appraisal and supporting things such as customer evaluation, peer review, team-based performance and the appraisal of managers by subordinates. Generally, all of these performance appraisal systems should focus on the quality goals of the organization and the behaviors of employees needed to sustain these.
- Rewarding quality: A need for a much more creative system of rewards and in particular the need to payment systems that reward employees for attaining quality goals.
- Job security: Promises of job security are seen as an essential component of any overall quality approach.
- Employee involvement and employee relations: By seeking greater involvement from employees the emphasis is on offering autonomy, creativity, co-operation and self-control in work processes. The use of educative and participative mechanisms, such as team briefings and quality circles are allied to changes in the organization of work which support an 'empowered' environment.

In simple terms best practice is likely to entail attempts to enhance the skills base of employees through HR activities such as selective staffing, comprehensive training and broad developmental efforts like job rotation. Additionally, it also encourages empowerment, participative problem-solving, teamwork as well as performance-based incentives.

MODELS OR REALITY?

Of course ideal types and academic models may not always reflect the complex reality of what really goes on in tourism and hospitality organizations. The same point can also be made with regard to hard and soft HRM; it is not uncommon for organizations to vary their approaches to employees depending on any given practice. For example, with regard to labor flexibility the use of numerical flexibility may well reflect fairly hard approaches to HRM; whilst functional flexibility and multi- skilling exemplifies a much softer approach. A further issue is the predominance of SMEs in tourism and hospitality. It is often suggested that their small scale means that they are unlikely to have the necessary means to employ the kind of HRM expertise to develop sophisticated soft approaches, for example. Nevertheless, they are still likely to require HR policies that require at least some thought with regard to their business circumstances.

Whilst some understanding of debate about soft and hard and best fit and best practice are important to place HR practices within a broader theoretical context, in reality, regardless of these various ideal types all organizations have to manage employees on a day-to-day basis. We can illustrate this in Figure 1, which out- lines the notion of an HRM cycle.

Figure1. HRM cycle

- Attract an effective workforce

– HR planning/labor markets

– Recruitment and selection

- Maintain an effective workforce

– Rewards and welfare

– Labor relations (e.g. the role of trade unions)

– Grievance and disciplinary procedures

- Develop an effective workforce

– Training and development

– Appraisal

Source: Redman and Matthews, 1998, 69

Figure1. is useful in allowing us to appreciate that these broad aspects of attracting, maintaining and developing a workforce are constant and that organizations and managers, both specialist HR and line managers, are wrestling with HR issues on a day-to-day basis. However, whilst a number of the functional aspects of HRM are unlikely to differ, the manner in which organizations actually develop their overall strategy will. In these circumstances models that allow for recognition of differing strategic intent in HRM are still useful in allowing us to appreciate why and how companies differ in their approaches to HRM in tourism and hospitality. It would be naïve to imagine we could talk in very broad terms about HRM in tourism in hospitality. The reality is far too complex and as I have already noted the employment experience for employees can vary enormously depending on the type of organization they work in and the job or role they have within their organizations.

CONSLUSION

This paper recognizes the importance of tourism and hospitality as an employment sector. The sector provides a large and diverse number of jobs and will be important for future job creation throughout the developed and developing world. Whilst the number of jobs produced by the tourism and hospitality industry is impressive there are some concerns about the type of employment experience within the sector. The nature of the labor market and the reliance on 'marginal' workers has led to a number of pessimistic views of HRM practice. More upbeat accounts point to the manner in which concerns with providing good-quality service are improving HR practices. There is a number of models of HRM which provide a framework in which to locate the strategies adopted by tourism and hospitality organizations. Ultimately though we have to be cautious to not over generalize the nature of HRM in tourism and hospitality and there is a need to examine differing practices and try to understand why these differences might exist.

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ETHICS AND CORPORATE SOCIAL RESPONSIBILITY: TAKING RESPONSIBILITIES AS PART OF THE HUMAN RESOURCE MANAGEMENT

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Abstract:

Businesses cannot be isolated because employees depend on the business. Customers, suppliers and local community are also under the influence of the organizations, inclusively the tourism ones. The services that the tourism organizations offer are the ways they are conducted have their impact on the vicinity. These aspects are part of the social responsibility of an organization i.e. the corporate social responsibility.

Corporate social responsibility means taking responsibility for all the activities and following the principles that can be modified and applied regardless of the size of the business. Every organization has its own characteristics. Leaders form the characteristics by shaping the organizational goal i.e. organizational mission and basic organizational values that are transferred to the employees and by which their behavior influenced. According to this, the organizational reputation and establishment on the market is assigned. The tourism organization influence on the society arises from the organizational behavior. Definitely, individuals and groups have influence too. The leader awareness has its own impact on the organizational awareness. Therefore, the management of the organization must be certain that the goal, mission and basic organizational values that have already been approved in the tourism organization, will be accepted by all those that will influence or will have any benefit from it.

Nowadays it is acknowledged that tourism organizations should not only be concerned about their income under conditions when the organization performs activities that are not suitable to the demands and needs of the clients or the life in the society. Tourism agencies social responsibility can be defined as “success in the business activities that is gained not only by adhering the laws and regulations, but by approach that accomplishes balance between economic, ecological and social goals, on a way that is useful for the citizens, community and society”. Tourism agencies in order to deal with the social needs have to decide how to outrun the minimal conditions and responsibilities that are part of the law and labor agreement. That is another argument for the social responsibility of the tourism organizations as a concept with worldwide meaning connected to the maintainable development, competition initiation, economy development and creation of new working positions.

Key words: *Ethics, social responsibility, human resource management, tourism organization*

ETHICAL NORMS

Many people from the private and public sector are more and more aware that by emphasizing the assets and the different ways of work, tourism organizations have the opportunity that will take them to longed-for destinations if they want successfully to be competitive on the global market in the complex world. For the people which are aware of the meaning of the ethics regarding the progress in the determination and quality of work.

Every employee in the beginning of its career, through the process of its first employment gets clear directions about the ongoing rules for the work in the organization, especially about those connected to his workload.

This explanation is given in order to alleviate the employee's system entry as well as to deal with the organizational culture. It is done from the organizational aspect, because every organization has its own value system and culture and that is why every organization is different from another. The value systems may look alike because of the same organizational field of work, but each one is different and special.

Even though it seems awkward, the process of work implementation is connected with ethics. When the employee in introduces to the way of work manners, he is alerted of the work ethics. Working manual make the employee's work beginning easier because they contain ethical directions, rules, norms and value systems that are approved and used in the organizations he works for.

Usually the working manuals for the new employees instead of full description of the value system and ethical norms, give one sentence explaining the ethics in the working process. The new employee should follow that sentence not only for his good, but for the good of the organization, and all of that has its implications in the environment.

To create and establish ethical consciousness we should start from the beginning- the first employment; but to establish ethical environment we should pay attention to the managers, especially to (Tierney Elizabeth, 1997):

- **Ethical behavior of the manager –** value systems of the managers are crucial for the establishment of an ethical organizational environment, because they should be accepted from the other employees. If some of them are not in the organization interest, it is a good thing to be revised, especially the managers', before he has influenced the other and the organization itself.
- **The time that the manager has taken for ethics** – if we want to talk about a manager that is really devoted to organizational ethics, we need to talk about a man that has taken enough time to think, observe and decide. That is not simple because of the tight schedule of the manager daily agenda (obligatory commitments, telephone calls, meetings etc.)
- **Thinking about the ethical norms in the organization** – Time devoted to thinking is crucial for the managers. It has its own meaning when we talk about the ethical questions in the organization. Many managers have a lot to do when they face the ethical questions in the organization. They do not have or simply do not want to take time to think about ethics and values. That is why managers neither know how to give directions to its employees, to whom they are ethically responsible, nor do they know how to support them when they are face to important ethical dilemmas.

ETHICAL DILEMMAS

Ethical dilemmas are routine to all employees, especially to the tourism ones, because they have serious problems when they have to make a decision for which they are no rules or laws. Here are some of them:

- Should all clients be informed about all the information regarding the tourist offer or only those that are in our favor to convince them?
- Should the tourist offer be organized only to get us bigger profit or to satisfy the needs and the demands of the clients?
- Should the agreement be written correctly without hidden costs?
- Should we ask from the rest of the employees to keep some information as a secret?

To this and similar questions we come across every working day. Maybe because of our decision some will be hurt or will suffer damage. Therefore, when we have ethical dilemmas, we cannot make decisions and think black and white. Anyway, we should choose some of the grey variations that are not simple.

Everything would be easier if decisions were made by the book and the law, statute etc. Then, we should not think about like this: what if….; if I do that…., and if I do not do that…. Etc.

Not only in the tourism industry, but in the business world, ethical dilemmas are routine. That is why the sector for Human resource management is there to help solve all the problems. Here are some of the ethical dilemmas:

- If the worker knows that his colleague heist the organization, should he be the one to report it or he should give him advice?
- If the new employee does not know how to work or simply make a lot of damage, should he be reported and fired from its workplace or should we wait until he in the account of the organization learns and make himself a better worker? etc.

ORGANIZATIONAL ETHICS AND HUMAN RESOUCE MANAGEMENT

We are talking about business ethics and the employees share in it. Each one of them as professionals work in an organization, that is why we have to answer the following question: Is it possible to talk about organizational ethics and if yes what is that?

Organizational Ethics is the ethics of an organization, and it is how an organization ethically responds to an internal or external stimulus. Organizational ethics is interdependent with the organizational culture. Although, it is akin to both organizational behavior (OB) and business ethics on the micro and macro levels, organizational ethics is neither OB, nor is it solely **business ethics** (which includes corporate governance and corporate ethics). Organizational ethics express the values of an organization to its employees and/or other entities irrespective of governmental and/or regulatory laws.

Organizational ethics is usually connected to the existence of organizational culture. As a famous concept, organizational culture is a subject of interest in many experts thesis and in each one of them is referred to as a main factor for the organizational success or failure. The most common slogan that explains the organizational culture is "*the way we do it"*. Whilst it is emphasized *how* the things are done and not *why* are they done.

Organizations with strong organizational culture have the tendency to change. However, in order to exist and serve to those that work and live in the organization, it must be in a condition to change. The change of the culture is difficult and serious process. In order it to be conducted in a proper manner, it must get in the process of ethics, because that is the only way we can explain the *way we do the things*. The organization affects according to the decisions that are made by its employees. The HR department takes all the necessary measures in order the employees to suffer less damage during the process of change. Theorists have different opinions. For some of them it is a good thing to recall to ethical responsibility, while for the others to give ethical justice for the organization is the same as to talk about certain individuals in that organization (Velasquez, Manuel, 1983).

SOCIAL RESPONSIBILITY

-What is social responsibility?

The term corporate social responsibility can be defined as a corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to company efforts that go beyond what may be required by regulators or environmental protection groups. The phrase "Corporate Social Responsibility" originates with H. Bowen, who wrote "Social Responsibility of Businessmen" in 1953. Corporate Social Responsibility (CSR) is used to describe businesses' integration of social and environmental issues into decisions, goals, and operations. Other terms for CSR and are:

- Corporate Responsibility

- Sustainability
- Corporate Citizenship
- Ethical Business Practices
- Social/Environmental Responsibility
- Triple Bottom Line
- Environmental and Social Stewardship

Corporate Responsibility is actualized in the last decades of the 20th century with the internationalization and globalization of the organizations. Big companies, spreading its business in many countries and continents, fighting the competition, started to introduce “innovations” in the work, as follows: protection of the human environment, employees’ health and safe insurance, customers care, community care etc. This is done by keeping certain funds in order to invest them for maintain and improving the work conditions (example: installing cooling systems, securing facilities, payed vacations etc.), investing in the community (construction of parks, investing in social, ecological and other projects etc.), protection of the human environment (installing filters, garbage treatment etc).

Basic factors that influence the increased organizational interest in corporate responsibility are:

1. **Globalization** – means imposing personal values to multinational organizations outside the mother country;
2. **Customers –** that demand products and services from corporate responsible organizations;
3. **Parties of interest** – put pressure on the implementation of ethical and responsible work in the organizations;
4. **International organizations** – as United Nations (UN), Organization for Economic Co-operation and Development (OECD), International Labour Organization (ILO), have carried declarations, agreements, manuals that express the corporate norms for responsible working and
5. **Sustainable development** is a pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only so that these needs can be met not only in the present, but also for generations to come.

-Which are the acquisitions from corporate responsibility in tourism?

Investing in corporate responsible projects, through keeping fund from the profit, organizations show that they are corporate responsible, and they give new value to the business. The long term gain through this organizational behavior is to enhance its competitiveness and to maintain sustainable development of its business. However, besides the acquisitions for themselves, at the same time they create acquisitions for the clients and the society as a whole.

The acquisitions for the organizations are:

- Better reputation
- Brand creation
- Enhanced competitiveness
- Enhanced productivity
- High employee motivation
- Better relationship between the parties of interest
- Good corporate culture
- Long-term business success

The acquisitions for the society are:

- Better conditions for the target groups
- Identifications of new problem areas
- Creation of new innovative approach to problem solving

- Creating network with specific competencies to problem solving etc.

Developing organizational corporate responsibility

Theoreticians that are interested in corporate responsible organizations say that people and businesses were aiming to be corporate responsible even when they started with the business. It is considered that the distinction of profit divisions and the forest protection law were invented 5000 years ago. In Ancient Mesopotamia, in 1700 BC, king Hammurabi enacted a code. The Code consists of 281 laws (skipping number 13), with scaled punishments, adjusting "an eye for an eye" as graded depending on social status, of slave versus free man (Gabriele B., Eberhard K., Könemann, K., 2005). Here are some of them:

- If anyone ensnares another, putting a ban upon him, but he cannot prove it, then he that ensnared him shall be put to death.
- If anyone brings an accusation against a man, and the accused goes to the river and leaps into the river, if he sinks in the river his accuser shall take possession of his house. But if the river proves that the accused is not guilty, and he escapes unhurt, then he who had brought the accusation shall be put to death, while he who leaped into the river shall take possession of the house that had belonged to his accuser.
- If anyone brings an accusation of any crime before the elders, and does not prove what he has charged, he shall, if a capital offense is charged, be put to death.

In the 18th century, well known economist Adam Smith wrote the book “Nature and Cause of the Wealth of Nations”. This book expounds that the free market, while appearing chaotic and unrestrained, is actually guided to produce the right amount and variety of goods by a so-called "invisible hand" (Minowitz, Peter, 2004).

Karl Marx and Friedrich Engels wrote about corporate responsibility too. Karl Marx explained that those who ignore their history, the history will repeat. In order to obtain further progress to more corporate responsible sustainable business practices, mix of new ideas is needed for the future and the knowledge and understanding from the learnt lections in the past.

With industrialization, the organizational part is enhanced, as well as its influence to society. In the end of the 19th century and the beginning of the 20th century, philanthropy is imposed by the rich families and business. From 1920, begins the “new era” of corporate responsible organizations, when they start to recognize and implement social responsible practices.

The roots of the CSR movement trace back to the early years of the Cold War. Led by Donald K David, Dean of the Harvard Business School and supported by other academics and executives given voice on the pages of the *Harvard Business Review*, advocates urged expanded business social responsibility as a means of aligning business interests with the defense of free-market capitalism against what was depicted as the clear-and-present danger of Soviet Communism. Today's enthusiastic calls for business to “do well by doing good” could benefit from a similar critical analysis not just of the goals of CSR but also the ideological assumptions, often unacknowledged, that underlie those goals.

In the 1970 starts more intensive development of social organizational responsibility. Milton Friedman, American economist in his famous article, published 1970 in The New York Times Magazine, declares that the only social responsibility for the business is to increase the profit for shareholders.

In the United Nations (UN) with this concept more seriously was started in the 1995, when leading business network CSR Europe is formed. This network includes many companies from Europe. CPR Europe network mission is to help companies to integrate the CSR concept in every day work.

In 1999, general secretary of United Nations Kofi Annan proposed network formation on a global compact (UN Global Compact). This network started working with leading multinational companies' registration and is world wide spread every day.

Globalization is creating deeper and deeper space between the rich and poor in the world. On one hand, there are the industrial developed and rich countries, which companies work in many continents, and, on the other hand, there are developing countries and the non developing countries, which resources are cruelly used and which are left with nothing far from the developing countries. Business, like the international organizations conduct developing projects, to help the countries from the third world to alleviate the repercussions.

Technology development highly influences the creation of new brands and changes in the business and in the society. The evolution of the internet, telecommunications and information technology created new space for misuse of information.

The development of biotechnology, genetic engineering and cloning opened many questions of the moral and ethics in their usage.

It is more that obvious that nowadays those organizations are faced to many more challenges in the community and in the society, that in used to be. That is why those organizations that have reputation as a corporate responsible organizations, have to have highly developed level of business performance, ethics and community relation. That involves change of the motives for work, from financial to moral and ethical.

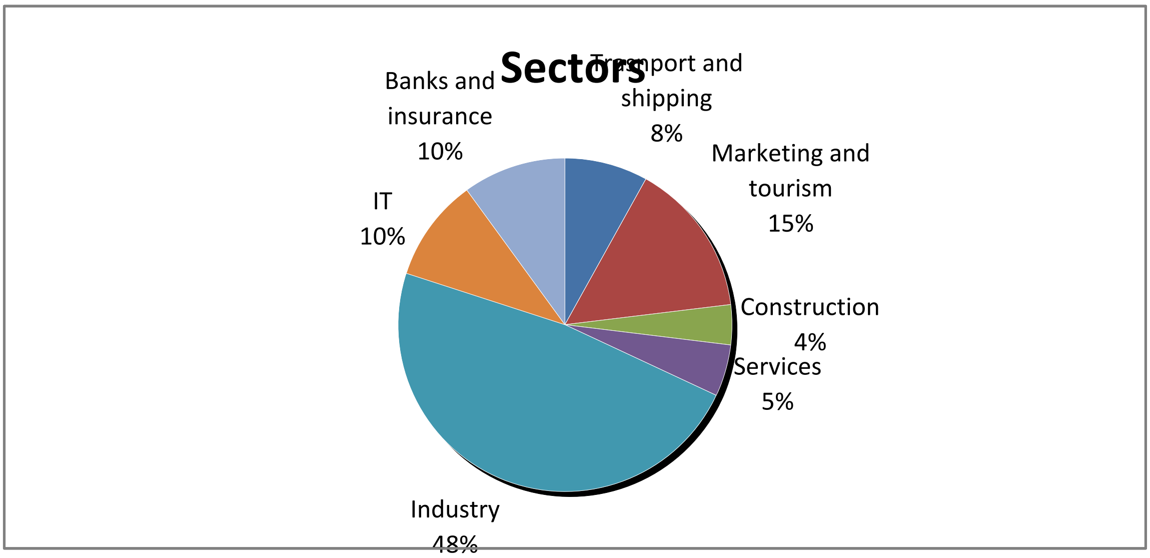
In tourism industry, the corporate responsibility is highly regarded. The countries themselves are trying to develop consciousness in all the areas of business sector, as well as in tourism.

The project "Introduction of corporate responsibility in organizations (CSR) in southeast Europe" was conducted in more countries in southeast Europe, in order to give awards to those companies that corporate responsibility is part of their work.

The project represents an important initiative of the European Bank for Reconstruction and Development (EBRD) to better understand legal developments in countries of operations by gauging the status of their corporate governance-related laws and regulations. Through this project, the EBRD aims to encourage, influence and provide guidance to governments, policy-makers and all those in charge of promoting new legislation for the development of corporate governance-related legal reform in the region.

In the process of award election 73 corporate responsible organizations applied. Fifty of them applied with projects from the SCR. From all of them 15 were selected as good practices of implementation of the SCR principles. Each project of this organizations represented a model of previously applied strategies and SCR principles that had influence both to the business and to the society.

These organizations were competing in two categories: (small and middle organizations) and large organizations. From total 75 organizations, 28 are large and 45 small to medium. Most of them (35) and manufacturing, 11 from the sector of marketing and tourism, 7 from each transport, shipping and IT sector, 6 from banks and , 4 form service sector and insurance organizations and 3 constructional companies.



One of the awarded organizations is “Exploring Macedonia”. This organization works on on-line tourism and has applied with already tested project for international presentation of the Republic of Macedonia as a tourist destination with its own natural capacities, beauties and tourist attractions.

The organization “Tourist - Kocani” that is interested in hotelier- tourist services and fishing is awarded for the project for stimulation of the process of fish production with modern approaches and tourist development

Principles of Corporate Responsibility

It was already determined that the term corporate responsibility is defined in many different ways but one is certain and same for every organization – the principles of corporate responsibility. These principles are applicable to the tourist organizations too. Here are the three main principles:

1. Sustainability
2. Accountability
3. Transparency

Sustainability is fulfilling the activities that have effect on the future, the same moment as you think about them. In tourism that means that the services we offer on the market today, will be with the same quality and quantity at least five more years. However, if the raw materials and other resources that we use today are getting smaller and smaller and they will be out of stock in future, we will not be able to offer our services and they will not be with the same quality and quantity. Every one of us is aware of the resource limitation in the world, which means that it is necessary to think about their replacement in certain time in future. This process needs constant researches for finding out alternative ways for replacement. Organizations as part of the society have to take into consideration this problems, not only from economic point of view, but from the aspect of sustainability and improvement of their business.

Accountability - An important theme of corporate governance is to ensure the accountability of certain individuals in an organization through mechanisms that try to reduce or eliminate the principal-agent problem. A related but separate thread of discussions focuses on the impact of a corporate governance system in economic efficiency, with a strong emphasis on shareholders' welfare. There are yet other aspects to the corporate governance subject, such as the stakeholder view and the corporate governance models around the world

Transparency - Organizations should clarify and make publicly known the roles and responsibilities of board and management to provide shareholders with a level of accountability. They should also implement procedures to independently verify and safeguard the integrity of the company's financial reporting. Disclosure of material matters concerning the organization should be timely and balanced to ensure that all investors have access to clear, factual information.

Concept of corporate responsibility

Some commentators have identified a difference between the Continental European and the Anglo-Saxon approaches to CSR (Saether, Kim T.; Ruth V. Aguilera, 2008.). And even within Europe the discussion about CSR is very heterogeneous.

In the **USA** corporate responsibility is considered from a more common approach of CSR i.e. **philanthropy**. This includes monetary donations and aid given to local organizations and impoverished communities in developing countries. Local organizations think that by paying the taxes they have fulfilled their corporate responsibility. It is the obligation of the society to take care of all the problem that concern the people. Some organizations do not like this approach as it does not help build on the skills of the local people, whereas community-based development generally leads to more sustainable development. Some companies use this approach to their advantage creating a “perfect image”.

Continental European approach to CSR is focused on the **community.** European organizations invest in activities that are profitable for the society and that are based on their business activities and resources. For example, a tourist organization may be part of a construction of children’s park or offering one of its tourist destinations.

This approach provides welfare for both parties. Organizations create consumption, that will reflect their future profit, and the people that live in the area also have advantage of using the park more frequently. In this approach there is connection between the business and the corporate responsibility that leads the organizations to long term development. That is why this Continental European approach is considered to leader to sustainable development both to the organizations and the society.

There are some more modern approaches:

- to incorporate the CSR into the strategy of an organization and creating shared values.

- to incorporate the CSR **strategy** directly into the business strategy of an organization.

- garnering **increasing corporate responsibility interest**. This is called Creating Shared Value, or CSV. The shared value model is based on the idea that corporate success and social welfare are interdependent. A business needs a healthy, educated workforce, sustainable resources and adept government to compete effectively. For society to thrive, profitable and competitive businesses must be developed and supported to create income, wealth, tax revenues, and opportunities for philanthropy.

All of the approaches are applicable in tourism. They can be part of donations that are not connected to tourism, but usually they are. For example, tourist organization that works with mountain tourism can donate bikes so that tourists can use them.

Very good examples are the hotels Odeon in Turkey. From pure ecological reason they use environment friendly products for all the needs in the hotels. Tourists have free bikes so that they can visit the vicinity of the place, and at the same time not to pollute the environment. Acting in this manner, the organization not only is corporate responsible but is eco-friendly and motivates its client to think that way.

CONCLUSION

From all previously written we can conclude that organizational corporate responsibility is a management concept, through which organizations integrate the social and environmental problems in the business operations over the necessary law request.

Corporate responsible organizations are doing everything not only to their favor but for the favor of the society. That is why there is a concept of shared values and advantages, in addition to which the quality of live in the society where they live are work is far much better.

Corporate responsible tourist organizations are far more successful than the others because they know that: ***Leading a business I more than just making a profit!***

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FLEXIBILITY AND QUICK RESPOND AS PRIOR COMPETITIVNESS BENEFITS IN MODERN TOURISM INDUSTRY

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Abstarkt

Tourism is business which works directly with the people, and effectivness of organizational teams become crucial for survival and success. In order to create flexibile team each leader has to prepare his peopleto answer to following questions:

1. How to change models of behavoure and thinking and move it to the way of exepting organization as one sistem insted of separated parts?
2. What is the role of new technologies in tourism business transformation?
3. How to create one radically decentralazed organizational net?
4. What factors could join and keep together parts in such organizational net? Information system or maybe common principes?
5. Now organization could leave the practice of delivering information to its own knowledge basis?
6. Does management in this new organization will play some significant role? New style of management - do we need it?

Key words: *flexibility, tourism, business, information system, management*

INTRODUCTION

MODERN WORLD AND MODERN MANAGEMENT

Daily reports for the world economic crisis, but also the data for the development of economic happenings during last 50 years are full of information for the crash and going down of the unbeatable, almost, eternal corporations which became symbols of the permanent prosperity for its successful operation over the 100 or even 150 years. Only the recent bankruptcy of General Motors caused fear and panic around the world.

The myth of "innate superiority" of the big corporations born in the middle of the last century that trengthened in the 70's and in which all believed in the '80s, has died at 90's, and was finally berried when the new millennium came.

The world in front of us seems more chaotic than predictable; it is the world of larger and faster changes. It's a world where the basis of the economy will not be made up by land, money or natural resources, but by intellectual capital. Here the competition will really be fierce and the markets - without mercy. In this world smaller companies will come out smarter then the gigantic corporations, the customers will have unlimited access towards products, services and information, also only one law will be valid - doing business in real time or decaying.

Instead of self-confidence we will feel the fragility of the new industrial society, which irreversibly approaching to the point named by scientists beginning of chaos or the period of intensive replacement of old with the new order.

-But which one?

We should imagine the future not as the extrapolation of present, but as adjusting to the tendencies which will be formed by unpredictable way. To feel secure in the future we should get rid off and in most cases to forget the old models, old paradigms, old roles, strategies and successful recipes. We should make a psychological and intellectual advancement from known to unknown. From Terra firm to Terra incognita.

The concept for most efficient spending of organizational resources in changeable environment gives us the **Strategic Management** which builds active position; inspire leadership, opening to challenges, adequate allocation of resources and establishing of pro-active atmosphere.

Never the less the most critical factor for any management and mostly for strategic management stays a person. Decisions which are made during creation of organizational change strategy from one hand are determined by the persons who made it and implement it. But, of course, each employee in organization also has its own wishes and aspirations.

In such conditions all tensions should be balanced, and from the other hand basic values should be created in order to be respected by all the staff and to represent the way of balance needed.

In order to make organization be able to make changes we need organizational transformations which are the organizational changes it selves, and implementation of ones should go systematically, phase by phase, and not one process could be forgotten, but the accent is putted on the **organizational culture and human resources management.**

On unpredictable market conditions when trends are changing through the night, under conditions of globalization which unified demands and leveling offers, with internet made whole world just one market and take customers close to any product - in this conditions only company with most competitive offer could survive.

Organizations try to develop competitive advantages for every business activity it doing. "**Competitive advantage** could be defined as any factor which allows organization to select out its product or service from the product or service of its competition and to spread its market share".

"**Organization** is social unit which include two or more persons who work together and coordinate its efforts in fulfilling personal expectations and reaching organizational goals. **Manager as organization leader** has to be able to organize resources, physical factors and business functions on the way which secures organization's objectives reaching."

One of the organizational management determinants is personal characteristics of manager, and the other - environment: external, but also internal. Mutual interaction of both determinants create organizational climate and if this one is positive we get positive results or success in reaching organization's targets.

Demands of modern world force managers to manage more strategically, and in strategies they have to pay more attention to the strategic human resources management.

Development dynamic in the globalized environment is increasing and its so for all business sectors including services. Forecasting and successful managing of changes become essential in management and managers must think strategically which means also the art of adequate **organization culture** creation, and that one Sein define as: "kind of basic suggestions - created, found or developed by this particular group - how it learn to solve its problems of external adaptation and internal integration that turned out to be good in order to became valid and also in order to teach new members how react, think and feel right way about those problems" correct reflection of organization culture is **organization climate** which is define by Cvetko Smilevski as "set of whole organizational ambience (psychosocial and physical) in which working process is flow", and importance of managing this one could be seeing in fact that "special scientific discipline of managing-consulting - discipline of organizational development" researching its improvement.

STRATEGIS DECISIONS IN ORGANIZATION TODAY

To reach organization success managers have to pay attention on all three levels of decisions making:

- organizational;
- business or competitive level and
- functional.

Many organization act in more industrial branches and that's why its need **corporate level strategy** which suppose to define the portfolio of main organization businesses as well as ways of connection of all involved businesses between each other.

On the next level each of those activities is lead by business or competitive strategy which determines ways of creating and improving long-term competitive position on the market.

And finally, each business activity will be divided on components such as products or services, its sales and human resources management.

Functional strategies identify generally ways and activities of every mentioned part which together will contribute to the reaching of competitive targets. Strategies on all three levels should reflect the influence of human resources management and of strategic approach to it.

COMPETITIVE ADVANTAGES - MEDICINE YOU COULDN'T SURVIVE WITHOUT

On unpredictable market conditions when trends are changing through the night, under conditions of globalization which unified demands and leveling offers, with internet made whole world just one market and take customers close to any product - in this conditions only company with most competitive offer could survive.

If you don't know where you going how would you get there?

In organizations which aim to develop its strategies on three levels term planning is usually reserved for corporate level, i.e. for the process of wide organization planning. Exactly **strategic planning** let management ideally balance two sets of factors - external opportunities and threats as well as internal advantages and weaknesses.

The process of strategic planning helps organizations to determine where they go, and during creating of strategic planning organization specify its complete intentions and objectives and identify ways of implementation and reaching of goals. Through creating and implementation of strategic plan organization indeed try to build and maintain its competitive advantages.

Organizations try to develop competitive advantages for every business activity it doing. "**Competitive advantage** could be defined as any factor which allows organization to select out its product or service from the product or service of its competition and to spread its market share". Organizations could achieve it by two ways: through leading in costs and expenses or through differentiation.

By **leading in costs and expenses** organization offer same products or services like its competition, but produce ones with fewer costs. This way organization achieves better return of investments in assets and human resources. Hyundai could be mentioned as one of leaders in its branch who successfully use strategy of leading in costs.

Differentiation is another example of competitive strategy where organization wants to become unique in the frame of its branch through offer of most wanted or most preferred from the customers values.For example, Mercedes-Benz is organization which usually charge bigger price for staying seriously different from their competition on the way customers want. Rolex and BMW are also organizations which successfully use strategy of differentiation.

However, today during world crisis when sales go down in all sectors for all products it's necessary to find new way to maintain competitiveness because decreasing of costs has its limits if we want to keep the same quality and the same rentable raise, and charging of extra price for the popular brand as well as for difference get back in front of necessity of leaving expenses cutting.

In the conditions like this policy of so called **added value** come forward. Organizations try to add additional material, but more immaterial value to its products or services such as customer care, additional benefits, consumer's clubs, fulfilling of hygienically, ecological or social responsible standards which increase total value or attractiveness of product or service. It's mean that besides decreasing of final price of product or service total value which customer get for its money increase. Buying well branded products customer buy for the same money satisfaction for fact that part of paid price will go, for example, for purchasing vaccines for children from undeveloped regions or for food to the countries where disaster was happened.

Another way is launching new product or service and it let us some time enjoy unique market position. Unfortunately, period of such enjoying is short and become shorter, because new technologies let our competition follow us in every move. The only way to use such competitive advantage to maximum is prepare the market before your innovation will come out and collect highest income from sales in the first wave.

But how could we know which innovation our customer will like, and which one - not? How to choose the right way to realize the ones and what way should we serve it to customers? And by what price should we charge? In order to find out all the answers we have to be as close as we can to our target group of potential customers, we have to hold hands constantly on the customer's pulls, and the best way is to create the new product together with them. That's what the most successful companies in the world do, and especially in the informational technologies and services.

Tourism is one of the service's branches which can make that and in order to become a leader in the competitiveness it doesn't has to be situated on one of the famous destination or to be part of a brand chain. But, of course, it has to change the point of view towards the world, the way of functioning, its own strategies, policies, the position towards employees, clients, suppliers. In few words, tourism should accept the challenge of change.

CHANGE AS A NEW PARADIGM

Talking about new vision toward future and about the new way of business leading we should have on mind replacement of the old paradigm - that at a certain (big) degree we can forecast and control future - with the new paradigm – that we can't predict what changes may come. We should imagine the future not as the extrapolation of present, but as adjusting to the tendencies which will be formed by unpredictable way. To feel safe in the future we should get rid off and in most cases to forget the old models, old paradigms, old roles, strategies and successful recipes. We should make a psychological and intellectual advancement from known to unknown. From Terra firm to Terra incognita.

In the Chinese culture, change is understanding as two ends process and it characterized by two hieroglyphs by which one means ''potential threat'', and the second ''hidden opportunity''.

In the ancient Greek culture symbol for change is the letter delta (triangle). The triangle in geometry is considered as the most stable figure. Association is that the stability is in change, otherwise that change is stable or constant. Dialectic says that everything flows, everything changes and that's the universal law.

In tourism changes have to be done constantly, only that way the competitiveness of the organization can be kept, and in the global economy and world economic crisis conditions the answer to the unstable environment from the tourism industry should be not only preparedness to change, not only implementation of changes on quickest and most efficient way, we think that in this branch the most suitable is strategy of information technology's organizations - to create changes, to offer new products, to create demands instead of improvement of existing services (for which we know its life-time is short). It's time to offer to customers not more, but different for the same money.

Generally, "**change** could be defines: any planned or not planned changing of Status quo in organization, situation or process. Planned change is attempt which is designed, made on purpose with certain goal, by the individual, group or bigger social system to directly influence to Status quo in organization, system or institution."

Each organization change understood also changing on personal level - behaviour, attitude, habits and values. Personal perception of change always connected with certain level of refusing and because of that we need an additional moving power which will push out the effort to change. It depend also on the individual attitude to problem: does person percept it as "own" or as "given" from other. Of course, the last one generates bigger resistance.

In order to create effective ambience (climate) during implementation of changes it useful to share ownership to problem between management and employees, i.e. everybody in organization should percept problem as "their own". Or if it isn't possible, ownership of the problem accept the person who noticed the problem (doesn't have to be a manager), and every involved in implementation of changes could see the long-term benefit as the compensation for invested efforts.

Concept for how to use organizational resources on most efficient way in unstable environment give the **strategic management** which secure active attitude, inspired leadership, openness for challenges, adequate resources allocation and creating of pro-active atmosphere.

However, the most critical factor for any management and mostly for strategic management stays a person. Decisions which are made during creation of organizational change strategy from one hand are determined by the persons who made it and implement it. But, of course, each employee in organization also has its own wishes and aspirations.

In such conditions all tensions should be balanced, and from the other hand basic values should be created in order to be respected by all the staff and to represent the way of balance needed.

In order to make organization be able to make changes we need organizational transformations which are the organizational changes it selves, and implementation of ones should go systematically, phase by phase, and not one process could be forgotten, but the accent is putted on the **organizational culture and human resources management.**

Tourism is industry which work directly with people and that's why efficiency of organizational team become crucial for survival and success. But what are the exact factors which would improve all operations performance and increase total work efficiency?

We think that managers as persons and their managing style are most responsible for achieved or not achieved success, and personal characteristics of managers together with high organization culture are most important in reaching of long-term success in services.

We would like to cite Kemmons Wilson, founder and CEO of Holiday Inn hotel's chain who we consider as one of the best managers in service industry: "Holiday Inn story are people. I think they realize that we respect them and want their contribution to company progress to be recognized and rewarded. Long ego we understood that every service is good as good are people in it."

There are different opinion and thoughts about this question. Many managers especially form older generation think that most important are practice and personal authority of manager but knowledge and team work abilities are not so important. They think that company should have "director" and make it equal with "manager". Others - from younger generation - think that manager without special education couldn't be successful no matter how long practice he has behind and that leadership abilities are not enough if you are not team player.

In Macedonia besides number of scientific institutions and highly qualified scientific staff management in services is not researched enough or not researched deep in all aspects, and especially human resources management. In most cases services are presented as description or statistically without deep analysis of all factors of influence and without getting into basic principles of their functioning.

In the world isn't so and services especially tourism as sector with the fastest growth recently is researched also on fundamental level.

We think that the best world practices in achievement of high efficiency in services work in Macedonia too with small adaptation according with local conditions or specifics of certain company.

Our sureness is based on convincement that in services biggest imperative for efficient functioning is manager who put accent on human potential because even globalization and high technologies are present in this sector too still the main product for sell here is hospitality. And you can only sell it through people who give services, and people are efficient only if they want it, and in order to make them want it their managers have to create require environment and find adequate motivation.

So, effective functioning of Service Company depends on personal characteristics of manager or on managing style and on adequate organization culture or on positive environment.

It is significant, that organizational change represent new concept which seriously become the part of manager's responsibility that consist not only managing organization change, but also to initiate ones as a development element. Change is not more something managers "*good to be informed"* for, but this is a skill essential for routine work.

NEW MANAGING STYLE - POWER OF ADJUSTMENT, INCREASED INDEPENDENCE IN DECISION MAKING, ABILITY FOR QUICK MOBILISATION AND PERMANENT PREPARENESS FOR CHANGES AS THE MAIN CHARACTERISTICS OF MODERN EFFECTIVE ORGANIZATION

Most companies tend to recent results, the daily accomplishments. But such a lack of strategic direction of the actions will inevitably give negative effect. In the new millennium will win those who focused on changes, those who constantly boosting their business, creating the new markets and competitive ules, abandoning the status quo. Of course, it is easier to follow the winners than to seek your own path towards future. There was a time even, when that was a good alternative. But tomorrow's global markets won't ease down against the rest.

But how the path that we should be going at could be determined? How to create your own goal that will become competitive advantage?

The answer is leadership.

Not leadership of the past, but leadership of the future, because in the new organizations leaders of a new kind need to manage.

The new leaders won't satisfy with the linear moving on autopilot. They carefully will see forward, they will atch competitions; they will analyze trends and seek for new opportunities. They will be researchers, entrepreneurs, innovators. The latest technologies will give the opportunity to interactively communicate with the market in real time, and receptors on organizational peripheries to provide feedback. Armed with objective information, holding an internal sense and intuition, modern leaders will be able to lead organizations to the future.

Successful leaders tomorrow should be "leaders of leaders". They will decentralize power and will democratize the strategy, they will attract a multitude of different people from the organization and from outside to join the process of creating the model of the future. Armed with the concept of unpredictability they will feel quite well in constantly changing conditions and will know how to use this concept in order to expand opportunities.

They will love changes and will support the culture of change in organizations. But most importantly - they will have a rude vision, irresistible inspiration and universal aspiration.

And this aspiration once understood and embraced by every employee in the organization will release a major human energy that will separate this organization from others, will bring it forward and will secure the victory

The issues to be considered in the process of the leadership and strategy of the 21st century revising are:

- **Does** the organization spending enough time for the management of current situation and for creating of the future? **Why** is perspective to think about future strategy? **How** would you stimulate your organization to do it?
- **Who** should participate in creation and implementation of strategies? **What is the role** of top management in these processes?
- **Which way** the organization could be strategically focused? **Do** smaller companies need to have more flexible strategy in comparison with their major competitors?
- **How** important is technology in creation of competitive advantages in the future? **Whether** it will affect the strategy long-term or will be generally a tactical asset?
- **How** can companies balance the needs for radical changes and strategic agenda of the actions? At which exactly moment competitive strategy should be changed?
- **What** companies can do in order to realize the potential opportunities? And **how** at this process we can minimize the risk?
- **Where's** the essential difference between management of the 20th and 21st centuries? **Do you need** a special type of leader to achieve success in the global economy? **Which influence** will have information technologies on the management styles?
- **Why** is it so important to be "leader of leaders? **How** to maintain leadership at all levels of the enterprise?
- **What measures** leaders can ensure that corporate culture will be a strategic asset, not a brake change?
- **Does** the responsibility of the organization will give the sense of living to the people who work in it?

Six steps will provide a wide program of action on the road to revising our attitude towards the future. These steps are directed towards the creation of structures for control the business in terms of unforeseen changes:

1. **Revision of principles** - a new vision of the principles that govern the organization and society in general, but also each of us in his private life. You have to wonder what actually we do and why, to focus on the discovery of an unknown world in which we live now.
2. **Revision of competition** - a new vision of competitive advantages in general. Focus towards providing perspectives of the future as well as revising of key steps which the organization should do now to prepare itself for the future.
3. **Revision of managing style** – giving up of old concepts and organizational models and creating new images for business that operates on the basis of highly effective processes by attracting competent specialists.
4. **Revision of leadership** - a way of releasing the intellectual forces of the organization and creating an invaluable capital. Successful decentralization of the organization using created network and ways of implementing the transformation to achieve desired results.
5. **Revision of the markets** – creating new markets, new consumer type, but also analysis of the impact of technical progress on changing of the organizational approach to selling goods and services.

6. **Revision of the world** - with nothing comparable changes that have caught the business world and society globally, changing the essence of global economic competition and the role of politic in these processes.

Human, cooperation, government and every other group nowadays are forced to revise the future or to move away from the road. The first ones are most likely to survive and to develop in a variable environment: they can recognize new opportunities and threats when they still have time to take the necessary measures.

Revising the future is an endless process. Tomorrow is always a goal to achieve, and that means that we must not stop in revising our attitude toward the future or we will have to start from scratch.

ORGANIZATION - DEFINITION, CHARACTERISTICS AND CONSISTENT PARTS

"**Organization** is social unit which include two or more persons who work together and coordinate its efforts in fulfilling personal expectations and reaching organizational goals. **Manager as organization leader** has to be able to organize resources, physical factors and business functions on the way which secures organization's objectives reaching."

Generally speaking there are two approaches toward management and organization: normative and positive. The first one is based on classical management theory, and the second - on the behaviorism theory.

In classic theory, basically are studying managing process and organizational structure or connection between different operations which should lead to achievement of organizational objectives as well as different personal ways of performance.

Depend on resources which organization have the structure is designed on the way to secure means with which operations and its performances will be systematically allocated.

Achievement of this goal requires coordination and communication. Structure has to move on cooperation, has to have recognizable communication channels, and the process of decisions making has to be in the hands of qualify persons. Constructed relations are vertical, horizontal and diagonal.

Classic theory is normative and orders that:

- Structure has to be as simple as possible, have as less level as it could;
- Authorities has to be clearly established as well as responsibilities on each level;
- Jobs have to be specialized, with clear functions which directly or indirectly contribute to achievement of organizational objectives;
- Certain group of functions should be under leadership of one manager who are leaded by another one;
- Pyramidal hierarchy;
- Clear chain of orders where each employee has only one manager;
- Horizontal coordination of policy, roles and procedures, i.e. this rolls are formulated and established only by top-managers.

In such of theories we find several approaches toward organizational research depend on what is the objective of the researcher. Generally, we can speak for three approaches:

1. In first, researcher try to make the relation between individual behavior and organizational structure;
2. In second, researcher try to explain organizational structure;
3. In third, organization is seen as independent entity which is part of bigger system where do different relations exist.

Behaviorism theory of organization behavior focus on personal ways of solving problems as well as on organizational opportunities and try to answer to the questions like:

- Why people in organization behave on certain way?
- What is they behavior during organizational changes and how they accept ones?
- How organization influence on personal or group behavior, on formal or informal influences?
- Why the same organization created different norms of behavior?

Scientific approach to the behaviorism researches of organizational behavior is based on the social psychology, sociology, industrial sociology and anthropology.

Organizational behavior is the result of number of complex interactions which are established between individuals, groups and organization. For better understanding of these interactions already in the beginning of 50s of last century object of research has been defined:

1. Personal behavior in organizations. Research could be focused on person, change, education, motivation, fears and managing styles.
2. Second level is personal behavior in groups. Usually research is focused on the norms, integration ways, conflict, leadership and solving problems come out of operations.
3. Third level in organization behavior researches is analyzing organization at all. Organization is studying as complete system and in relations with other organizations. Most of them in this context have theoretical basic in Max Weber works, especially, are founded on his theory for bureaucracy.

The difference between normative and positive approaches is in the fact that first one order how everything has to be and founding on this all the working criteria are establishing and it's expecting from the people to adjust to it, while second approach insist to establish the status quo and to make corrections in order to adapt employees as good as possible.

Beckhard and Haris separate three types of organizations:

- **Organization as social system -** all subsystems have their own identity and goal, but their activities must be coordinated. All elements of organization such as production, sales, financials and development must be integrated and coordinated in one certain system;
- **Organization as political system** - there is classic system of power, where persons on top has more power then ones down. In this system are achieved objectives and desires of one person or group which has the power;
- **Organization as in-out system -** in these organizations transformation become depend on priorities of top-managers and that way oriented structure and achievement of objectives.

Mirjana Borota-Popovska gives us characteristics of effective organization:

1. Effective organization is oriented to the achievement of objectives;
2. Form follows function. Way of organizational acting, allocation of resources as well as decisions making are defined according to the operational demands, but not according to the power of authority;
3. Decisions are made according to the sources of information not to the hierarchy;
4. Rewarding system is connected with accomplishment of tasks not with the position;
5. Communicative process is relatively open. Different thoughts and opinions are welcomed;
6. Inadequate competition is minimized. Cooperation is rewarded;
7. Conflicts are solved, not avoided;
8. Organization is understanding as open system depended on environment;
9. Managers on purpose try to support identity of individuals, integrity and freedom;
10. Organization work by model of *learning.* It's always in the process;
   Continuously evaluate present situation and planning improvement.

NEW ORGANIZATIONS - FLEXIBILITY AND QUICK RESPOND AS PRIOR COMPETITIVE ADVANTAGES

New future will bring new competition. In these conditions only those companies will be successful which will conquer the organizational barriers and first will reach the top edge of competitiveness using during this process new view of reality. In the unstable environment will work not the strong organizational structures, but those which will help in the quick implementation of changes.

This new way of doing business will be like the "super organism" which will consist of affiliated intellectuals who will work and study together in the organization and outside it. This organism will be able to think, it will be leaded by the human imagination, it will invite customers and partners move together to the established target

Such an organization cannot be created gradually; it should be created by way of radical change. Some scientis ts have predicted that already many years ago pointing out that every organization must be prepared for the periods of revising of all they do (Pitter Drucker).

Like it or not, if our goal is to remain in power in the 21-st century, then changes must be quickly implemented if there are no change business is dead. Unfortunately on the road to the future we won’t stop, there will not be pause, rest or relax.

In essence, the process of transforming itself has become a race and that’s why while the relay lasts, organizations need to achieve radical metamorphosis.

During this process we need to find answers to the following questions:

- **How to change** patterns of behavior and thinking to make it systematic in its essence in order to be able to see the organization as a whole rather than in separate segments?
- **What is the role** of new technologies in the business transformation?
- **How to create** a radically decentralized network organization?
- **What** actually unites and holds together the component parts of such a network organization? Is this common information system or something less tangible but more efficient, for instance, common principles?
- **How** company can move from the practice of distributing the information to creation of their own system of knowledge? Is it possible to create an "educational infrastructure”, and if the answer is yes, do we make the companies universities?
- **What** would be the principles of managing of successful corporation? Should the top-management delegate most of its authorizations to their sub-ordinates? And what it takes to create in the organization a culture of high trust?
- Corporations and their networks are becoming more complex and bigger. **How** to control it? And should we do it?
- If the traditional concepts of management will outlive itself **whether** the role of general manager and the organizational hierarchy will play some role in the future organization?
- **Is** switching to the new concept of management will be global? Whether in various parts of the world the temp of progress will be differ?

SUMMARY:

NEW LEADERS + NEW ORGANIZATIONS = NEW COMPETITIVE ADVANTAGES

More then one century ago an outstanding Prussian general Helmut von Moltke said one sentence which could be pronounce as Moto of modern strategic management: “The battle plan is changing at once after the first touch of enemy”.

Modern happenings such as global economic crisis, earthquakes and tsunamis, civil wars on the Middle East together with the local political changes could discourage and turn to depression any businessmen. Nothing goes, there is no cash, powerful corporations crashed, small and totally unknown companies are growing rapidly, every day new billionaires come out just for to get bankruptcy next year - the world loose its brakes and moving to the unknown by the totally inadequate trajectory.

How could we survive in this environment? How to avoid threats and to build stabile competitive advantages? How to come from opportunities to the achievement of selected objectives? Could we lean on our yesterday’s practice in order to plan our tomorrow?

The answers to all these questions are in the strategic management which under-stands change not as one-time action, but as routine, which create new organizations with completely new organization culture, which lead by completely different tools and as a result - create completely new competitive advantages, acting socially responsible, trading fair, producing with added value, respect environment and contribute in their sustainability. The new leaders with new visions in new organizations with new culture armed with strategically created politics, inspired by new visions, joined with their customers will create a new world of sharing new values.

That competitive advantages would not stay constant, it will grow and develop, will open doors to new and different advantages, and organizations will follow that process as living organisms united in achievement of goals.

In creation such of organizations priority is putted on strategic management of human resources, investments are focused on venturing in best specialists, creativity and entrepreneurship are rewarded on any level, and real leader is not one who has a charisma, but the one who will know how to find, attract, educate, keep out and put right people on the right place.

It’s mean that only new organizations lead by new leaders will create new competitive advantages.

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ORGANIZATIONAL CLIMATE IN THE TOURISM ORGANIZATIONS AND ITS INFLUENCE ON THE ECONOMIC DEVELOPMENT

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Abstract

The organizational climate is one of the most important psychosocial factors which determine the functioning and development of every organization, thus the tourism organization. Main characteristic of the organizational climate is the influence it has upon the motivation and productivity of the employees. The employees can contribute in positive and negative sense.

In theory, the organizational climate influences the psychosocial processes such as communication, problem solving, decision making, conflict management, learning and motivation; thus it influences directly and indirectly the efficiency and productivity of the tourism organization, its innovativeness, employees' satisfaction and other attitudes towards work.

Key words: *tourism organization, organizational climate, expenses, mobbing, team work.*

INTRODUCTION

Everyone that during his work life changed some number of tourism organizations could notice that they are different between each other although they work in the same area. The things that give special landmarks to every tourism organization are their culture and climate.

The internal organization environment significantly determines and limits the behavior of the members in the organization because the organization question is a result of mutual action of individuals and their environment. So the individual reacts on particular situation based on the meaning that he has regarding the same situation. The common perception of the different aspects of the working situation is what makes the organization climate. The climate also can be reviewed in an organization or climate is the perception for how the organization meets the current expectations of its members. The organization climate can be understood also like working psychosocial atmosphere expressed over the experiences and understandings of the employees.

The term organization climate means, all of the attitudes that the employees have over the organization they work in and also their attitudes over the work and payment. These subjective factors are based over objective working conditions and in the organization clime they get character of objective social factual condition.

The term organization clime refers also to the mood and atmosphere, which are typical for the whole organization or only for separate sectors, and according to that are valued by the employees.

Organizational climate in the tourism organizations and its influence on the economic development

The mood in one tourism organization is reflected on the organization clime. The employees are giving their contribution in positive, with other words, negative sample. Main feature is the big influence which the organization clime has over the motivation and productivity of the employees.

The organization clime is shaped by the leadership through personal policy, remuneration policy and style of management. Here, it should be emphasized that the superiors are making the final and major decisions, and with that they have decisive influence over the organization clime. The proper division of the work, complete and right-on-time information to the employees, and also correct attitude, are reducing the discontent in the organization.

The organization clime is among the most important psychosocial factors, for successful functioning and development of the tourism organization. Theoretically, it affects on the psychological processes like communication, solving problems, decision making, dealing with conflicts, learning and motivation, so in that way directly and indirectly affects on the performance and productivity of the tourism organization, its innovation, satisfaction of the work and the other views that the employees have for their work. If these psychological processes are threatened by the manager, there it comes to appearance of mobbing between the employees. Anyway, the definition of mobbing indicates on the connection with the organization clime.

“The bad organization clime is usually one of the most common causes for the occurrence of mobbing.”- concludes Capf, according to statements of the victims in his researches.

The mobbing actually represents pressure over the employees, or psychological terror on the workplace. It consists in unfriendly and unethical communication, most usually over individual, which is places in a state of helplessness, without chances for defending.

In many researches in the United States and Europe, a conclusion has been made that the lack of communication and unhappiness from the work, contribute for bad organization clime. If the organization clime in one tourism organization I good or bad, can be measured with the absence from work because of illness, quality of the result from working complains at the lime manager etc.

If the social working environment at the workplace is disordered because of bad organization clime, the doctors diagnose increased psychosomatic diseases at the employees. Statistically seen, every sixth employee diseases because of consequences from his job.

In case of bad organization clime and bad working conditions, it`s very difficult for every participants, beside the good will, to accomplish moral high expectations.[6]

The tourism organizations should recognize that this pathological occurrence is not just a problem for the instigators of the bad organization clime and its victims, but is also a big economic damage. Finally, is should be understood that the stress on the workplace can also be an economic category. The fact that it is about big losses, has been shown by few scientific researches in different European countries. The International Labor Organization (ILO), shows that in the United States every year are lost over 200 billion dollars because of “stress and fear on the workplace”. Leiman estimated the expenses that one working organization has because of occurrence of mobbing. So, for every employee that is victim of mobbing, the organization loses from 30,000 to 100,000 American dollars. The expenses are huge, as we can see, so because of that it`s very important that the changes and consequences that are causing mobbing to be listed, and with that it leads to big economic expenses. The expenses that are caused from decreased efficiency and productivity, or, from negative organization clime.

Theoretically seen, the organization clime affects on psychological and organizational processes. In that way the clime directly or indirectly affects of the performance and productivity of the organization, its innovation, and the pleasure from the job. Every member of one tourism organization is under influence of the clime or the general atmosphere in the organization which through time is relatively stable.

Because of that, the organization clime is in big interest and importance for explaining and understanding of the relationships in the tourism organization.

From researches for the factors which positively nor negatively affect on the organization clime, the following findings are obtained :

Factors for negative organization clime:

- Intrigue
- Vilification at the supervisor
- Lack of admitting
- A supervisor that is not in the mood
- Addiction at the colleagues

Factors for positive organization clime:

- Team spirit
- Independent work
- Recognition from the supervisor
- Cooperation with the colleagues
- Fair division of the work

Prevention and Intervention

It is necessary for the tourism organizations to increase the motivation and the pleasure from the work of employees. Further goal is strengthening the self-responsibility and motivation of the employees, and thus identification with tourism opportunities and the organization. For this goal, it is desirable to be made organizational contracts and training for the employees to go from independent to team players.

First, there should be made framework agreements which despite theoretical and practical frames, will have legal basis for the stakeholders. The organizational framework conditions as legal agreements should regulate the partnership in the organization.

One of the measures for prevention, which by its type significantly differs from the others, is Volkswagen a.d. with the contract for partnership signed in 1996 year. The goal of the organizational contract is establishment of legal norms. The contract could contain statements from all of the employees, valid code of behavior for “partnership at the workplace”, after the example from Volkswagen a.d., and regulations for dealing with conflicts.

With the concluded contract “Partnership at the workplace”, in 1996 year, Volkswagen a.d. commits to fair, human and equal behavior to all of the employees. In the preamble of the agreement, states that the good organization culture which is characterized with partnership on the workplace, sets basis for good organization clime which is prerequisite for economic success on the company. With this contract, every employee commits to respect the personality of the others, and for violation of the honor are considered especially the conscious, planned and dangerous humiliations and also sexual harassment, mobbing and discrimination.

In the organizational contract of Volkswagen “Partnership at the workplace”, it is stated that the employees have the right for complaints. According to this contract, the affected ones may submit their complaints at the next responsible positions:

- Superiors
- Board
- Management for Human Resources
- Health Institution

The named places with professional advisers are bound that within one week, immediately have to advise the applicants for appeal, to give them support and to advise them about the next steps.

As a relatively new working form in the past few years, the team work gains big significance, while through team work, positive organization clime can be encouraged.

The teams are consisted from at least two members that during one specified period, work on same task, with that they make interaction and with joint forces they come to conclusions. Prerequisite for team work are professional competence, ability for solving problems and making decisions.

Among the characteristics of successful team are concluded:

- Clear, general and specific goals
- Successful manager
- Respecting differences
- Open communication
- Mutual trust
- Constructive solving of the conflicts

Also, of great importance for one team to be successful are the social capabilities and the capabilities for communication. The communication is baseline for the success of team work. The possibility for the people to express their difficulties (fears, unwillingness, disappointment, remarks), indicates to a good organization clime and a high degree to collegiality, and the given characteristics represent important factor for success in tourism. In these teams, different characters, age groups and nationalities are met. Among the members of the group, despite mentioned differences, harmony should rule, they should accept each other and there should exist sense of community. The good acceptance means that there is also a way the conflicts and the tension to be removed, which cannot be avoided of any teamwork. And exactly, the avoiding of the conflicts and its timely solving is the best prevention for bad organization clime, and with that, also reducing of the economic consequences.

It can be concluded that also teamwork as a working form, despite the mentioned strategies can serve as an extra effort for avoiding or reducing of the mobbing as a part from the bad organization clime. In the case where preventive measures won't be enough and a case of mobbing is going to appear, it's from great importance not to be allowed, the acts of mobbing to continue. They are not in favor nor the victim, nor the tourism organization.

It is very difficult, recommendations to be given, for creating and maintenance of the good organisation clime in the tourism organizations of the employees in the developing countries, as Republic of Macedonia. The unemployment is huge, through the employment exists transparency, but there are problems also in the process of working. It is very difficult, an good organization clime to be created in these spaces, where undefined work positions in the tourism organizations exists, overtime work, insufficient salaries for life, different values and norms of living, and unrecognizing of psychological pressure on the workplace.

CONCLUSION

For the organization clime to improve in the tourism organizations in Republic of Macedonia, several proposals can be offered which serve for improvement of suboptimal values as cognition of organizational – behavioral knowledge's as: rewarding system, internal communication and informing, professional development of the career, professional capability and learning, management, organization, knowledge of the mission and vision of the tourism organization and interpersonal relationships. The phenomenon of the organization clime is possible to be promoted with planned and systemic actions in the organization.

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COMPARATION BETWEEN THE SUCCESFUL AND UNSUCCESFUL LEADERS IN THE TOURISM

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Abstract

The line between the successful and unsuccesful leadership inthe area of the tourism is very thin, delicate and can be easily broken, by which a succesful leader at one point of time, may be considered as unsuccesful at the next point of time. It is aconstant battle which demands continuous observance of the objective and subjective circumstanes.

The succesfulness of the leader – manager of a tourismcapacity is comrised of succesful implementation of the theory in practice, it's modification in every individual case.

The succesfulness of the leader regarding the tourism i easily noticeable. It can be seen by the very same appearance of the tourism object and the employees, the visitors and of course the economical factors.

What makes a tourism leader succesful are hisprecise and economically supported business actions necessary for success in the business, it is a rightfully directed energy of the whole team together with the leader. That is what makes him different than the unsuccesful leader.

Key words: *tourism, success, leader, manager, tourismic, team*

INTRODUCTION

It is well known that leadership and management as terms, as well as in practice and theory are tightly connected and affect each other equally (two sides of a coin). With this paper we would try to make an effort to give heed to the leaders in the manufacturing, and to present an insight of how some of them did not succeed to survive in these transitional times, and how some of them are still successfully fulfilling their function.

This is an effort to make a separation of leadership form a different aspect. Form the aspect of successfulness or unsuccessfulness, the aspect of its time frame conditioned by their success. The appointment to the position of a leader, of managers who are not capable of holding the position, what are the conditions to that appointment and the durability of the position, what are the reasons for the briefness, that is to say, the short time interval of their management, and on the other hand, how some leaders-managers successfully and for a long time interval unquestionably hold the throne…..

The real fact is that both successful and unsuccessful leaders exist. In this vocational paper, we would like to pay more attention to this type of leadership, to analyze the reasons stated above, especially to present our personal experience, to give our point of view supported by true practical examples, thus we hope that we will come to a conclusion that will be economically-legally valid.

This subject is especially interesting because in the last twenty years with the transfer from socialism into capitalism, in every country where this transfer took place, a couple of modified types of leaders-managers aroused, who we think are specific because they resulted from this process.

With the penetrating of the capitalism on our territory, with the privatization of the manufacturing processes as well as with the legal liberalization for establishment of your own, private business, we don wish to be strictly formally understood, but a legal opportunity for business leadership was given to every citizen. Every one tried to start up a business, to involve in the managerial sphere, which resulted in mass firm registration and of course, mass company closure (bankrupts-liquidation).

In time, this “euphoria” began to settle down. These conditions were not new in the countries where capitalistic government existed, but for our conditions and on our territory it was a whole new beginning. Today, slowly but most certainly, stabilization occurs and a group of very successful leaders-managers separates its self from the other, leaders who operate excellently in their field.

SUCCESSFUL LEADERSHIP

It can be said that he who is not successful, can not be a leader. But, it is afct that there are unsuccessful leaders. Their leadership is short but still for a given time they manage the manufacturing processes, manage a number of employees, have certain number of supporters, undertake business actions and of course, exist for certain period of time.

What would be the main difference between these extremely contrary types of business leadership? What and how large is the difference between the successful and unsuccessful leaders?

THE SUCCESSFUL LEADER is characterized by several physical elements: he gains trust by his appearance, which is manifested by confident posture, confident performance, right body language, has focused eyes, speaks elocutionary, has excellent gesture and mimics, pleasant voice, precise thoughts… he is simply charismatic. These characteristics are owned by the successful leaders.

Simultaneously, the successfulness is confirmed by the right business actions, economically effective realized deals followed by profit, practicing safe and secure economic policy of the company or the organization which he leads (regardless whether we talk about manager-leader in politics, manufacture or statesmen).

Making the right decisions by the successful leader brings safety to his supporters, their welfare, economical safety free from the constant stress for survival, there are mutual relations established which show loyalty and belonging to a higher level.

The good communication, inter-human dexterity, ability to be a good coach but a role model as well, to make up a winning team – that is what needs to be owned by the good business leaders. The good leaders are focused and confident to make their vision real.

Regardless of which leadership style they prefer, all leaders must dedicate their time and respect to their supporters. The development of respect is a life long process. It is not achieved easily and quickly, but the reward it offers is enormous. If the leader wants to gain the power of the principles, he must get the trust, respect and admiration by the supporters. For that purpose, he must be able to follow the following principles:

Motivation. The leader should find the right way to motivate its employees. The motive is one of the basic triggers towards success. “Do not try to motivate, try to employ people that are already motivated and show that you have not demotivated them”, Isaac Adages

Convincing. When the leader wants to transfer his beliefs and thoughts to others, he must shoe true respect for the ideas of other people. Only when they feel understood, will they try to understand the leader.

Patience. If the leader wants to develop the trust in his team, he must be patient with the process and the people, because in that way, he makes a long term efforts for them.

Humanity – thoughtfulness. Thoughtfulness means that the leader should not be with “difficult temper”, cruel or violent, especially when working in an area that is delicate or when other people may get hurt. The leader must respect the personality of his supporters. As Blaine Lee says in his work “The power of principles”, when working with people you have to take off your shoes, because it means walking on holy ground.

Preparedness to learn. Leaders, who think they know everything, are vulnerable. The preparedness to change their opinion and to direct towards new knowledge is very important. If the leader wants to affect his supporters and to transfer his knowledge to them, he must be prepared to be open minded and to learn from them.

Acceptance. We talk about unconditional acceptance, without lies. When the leader accepts the supporters, it means that he accepts them with their weaknesses, fears and doubts. He accepts them not for their success, but for their value as persons, as human beings.

Kindness. It means that the leader should be thoughtful, sensitive and caring, and to act carefully and thoughtfully. With kindness you gain peoples hearts. With compassion you gain loyalty and cooperation.

Knowledge. The leader should have enough information about the people he should affect on. On the other hand, it should be information about the real character of the supporters, their wishes, motives and needs, and in order to achieve that, he must dedicate his time on them, to be with them, to get to know them.

Discipline. The discipline as a principle of power means ability of the leader to recognize the mistakes made by others and to accept the misunderstandings. It is not achieved my punishments, on the contrary, it is achieved with care. The leader must give advices and to stress out the mistakes honestly, promptly and completely precise and clear.

Consistency. When the leader is consistent, the supporters do not look at his actions as manipulation. The consistency originates from the dedication towards the principles.

Integrity. Integrity means reconciliation of words, feelings, thoughts and actions, so that there is no equivocation in the way the leader lives. It means not to have secret wishes and lies, not to have malice and manipulation.

UNSUCCESSFUL LEADERSHIP

On the other hand, the UNSUCCESSFUL LEADER is characterized by insecure appearance, he is not confident. There is no determination in his communication, his speech is often abrupt and he does not have a clear goal and vision which is very obvious even on the first sigh.

Very often, the leader is “hiding” behind his authority and by implementing discipline on the highest level he tries to hide his incompetence, because if he allows a dialogue with some of the supporters, maybe he will “know” more.

There are three types of management taking as criteria the use of power:

- autocratica
- democratic
- liberal

Managers with autocratic style of management use the most of the power given by their position. They command and expect obedience.

Managers with democratic style of managing, consult the subordinates about the decisions and actions to be undertaken.

The managers with liberal style use the power the least. He gives great power to the subordinates. These managers allow the subordinates to set their own tasks and solve them independently.

In literature, you may find the following types:

Autocratic (Dictatorship) manager-leader is cruel and non-tolerant which results in bankruptcy of the company he leads. *How*? There is no one that dares to defy him, i.e. to state that one of his decisions could be wrong or incorrect, there is constant stress in the company's atmosphere, the employees fear of being punished and very often, being fired. The working meetings look like a monologue and a proof of his elocutionary abilities rather than constructive meetings where mistakes are analyzed and the company's progress is being developed. He does not approve anyone else's opinion, and one of the most important components is that he does not pay the employees the earned amount of money. What happens in that situation? Accumulated stress occurs with the employees-his direct co-workers, because they are not allowed to give an opinion on the development of the company, and if they give an opinion, they risk of being caught in a very invidious situation, because they dared to think and not to follow the impeccable activities and tasks their manager has given them. Of course, when you do not state your opinion, it is easily to be named ignorant. Furthermore, the movement inside the company is strictly observed and anyone that is not found at his desk is instantly being punished, even if the absence is due to the fulfillment of the task given.

As opposite to the unsuccessful leader, the successful one would react totally different. Of course, there must be discipline, but the skillfulness of the successful leader is in the fact that he the order in the company is put on a self discipline level, and he would keep the employees self consciousness on a level that they will sustain themselves. Often we have thought of the fact that "it is boring just to sit down and do nothing. You will rest a day, or two…but what happens after?; it is so much better when time flies while you work." When the consciousness is raised to that level, you do not need an"iron fist". And how is this accomplished by the successful leader? Well, it is simple. The person in charge, who is given a certain task, is bounded with a dead line, available materials and there is a condition of minimal achievement. If the task is successfully accomplished, there is a suitable reward that sometimes may be oral recognition, material of monetary reward or a promotion. With this kind of approach of the manager, only the incompetent worker shall not accomplish the task, having in mind that sometimes, we all make mistakes.

The one that works is bound to make a mistake. This way, the managerial team is formed in a very efficient and simple manner. Nevertheless, the discipline is always highly valued because the employees that conduct the working tasks do not have the time to be undisciplined. The humanity of the leader must be present when dealing with the personal needs of the supporters, to offer help, to listen, to give an advice when needed. The respect should be earned free willingly, and not to be extorted by blackmail and punishment. One might say that this is an idealistic approach, utopian more or less, but in practice it sure exists and functions.

Unlike him. The successful leader knows all the aspect of the manufacturing process very well. By that, he can easily control and inspect the ability of the individuals, predispositions for a certain post for each employee. For instance, for some workers their physique does not allow them to successfully conduct the tasks as others will. When talking about lifting heavy objects, a worker that is physique and the fitness of his body is right, would be more successful than someone that is not fit and well build. A person wit developed ability for communication; outgoing and conductible would hardly conduct an office job. This employee would be more satisfied with task suitable for his character, a job related to contacts and travel. These circumstances are easily recognized by a successful leader and he can implement them and use them accordingly. He inspects the income and the expenditure of the company on a daily basis, he manages the financial policy of t he company without any difficulty. When concluding business deals, the successful manager triggers the coworkers to give their opinion and analyses the risks together with them, thus anticipating and systematically processing the information for the certain business action.

When displaying his thoughts and attitudes, the successful leader never makes the employees fear to state their opinion, regardless of the fact if it is going to be accepted or rejected. The manager-supporter trust relation must be at the highest level, and it is accomplished by the everyday course of work. It is of outmost importance that the manager asks the supporter "and what do you think about this business action?" this question has great value both for the leader and the employee/supporter. By this question, the leader gives the employee “value for his thoughts”, i.e. he states that he values his contribution in the work and of course there is the satisfaction of the employee if his proposal is to be accepted.

On the other hand, the responsibility transferred to the employee is increasing because if the proposal was wrong, the responsibility lays with the employee. As an example, I would mention one of my own experiences, namely: At the very beginning of a business communication there were conditions for concluding a deal that seemed like a “good deal” form an economical point of view. But legally, it was a total blackout. Thanks to the abovementioned relation between the leader and the worker, even though by long-term convincing and proving, I managed to convince the legal rightfulness of my proposal, which the leader accepted and later proved right and true. With this type of communication, the manager succeeds in “drawing” the energy and knowledge from his employee. This is how you make right distribution of the tasks and responsibilities. Each team member that the leader works with, supplies valid information from his field of expertise and they make decisions together. Very often, this mutual decision making is only seemingly, since the last word lies with the manager, but the feeling of being recognized is present with all the team members.

In the group of the unsuccessful leaders we would place the leader that has no clear vision for the future, even though there is a wish for success and it is successfully transferred to the employees. But the vision of development lacks with this leader by which the failure follows, since there are no goals to be strive for. The leader should not have a vision only for the profit, since it is only one component. The leader should transform his vision into reality together with his supporters. If at the present time one company is working fine and the profit is very satisfactory, it does not mean that the situation will be the same in the next 5 years. If there is no vision for development and improving, and if there is no direction that the development is set on, there will be no development. The improving can be modernizing the plants, and inevitably improving the employees, i.e. the team that participates in the manufacturing process with the manager/leader. The true and successful leader-visionary is constantly tracking the technical achievements, allows his employees to have a vocational trainings in the country or abroad, he gives access to vocational literature, attendance at seminars and fairs where you can see the latest state of the art technology etc. of course, this requires money which conditions the training, but without minimal technological development, the success is brief.

CHARACTERISTICS OF A SUCCESSFUL LEADER

An important element that should be owned by every successful leader is a high level of emotional intelligence. The power, to enter other people’s feelings – empathy, has great value in managing. Most of the unsuccessful leaders do not have this ability or it is on a very low level. The ability to “read” other people’s thought and feelings have a great reflection on the success. Not every man has the same predispositions for a certain job. All people have certain inborn affinities and inclination for some field. Very often a job we are working does not fulfill us, it does not give us pleasure and we are doing it because “we have to”. It can result in constant discontent, accumulated stress, and aversion towards the task and sometimes even depression and repulsiveness. These feelings, having in mind that we spend 8 hours a day working, should not be neglected if present with most of the employees, because it can have great impact on the working atmosphere. The unsuccessful leader will not notice this in his employees, or even if he did, he would most probably say “if he does not like the job, he may quit, there are 10 more unemployed waiting to get his job. The successful leader would do the opposite, if he considers him to be a good worker.

Even though we may say that there are so many unemployed, it is hard to find hardworking, valuable and responsible workers. The successful leader would call the worker, he would talk to him, estimate his affinities and would give him the post he deserves the best.

From this example we can see the result from the right and the wrong approach when the leader is dealing with this kind of situation: In the accountant department, for the same post and the same tasks there are two accountants. They both have the same education; they are responsible, hardworking and generally speaking – excellent workers. But one character difference makes completely different results in the outcome. One could ask the question, how the character of the person can affect his working results. One of the workers is calm, even-tempered, introvert, does not leave the office and is pleased with his job to entry documents all day long, to rewrite numbers, to make reconciliation, so he achieves great working results, thus he is positive, happy and pleased. On the other hand, his colleague is completely different, he finds the office job monotonous and tiring and he feels so much better when conducting tasks that demand communication and going out, while the "boring" office surrounding makes him feel nervous. In this case, the successful manager will see the situation and will offer the second worker a job in the commercial department- where he would be on the constant move. The result from this action is remarkable, the right man for the right job has been found. But that would not have been achieved if the leader had not seen the situation.

The control over ones emotions and feelings has great effect on the successful management. The conception of Aristotle "Everyone can be angry-that's easy. But to be angry at the right person, to the right amount, at the right moment, for the right reason and at the right way – that's hard." This dictum very vividly expresses how a successful manager should display his emotions. It does not mean that he should be over-sensitive, cruel, or to emotional or to soft.

The unsuccessful leader fails to lead by over exposing his emotions, for example by fear from a business failure, stage fright, uncertainty while deciding, loud doubtfulness etc. this may decrease the stability of the position of the leader which can be transferred to the supporters. For example, when the supporters will feel the insecurity or the fear in their leader, he loses his power to protect them, to lead them or to take care for them.

The successful leader would never allow showing his emotion in front of his supporters, since they can have a negative effect on his position regarding the supporters. He most certainly feels them, he is a human, but he must not show them. His weakness, fear, uncertainty will most likely be transferred to the supporters and will have a destructive effect on the whole organization. We should not conclude that the manager is a machine without feelings and emotions. The emotions are there, but the ability to show them at the right time and in the right way is present.

CONCLUSION

The boundary-line between successful and unsuccessful leadership in the field of the tourism is very thin, delicate and may be easily broken, thus at one point a successful manager may easily become an unsuccessful one. That is a constant battle which demands attendance of the objective and subjective circumstances on a continuing basis, the same as the sailor-captain must sail his boat on the restless sea, and to keep his boat safe from the great waves that strike him every time and which threaten to sink him, and still he makes an effort to protect the crew because without them, he can not steer the boat. Many theoretically right actions and rules have proven disastrous in practice for the company and vice-versa. The efficiency of the leader-manager consists of successful implementation of the theory in practice, and it's modification for each separate case. As it is said, "there is no unique recipe, because if there was, everyone would follow it and the success would be guaranteed". Making the right decision at the right time and its implementation at the right way-that is the success of the true leader manager.

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MANAGER NEGOTIATIONM SKILLS IMPROVE THE OFFER OF THE TOURISM ORGANIZATIONS

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Abstract

Negotiation is a skill that is learning everyday in the whole entire life. As any other skill that the manager can learn, negotiation requires putting an effort in order to be learned. Certainly the effort pays off in many ways. The tourism offer can be much better supply if the tourism employees have improved negotiation skills.

The strategies that apparently look simple are the key for successful organization.

There are different approaches of negotiation with the associate stakeholders, who we need to keep close for common good, from the approach with the competitors or with the clients whose expectations we need to satisfy. The choice of a good negotiation strategy promises good associates and a well build trust with the clients. All that in the end results with the improvement of the profit, but also improvement of the general image of frivolity that the tourism agencies in Macedonia have build, as a result the tourism is at low level in our country.

Key words: *tourism organization, managers, negotiating, negotiating strategy, ethic attitude, clients, tourism offer.*

INTRODUCTION

Negotiation is one of the most important processes in the tourism organizations and in the entire life on a daily base. The temporary trend of the business operations, strong competition and frequent changes especially important is to pay attention on the skills and competences that aimed to achieve higher results. Isolation in such conditions is impossible. Tourism organizations are in permanent contacts and cooperation with their agents, partners, competitors, and with the customers as well. In all those contacts the crucial role has the negotiation skills and strategies. This is also vital for the company success. In the theory of management the negotiation is one of the most difficult manger roles.

Negotiation is a skill used from all of us every day. In order to acknowledge the negotiation skills is not enough to inherit genes that will provide talent for good negotiator. Today the scientists observe negotiation skills trough the results from numerous researches which create directions for capacity building of the negotiation competences of each person.

The management is a universal science that affects all sectors of private and business environment. Negotiation is one of the manager roles. Each manager during the entire business life has a role of negotiator. This role is actually the most difficult given the fact that the further success of the work depends on it. For the less informed, negotiation takes place between two extremely opposite parties where one of them aims to buy for the lowest price, while the other to sell on highest price.

However, the newest scientific researches this view has significantly changed and each good and experienced negotiator is already aware that the satisfaction of the achieved success has to be present on both sides of the negotiation table, if we want to consider negotiations successfully completed.

NEGOTIATION AS THE OLDEST ACTIVITY

Due to the negotiation is one of the most important processes especially for development and keeping the market position of one company, it deserves worthy attention. Nowadays under the very strong competition and struggle for top market position, the companies negotiated with their agents, partners, competitors and clients on daily base. The negotiation skills and strategies used by the manager have a crucial role.

Negotiation is considered as one of the oldest human activities since it has a universal practice in the private and business world. It is conflict of interests between the negotiation parties where the stronger party, i.e. the party with better negotiation strategy win. Negotiation usually lead to different results, one party win, while the other loses. The successful negotiation is when both parties will be satisfied enabling further cooperation. Before the negotiation parties start with negotiations they have to collect information about the topic, to define their own objectives, position and priorities and to predict the other party priorities.

Negotiation can be considered as conflict solving in several ways:

- Harmonization of interest,
- Determination who is right
- Determination which side is more powerful.

Harmonization of interests – When travel agencies interests are fit with the interests of the other parties are, they can agree cooperation.

Determination who is right – The solving of conflict through "who is right" means looking at the problem backward who has more right to get the problem. These kinds of situations do not exclude the court resolution. It is possible the third party to be involved in order to decide which party is more right. If the third party does not have power to influence on the performance, or authority to force the disputed parties to accept decision, then the conflict will end to the court.

Determination which side is more powerful – Forcing somebody to do something against his will. Присилување на некој да направи нешто што е против негова волја. From the aspect of the role of power in the negotiation can be considered as the following way:

- If the organization is acknowledge and willing to employee new staff, and if 60 candidates applied for one post, the power in the negotiation for the job position is on the side of the organization. It will dominate in the process of determination the job position and lading the negotiations.
- In case of deficient composition (e.g. specialist) who wants more business organization to hire, the power has the specialist who has received more offers and can affords to set conditions and to lead negotiations in his favor.

When we have to choose the negotiation strategy we have to be leaded by the three dimensions: interest, right and power. Sometimes there are more complicated negotiations where all three dimensions are used. If the conflict cannot be solved the parties can leave the negotiation process or to get closer their attitudes.

In order to access if the dispute is quality resolved we are leading by the four criteria:

- Transaction costs
- Satisfaction of the results
- Effect of the attitude and
- Dispute repetition.

These criteria are connected. If the negotiation were successful than both parties will be satisfied from the negotiation and decisions, will introduce the mutual cooperation, there will no need of conflict prolongation, or to spend financial resources. And versus versa, if only one party is unsatisfied of the negotiation decision then it will generate impaired cooperation, possible recurrence of conflict (negotiation), which will cause additional financial costs.

BUSINESS NEGOTIATION

The most important strategic element of one organization is the long term strategic planning. All activities undertaken by the organization in its internal and external environment as well as positions that takes in terms of specific organizational policies are the result of long-term planning. The methodology of negotiation also arises from the strategic element of the organization. There are individuals who can also contribute to the positive development of the organization. Unsuccessful negotiations with these entities would have meant the failure of specific business organization. That gives to negotiation even greater importance. The theory brings together five steps that should be undertaken by the organization for successful negotiation proc

- Firstly, clearly to be define the scope of the negotiation team, the limit of the decision power and when to be consult the superiors,
- Secondly, to be given adequate directions and instructions for negotiations to negotiation team,
- Thirdly, with the concrete preparations that contain computers and hardware solutions to be helped in the determination the negotiation methodology, as well to understand the other party objectives,
- The negotiation is the fourth step. The negotiators need to have manuals. They need to know how to deal with different types of negotiators and to select the sound negotiation style for each negotiator in order not to be calumniated.
- The fifth step is negotiation audit. There are standardized forms for audit that provide information about the threatened successful negotiation, entered remarks about the opposite party, etc. This is a good starting point for future negotiations.

NEGOTIATION STRATEGIES

There are many classifications of the negotiation strategies.

The basic classification of the negotiations is to **distributive and integrative**. This classification is made based on that whether the negotiation parties have competitive approach and tried to win (get more) or to get common gain.

Integrative negotiations are called “gentle” or “female” negotiations, while distributive as “rough” or “male” negotiations.

The integrative approach can be recognized under the phrase win-win. That means successful finishing the negotiations for both parties. Instead parties to contradict during the negotiation for the gain, they can agree to increase the common gain. Hire is valid the rule 2+2=5. That means the profit cake instead to be spited, to be increased or doubled for each of the negotiation party. Infect, the point is the associates who take care about each other, or even more precisely, make compromises during the negotiations in order to create or to save the established good interrelations. To be successful negotiations both sides playing open, not hiding anything among themselves. Any new information about the business openly is spread as new information in the negotiations. These integrative negotiations are considered as the best because both sides get a profit not just once but continuously. This approach is called cooperative.

Integrative negotiations	Gentle	Female	Cooperative	Win-win
Distributive negotiations	Rough	Male	Конкурентни	Win-lose

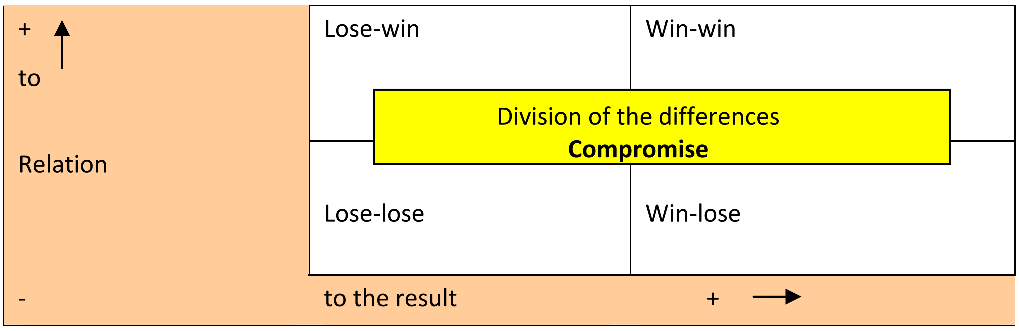
The example for integrative negotiation is the negotiation between the tourism agency and the hotel it cooperate with. The more the two sides agree to be modern service providers and to meet the needs of common customers, or about the competitiveness of service versus prices, the more customers will receive and the benefits will be gain by both of them, the tourism agency and the hotel where the customers will be accommodated. The good established cooperation is function longer. Therefore we can say that these integrative negotiations can be implemented among the associates on a long run.

Beside this, the distributive approach of the negotiation provides strategy in which each of the parties wants to take bigger part on the end of the negotiations or to win the other side. This negotiation strategy cannot provide the continuation of the relations between the parties. They use all kinds of manipulative tactics for negotiations, without takes care what opinion will acquire negotiator on the other side. This negotiation approach is known competitive, or win – lose negotiation.

The example for this kind of negotiations is the negotiations that the tourism agency takes with the furniture shop for office equipping. This type of negotiation it leads now and next will be for 10-20 years. And, next time is not necessary furniture to be purchased from the same shop. Often when we do not have possibilities for extension of cooperation with the people we negotiate now, we can use distributive strategy.

To be chosen the adequate strategy the negotiator nave to be informed about the types of negotiation; with whom the negotiations will be done, who is the main topic for negotiation, who is the other party, the possibilities for further cooperation, etc.

The second division is done according the results that we aimed to achieve. If we want after the negotiations to be friends and collaborators, than our interest is not to prolong the negotiation process. That is well explained in the next picture. (see picture no.1).



Picture.no. 1 – Strategies according relation and result[32]

The picture shows all five types of strategies for negotiation in relation with the interests for continuation of relations and achievement of results. The following strategies are clearly defined:

> **Lose-lose** or ***avoidance*** **–** According the picture, this strategy is situated in the left bottom corner. Neither the interest for maintenance the relation is strong, nor the interest for achievement the results. This strategy is use when the parties withdraw the negotiations, or completely avoided it. It is happen when both parties do not want to waste time and energy. Тоа се случува во ситуации кога и двете страни сметаат дека нема потреба да губат ниту енергија ниту време. Deliberately left other more appropriate time for mutual cooperation, to sit down and to negotiate.

[32] Стоилковска, А., Симјановска В.,Деловно преговарање, УТМС, Скопје стр. 67

Lose-win or ***adjustment*** – Situated in the left above part of the diagram, hence the interest for maintenance of the relation is high, beside the low interest for achievement of results. In this situation, consciously protecting the relationships, the results from the negotiations are lost. Conciliation of receiving a higher result never will be done because we simply want to let up, but to ensure a future favorable situation.

Win-lose or ***competitive*** – Based in the right bottom part of the diagram and shows the increased interest for achievement of results, while the interest for maintenance of the relations is low. Based on that, this strategy will ask for highest results without the fear of ruined negotiation relations. Mostly those negotiation parties are faced now with very small possibilities for future cooperation or negotiation.

Win-win or ***cooperativea*** – In the above right part of the diagram is shown the strategy in which are important both the relations and the results. This strategy require from the parties to maximize the results and to protect the relationship. Mostly this situation reflects the associates that have long term cooperation and have open and honest communications and the success of one party indicate the cusses of the other.

Division of difference or ***compromise*** **–** This strategy is based in the middle of the diagram and shows that the interest for the relations and for the result is partially present. In the situation when both parties cannot achieve good cooperation but steel have possibilities to achieve results in the situation of time pressure and have to make fast decision. Each party will denounce of some benefit in order to achieve agreement. The typical for this strategy is that both parties are aware that if do not negotiate, will lose. Consequently, it is better for both parties to negotiate and cconsciously to denounce the part of the profit, for getting benefit.

The researches demonstrate that if the parties met for the first time they can agree about the price or quantity of some product, with no influence to the future relations. But, big number of the professional negotiators in the frame of the business situations, rights, community, international relations is performed in contexts which connect the last and future relation and it has significant influence to the negotiation process.

There are three elements based on the relations important for the negotiations. Those are reputation, trust and fairness.

- **Reputation** expresses the memory of past experiences with a person. Reputation is a legacy that negotiator leaves behind after a meeting with the other negotiating party.
- **Trust** is defined as the belief and the readiness of individuals their behavior to based on the words, actions and decisions of another person. These elements contribute one person to have confidence in the other. Past researches based the trust to one-dimensional construction, but the last researches shown that there are more types of trust.
- **Justice is** the third important element in the relationship and indicates that it is fairly and squarely at them. Justice may have several forms: distributive, interactive, procedural and systematic.

Those three elements of the negotiation process are interconnected. If the negotiator succeed to build reputation in the surrounding, than those who will negotiate with him have pre-confidence in his honesty and fairness. At the moment when he will lose the confidence, hi will consequently lose the reputation and is known as an unfair and not honest in the communications.

The third division of the strategies is based on the estimation of time and the way of application of various negotiation tactics. Accordingly, **„when“ strategy** may significantly change the situation if it is carefully used in the adequate time (sometimes on the beginning of the negotiations, something in the middle, or on the end of negotiations). This strategy contains the following techniques: patience, surprise, fait accompli, politely withdrawing, a public recall, making change, restraint and artificial attack.

***Strategies „how and where"*are** used by the way and the place of negotiation. Here are the following types: participation, association, distinction, clarifying the situation, protecting, indulging the case, the principle of random sampling, "straw", enclosure, mediation and change the levels. It is good to mention that those strategies are not the most honest way of negotiation. But different situation needs different behavior, depends of the meaning of objective the strategy used by the opposite party.

PLANNING OF NEGOTIATIONS

To develop strategy for negotiation needs to start with defining the negotiation objectives. The objectives, planning and negotiations are connecting parts of negotiations. The negotiators in this process do not have linear track from the objective to negotiation, but in order to achieve the objective, they often are in the situation to go forward - backward several times.

During the planning the strategy has to think not only for current problem solving, but to how will be the consequences of the agreement. Saied with other words, we cannot satisfy with the short term excellent decisions that will make long term. Beside those that we want to achieve we have to discover what the other side wants from the negotiations. We have to prepare the forecasts and assumptions that are based on what we already know. That information we might know from the previous contacts. But, if it is a new client, more important is to find new sources of information. Information can be gathered by careful listening of client and reading of the collected documents.

There are as many reasons for bad results in the negotiations as negotiators and agreements. Steel there are many situations when the same mistakes is repeated constantly. The mistakes can be evidenced with compare of the historic good and bad practices.

NEGOTIATION SKILLS

Many years ago big number of scientists all over the world were committed to find answer to the question what makes some people to be better negotiators than others. That is the result of individual negotiators differences that have influence to the negotiation processes and are classified according to sex and gender and according to personality and ability.

Consideration of the individual differences, except connected with the sex and gender, might be consider in the connections with the **personal characteristics**, that influenced to negotiation and with the **skills** what one person owned and can be implemented in the negotiation processes.

When speaking about the person, we can mention the eight approaches for evaluation of person that are decisive in the negotiating behavior. These are: style of conflict management, social value orientation, interpersonal confidence self-efficiency, self-observation, Machiavellism, reputation damage and "Big five" personality characteristics (openness, conscientiousness, extroversion, agreeableness and neurotic).

The combination of those characteristics has influence to the quality of the negotiation skills.

We can ask the question: What means when we say that one person is smarter than the other? Are the smarter or more capable people with specific cognitive and emotional skills are better negotiator than the others?

There are three types of skills connected with the negotiating behavior:

a) Cognitive skills, traditionally are describe as intelligence. If we recall to the all students we know from our past we will recall that many of them were good and high intelligent students, but have not achieved significant results in their lives. That is due to the fact that the cognitive intelligence is needed, but not crucial for the success of the person (negotiator) in general. Connections between the memorizing the knowledge gained through the education system and creativity results in blockade of creativity. They always recall the learned knowledge and have not try to think innovative following the new and upcoming situations that are different of the others.

b) **Emotional intelligence;** called resourcefulness; this intelligence in not inherited but acquired throughout life by the experience obtained from the family, environment, institutions and culture where the person grow and develop. The emotional intelligence is based on the self-cognition of positive and negative sides. People easily can perceive their positive sides than the negative. They create obstacles in their lives and have to be learned how to amortize them and avoid situations when the negative personality treats can be surfaced. Also the most important for the emotional intelligence is to be recognized emotions of the other person and to find adequate reaction in the given situation. Many researches proved that people with high emotional intelligence can achieve better results in the negotiation processes and in their lives as well.

c) **Ability to understand the other's perspective;** Understanding the needs and conditions of the opposite negotiation part is another important element for successful performing and finishing the negotiations. The negotiators who know how think the opposite party can objectively understand the situations and the conditions of both parties**.** On that way they can easily achieve the best decision in the negotiations.

All three types of skills have specific influence to the negotiator behavior. Their different combination makes differences between the negotiators in the negotiation processes.

CONCLUSION

Business negotiation is very young universal discipline which attracts the attention of the all interested scientists. Since every day all of us are in the position to negotiate no matter to whom narrow area of dealing we belong, it is clear that each profession needs negotiation. The choice of a good negotiation strategy promises good associates and a well build trust with the clients. The tourism offer can be much better supply if the tourism employees have improved negotiation skills.

Very limited number of people on the world is good negotiators only as a result of their inherited genes. As negotiation skills can be learned, the attention that will be invested in will be returned multiplied.

The negotiation makes interest among the managers and the other people. Those that know the negotiation techniques are able to manage the negotiation situations.

The negotiation takes place on the level of governments, organizations, associations, etc. In order a manger to be successful inside and outside the organization, he has to develop his own negotiation skills. The key negotiation element understands of mutual dependence of the negotiation parties and the way hay to achieve their objectives. Beside those two elements, the crucial factor is accommodation. If one side does not know how to accommodate to situation, negotiation can finished with no benefit for both of them. Each party will try to impose own position that will not provide compromise at all. If the imposed load will be feel the most important is to know how to make balance and equilibrium in order the negotiations to be held many times on long run. If the balance cannot be achieved, the differences will be considered instead of the common characteristics and have to be managed. This negotiations known as "negotiation in the blind street" is the most difficult negotiations. Under the content different solutions are find even for this difficult situations.

The success of each negotiator depends of many elements. The combination that has a person will determine his behavior and success in the negotiation processes. Significant part has the cultural differences of negotiators.

The last but not the least conclusion that come from the above described is that negotiations cannot be seed without prior training and preparation for the specific topics and the negotiation parties.

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CSR TOURISM - A NEW ERA IN THE WORLD TOURISM THE ROLE OF HRM

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Abstract

Tourism is one of the biggest employers that provide employment for millions of individuals all over the globe. It is one of the most perspective industries and important factor for development of both developed and emerged economies. CSR tourism is considering as a new era of the world tourism, as all other “green”, “eco” or “sustainable” businesses. Those activities are widely accepted by many citizens, associations, businesses and governments, especially when the effects of the climate changes are visible.

Today most of the tourisms are interested in the alternative tourism much more that in classical. They are not aimed only to sea side, but looking for multy-active tourism and new challenging destinations. One of the crucial factors for development of CSR tourism is creating valid resources on a tourism supply side, especially qualified tourism workers. Since their role is extremely important in the tourism industry, the biggest efforts have to be invested in their training and capacity building on all levels.

Macedonia has sound natural resources for providing CSR tourism, but needs serious efforts in creating the capable and skilled tourism workers able to provide high quality services to heterogeneous and multicultural tourisms.

Key words: *tourism, HRM, CSR, eco tourism, sustainable tourism, multy-active tourism, tourism workers, tourism supply.*

INTRODUCTION

The objective of this paper is to highlight the role of HRM in the tourism industry and to define the interconnection between the tourism, CSR and HRM and their influence to the economic development of the countries and regions. What connect those three issues and make them unique?

CSR as a product of internationalization and globalization of the economy becomes more attractive and accepted by many companies worldwide. This concept takes care for the company growth, customer satisfaction, human capital development, environmental issues and makes community better place for living. In the time of intensive climate changes with destructive consequences, the need of environmental protection is crucial for the future sustainability of businesses and communities. To provide sustainable development is not possible without skilled and capable people.

Human resource management in tourism industry is one of the crucial elements for development. The satisfaction of the tourism travel is highly depended of the hospitality of the employees in the chain of the tourism providers, starting from the employees in the tourism agency, guides, hotels and restaurants staff, as well all the others who are not directly involved in the travel.

Tourism is one of the fast growing industries in the world. Tourism offer is the first milestone in the decision making process when a tourism destination has to be chosen. Climate change, pollution and poverty create a new way in the tourism industry focused on social responsibility. Providing tourisms unique products and services in untouched and clean environment packed in mystical and exciting stories of local tradition is the winning combination of all tourism resources. Such products and services can be offered only by creative and motivated people.

CSR – a symbol of sustainable development

Corporate Social Responsibility is a relatively new concept for development of businesses that is increasingly accepted and implemented by many companies worldwide. It began to be widely in use over the last fifty years of 20^{th} century with the market globalization. The companies that spread their business activities internationally, in order to be better accepted by the local communities, started with implementation of CSR practices.

There are many definitions of CSR mainly determined by the understanding the term of social responsibility, the culture and level of development of the country, as well the size of covered issues. Each organization, individual person or community understands CSR on different way, and there are no common definition accepted by all parties. The concept steel is not fully understated by many individuals from business sector, science, citizens, and governments. There are many "pro" and "against" for the meaning of CSR, the need, benefits and influence to the businesses and society.

The World Business Council for Sustainable Development defined CSR as a **"**continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large**".**

EU definition - CSR is described as "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."

One of the well known and most common accepted definitions of CSR is given by Archie B. Carroll presented through the pyramid of company responsibilities. According to Professor Carroll, "Corporate social responsibility involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible then means that profitability and obedience to the law are foremost conditions when discussing the firm's ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent."

CSR is also known as corporate responsibility**,** corporate citizenship, responsible business, sustainable responsible business (SRB), or corporate social performance. Basically CSR refers to the bottom-line in 3 major aspects: Profit, People and Planet.

In general there are two main concepts of CSR: US and European. CSR in US is understood more as a philanthropic model: companies make profit, pay taxes and donate certain percentage of the profit for different purposes. According Mallen Baker, the main cause is company to receive benefits from the giving. The European model is much more focused on operating the core business in a socially responsible way, complemented by investment in communities for solid business case reasons. The main reason for such behavior is company to achieve sustainable development on a long run, providing at the same time sustainable development of the society. It is a business model for company development by creating common values in the society for the people, businesses and the nature.

However CSR is defined, it is a chain of activities that companies incorporate in their business strategy, or carry out of their core business processes, relating to the environment protection, respecting the rights of citizens and stakeholders, relationship to the community and society. International organizations (WTO, ILO, UN) adopting number of declarations, resolutions and other documents for regulation of emission of CO_2 and other harmful chemicals, pollution of soil, water and air, but businesses racing for profit permanently destroy them. The results are global warming, natural catastrophes and accelerated exploitation of oil, natural gas, minerals and trees. The basic principle of CSR acceptance is these activities to be implemented above the minimum compulsory use of the laws, on voluntary basis. Business organizations as a main responsible party for the environmental distortion become aware of the interaction of this processes and investing in the environmental protection, they invest in their sustainability.

Besides the nature, people are the other important area for investment. Customers are the main target to be enchanted in the competitive market struggle and being responsible means being different and having advantage over competitors. Companies with strategy for production and selling “responsible” products, (i.e. products produced with 0% of child labor, or products with label “not tested on the animals”, etc.) have big influence to the sale and the psychological decision making momentum. On the other side, the human capital is one of the most valuable assets in the company. The business processes are highly depended of the employees, their capabilities and skills. Taking care for the career development of the employees is another big competitive advantage of the company.

Accordingly, each company which is responsible and aimed to a strategic long term development adopts CSR in its business model, creating benefits for the company, the stakeholders and the nature. Companies that owned the reputation of social responsibility must to have highly developed performance, ethic and community relationship. It changes the business motivation from financial to ethical, adding company new value. Therefore the social responsible organizations considered to belong to the “world business elite”.

Although CSR has been applied by many companies worldwide, the results of the industrialization and globalization are steel visible and the process of damage adjustment is slow. That creates skepticism among managers, owners and other stakeholders to think that CSR should be applied only by the companies which are responsible for the distortion, pollution, etc. But the climate change and natural catastrophes in last few years (Japan earthquake, tsunami and nuclear power plant damage, British Petrol Oil spill in Mexico Gulf, Russia, USA and other countries big fires, Big Floods in Australia, China and other countries, Melting Glaciers, etc.) are dramatically changing this approach. Companies today are under permanent pressure by the governments, media, increased public awareness and international organizations to behave under socially responsible and ethical standards. CSR concept grows up into “voluntary obligation” of almost all companies.

Human Resource Management in the Tourism Industry

Human capital is one of the most valuable assets in each company. By definition HRM is a management function responsible for dealing with the people worked within the organization: recruitment, employment, career development, training, motivation, communication, administration and performance evaluation of the employees. HRM is much more than simply recruitment, retirement and taking care about the employees. It is a strategic and comprehensive approach to manage people at their work place by creation reliable personnel capable to achieve company objectives on most efficient way. HRM provides company added value creating the competent staff able to manage the changes to earn more profit and to achieve the company sustainable growth. The role of HRM today is moving forward by integrating human factors with the strategic goals of the company, in order to be achieved the company goals and objectives.

Managers are highly aware about the importance of having the right person to the right job position. Recruiting and staff development are responsibilities of HR manager. The consequences of less successful human resources management can be very negative to the company success. This became crucial in the tourism industry as well. Why? What are the differences?

The tourism industry is wide diversified with numerous of sectors (businesses), type of work and specific requirements. Within the tourism industry there are various sectors: hotels, bars, restaurants, tourism agencies, tourism information centers, entertainment, sport, culture, art, handicrafts, transport, etc. Each of them needs different skills and competences of the employees what make tourism very sensitive and highly depending to the market carnages. (economic, political, seasonal and other factors of the labor market). The employment structure of the tourism industry is combination of professional staff and temporary employments (seasonal workers, students and internships) that create complications and difficulties in their management. Each type of work has different requirements of knowledge, competences and skills of employees. To manage people with different background, knowledge and skills, with various tasks requires knowledge in HRM, especially in selection, mentoring and maintaining. Beside the variety of tasks and activities, tourism workers need to be skilled in many other issues in order to satisfy tourisms with different cultures.

The other specific issue is the structure of the tourism companies. Most of the companies involved in the tourism industry are micro, small and medium companies, family businesses and businesses with poor management structure, with developed own approach to human resources. But development of technology, knowledge and competition force the tourism companies to increase their interest for gaining new knowledge and to engage HR specialist in order to be competitive and to survive on the market.

The human resource management in the tourism industry becomes more important and required by the tourism businesses, even by the SMEs in underdeveloped countries. The need of select, employ and develop good staff is one of the pre conditions for tourism development, especially when a special knowledge of CSR is needed. To accomplish this requirement, companies educate and train their staff not only to gain technical skills, but to improve their soft skills in communication, tourism treatment, motivation and stimulation, etc. The list with new learning topics is bigger every day.

A new role of the HR function is positioned on a strategic level in the organization, involving HR managers in the decision making processes and implementation of CSR practices. This gives the HR managers a leading role in the CSR policy of the company. For a long period of time CSR has privilege to be driven by the top managers and leaders, with slightly involvement of the employees. Since the role of employees is crucial in the CSR initiatives, the new strategic human resource management provides improvement in the processes of CSR designing, implementation and monitoring. HR manager can contribute significantly to the success of CSR initiatives and to deliver benefits to the company, employees, society and the environment, using all HR and CSR instruments for motivation, commitment and engagement of employees in the CSR strategy.

CSR and sustainability in the tourism

Tourism industry with 760 million engaged people[33], or around one tenth of global employment is one of the fastest growing industries in the world. It is seen by the governments of many countries, especially low-income countries as a tool for economic growth. The tourism industry is very attractive for all interested parties on both supply and demand side. On demand side are tourisms with increasing and changeable needs, while the supply side composes of the tourism suppliers and governmental institutions. The interest of the demand side is determined by the people needs for relax, pleasure and adventure. The interest of the supply side is multipurpose: lower unemployment rate, local economic development, increased income and improved quality of life.

According the European Travel Commission (ETC) and European Travel and Tourism Action Group (ETAG) edition "Tourism Trends for Europe" (2006), the world tourism has undergone significant changes during last few years that will be reflected in the future. The document analyzes the global tourism's external environment and future trends likely to influence tourism demand. Based on the analysis, the future trends for the tourism sector are globally increasing of leisure time, increasing interest in new destinations, using more short-trips especially in Europe, and increasing interest in health tourism, adventure tourism and independent holidays. Future trends are strongly determined by the environmental issue, i.e. global warming and its consequences.

Climate change is one of the biggest long term issues with strong influence to the tourism industry. Under this influence, interest for sustainable tourism is increasing permanently. Implementation of CSR practices created a new era in the tourism industry. There are more and more tourism supplies for eco tourism,

[33] WB Study CSR in the Tourism industry, 2005

responsible tourism, etc. in the hotels with renewable energy and organic food, “Robinson’s holidays” in old wooden huts without electrical energy on new destinations with untouched nature. This concept needs developing of new products, increasing the safety and security of the tourism destinations, developing infrastructure and tourism workers capable to serve demanding tourisms.

CSR in tourism most often is connected with the sustainable or responsible tourism. There are also some other terms, like green, ecological or ethical tourism. There are some differences between them, but whatever defined, it is seen as an effective marketing tool for tourism promoting in less developed regions and attract the tourisms, but according to the World Tourism Organization, *Sustainable tourism* is defined as a tourism that leads to the management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems. Sustainable tourism meets the needs of present tourisms and host regions while protecting and enhancing opportunity for the future. The Cape Town Declaration[34] on *Responsible tourism* defined it as a tourism that creates better places for people to live in, and better places to visit. Responsible tourism is focused to:

- minimizing negative economic, environmental and social impacts,
- generating greater economic benefits for local people,
- involving local people in decisions that affect their lives and life chances,
- making positive contributions to the conservation of natural and cultural heritage embracing diversity,
- providing more enjoyable experiences for tourisms through more meaningful connections with local people, and a greater understanding of local cultural, social and environmental issues.

Tourism in general depends on quality of the natural environment, but it is equally dependent on human environments, resources and cultures. Those “rules” are the same for the sustainable tourism as well. There are many well developed programs for environment and health protection that tourism agencies, hotels, airways and other companies worldwide offer to tourisms. Those programs are focused to significant reduce waste, toxicity and consumption of resources. Some of the eco hotels in USA, Canada and Caribbean offer accommodation in sustainable construction, solar energy, gardens with exotic vegetation and food from their own organic production. They also use the natural beauties and stress their own commandment to CSR leading proactive environmental policies, train the staff for “green” thinking and encourage their guests to ‘green” behavior.

Apparently, world tourism is moving in the “sustainable” direction what open possibilities for development of tourism industry in the underdeveloped countries with wide natural resources. But, developing sustainable tourism first of all needs investment of extra efforts from all stakeholders to understand, promote and develop the whole system. This includes government involvement through creation of strategies, policies and institutional network for supporting development of sustainable tourism; development programs for non-governmental and private sector to meet CSR and sustainable tourism requirements; and the most important, development of education and training programs on universities and training institutions.

This comprehensive outlook founds on two steps approach: implementation of CSR practices by the organizations in the tourism industry and implementation of the global sustainable tourism criteria (GSTC)[35]. With implementation of CSR practices, organization show their own commitment and compliance to the environment community and people. It seems that CSR has become a buzzword in the tourism industry and starting point to the responsible and sustainable tourism. Next or the parallel step is implementation of GSTC criteria that was produced to build a common understanding of sustainable tourism and to determinate the minimum that every business should aspire in order to protect and sustain the world’s natural and cultural resources.

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[34] The Cape Town Declaration on Responsible Tourism in Destinations, 2002,

[35] The Global Sustainable Tourism Criteria (GSTC) 2008, http://www.sustainabletourismcriteria.org

Synergy between CSR, HRM and Tourism

Connecting CSR, tourism and HRM can create a perfect base for development of modern tourism industry in the world, especially in the less developed countries. Many countries has already perceived this opportunity and created strategic approach that reflects the increasing income from tourism and their recognition as a world tourism destination. To achieve this, the governments of those countries together with the tourism organizations and other stakeholders initiated strategic activities to create better environment for tourism development.

CSR in the tourism industry was recognized and introduced by some tourism companies from developed countries when new tourism destinations form underdeveloped countries appeared as a serious competition. They input CSR strategy as a part of the overall business strategy. They have invested huge efforts in the implementation of CSR practices through education, training and innovations. Thus they ensure more profit for them and benefits for all stakeholders.

Human resource managers gained the main role in the process of development sustainable tourism. Their role can be considered as a two dimension function:

- first dimension is connected with the regular HR function to manage the process of recruitment, selection, employment and development of the employees in the tourism organizations and
- the second dimension is focused to create, implement and monitor CSR initiatives in the company together with their employees.

Both dimensions are very important for development responsible tourism companies. Personnel engaged in that kind of tourism should be recruited very carefully because only persons with high integrity and ethics can be able to serve socially and environmentally aware tourisms. This becomes more important in the underdeveloped regions as one of the most interested places for development of responsible tourism. The difficulties face human resource managers came from the limited workforce in less developed regions with no tradition for tourism, low education, bad age structure, no knowledge in other culture and languages etc. In order to be created good tourism workers, they should be educated and trained to gain broad knowledge specific for the tourism purpose and to improve their soft skills and competences to satisfy tourism requirements.

Each tourism company will have difficulties to sell responsible tourism products and services, if is not environmentally aware and socially responsible i.e. respects human and environmental standards. Thus, the first step in this process is to implement CSR practices in the tourism companies and to respect the basic principles of responsibility, transparency and credibility. The tourism company is *responsible* when put intention on conditions under which the holiday package is produced, and taking care about the environment, society and people, implementing CSR practices in it business activities. *Transparency* is achieved when the standard quality of the tourism products and services providing and information about the environmental and social background of the products in provided. *Credibility* will be reached with performance management and maintenance the relationships with customers. All those principles understand introducing internal reporting system, rules, standards and procedures. Respect of social, environmental and human rights as well cooperation with the stakeholders is the strategic task.

Next step after companies introduce CSR in their strategies is offering “responsible” products and services. Good example of those products and services are hotels with renewable energy, restaurants with organic food, visits to villages with traditional crafts, festivals, etc. Offering such products and services requires in deep knowledge and skills for strategically use of all natural, human and financial resources. To achieve this, companies need specific knowledge in various sectors that can be provided by the HRM.

Perspectives of the Responsible Tourism Development in Macedonia

The tourism industry in Macedonia is steel underdeveloped but with good potentials for future development. The natural and human resources provide a solid base for tourism development, but absences of consolidate clear strategy creates a serious problem for structured support and tourism development. The government finally defined the tourism as a prioritized industry and prepared the "National Strategy for development of the Tourism in Macedonia in 2009 – 2013". At the same time the national strategy for handicrafts 2012-2020 and strategy for export promotion were adopted. Both strategies recognized tourism as an industry with potential for development. The export promotion strategy points the bad infrastructure and lack of institutional capacities for tourism development. Analyzing the present structure of the tourism industry in the world and its future trends it predicts the upcoming years to be good for tourism development.

The strategy for handicraft gives main focus to development of market for cultural tourism, based on the new tourism trends worldwide. This means development of new types of tourism in Macedonia, such as: creative tourism, participation of tourism in creation of local cultures (carpet weaving, painting, production of ceramics, or volunteering to the archeological activities, etc.), sustainable and eco tourism, religious tourism, and wine tourism (wineries with old tradition, especially the production of eco and organic wine). The sophisticated international tourism demand requires handicrafts to keep the traditional quality and handmade of the jewelry, garments, food, etc using high technologies.

According the strategy for tourism development, the main directions are the rural areas including wine tourism, cultural tourism including archeological and religious tourism, spa and wellness tourism, congress tourism and hunting. Special emphasis is given to development of the human resources in tourism and hospitality, management and protection of environment and culture heritage and development of responsible tourism.

The number of employees in hotels, restaurants and bars has been doubled in last five years. That is an indicator of the hospitality industry potentials and attraction for employment. Most of the employees in the hospitality industry, including graduates and specialized in tourism do not have enough skills and competences for specific tasks. In general, the tourism staff in Macedonia needs serious investment in their training and capacity building of the tourism organizations. One of the biggest problems comes of the structure of the tourism companies. Almost all of them are small companies, family businesses that are not aware of the HRM and CSR importance, or consider it as a minor part of their management activities.

CONCLUSION

CSR in the tourism industry concerns tourism companies' willingness and capability to provide socially and environmentally responsible products and services to meet tourisms' needs. Development and implementation of CSR in the tourism organizations create their positive image among stakeholders and attract tourisms. They have positive influence to the community creating opportunities for adding values and potentials for bigger profit. Their main strategic driver is meeting tourism interest and needs

The role of HRM in development of sustainable tourism industry is one of the leading forces for each tourism company. Development of capable human capital in the tourism organizations will provide higher class services for the tourisms. Tourism organizations that develop and implement CSR initiatives employ human capital capable to handle various tasks and to make significant contribution to the society and environment. Human resources management takes responsibility to lead and to educate companies' human capital for the values of CSR, to develop CSR practices together with the stakeholders and to implement responsible and sustainable practices in the companies.

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NEGOTIATIONS IN TOURISM

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Abstract

Negotiation is an integral part of people's life. Every day, both at work and at home, we put ourselves in position to negotiate on various issues. However, it is interesting to consider how managers negotiate at work.

Nowadays, when everything is characterized with huge and turbulent changes, numerous factors, both external and internal affect the managers' work. As a result, they do different strategies during negotiations. The aim of this abstract is to indicate the impact of external and internal factors mostly associated with emotion, power, the goal that is set, management and structure of the organization, that affect the design and choice of negotiating strategy as well as the impact of emotions as a part of humans and degree of emotional intelligence and self-control when negotiating..

Key words: *negotiating strategy, emotions, interpersonal relations connected to emotions and negotiations, management in the organization*

NEGOTIATION IN TOURISM

The tourismic organization is a group of people that work together structurally and coordinated in order to reach their previously set goals.

Management is the best innovation of the previous century. It is a kind of discipline but it represents the people since management is done by people. It is a process of work with and through other people with a purpose of reaching the previously set goals in such a changeable surrounding.[36] The management's work is done by managers. Management itself is not a common job that tells workers what to do, but something much more than it, it is a complex and dynamic system of ideas and techniques of managers' work. Managers are the ones who set the goals. They determine which ones should be reached and what field do they belong to. They decide what needs to be done in order for those goals to be reached i.e. what type of strategy needs to be used. They are the ones who communicate all the time with people both inside and outside the tourismic organization. Managers do different kinds of functions that are applied in different situations.

In order to understand the core of management and Human Resources, firstly the managers' work needs to be described as well as their functions. Attention is paid mostly to the main resource, and that is human. The human being as a resource is found in abundance. It may sound funny because he is in abundance and yet hard to be found. When we say hard to find we think of finding a good worker for a specific job. Management of HR as a science is a field of research of the complete profile of the human, both physically and psychologically. This exploring is oriented towards the creation of quality staff in an organization and their maximum exploitation as a determined resource that possesses certain capacity. Human resources are the main characteristic nowadays, when huge turbulences, globalization and fast development of technology are normal. The human adjusts to his turbulent time when main priority is put

[36] Kreitner Rober- Management, 11th edition, (p.5)

on the quality of work done, high productivity got from people, his motivation to work etc. HR Management's primary goal is to complete the work in the organization efficiently through developing the human capacities and their maximum exploitation.

HR Management includes lots of activities and their connection determines what kind of employees does the tourismic organization need i.e. what type of workers does it need so it would invest in order for them to become the best workers.

Managers are the ones who do their job helped by other people. However, for the work to be completed as planned, the manager needs to make a working plan, to organize the employees, if necessary to introduce a new technology for a more effectively done work, to inspire the employees as well as to control the work. All managers are HR managers. Each of them has a separate function and responsibilities though. Since in every larger organization there are certain departments, there are different HR departments as well. Each one of them is responsible for a certain number of workers.

Each tourismic organization pays special attention to negotiation.

Negotiation is a fact of life. As we people cannot live without communication, we cannot live without negotiation as well. Negotiation is defined as „ confer-in with somebody with a different point of view on a certain agreement or compromise ". [37] Negotiation is a kind of every day - communication. It is one of the most important processes every day and everywhere, starting from everyday's life and communication at home and moving to the one at a professional level in the working organization and even between two countries. This is how the universality of negotiation and it its wide use is seen.

With these contemporary trends in working where there is strong and large competition followed by huge and turbulent changes, it is essentially to pay attention to the skills and techniques that are to be applied in order to reach better results. The success of an organization is due to its team of negotiators who contact their partners, suppliers, agents in the interest of the organization.

As a type of communication, it is considered as one of the oldest human activities, because it is represented everywhere and in every single way in both public and business life. It could be found in the works of sociologists, economists, lawyers, moral philosophers etc.

What is negotiation? It is a process with the help of which two or more sides communicate among themselves in order to solve their opposite interests. The effective negotiation starts with determined fundamental truths of what is the approach towards negotiation itself and what does it really represent. All the agreements concluded no matter whether large or small are influenced by how the negotiating sides think about or approach the negotiation.

When we negotiate, the final result is predominantly important to us i.e. whether an agreement is concluded or not. That is why there are no certain rules used by negotiators. Everything depends on the final result that negotiators want to reach. The most common situation is that one side wins, the other loses permanently and the mutual contact is stopped.

A succcessful negotiation is the one when both sides are satisfied of the income. That is why, it is necessary to use some kind of strategy that conducts the course during negotiation. Each negotiation is unique and it depends on the negotiator who conducts it. The choice of strategy depends on the negotiator, his/hers abilities, the character he owns, the surroundings and of course the goals that are to be reached.

Each negotiator should know their goals, abilities and possibilities to be able to forsee the course of development. Thus, they can determine their expectations.

Negotiation is very common in tourism. Tourism as a specific branch is distinguished by everyday negotiating. Its nature and development in the country and everywhere around the world is followed by

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[37] Louise Neiuwmeijer-Negotiation-Methodology and training (p.8)

different negotiations in order for the tourismic organization itself to reach its previously set and defined goals.

There are three categories of negotiation in tourismic organizations.

- Negotiation as a complete process – sides decide to negotiate for a contrary subject until the final decision implements or the negotiation stops, whereas compromise is a communication process that is done face – to – face and it takes larger range of negotiation process.
- Negotiation as a mutual and compromise as rival interaction in the process of negotiation.
- Negotiation is conferring with others with a different point of view on the compromise or agreement. Accordingly, the negotiation and compromise aim towards reaching an agreement through the process of give and take where tourismic organizations try to reach the maximum on its side.

Each negotiation may vary depending on the strategy that is applied. If there is an integrated process both sides aim to reach compensation with the tiniest most possible loss on the other side in terms of collaboration. Seen through practice, we may say that negotiation is generally of mixed-motivated nature i.e. both collaborative and competitive. No matter of the type and nature of negotiation, all activities done during negotiation are part of it and are seen as negotiation.

Therefore, negotiation is a process where both sides with a mutual interest contrast for certain subjects and through which they aim to reach mutual agreement through the exchange of differently structural information that further on become available for the public.

Collective compromise as a notion is very much connected to negotiation. It is a process of negotiation among two or more sides that contain a group of people that act collectively. The purpose of this collective agreement is to bring a mutual agreement that refers to a whole group. Collective negotiation may be explained as a process between two sides which with their own interest in subjects of jeopardy fight through the exchange of structural information that become available through communication bond in order to reach mutual behavior for a binding agreement.

Collective agreement may be overtaken both from agents or representatives who negotiate on behalf of the group i.e. the tourismic organization, who do not necessarily need to be a part of that particular organization, they might be external members. This type of negotiation is mostly common for working relations in terms of the tourismic organization. These are cases with large tourismic organizations where workers through their representatives negotiate for certain problems with their principals.

Persuading is also connected to negotiation. It is a kind of communication where there is an attitude or behavior change. Therefore the result of the persuading is a change of attitude of the negotiator and his/hers behavior. Therefore persuading is a communicational behavior that as its own goal has the change, modification or formation of answers (attitude and behavior) of the receiver. It is crucial for the persuading that it differentiates from some threat or use of power where the change of behavior is not an alternative. Persuading is essential in the work of tourismic organizations.

Persuading is an important phase in pre-negotiation but it also occurs in face – to – face phase of negotiation.

Negotiation is a process of collaboration between two sides that are directly included in the reaching of an agreement that is composed on the basis of the interests of negotiating sides in order to solve the conflicts besides largely divided differences. With negotiation a transmission of information through communication is actually done. The purpose of this exchange of info through communication is to reach a certain agreement between both sides that have got some things in common but however differ in others.

Negotiation is always oriented towards future. Good negotiation is the one that results with a tiniest possible loss. It is better not to negotiate at all than to negotiate and have a negative result or the negotiation itself fails. When negotiating there should be more alternatives that would contribute for negotiating flexibility since the shortage of it might bring to a dead end. Each well applied alternative contributes for a good flow of a negotiation in a tourismic organization.

The part considering the differences among negotiating sides is quite important as well. Although they do differ a lot, drawing them nearer one to another might result with going beyond their differences especially when both sides are flexible and ready to create different alternatives. With an avoidance of the other side, the conflicts in near future are to be increased. In negotiation the differences among negotiators should always be recognized and on the other hand, the similarities they have got need to be used.

All tourismic organizations apply different type of negotiation depending on the goal they try to apply. Applying different negotiating strategy is especially delicate since tourismic organizations have almost the same target group, that makes this choice of negotiation even harder. Since the target group is the same, each tourismic organization should carefully choose adequate negotiation in order to come closer to the goal and to reach it. The act of negotiation itself in tourismic organizations is harder since there is a certain type of marketing applied through which can be exactly seen what is their work (of the tourismic organizations). Through marketing, the tourismic organization promotes itself and shows its offerings. After realizing how the target group reacts, the tourismic organization examines what type of negotiation would be adequate to be applied later on so there would be success on the previously set goal.

There are more types of negotiation. Each negotiation must be classified in several types accordingly the time, participants and conflict.

Negotiation could be also classified accordingly the type of relations among the negotiating sides i.e. tourismic organizations. There are types of negotiation according to their goals, situations that negotiating sides confront. These types often help negotiators how to behave before and during negotiation, what kind of tactic to apply etc.

Most characteristic are: integrative and distributive type of negotiation. The word integration means making a whole. Negotiation which through discussion and compromise reaches an agreement adequate for both sides is an integrative negotiation. It is also known as win-win. The aim here is to reach a successful agreement through discussion and compromise, and it is the most common type of negotiation. The distributive negotiation type is completely opposite of the integrative. There is no collaboration here and card opened for negotiation. Each side uses all kinds of assets in order to win the negotiation. A type of uncooperative tactics is applied that would contribute for a win on the one side over the other. ,,Because of this, this type of negotiation is known as win-lose.‘‘[38] Other types used are: mutual, constant, alternately, direct (public) and indirect (silent) negotiation, package type and lots of others hat would help the tourismic organization in reaching their goals.

At the time of the start with negotiation it is necessary to choose a certain type of strategy. In fact, the strategy means defining goals (strategy goal) and reaching strategic fit through designation or connection of resources with possibilities (strategy based on resources). Effective development and implementation of the strategy depends on the strategic ability of the tourismic organization that would consider the possibility not just to formulate strategic goals but to develop strategic plans as well though the process of strategic management and strategic planning.

Depending on the goal we want to reach, we choose a type of negotiation as well as a strategy we want to apply. The choice of the strategy depends mostly on the type of the conflict itself. Each strategy has its advantages and disadvantages. It can be both successful and unsuccessful. Negotiators should estimate the strategy they will choose, analyzing the whole situation and the result they want to obtain.

Badly chosen strategy might bring to a wrong track of negotiation that would lead to short-term result that would finally bring to non-fulfilment of the goal.

[38] Manie Spoelstra, Wynand Pienaar- Negotion-theories,strategies,skills(p.8)

While choosing a strategy, we need to know how much the result is important to us and what relation would we apply during negotiation. The relation is always based on the profile of the negotiator. The circumstances and the complete situation need to be taken into consideration since they are a huge factor in the strategy choice. It is a question of external influences: Is the negotiation itself willingly or enforced, is there anybody who influences them or they willingly negotiate, whether from the very beginning some rules and regulative have been imposed on and need to be followed during negotiation i.e. is the negotiation itself done to a previously determined plan etc. The choice of strategy depends on the negotiator i.e. his principles, rules and norms he owns as a person. What are his values his whole style of negotiation. Each negotiator examining the whole task, the previously set result, his opponent, the external factors and the situation in all, he summarizes and makes a plan how would he choose and implement a strategy.

However, when choosing a strategy, we should lead ourselves from the inner us i.e. how much and what we try to accomplish, how important is the previously set result, the way we want to go through , the movements and counter-movements we would use if necessary, all that would depend on the other's side reactions of course.

Conclusion

Each tourismic organization negotiates in a different way. Since the target group is almost the same, it is very important for the organization to choose an adequate negotiation in order to reach their goals and to make its way on the market. The well done negotiation is always connected to good marketing that shows what the tourismic organization offer. The adequate negotiation is inevitable and crucial for the quality negotiation. Each negotiator should estimate the strategy he would choose, analyzing the whole situation previously as well as the result he is aiming to reach.

Each strategy has its own advantages and disadvantages. Depending on the result we aim to reach and the purpose, a certain strategy would contribute to reaching positive result, but negative as well. Each negotiator, analyzing his/her whole task, the previously set result, the opponent, external factors and the whole situation, summarizes them and makes a certain plan how would he choose and apply the chosen strategy in order to be successful in the negotiation.

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INCREASING TOURISM PROFIT THROUGH STRENGTHENING THE MANAGERIAL COMPETENCES

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Abstract

Tourism is the most significant industry in the world. It takes a central position and plays an important role in the economic development of every country, particularly the countries with high percentage rate of unemployment, such as the Republic of Macedonia. By strengthening and investing in its capacities one can directly affect the further development, integration and promotion of the state. It is worth noting that in order to develop quality tourism, an emphasis should be placed on the strategy, development and education of human resources as well as their successful management. The human resources are decisive factor in providing quality services and achieving the effect of satisfied customers, which is the objective of every tourism organization aspiring to increase its competitiveness. In terms of the open world market, the competitiveness and profitability of tourism organizations will mostly depend on the competences of tourism managers and their ability to successfully manage the human resources. Prerequisite for all this is having competent and creative workforce, which will not be satisfied with the existing level of knowledge, but would constantly take initiatives for further learning, advancement and career development.

Key words: *competence, profitability, human resources management, tourism*

INTRODUCTION

> *"Assertiveness is not what you do, it's who you are."*
>
> *Shakti Gawain*

The functioning of the contemporary society, and perhaps its overall existence, too, depend on the profitability and efficiency of organizations, and on the values, standards and needs set by organizations themselves. However, the most important factor for the existence and efficient operation of organizations are managers, that is, their competence, creativity, and ability for successful management.

Tourism economy is the most important industry in the world, conditioning profitability of tourism organizations to take a central position in the economic development of any country. In this context, a priority for tourism, as a social and economic phenomenon, is preparing a strategy for further economic development, due to the fact that the Republic of Macedonia belongs to the group of countries with a high unemployment rate.

The existent strategy and investments in the development of tourism economy are insufficient for improving the competitiveness and the progress of this industry. Another utterly important factor is the permanent need for education in order to provide highly professional staff that will adequately respond to the needs of guests, since satisfied guests are the positive result of any successful tourism organization. Engaging highly-educated and, above all, competent staff, contributes to direct increase in profit of tourism organizations, thus bringing about positive economic development in general, as well. Hence the importance of competence, which managers have to possess in order to be able to successfully manage tourism organizations in view of creating competitive and profitable tourism economy.

Defining competence

Due to the fast changes and the ever-increasing competition, competence is gaining greater importance by the day, which results in vast disagreements about its measuring and defining. This encourages scientists to further elaborate and research competence as a crucial factor for achieving profit, both in tourism and in the other economic branches important for the economic development of any country.

Competence is a fundamental feature that results in efficiency or superiority in executing tasks. Its main components are: abilities, stands, behavior, knowledge, and skills, used in the course of working (Kurz and Bartram 2002, 229).

It is a set of behaviors that serve as a tool for achieving the desired results.*(ibid)* Individual competencies are measurable work habits and skills, improved through education, and used to achieve set goals (Green 1999, 5).

The problem of defining competence gets even bigger due to the use of two similar terms. Some authors consider these terms synonymous, whereas the majority of authors consider them different, however, interrelated terms.

The first one, *competence,* means expertise or professionalism, referring to the ability to perform work tasks in accord with predetermined standards (Kurz and Bartram 2002, 235).

On the other hand, *competency* is interpreted as competence which, rather than referring to knowledge or skills, refers to the superiority in the performing of work tasks. *(ibid)*

When observing competence from the aspect of an organization within the tourism industry, the priority is increased profit and effective work performance by the management staff. In this regard, tourism organizations define primary tasks that result in four types of basic competencies:

- *Goal competency:* full identification with the organization's goals and values;
- *Relationship competency:* creates and maintains relationships with all organization's stakeholders;
- *Learning competency:* creates and demands multiple solutions to a set goal for the purpose of gaining future experience;
- *Change competency:* promoting new ways and goals in line with the desired future (Spenser 1993).

Core values and types of competence

The most important values, or core values, of competence, largely important for any tourism organization, are: integrity, professionalism, and cultural sensitivity. All these values provide realization of set goals, increased profit, putting of the organization interests above one's own interests or the national interests, building of a non-discriminatory attitude towards people or groups based on their origin.

Literature records several types of competencies: general, technical, and functional, but the most important for this topic are managerial competencies. They represent a set of knowledge, skills, and attributes that managers have to possess in order to successfully realize their goals (Gardelliano S, 2002, 3-9).

Managerial competencies can be defined as a manager's collective ability to run and develop an organization in a competent manner, by developing their own knowledge and abilities in view of achieving short- and long-term goals (Sanchez 2003, 172).

Features of competent managers

Tourism economy employees expect of their superiors certain managerial knowledge and competencies, whereas, in terms of skills, they place the biggest emphasis on good organizational skills, assignment of work tasks and people, decision making ability, conflict management, communication skills, empathy.

In this context, the question arises of which properties and features a manager should possess in order to increase their own competence, the positive impact on the working environment and job satisfaction in general. This issue has often been the subject of many a research, aiming at improving the efficient operation and realization of goals.

Based on the classic approach, Robert Katz defines three types of skills that any competent and, above all, successful manager, should possess (Weihrich and Koontz 1994, 6).

1. **Technical skills –** refer to specialized knowledge and analytical skills in the realization of goals, as well as good understanding of work and current issues;
2. **Humanitarian skills** or the ability to work with people, refer to successful communication, motivating, and managing individuals and groups, good interpersonal relations, teamwork;
3. **Conceptual skills –** the ability to see the “big picture”, that is, the organization as a whole.

Weihrich and Koontz complement Katz, adding the **shaping skill,** which they define as the ability to solve problems in a way that would be useful for the organization.

In order to fulfill all these roles and face all the challenges in the course of work in a constructive way, a manager should possess certain qualifications, that is, knowledge and skills.

Above all, a successful manager should have:

- *Interpersonal relationship* skills – in order to develop cooperativeness in the team, a manager must respect their staff, address them with empathy, respect their opinions and ideas, build their trust through mutual listening, resolve problems in a productive and team-oriented manner, by developing trust and through everybody’s participation in the work;
- *Communication skills* – clear and open communication is especially important, since it helps avoid ambiguities and misinterpretations. Negotiation is particularly significant in the communication with clients or work partners;
- *Good planning* – is especially important for achieving long-term goals that require building of efficient strategies in order to achieve greater results with less funds;
- *Decision making* – is managers’ routine and everyday work, but it is especially important to accurately assess the opportunities and identify the circumstances for appropriate action, particularly of what is right or what is not right;
- *Leadership skills* – are particularly important for managers, because they point the work of all employees to a certain direction. They are trainers, and provide support to all other persons in the system, therefore the success of the entire team depends on the manager’s ability to reinforce and motivate the employees, encourage them in their work, and stimulate them into taking responsibility;
- *Assessment/evaluation skills* – managers evaluate and assess the process and procedure and decide on the best choice that leads to the desired outcome. Thereby, it is important to choose the best approach as well as retain the work values and quality. In terms of individual work, it should be effective, and it should provide feedback as well as counseling with employees (A guide to your personal growth).

In fact, a manager has three sources of power: 1. authority in the office, 2. knowledge, and 3. personality with persuasive power (Pyzdek 2001).

Successful managers (especially those who manage human resources) develop the second and the third power (power through knowledge and personality with persuasive power), and do not develop the first power (authority in the office). If a manager has only authority and lacks knowledge and personality, then their power is actually formal, authority-position power, and they are guided only by their own will, disregarding the remaining employees.

Knowledge for the purpose of increasing competence

Organizations' profit and existence are secured through the process of managing knowledge in the contemporary society and environment. Years on end, technological development enabled competitiveness, however, today, in the knowledge era, it takes primacy for the purpose of achieving profit and competition. For successful knowledge management, information is of utmost importance, as a strategic resource for achieving as large profit as possible.

The process of managing knowledge is defined as a discipline that promotes creating, sharing, and using knowledge within the organization (Bacera-Fernandez and Gonzales 2004, 2).

Knowledge management is conditioned by cultural and technological processes, its purpose being to improve the efficiency and effectiveness of individual knowledge and decision making. Knowledge and the exploitation of intellectual capital result in competitive advantage, a larger number of tourisms, as well as increased profit in general (Barth 2002).

Rudy Ruggles, one of the greatest practitioners in the field of knowledge, identified several elements in the knowledge management process:

- generating new knowledge,
- having all useful external knowledge at disposal,
- using knowledge in the decision-making process,
- facilitating the dissemination of knowledge within the organization,
- transfer of knowledge in all parts of the organization,
- measuring the knowledge level and the impact of its management,
- using knowledge in service providing (Gotcha 1999).

Managerial knowledge encompasses two main categories: human behavior knowledge and organizational operation knowledge. Regardless of the hierarchical structure level to which a manager belongs, they must possess a satisfactory level of knowledge. In that context, managerial knowledge can be qualified in four fields:

-Managerial functional knowledge – a type of knowledge that a manager should possess in performing their main tasks, planning, organizing, managing, controlling, communicating with employees, as well as knowledge of production, marketing, human resources, etc.,

-Managerial technical knowledge – possessing knowledge of methods, processes, procedures, and techniques specific to each functional field,

-Managerial company knowledge – knowledge of the reasons for the organization's existence, and knowledge about the stakeholders for whom the organization creates values,

-Managerial environmental knowledge – possessing knowledge of competition, macroeconomic development, consumers, etc. (Sanchez 2003, 172).

Generally, knowledge management leads to fewer mistakes in the course of work, faster resolving of problems, reduced research and development costs, increased independence among workers, as well as higher-level service providing in tourism (Stuart 1996).

Effective knowledge management ensures greater productivity and efficiency. An example for this is Toyota, which, thanks to the knowledge sharing within the company network, has secured competitive advantage over the other producers, both in terms of productivity growth and profit in general. This company succeeded at resolving three basic dilemmas concerning knowledge sharing, as follows:

- motivating employees to participate and share their knowledge,
- preventing individuals who learn from others, and are not ready to share their knowledge with other employees,
- reducing the costs for acquiring new knowledge (Bacera-Fernandez and Gonzales 2004).

Competence in human resource management

The most frequently mentioned factors crucial for increasing the profit and for economic development of a country are: physical, natural, and human resources. The high unemployment rate in the Republic of Macedonia poses a real problem in terms of the ratio between quantity and quality of the workforce. Quantity does not always mean quality, but it is often a driving force within the human resources. Competent and high-quality staff is created through good-quality education and training at the workplace, with the ultimate results of work promotion, raising the level of work performance, and, of course, increased profit within a tourism organization. Depending on the workforce competence, human resource can be a driving, yet limiting, factor in the economic development of transition countries, such as the Republic of Macedonia. In that context, competence in human resource management plays a crucial role in the increasing of profit and in the development of tourism in general.

In addition to investments in the conservation of natural and material resources, generous and permanent investments in human resources are also of utmost importance for the Republic of Macedonia. It means investing in greater knowledge and skills, that is, creating of competent workforce. Exploiting such workforce would yield better results, and investing in them would be worthwhile.

A manager’s competence largely depends on:

- their knowledge level and their good management skills;
- their knowledge and awareness about the way the working environment functions;
- emotional intelligence (Mehić 2009, 53).

Practice has proven that managers acquire the most knowledge and skills through education and practical work, however, the emotional intelligence level that they possess is also of utmost significance for any successful manager. *(Ibid)*

The transition period in the Republic of Macedonia imposed a number of changes in all structural parts of its society. The most important, or primary, changes refer to the management models and techniques and the managers’ competence. Any good and successful manager is primarily expected to be successful in managing and coordinating activities for the purpose of achieving the organization’s goals and increasing its profit. Modern theory and practice increasingly promote competence and leadership as key features of success. Numerous analyses point out that good-quality and competent management is especially important for:

- successful and efficient operation of any tourism organization, which, above all, means an increase in profit, as the ultimate goal,
- successful and efficient coping with changes, which are a factor for successful growth and development of any tourism organization.

Education – the foundation of intellectual capital in tourism

Taking into consideration the growing social, economic, political, and cultural significance of tourism, education in the field of tourism has slowly, but successfully, reached an academic level. This is mostly the practice of transition countries, which tend to invest and to successfully develop tourism economy (International Labour Organization 2001, 90).

Tourism is a specific economy branch, given that the achievement of profit from it depends on the level and intensity of the employees' work performance. Their competence and successful performance of tasks depends on the good-quality professional training and continuous improvement of knowledge. It is particularly important to pay maximum attention to education of management staff, who promote the employees' ability to be flexible, communicative, professional, and ready to respond to the needs of tourism service users.

Hence, we can conclude that the future of tourism economy is in education, which is a prerequisite for building competent staff in order to increase the profit and create competitive tourism economy. In this context, the education structure should adequately suit the needs of tourism. Daily changes in tourism needs require tourism to be directed and focused on good-quality education, which should nevertheless be adequately structured.

The lack of competitiveness in tourism economy is conditioned by several factors: lack of good-quality natural resources, incompetent management, lack of motivation and creativity, undeveloped entrepreneurship, capital price, etc. Only organizations that demonstrate willingness for reconstruction and adaptation to changes, as well as continuous improvement in their own capacities, are able to achieve their goals and increase their profit, which is the final product of any successful tourism organization (Dulcić and Petrić 2001, 297-300).

The abovementioned yields measures essential for reducing incompetence. The most important measures for reducing incompetence are:

- investing in education, which means providing good-quality education,
- providing good-quality and adequate trainings for the tourism staff, due to the fact that they come in direct contact with product buyers, that is, tourisms.

The country's continuous and active role, through infrastructure development, adoption of appropriate legislation and so on, will have a major impact on the tourism potential and the country's competitiveness in the tourism industry, which will result in long-term profit in the future.

Education and tourism development in RM

Even in the past, tourism as a phenomenon used to be a part of human life. Defined as a phenomenon, it is constantly subject to a number of economic analyses and development plans.

The Republic of Macedonia boasts an abundance of natural resources and huge tourism potential. In order to increase tourism profit, it is vastly important to promote Macedonia on a global level as a unique tourism destination. For that purpose, in 2008 the Government of the Republic of Macedonia established the *Agency for Promotion and Support of Tourism* in order to promote tourism resources and capacities of the Republic of Macedonia internationally (Macedonian Chamber of Tourism 2009).

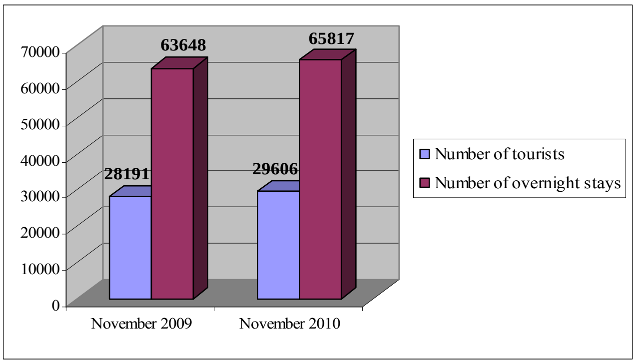
In order to attract as many foreign tourisms as possible, RM has been promoted through the *"Macedonia Timeless"* campaign, funded by the Government of RM in 2008. In this campaign, RM was presented at and participated in many international tourism exhibitions in the Netherlands, Czech Republic, Slovenia, and Finland, where its natural resources and potential were presented (Agency for Promotion and Support of Tourism 2011).

This promotion is certainly part of the strategy for development of RM and its promotion as a unique tourism destination. The ultimate goal is, of course, to create competitive tourism economy that will have a significant stake in the economic development of RM.

The increase in profit from tourism directly affects the increase in gross domestic income (GDP) and economic development in general. Today, RM cannot boast huge profit from tourism, because this industry participates with mere 1.8 percent in the country's GDP.

Tourism in our country has good development capacities, and strives to increase by two to three times the tourism share in the country's GDP over the next five to ten years (Economic Chamber of Macedonia 2010).

According to the data from the State Statistical Office, the number of tourisms in November 2010 was 29,606, whereas the number of overnight stays was 65,817. The number of tourisms in November 2010, as compared to November 2009, increased by 5.0%, and the number of overnight stays increased by 3.5%. In November 2009, the number of tourisms was 28,191, while the number of overnight stays was 63,648.



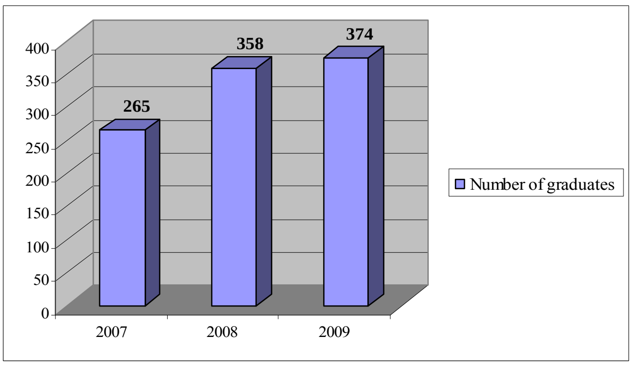
Picture 1 – Number of tourisms and number of overnight stays in November 2009 and November 2010

There is an evident increase in the number of foreign tourisms by 17.8%, as compared to last year, and the number of foreign tourisms' overnight stays also increased by 14.0% (State Statistical Office 2011).

Hence, it can be concluded that RM's strategy for promoting the country's tourism capacities has resulted in increased number of visits by foreign tourisms.

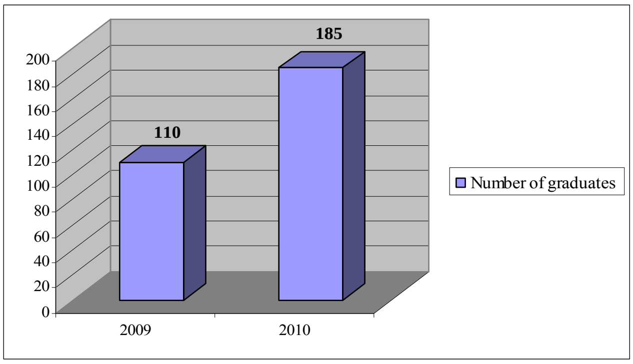
Besides the existence of a state strategy, another very important factor for increasing of the profit and for development of tourism in general is the educational process. Good-quality and appropriate education is a prerequisite for creating good-quality and, above all, competent staff, who will be able to meet the tourism needs of RM.

In the tourism sector, according to the State Statistical Office, the number of graduates of the Faculty of Tourism and Hospitality - Ohrid is continuously growing. Namely, the number of graduates in 2007 was 265, in 2008 - 358, and in 2009 their number increased to 374 (State Statistical Office 2010).



Picture 2 – Number of graduates of the Faculty of Tourism and Hospitality - Ohrid, 2007, 2008 and 2009

The number of graduates of the Faculty of Tourism within the University of Tourism and Management – Skopje has increased as well. The number of graduates in 2009 was 110, whereas in 2010 this number increased significantly, reaching 185 graduates (University of Tourism and Management – Skopje 2010).



Picture 3 – Number of graduates of the Faculty of Tourism within the University of Tourism and Management - Skopje in 2009 and 2010

The above data indicate a growing interest in improving the knowledge in the field of tourism, as well as further professional and career development in this field.

Adequate and good-quality education is a prerequisite for tourism development in terms of increased quality and competitiveness.

> *"Profit is not the goal; the goal is continuous money flow. Profit is just an additional test of successful operation. Profit is the basis for future development, but the required profit level determines the required future development level".*
>
> *Peter Drucker*

In recent years, both worldwide and in the RM, more and more often, there have been announcements of the introduction and implementation of competence in human resource management in companies. This has been the case in tourism, too, whereby the most important factor for tourism development and profit growth is the introduction of service standardization and raising of the quality level.

This paper focuses on competence in human resource management as a key factor for achieving success in the operation and increased profit in general.

Long-term success in tourism is focused on the introduction of standardized work processes and service quality control, for which the management staff is largely responsible. Most importantly, the staff should possess quality and a high competence level, in order to be able to adapt to daily changes and respond to the tourism needs.

The aim of this paper is primarily to highlight the importance of the need for competence, not only among management staff, but also among all employees who live on tourism. Due to the fact that the employees establish direct contact with tourisms, the success of tourism organizations will largely depend on them, hence the need for competent staff. The effect of satisfied guests is the ultimate goal of any tourism organization in view of increasing quality and achieving higher profit.

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THE IMPACT OF EFFICIENCY IN THE WORK OF TOP MANAGERS

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Abstract:

Organizations are effective when the manager choose appropriate goals and achieve them. Unlike the management, effectiveness implies a greater contribution to the organization and beyond. The effectiveness of working is a concept in itself: it does not require any particular talent, skill or training. Effectiveness puts emphasis on simplicity and required to follow only certain, simple rules and criteria. My 13-year work experience contributes to believe that efficiency is not a talent that is obtained by birth, but are built through hard work. Without efficacy results are out, no matter how much intelligence and knowledge are implement, or how much effort and time will be spent. Top managers are paid for their effectiveness, for which he owes effectiveness for the organization for which he works.

Key words: *manager, result, effectiveness, efficiency, diligence*

INTRODUCTION

The management team is the main carrier of the spirit and the changes that occur in every organization. Management typically refers to managing other people. To make it active immediately, it is not enough for the individual to be intelligent, to be sufficiently informed, in other words to have acquired knowledge. The active executer is certainly one of the most basic requirements of effective organization and by himself is among the most significant contributors to the development of the organization. Previous experience shows us that efficiency is not a "natural talent", we have not met a manager who was born in an efficient. I should point out that the efficiency of their actions is not "innate", it is created over time. Efficiency is a habit, a set of procedures that can be learned. People learn them through training, workshops, with exercise and more exercise. Moreover, everyone should work on perfecting their efficiency, in other words to improve their effectiveness and to simultaneously overcome all obstacles pertaining to the effective realization of their managerial goals.

DEFINING EFFECTIVENESS AND EFFICIENCY

Efficiency and effectiveness are inter-related. It is not enough to have effective yet ineffeciant, or vice versa, efficient, and ineffective. The efficiency and effectiveness are concepts that can largely increase the activeness in an operation and the realization of goals. The efficiency and effectiveness should be the basis of the work of a top manager. What is effectiveness, and what is efficiency? This is the main question and once it is understood, it will be easy to start becoming more efficient and more effective.

- Effectiveness in a broad sense can be defined as the ability of manager to collect the necessary resources and to utilize them to achieve his goals more efficiently. In a narrow sense, the effective operation of the manager can be defined as the degree of accomplishment of his goals or attempt to pick out the right areas of his work (a greater degree of achievement of set targets shows greater effectiveness in the operations of the manager). Simply put, the effectiveness is **to do the right thing.**
- Efficiency is significant and refers to the internal processes in the work of managers. Performance explores the forcible of the goals that have been set or the efforts of the manager to better achieve his goals. To utilize the smallest amount of resources in order to achieve certain results,

in other words, to use less resources to achieve better results. Simply put, efficiency is: **the right things done the correct way.**

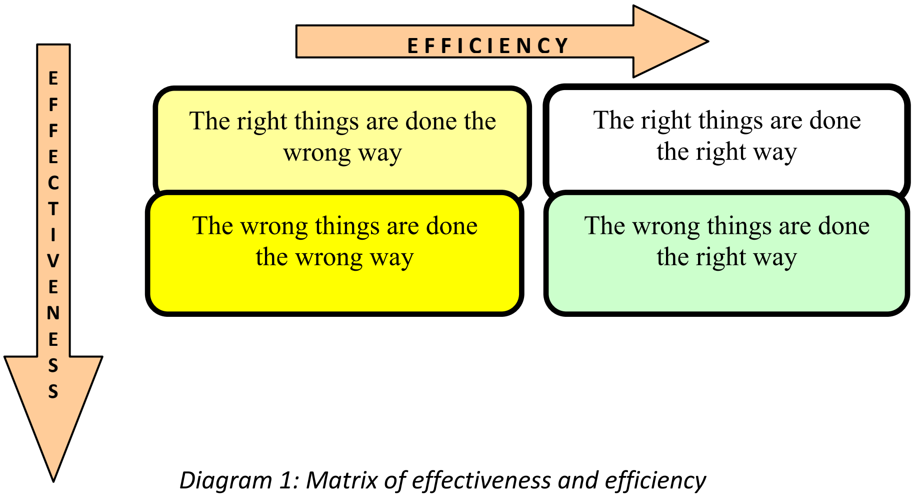

Diagram 1: Matrix of effectiveness and efficiency

Source: Gareth R. Jones and Jennifer M. George 2008

- **Low effectiveness and low efficiency.** This means that the right things are done in the wrong way. For example, you made the wrong choice as your product and you do not know how to sell it.
- **High effectiveness and low efficiency**. This means that you are directed to the actual work for your company, the things that will increase profit, but did not pursue the right way, which means that you are ineffective. For example, you made the right products that will sell, but do not know how to sell them or you offer them to the wrong target group.
- **Low effectiveness and high efficiency**. This means that you have directed yourself to the wrong things, but you do them the right way. For example, you made a bad choice as your product, but you sell it the right way. Your sales will increase while the buyer is will not satisfied and you will lose him as your customer for the future.
- **High effectivenss with high efficiency**. This real requirement for any manager. The work goals are done the right way. All these activities produce results in your work. For example, you have a choice for your product and sell it the right way. In this way you ensure the long term success for your company and loyal customers.

DEFINITION OF MANAGEMENT

For an organizational system managing is a matter of it's existence. If the management is not good, if the objectives are not achieved, setting up the system becomes pointless. Management is a complex of functions, which in one organizational system (firm, company, enterprise, institution or other organizational system) is responsible for defining objectives, determining the ways of achieving goals and managing to achieve those goals. (T. Kralev T, 2007)

(CR Whitlock in 1990) States that management is the process of planning and decision making, organizing, managing and controlling human resources, financial, physical and other goals in an efficient manner.

(RJ Aldag, in 1991) Defines management as the process of planning, organizing and staffing, managing and controlling activities in a systematic way of organization in striving to achieve common goals. The job of the manager is to help the organization and to use the resources at his disposal in the best possible way in order to fulfill his goals. How do the managers achieve this target? They do this by running the four essential managerial tasks: planning, organizing, leading and controlling.

EFFICIENCY OF MANAGEMENT

Managers at all levels and in all organizations, large or small companies, profit or nonprofit, or organizations that operate in one country or across the world are responsible for the execution of four tasks: planning, organizing, leading and controlling. How well managers perform these tasks, determines how efficient and effective their organizations are.

THIS SUBJECT HAS THUS FAR BEEN ADDRESSED BY A FEW PEOPLE

The concepts of efficiency and effectiveness in management is explained for the first time by Peter F. Drucker in his book "The Effective Executive" in 1967. According to Drucker, efficiency means doing things the right way, and effectiveness means to do the right things. An efficient organization is one that achievied its goals with minimal use of available resources (human, financial, material, information, etc.), which means that the efficiency is based on the principle of maximum rationality.

In his work (Gareth et.al.2008) explains efficiency by equating it with productivity and effectiveness with usefulness. According to the authors' organizational performance is a measure of how managers effectively and efficiently use available resources to satisfy customers and to achieve the organizational goals. Effectiveness is the measure of how well or how productive the resources which are being spent are used for achieving the goals.

Organizations are effective when managers minimize the amount of input resources (labor, raw materials and components) or the amount of time needed to produce a given output of goods and services. For example: McDonald's developed a more efficient deep oil fryer oil which not only reduces the amount of oil used for cooking by 30%, but also speeds up frying of the french fries. Efficiency is a measure of the appropriateness of the objectives that managers chose to perform for organizations, and the extent to which these organizations realize those goals. Organizations are effective when managers choose the appropriate goals and achieve them. For example, a few years ago the managers of McDonald's set a goal of providing service for breakfast, to attract more customers. The choice of this goal has proven very smart, for the sale of food for breakfast today justifies more than 30% of the income of McDonald's. Effective managers are those who choose the right organizational goals and possess the skills for effective use of resources.

COMBINATION EFFICIENCY AND EFFECTIVENESS

When analyzing the possible combination of effectiveness and efficiency will indicate two dimensions:

1. Utilization of resources for achieving the set goals
2. The attractiveness of the market (choice of objectives)

If a company is irrationally spending resources, but is traded at attractive markets (the company is doing the right things). Your company is inefficient but effective. Under these conditions the combination of efficiency and effectiveness exist on the market but not in the long term.

Rapid decay of a company can be expected if one hand the cost per unit of product, because irrational use of available resources is greater than the percentage of the branch in which the company belongs, on the other hand there is demand for our products.

Rational use of resources (average cost is lower in the branch of activity which belongs to the company) in the manufacture of the product a little wants to buy, involves a combination of efficiency and effectiveness of the company lead to disaster because it achieves maximum profit.

Growth and development of the company is possible only if the company makes a profit or with the rational use available resources (efficiency) and trading on attractive markets (effectiveness). This is an ideal combination for the company, a combination of efficiency and effectiveness that simultaneously achieves high productivity.

From the combination of efficiency and effectiveness we can conclude that both concepts are important measures of success in the company and intertwine with eachother. But efficiency is the key to the success of any company because if you produce a product at a price which is the lowest in the branch of activity which belongs to the company and there is no need for the product on of the market, the survival of the company is threatened. In other words, if consumers are offered a product that is consistent with their needs, (attractiveness of the market) only can you can devote to reducing the cost per unit of products with the maximum use of available resources.

MODERN APPROACH TO EFFICIENCY AND EFFECTIVNES

The modern approach to efficiency and effectiveness is characterized by a complex measurement of efficiency and effectiveness. Starting from the fact that the company has multiple goals to pursue simultaneously, at the same times there are different activities that use different resources. The top manager that measure the efficiency and the effectiveness of the company, starts by taking into account the given assumptions, while also taking into account employees, customers, and demand. With the results of this measurement, the top manager can determine the company success percentage and the realization of the set goals.

CONCLUSION

If the management team is the main carrier of the changes in an organization, then the level of its efficiency and effectiveness is of utmost importance for their generation and implementation. Without a proper definition of the basic notions such as effectiveness and efficiency and management, it is impossible to properly analyze the performance of top managers. Efficiency is to do the right work - while doing the actual work properly defines effectiveness. Management is the process of planning and decision making, organizing, managing and controlling human resources, financial, physical and other goals in an efficient manner.

Managers must learn to better utilize people who are good in the individual areas. It involves increasing efficiency. If we can increase the number of people available to us, we must increase their contributions. And effectiveness is a tool which can utilize another resource capability and knowledge to bring bigger and better results.

The efficiency and effectiveness only together as a whole, show the work of top managers, namely, efficiency and effectiveness in the work of top managers aims to improve their managerial skills or to improve their effectiveness and to simultaneously overcome all the problems for effective implementation of the defined goals.

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ENTERPRENEURSHIP AND INNOVATIONS IN FUNCTION OF MAXIMIZING OF GUEST SATISFACTION

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Abstract

Entrepreneurship as economic category, and also innovation as one of the basic characteristics of the modern entrepreneurs is a key factor for increasing of the intellectual, entrepreneur activity, which is focused on achieving and approaching higher level of service quality. Regarding the service as immaterial product, main point is that the consumer doesn't know what it gets until he has it. Than he becomes aware of what he wants and he is prepared to think only to his dissatisfaction. In tourism and hospitality as immaterial branches, the quality of the service which is provided by the entrepreneur (owner of hotel, travel agency etc.) is measured by the guest satisfaction.

Key words: *Entrepreneurship, innovations, guest, satisfaction, service.*

INTRODUCTION

The summary is connected with topics from the areas of entrepreneurship and tourism. The purpose that we've set, regards on:

1. When is best time to start a business?
2. Which are the key factors which determine innovation in tourism offer, and
3. The causality of the success of new products, types and guests for who is purposed this offer.

ENTREPRENEURS

The word entrepreneur is from the French word entreprendre which means "to undertake". In the business context, this would mean to start a business. Entrepreneurship connects many characteristics which today are clearly determined and evident at each entrepreneur, and also withdraws many other economic categories, which are basic object and start point for every other economic activity. Entrepreneur is the main character in the macro-economics, but the affection of his activities is key at the movement of the macroeconomic indicators.

Development of the entrepreneurship is one of the most popular topics nowadays. In time of economic crisis, many people see the exit in the development of small and middle sized companies.

At first it is because of the innovation that this companies represent, they are easy to adapt the new situations, offer employment, according to which directly effect on combating poverty.

Actuality of the entrepreneurship and its deeper implementing in the educational system should represent basic strategy for every Government, for future economic proceeding, stability and wished development.

Making entrepreneurial society, procuring equal conditions, equal business climate for all entrepreneurs without valorizing some, and also keeping of that entrepreneurial organization culture, maybe represents one of the most complex works with which deals the Government.

Entrepreneur's profile

To be an entrepreneur from one side, means, certain person to start dealing with new staff, but that person should also have characteristics which other people don't have. On the other hand, those who work alone can be called entrepreneurs.

Entrepreneurs are real intellectuals, disposed in every moment to give their maximum, for successful flourish of its business, and normally, making higher profit, which represents basic motivation for taking any economic activities.

Leadership is one of the most significant characteristics for the modern entrepreneur. This characteristic would enable most rational using of the human resources with whom the entrepreneur itself disposes in his company, and with that to filling of the causa finalis, long-term or short-term, maximizing of his profit and maximizing of the guest satisfaction.

In the new phases of development which ask new ways of management, often entrepreneurs stay blind at these essential changes, and prompt destroying of their own company. Also, problems can happen during the grow of the company, its internationalization, acquiring new markets, which beneath all require team work, and from the entrepreneur ask to delegate part of the responsibilities to the lower levels of the firm.

Many of the future entrepreneurs often delay the start of realization of their initial ideas, waiting for the right time. Probably that time would be when they won't have any problems and everything will be perfect. However, it is impossible to define that ideal time for starting a business for every entrepreneur individually. The reasons for that are different preferences of the entrepreneurs, their determinacy, as key factor for starting this type of activities.

At the end we come to the conclusion that we choose the perfect time for starting the business, based on the integrated conditions and society. If there are more possibilities than difficulties for starting the business, that is the right time.

SELECTIVE FORMS OF TOURISM OFFER

Nowadays characteristics on the world tourismic movements as the globalization, standardization and market segmentation, enforce the need for defining a tourism product which will be so much attractive that finally a tourism will find it and at the end he is going to use it.

This finding tends to support the thesis that for certain tourism offer, important, or a key element is the research of the tourism market as well as defining the one segment of the tourism demand, which itself should have the following characteristics: to attract attention, to evoke interest, and to instigate action. Everything that at this point comes from the classic tourism offer – sea and sun, achieves great success, but at this point the world leaders of the tourism innovation which had the courage to offer something new and fresh, have already collected the fruits of their enthusiasm.

On the market, the countries are not competing on a global level, but specific destinations which have something to offer, are competing. Offering more and more packages of alternative tourism for the picky quests, indicates the basics for the increasing of the tourism effect, referring on the increasing of the consumption of the tourisms

ASSUMPTIONS ABOUT THE SUCCESS OF NEW PRODUCTS

Tourisms want everything that they can do and experience, and because of that the pyramid of wishes becomes bigger, but unfortunately the growth isn't followed by the willingness of the tourisms to pay for the service and the product that they want. This is the main reason why the planning and conception of the successful management of business in tourism and hospitality is an attempt to establish a balance between:

- economic opportunities of the service provider (supply)
- the wishes and financial capabilities of the quests (demand)

The previous experience testifies to the fact that a lot of catering and tourism products have short life cycle, primarily because of insufficient consideration of future trends and stages of planning. Success in the hospitality-tourism offer in the first place depends on the reputation of a destination or catering facility, and the building reputation and constant quality is the result of proper planning, which predicts future trends of tourism demand.

Factors that create new ideas in providing catering-tourism services are: inventiveness of management and production-service persons, teamwork within the facility and resort, including the quests in the development of the new product.

Contrary to many extended opinion, most of the ideas to create new services and products does not come from the department of marketing, sales, or the competitive management, but from visitors and a market which are increasingly more and more demanding.

ELEMENTS IN THE STRUCTURE OF HOSPITALITY

There are seven major elements which comprise the structure of the service in some hospitality places. From these seven elements, three elements are part of the service facility (internal structure of the organization, material equipment, design and service sector), two elements are part of the market (guest A and guest B), and two elements are result of the interaction between guest A and guest B, with the service elements of the facility, and those are service A and service B. Tourismic and hospitality entrepreneurs who want between their guests to build confident relations, must accept Learning Organization as strategy which is seen through the following tactic targets: informing the guests for the services, organization of the whole manufacturing and service process, providing services, evaluating and control of the stay.

Today, is necessity the staff to be authorized for analytical view and evaluation of the interactive relation: provider of the service – guest. Usually, only "front desk" is used as place of importance at which can be found information (one to one) for the satisfaction and dissatisfaction of the guests which in practice is certainly not enough. In the process of building modern organization, at its reshaping i.e. Business Process Reengineering all the subjects in the organization should be trained for objective evaluation of the quality for given services, so that fundamental preference for the new design of manufacturing and services process which stands on the ground on elimination of the perceived disadvantages.

In addition, it should be remembered that the role of the management in some hospitality facilities is **finding service for their guests, not guests for their services.**

Import (input) and export (output) are two mutually connected characteristics of every structure, and the hotel and the business are part of that structure. Imports are certain measures that enter the structure of the hotel society, as material, energy, people with work capability, information, money etc. Exports are certain measures that emerge from the hotel, as: material and immaterial services, revenue, emerged information etc.

Regarding the will of the guests – maximum convenience for favorable price, hotel industry mustn't allow price enhancing, which means that higher profit must be accomplished with the decline of the costs.

Nice smell and heath, technical and economic appropriates are the basic elements for successful hotel management. Hotel management must ensure all those factors for guest satisfaction and profitability. Principle hotel services are accommodation and food, but there are also other types of services which aren't evident but which the guest used and haven't paid additional for them. They are: certain information, service of baggage lift, service of parking, welcome drink, service for fun, service for dance, animation programs, giving free space and equipment. These are favors that raise the level of their pleasure, but also justify certain prices and effect of longer stay of the guests in the hotel. At the end all together should result with return of the guest in the hotel, i.e. making permanent guests of the hotel. The quality of the hotel service is measured with the rule of star number and the hotels with 5 stars offer the best service. In the contemporary hotel sector there can be noticed three levels of service quality: World Class/ First Class Service, Mid-Range Service and Economy/Limited Service. The remark for special quality is "Q". That remark is added to the standardized place on which is denoted the hotel category – in the left corner in blue color.

Unfortunately, Macedonia doesn't have hotels from that range. It is now quality what management and staff think of, but what and how much guest consume it as users of the services.

TYPES AND CHARACTERISTICS OF THE GUEST

One of the important assumptions for successful management and guest satisfaction is their knowing and knowing of their habits. But most important changes have become in the mentality and tourism expectations. In the surveys that follow the tourism behavior, can be seen change in the motivation for going to vacation, as for the expectations from place to place, which the tourism chooses. In a few words, the modern tourism is eager for knowledge, he is more active from the past and he doesn't care for lying on the beach. Other great change comes from demographic nature, the increase of the age limit, i.e. rather older people go to vacation. Guests should be always nicely and kindly welcomed with greeting and smile because it's what every guest wants. In contrary, cold welcome and petulant reception is a real disappointment for the guest, and at the same time bad commercial for the hospitality object.

It should be also known that for every service the guest pays. The guest in the restaurant is also guest of the waiter and the chef. The guest of the hotel is guest of the receptionist, housekeeper, animator, waiter, host and the other service workers and managers.

INNOVATIONS IN THE TOURISM

Business innovation should represent something new, something unseen for the business community and the market. Sometimes even the business itself, is and innovation.

Innovation, doesn't have to mean to create something new, it means that you can improve the already existing. It makes your business unique, will give privilege in front of the competition and definitively will help in the prosperity of your business idea. This activity should represent constant process on which will be thought every day, because what is innovated today, won't be enough tomorrow. It will have to be improved!

We are witnesses that rarely which one of our companies invests resources in innovations. Also, rare are those who have Research & Development sectors in the organizational structure, which would give rivals preference, in the development of new products and advance of the existing, with could be even made penetration and conquest of new markets. On the other side, we are witness that domestic companies straggle in quality, production process and organizational structure in compare to foreign companies and that's why they ask for help from the Government Institutions.

In time when companies give different help from the Government, they should make good reorganization, and to use this advantages in a way of their improvement, what means to be different and unique compared to their competition, to be easily adjust of the new rules of play on the market and to respond with quality to the demand and preferences of the buyers.

CONCLUSION

Burj Al Arab, “World”, Shopping festival, Hydropolis, “Palm” are well-known elements from Dubai tourismic offer which present insuperable innovation of the human hand.

Macedonia as destination which does not have sea and whose offer does not offer sand beaches, fjord cruises, alpine skiing or safari should be directed towards creating of new elements of the offer. For example, building unique luxury hotel resorts in the villages near the lakes and doing better marketing promotion on the world tourism fairs. Instead of importing second-class brands, Macedonian hoteliers should make a Macedonian brand. Called it Aleksandropulos or Philipys, make antic design, antic baths, offer antic food menu, or place where the guests could learn fencing from the time of Alexander. On the isle Hvar in Croatia, the tourisms don’t pay in the days when it rains. When we will think more deeply, that is not an innovation, but it is enough material to make a story. The guest wants to hear something unthinkable. Norway products rakija from spices, Slovenia alcohol drink from blueberries. Macedonia import wine for whole region and still doesn’t have a wine museum. The Last time I was returning from Croatia, in the plane I’ve read that in Zagreb have just been opened Museum of broken hearts. How many broken hearts are there in Macedonia? And how many got the idea to put that in function of the tourism? Notre Dame, Sacre Coreur, St.Madeline – all of these are just cathedrals from the middle age. We have Ohrid Archbishopric, first Balkan University, Monastery St. Jovan Bigorski built on a temple from 1020, and we still didn’t know how to keep it.

Maybe we don’t know how to put it in function of the tourism. Let’s follow the example of Morocco and Kenya, to invest in young resources that will get University education, competencies and skills which furthermore will use them to develop the tourism in this small, but beautiful land.

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EFFECTIVENES AND COMPETENCY -SMART STRENGHTS IN THE CORPORATE TOURISM FOR LONGTERM STRATEGY

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Abstract

Human resources management as moderate force within organizations is capable to create effective personalities that may lead our corporate tourism into wide range of smart and proactive economy policy.

The modality of effective personalities is focused to create effective team models.

The dialectical analyses bring up the opportunity to have a scientific approach to this subject drawing realistic model for the interaction between all elements that are playing active role.

SUPER Smart , Competent and Effective Corporate teams can unlock the hidden values in the State long term strategy.

Key words: *Effectiveness, Competency, Corporate Tourism, Long-term*

INTRODUCTION

The Macedonian land, as brave monument keeps many secrets for the mankind history. Excavation and exploration of those secrets continuously expose artifacts that reveals and modify the history. For the past years, the "eyes of the world", continuously and strongly focused on this region with their presence in many different forms are influencing on the actual happenings. Numerous battles ruined whole cities and whole cultures, but also created new ones. Brave names, as Alexander the Great are linked to this soil. He, the One, the Glorified leader, magnified the meaning of this precious land. This soil swallowed the blood of the ancestors. Many nations were burdened and new one that was born. Destiny to be born on this land gives the opportunity to revitalize the whole energy as future existence.

The good historical knowledge offers the understanding where we are and what we want to be. All of us, as important factors in the creation for Macedonian economy, need to have strong willingness and understand our personal visions. Those visions are based on strong and scientific approach of our presence and understanding where our future is. We need to understand who we want to be, and what we want to give to the world. Our colorful differences, created by various nations, and languages, can offer magnificent meaning to the gathered history.

Each corporation or organizations choosing development of the ethic, lawful, economic & human care system will show the responsibility for the whole community. These responsibilities' obliges the organizational culture or style to be aligned with the written and many times unwritten procedures and laws. The modern companies as united groups and organizations with various human capabilities and different facilities are present model of the way how one country needs to be organized and delegated. There need to have good level of understanding for the actual position of the country, ranking into the world economy, world and regional politic communication, measuring the valuable and right approach to our citizens and all countries .We need to understand do we want to create one common goal? Goal of success…

Building Macedonia as future favorable tourism destination

The Tourism in Macedonia can be the largest service for the export industry. The new employment can contribute with significant percentage in the Gross Domestic product. Establishing the Macedonian Government agency responsible for the International and Domestic marketing of Macedonia will play an important role stimulating the private sector investments in tourism marketing and encouraging the long term sustainable growth of the industry. The Macedonian Government with the priorities focused on the corporate tourism may bring Macedonia as favorable tourism destination. The actual economy can be used as basic view point for the strategy in the Macedonian economy. Understanding “where we now and where we want to be” is our first answer that we need to have in mind. But is not that we only have to take care about this answer, we need to follow our vision for better tourismic promotion in the local and world market. In that sense, as proactive forces in the Macedonian “strong economy” is interesting and challenging to speak more about the Corporate Tourism, creating the business opportunities for the companies, future business partners, and economic benefits for the entire country.

The starting point is linked with the initiative and potential opportunities and forces to develop and work in positive climate. This might fully enrich and develop overall the economic growth of our country.

The corporate managerial policy need to be focused to build strong and stable strategy, and to develop democratic forces with smart usage of all affordable and proper personal, material, historic, geographic, and collaborated potentials. These forces need to be linked and fully aligned with the vision of each corporation and vision of the whole country.

Building a solid national tourismic strategy can be a risky move for the economy as a result of the competition from our neighbors who express exceptional importance for the tourism. In conditions of unstable economy, an unstable political relation’s, of exceptional importance in these heavy conditions is to know what we can give to the world. The complex historical events which mark this region show the need to create a positive reaction to the uncertainty by using the positive attributes, such as clear impulse of opened access to the new developments. Neutrality and indifference towards our future, creates lethargy which can lead to the dark streets of exhaustion of national power.

The overall national history, the political and economical heritage should be directed towards creating positive human forces in an effective way to read the message from the nation and to pack and serve to the world. When the environment is too neutral, we must create a transition between us and them, by creation the conditions where we can blossom with the crystal light. In other words, t is required to create value to the context that we have observed establishing presence and identity with the materialization of the context and meaning to the creation of an exclusive urban construction respecting the established national visions. Building the image of an attractive destination for future business organizations is extremely important for the Government strategy. The National Long-term tourism strategy will outline the importance of the tourism as an economic driver of growth in Macedonia. Establishing the framework and principles can ensure that the tourism industry can be competitive and sustainable industry into the future. These frames and principles will guide to the key paths for the Strategic industry investment, Quality and service delivery, leadership and researches.

For that purpose founding the groups that are linked to the organization of the above mentioned paths and strategies is the primarily action. The basic (quantum) instinct of passionate individual is to initiate and moderate an creative, smart and simple common path.

The purpose of this strategy is to influence the companies that Macedonia is an important and opened trade market, where they may found their own strategy goals. The target markets focused on the Business Event Tourism International- Corporate Meetings, Incentive, and Associative meetings. In the creation of the strategy process, planning the Macedonian Government programs that will be guided and distributed by the founded agencies. The purpose is increasing demand for the Macedonia as tourismic destination; strengthen the travel distribution system, and Industry development.

Increasing demand for the Macedonia as tourismic destination, should be the main and the first step that need to be taken. For that purpose not only the government should be responsible for. Creation and development of the social and common responsibility to sustain all our resources, with adequate Government propaganda in the local , regional and world communication bodies as TV channels, higher level presentation on the international fair, etc.. These presentations, that are already taking their own places in the world advertising bodies like Macedonian promoted edition on the CNN, showing Macedonia as opened and welcoming country for the business interesent's, etc..

Why the HR management can take the leading role for the Macedonian Tourismic strategy?

1 The world economy is witnessing the globalization and the regionalization. Within this context the States as well the organizations are pursuing a variety of different strategies in order to become more competitive. HR managers are competent to make effective teams and create optimal and competent human resources, highly skilled for all steps and actions that will drive the agency and organizations in their own strategy path.

A numerous advantages can be derived from international companies in the terms of know how investments and technology, management and marketing expertise, training and consultancy. In this globalized economy, human skills become an important determinant in the competitiveness. Training policies in the hotel, and catering sector need to be strongly re-defined and guided by the HR managers. An internationally focused human resources policy calls for a personnel policies and strategies which implies, among other things, management commitment to the transnational strategies, development of IT skills, awareness for the health and safety policies, occupational standards, discrimination and workers rights. The IT and Communication technology system developments delivered the staff reduction, and required different range of skills from the employees, with continuously trainings and learning's. The HR managers take a significant role in the creation of the multi skill policy, where one person is fulfilling several roles at different times of the day supported by the facilitated technology. This policy requires a strong basic education, workable HR motivation system, willingness and acceptances by the employees for the new transferred skills. The workable HR motivation policies need to make the linkage between the organizational strategy and staff requirement, optimizing the organizational and staff needs. Recognizing multi-skill potential, or requirement for specialization in some of the employers for some area, will provide the HR managers an good starting point for effective staff development. Once the employers has been recognized by the HR managers, they can continue the trainings required for their further learning's. These learning's and trainings need to be continuously and highly qualified, concerning all sides for the personality as the technical skills, emotional intelligences skills, and physical skills and etc.

Human Resource Management important organization forces

Human resources management needs to be the leader in these processes. Strong and justified personalities can bring common goal near to our presence. Exploring and building strong and affective teams within the organization and corporations' is a responsibility for the Top management. Aiming to be the leader in own area, leaded by the basic need to be profitable, they "listen" the hurt beat of the community, monitor the product acceptance by the consumers, listening other opponents and competitive corporations. This aim is very competitive based. The presence of the product and services in the field of the final consumers, offers a good level of acceptance. The marketing, propaganda, and the PR managers offers also the possibility to be near to the final consumers.

CONCLUSION

HR manager's presence in the process is really significant considering the whole field of actions that are responsible for. In the organization's of all type like production, tourism service based and other, the HR management make synopsis between the Top Management and the explored or unexplored human potential. This linkage is possible to be profitable or creative if the HR managers are competent. Their competencies need to bring out the highest economy, ethic, lawful and human responsibility level.

This "creation" process for highly skilled HR managers, as effective managers, is not short term process. For that purpose, the Top Management needs to invest time and money so this could be a reality for the organizations.

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HUMAN RESOURCES AS AN IMPORTANT SEGMENT OF TOURISM IN THE SOUTH BACKA DISTRICT

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Abstract

Tourism is one of the phenomena of modern society, which may be defined as an activity system composed of many subsystems, which cause each other and complement in the formation of high-quality tourism. The tourism system implies a high level of education and general culture of personality, so the affirmation of the system is deeply conditioned by, as well as imbued with, understanding of the necessity of encouraging the process of change in the structure of education of the population. Contemporary theory has proved that the success of the business system today depends on the development of human resources. Deliberately accessing human resource management, their potential is one of the main ways of achieving competitive advantage in global markets. Human Resource Management in Tourism South Backa District is a very important part of tourism development. The work is to confirm that human resources are an essential resource for the development and business success in tourism, and speed of development depends on the social position of human resources and the level of knowledge acquired and used. It means to explore human resources with all its characteristics, as carriers, factors, objectives, and the result of expanded reproduction, with the necessary insight into the current situation, problems and opportunities for staff development in tourism, with regard to the directions of development of human resources in the world.

Key words: *tourism, employment, management, education, South Backa District.*

INTRODUCTION

Tourism development and its expansion have contributed to great changes in all spheres of human life. Tourism movements are a quality of the modern society; the development process shows that tourism will slowly, in the future, move towards primary segments of life. This activity has, with its present degree of development and combination of all subjective and objective factors, confirmed its abilities as a social, economic, political and cultural phenomenon. In relation to that, we can conclude that tourism is a special form of consumption and a social phenomenon, characterized by a high share of live human labor. More precisely, many theoreticians point out that tourism is an inexhaustible source of labor; it constantly provides new jobs with minimal investments; i.e. that is a sector of rational exploitation of available work force which directly engages and indirectly activates human resources. The fact that today, in the world, in activities connected with this sector of economy, there are 192.3 million jobs or 8.2% of all jobs (WTTHCR, 2005) speaks about the role of tourism in the employment process. The question of interconnection between working potential and economic development is not accidental. The problem of working potential can only be solved in the complex of economic development, taking into account many feedbacks realized in the working potential itself, as well as in the economic development as a whole. Within the working potential, important changes refer to improvement of qualitative composition of the working potential conditioned by changes in the character of work. Each new demand to change the working potential is connected with constant readiness of the working potential towards professional development, which adjusts faster change in orientation of the system of preparation, distribution and use of the working potential towards new conditions; by that, it creates greater possibilities for accelerated tourism development. At the very moment when tourism is becoming the leading service activity of the 21st century, with indications that that is one of the best ways towards economic recovery of South Backa District, in the first place by activating the demographic factor, there are contradictions in the sense of denying positive effects of tourism by the fact that, with all the tendencies, the number of employees in this activity is not rising, as is the case in the world.

In most cases, jobs in tourism are characterized as unappreciated and unattractive. The basic assumption is that all jobs are precious at the time of great unemployment, especially when they give good opportunities and sense of belonging to a place for most members of the society. In that way, tourism offers an incomparable number of lower positions, especially for the young and women (Anderson, 1998). One of the main problems of socio-economic development is employment, and economic policy has the task of finding ways, methods, solutions and means for employment in South Backa District for over 60 000 people now truly, potentially and covertly unemployed, not counting there permanently growing demand for employment that comes out of natural increment of working age population.

LITERATURE REVIEW

Securing a high degree of exploitation of the working potential consists in the first place of achieving the match between the working potential and the number of jobs, which makes an important principle of human resource management in tourism economy. The emphasis is on qualitative composition of the working potential within which education is of primary importance; it is confirmed that by expansion of tourism development more favorable conditions for execution of working tasks are created, while physical strength is replaced by intellectual (Baum, 1998). The education itself is not based on the narrow basis of professional knowledge, but a wide preparation in general culture; multifaceted and harmonious development of a personality stands out as both a goal and a condition for a successful connection between the working potential and tourism development (Welch, 2004). There is a growing need for qualitative contents of the working potential as a direct participant in the process of tourism development (Downes, 2007). Within the search for optimal strategy of tourism development, the very goals of development should be examined, because every emphasis of goals demands looking at the society with historical perspectives, how far the development has come and what are the future directions of that development. Development of the working potential in that context could be solved with the help of two interconnected factors: development of all dimensions and potentials of a human, which should not harm the development of his production abilities; and the demand for acquiring higher qualifications as a necessary condition for increase of productivity should not be one-sided, neglecting the complex personality development (Lashley, 1997). However, consideration of tourism development goals has to include these values (even in a wider sense), and they are: equality, social security, solidarity and freedom. They are not only qualitative characteristics, but also one of the most important criteria of a realistically achieved progress. However, it has to be pointed out that, in recent years, there has been a noticeable overflow of working force from primary and secondary sector into tertiary, i.e. into labor-intense service activities that fulfill direct needs of tourisms and domicile population, but that is still not at the expected level. The reason for this inevitable transfer, which is still moving on the wave of abandoning primary sectors by the most productive working age population is, on one hand, due to evident reserves of working force, and on the other, due to introduction of new techniques and modernization of the production process, as well as the permanent desire of the population to fight for a more favorable social status (Go et al., 1995).

If tourism is striving to become one of the super-service sectors of the 21st century, changes will be of crucial importance; they will demand a strategic approach in human resource management in local, regional and national frames of tourism policy.

ESTIMATE OF SUCCESS OF CURRENT WORKING POTENTIAL MANAGEMENT IN SOUTH BACKA DISTRICT, WITH A LOOK AT THE LIMITING FACTORS OF TOURISM DEVELOPMENT

South Backa District never valued tourism as the key segment of its economic development, even though there are real possibilities and needs for a more intense development of this economic sector. However, regardless of that fact, the existence of a certain degree of domestic and foreign tourism demand has been recorded, which, as a determinant with prominent stimulative effect, represents a starting point for a perspective tourism development (Petrović, 2002). In favor of this statement there is data on the achieved degree of tourism development in South Backa District, where it can be seen that the effects are basically positive, but the reach is still far from the possible optimum.

Table 1. Achieved tourism turnover (South Backa District municipalities 1996 – 2007).

City	1996	2000	2004	2007
Juznobacki County	102144	113164	79061	116513
Bac	732	471	148	-
Backa Palanka	11566	1957	1500	3385
Backi Petrovac	-	-	-	-
Beocin	-	-	-	-
Becej	2189	7560	5291	5768
Vrbas	11318	10742	5747	10168
Zabalj	-	-	-	-
Novi Sad	71075	88128	65779	97008
Srbobran	4548	4027	-	-
Sremski Karlovci	-	-	-	-
Temerin	716	306	596	166
Titel	-	-	-	-

Source: Statistical Yearbook, Statistical Office of the Republic of Serbia, Belgrade 2008.

The increase of the number of employees in the sector of tourism economy during the past decade was insufficient, especially if it is estimated from the viewpoint of economically underdeveloped areas. In order to understand better the demographic situation, it is necessary to look at the transformation of population activities in the tourism sector in more detail.

Table 2. Overview of the total number of the employed and unemployed in South Backa District, with a look at salaries in the tourism sector (2004, 2005, 2006).

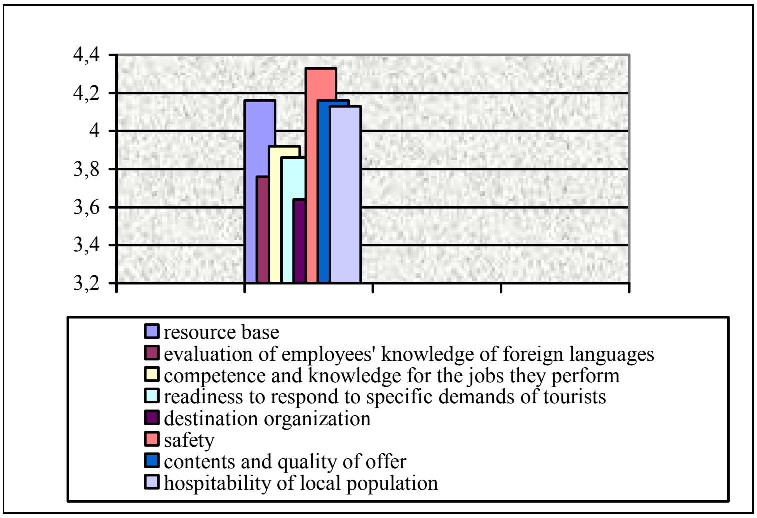
Year	Employed (total)	Unemployed (total)	Employed in tourism sector	Salaries in tourism sector
2004	146 061	79 917	1 474	8 637
2005	146 689	82 091	1 375	11 733
2006	141 082	83 479	1 291	12 648

Source: Statistical Yearbook, Statistical Office of the Republic of Serbia, Belgrade 2008.

Namely, out of the total number of the employed in 2002, which was 208 506 inhabitants, tourism employed 5 210, which is significantly more that in the years given in the table. According to statistical data, female population has the biggest share in the unemployed category, about 53%. Then, the same data shows that the biggest number of the unemployed are persons with the first level of education (33.81%), and the least number of the unemployed are PhDs or the persons with the eighth level of education, a total of nine in Vojvodina. The role of tourism in employment is visible in economic and social effects of tourism movements: tourism decreases the unemployment problem of the young and educated generations; it also stimulates the employment of the parts of the working contingent that are freed from activities in other branches of economy. According to the data from the Statistical Office of the Republic of Serbia, the total number of the employed in Vojvodina in 2008 had an increase of 3 952 persons or 0.75% compared to 2007. The highest employment in Vojvodina was recorded in South Backa District, with the total of 215 873 employed persons, from which 93 569, i.e. 43.34% are women. However, out of the total number of the unemployed in Vojvodina (199 902), the biggest number is recorded in South Backa District, more precisely 64 093 unemployed persons, according to the data obtained in a research at the end of March 2009. Out of that number, 51.62% are women. Compared to the same period in 2008, the number of the unemployed decreased by 7.76%. When we compare the unemployment rate in March 2009 and the average unemployment in 2008, there is a decrease in unemployment of 1.61%. According to the same data, it is known that the average unemployment rate in the European Union is 7.9%, which points to the fact that Vojvodina went over that value with the total unemployment rate of 14.2% in 2009. Average income per inhabitant, without taxes and contributions in the tourism sector in South Backa District was 15 610 dinars, in March 2009. In the same period, the highest average income without taxes and contributions was recorded in Beocin municipality, with the average of 36 030 dinars, and then in Novi Sad with the average income of 34 930 dinars. The highest average income in March 2009 was recorded in sectors of financial mediation and ore and stone mining, with over 56 554 dinars.

Orientation towards dual professions of active population (where there was such possibility) was realized mostly at the expense of tourism economy, in the training phase, as well as in the work phase, causing additional developmental costs, duality of working orientation and draining of qualified staff from tourism economy. The private sector, as the most elastic economy sector in time, in relation to its real possibilities and tasks of tourism offer completion, did not exhibit all its positive, but, on the contrary, due to a number of unsolved problems and inconsistent development policy - to a great extent discrediting, negative relationships. As a limiting factor for movement of the working potential towards tertiary sector, or more precisely tourism, is the fact that, for a number of years, there has been an opinion that working in tourism is, in a way, an undignified job accompanied by instability, poorly paid and brings very little benefits (Brewton, 1998). The fact that a large number of the employees has low education has been confirmed, and, on the other hand, managers in tourism encounter problems in employment of dedicated, well-managed and motivated working force, focused on giving quality products to more and more demanding tourism buyers. Once employed, the employees endure the working conditions, low salaries, job insecurity, poor treatment by the employer and guests' disdain. The weight of the proof given by theoreticians leads to the conclusion that this problem is real for a great number of people and that that will lead to discussions and inquiries on the quality of many jobs in tourism.

Graph 1. Evaluation of tourism offer of South Backa District (May, 2008).



(Source: results obtained through questionnaire survey by the authors).

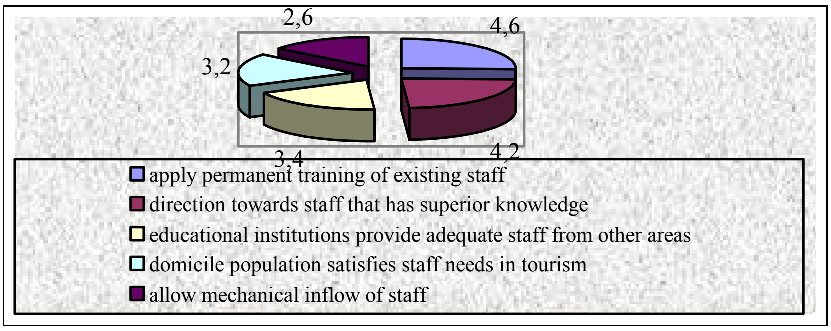
According to the opinions of the surveyed tourisms (graph 1.) the biggest values of South Backa District are natural resources, contents and quality of the offer, and slightly lower marks were given to services related to the staff employed in tourism. If we think deeper, we come to the conclusion that successful implementation of certain organizational systems, as well as the system of tourism service quality, largely depends on the staff employed at an organization (Gajić, 2009). Better perspective cannot be expected neither in the area of quality control organization, nor the quality itself if intelligence potential is poorly included. Education is not a positive activity only from a human aspect, but a pure business activity and probably the most profitable investment; for a long time, it has been not only a question of an individual, but also a people and wider society, because dimensions of those investments often overcome the abilities of a people. It is known that many companies, in one form or another, by direct education and further training of already formed staff spend, for the management staff only, more than 10% of the income of all employees (Gajić, 2009). Since low salary is often given as the reason to leave a job in hotel management, low degree of payment has the key role in the great fluctuation of the working force. That creates a number of additional costs for an organization, such are lost productivity, loss of staff trained for serving tourisms, time needed for changes and introduction of new staff into organization, as well as possible loss of repeated purchase and loyalty of tourism consumers. According to research conducted by the authors of this paper, in 14 tourism companies in Novi Sad, out of 150 interviewed, 88% said they were satisfied with their job, although they did not give many details on why they were satisfied, or if they were satisfied with external (salary) or internal aspects of the job. It has to be pointed out that tourism organizations wish to achieve the top at tourism market, and the condition for that are given quality services to tourisms, which again directly depend on the employed staff (Gajić, 2009).

The key for satisfied working force lies in several business steps: motivation of the employees and inclusion into communication with managers; giving recognition based on positive feedback from tourisms, to make jobs more interesting by job rotation, influence the understanding of the importance of team work and feeling of belonging to an organization, making job a career and the like. This shows that tourism organizations should adopt some advanced techniques for human resource management.

Staff education as the key segment of human resource management in South Backa tourism

Today, tourism is the biggest employer in the world, and it is becoming more and more important for regions, nations, organizations and managers to deal with problems of bad practice in human resource management; in that way, the employees would be offered a positive experience of their job. The most important condition for modern policy is quality staff and its management, which plays a strategic and key role in the attempts to increase the quality of a tourism product and improve the positioning on the market. In the total of all solutions of employment and demographic factor management, an especially important place is taken by education and training of staff for tourism economy. Current system of directed education of tourism staff in South Backa District has been based on too long education cycles, inadequate, one-sided curriculum bases, as well as poorly distributed and hypertrophied network of educational institutions, insufficiently directed towards real needs of the economy and with inappropriate material and staff conditions. Solutions for such problems should be sought in a profound revision of the education system and practice and their more complete adjustment to the real needs of tourism economy, in the first place in such a way that the main education processes are dimensioned, qualitatively structured and situated in accordance with the needs of permanent employment, and that various short and more practical educational forms are used for the training of seasonal work force. It should be emphasized here that the education system and practice and training of staff for tourism economy on a better foundation than the one that exists today will not solve all the open questions of employment, unless, in unison with the suggested development of that system, working conditions are significantly improved and, in that way, not only the economic position but the social respect of the workers in tourism economy as well. In the time of the new world crisis, South Backa District is threatened by a period of depressing unemployment, characterized by high and constantly growing unemployment rates, insufficiency of new jobs which would absorb the natural increment of the working force, increase of job losses, increase of the length of time spent waiting for a job, growing number of competent persons that lose their job and lack of collective responsibility for material provisions for those who cannot find a job. The most present causes of unemployment are in the unfavorable structure of the active population, and by that in great reserves in the primary sector, in unengaged and insufficient working force, fast process of change of economic and social structure, in the striving to change the ways and conditions of earning for leaving the country and moving to cities (Price, 1994). Consideration of interdependence of education, economic progress and tourism development shows that education can successfully play a great role if it, first by its character and contents, corresponds to objective social needs and if it is really used in work. If the education system does not provide good preparation and if there is no real possibility to apply the knowledge gained through practice, the whole price of education quality stays potential. With the surplus of educated working potential, which is not in accordance with the needs of the economy, there is hidden unemployment, because the working potential with higher levels of education works at places that do not correspond to their education level or qualifications, which leads to irrational exploitation of the working potential, which is known under the name of intellectual unemployment (Bakić, 1997).

Graph 2. Management opinion on primary tasks in the working potential management.



(Source: results obtained through questionnaire survey by the authors).

CONCLUSION

Frontal appearance of tourism, which strives to include the undiscovered values into the process of tourism consumption, quickly breaks all resistance and takes certain areas out of economic isolation, including them directly into the blood flow of the economy. The main force of tourism is a mass of tourisms that are known as thankful consumers of the products of almost all its branches; by that very fact tourism, in a long-term plan of development of South Backa District, directly causes employment increase in agriculture, industry and other activities. In order to achieve that, the solutions should strive to overcome, alleviate or at least respect numerous, although not insurmountable, obstacles and problems, in the first place of objective and systematic nature, and among them especially the ones that come out of uneven spatial and temporal layout of the basic development segments of tourism, from working relationships and award systems according to work, from the education system and staff training, as well as the relationship towards the private sector of economy. The structure of the offer and structure of demand of working force in tourism economy are not compatible. That influences the fact that the existing disproportion is significantly larger than it realistically should be. In the conditions of greater compatibility of aggregate offer and demand of working force, the number of the unemployed would be lower. On the side of the offer there is too much working force without qualification, then persons with high school education from vocational schools. At the opposite side, as a rule, working communities are looking for highly competent and specialized employees, already with working experience. The solution for the marked problems should also be sought in a modernized method of staff education for current needs of tourism economy. Intensive training and continuing education of staff, while employed, would partially alleviate the problem. Apart from that, curriculums need to be adjusted to the real demands of the economy. In relation to that, theoretical and practical experiences of economically developed countries should be used. Historical development undoubtfully confirms dialectical dependence of economic and social development and education development. The given opposites between the composition of education and the composition of demand should be understood as a request of the modern times.

Development of hotel and other tourism companies requires knowledge through permanent training of the management and other staff, but also in the area of knowledge on the new managerial skills; that should contribute to the complete hotel development of a destination as a whole. All employees need to be motivated to enter the education system, and be rewarded for their contribution to the increase of offer quality and better physical and financial results. The importance of education for qualitative development of tourism emphasizes the need for staff that has superior knowledge, as well as permanent training of all employees, instead of the currently present trend of staff inflow, which also brings the change in social structure at destination level. Educational institutions and the education level of the population do not only affect the creation of human capital, but also strengthening of socially useful and weakening of disfunctional forms of social capital.

However, regardless of everything that has been said about the openness of tourism economy to employment, it has to be pointed out that the unemployment is still high in the country. The roots of that come from the 1990s, when the country's poor economic and political period began. By that, the whole economic and social system of the country, as well as all its regions, has been damaged. The new world crisis builds upon all that, and is threatening to encompass the economy of Serbia, in all its aggregates. Starting bases in striving to overcome the built-up difficulties and problems put emphasis on finding all causes that led to such condition of the economy of Serbia, as well as of South Backa District, as its territorial unit.

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EMOTIONAL INTELLIGENCE, IMPORTANT MANAGER SKILL FOR TOURISM ORGANIZATION

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Abstract

Emotional intelligence is the ability or skill to identify, appropriately to manifest and control emotions, emotions related to the workplace as well emotions related to the people with whom we are surrounded in everyday life. In fact, emotional intelligence is some mixture of monitoring our emotions and other people's emotions, as well as managing them, which lead to build and maintain professional and productive business relationships among business partners, associates and employees, as well long lasting and sincere friendships. Emotionally intelligent individual is aware of the emotions, has high self-esteem, is capable to control the emotions and that person is not afraid to be led by them when making specific decisions, because that person is intuitive person. One basic and crucial characteristics of emotional intelligence is empathy, ability to recognize and properly understand emotions, needs and desires of the people. People with better results in emotional intelligence are *empathetic* people who have an ability to understand others, maintain close and loyal relations and friendships and have excellent social skills. They are pleasant people to communicate with and successful co-workers with achievements in life and work.

Key words: *emotions, confidence, empathy, communication skill*

INTRODUCTION

Mature individuals know how to assess a situation and they are able to respond to it with appropriate and acceptable emotions. Emotions are the key and the crucial segment of private and business life, impacting the growing success and rationality when decisions are making.

Emotional intelligence has its roots in social intelligence. It derives a set of emotional skills that enable to the individual a proper selection of emotions and unconscious mechanisms that are used and contribute to understand the human nature.

The concept of emotional intelligence was defined by Peter Salovey, the University of Yale, and John D. Mayer, University of New Hempshire, in the 90s of the twentieth century, as a form of social intelligence, which means ability of understanding, interpretation and resolving problems and situations which involves interpersonal relationships.

What is intelligence?

The word 'intelligence' derived from the Latin word 'inteligere', which means understanding or comprehension. Intelligence, in fact, is a mental attribute which consist of the ability to learn from the past experience, the ability of adapting to new situations, new knowledge and new experience, and ability of resourcefulness the new and unfamiliar environment, in which the instinctive behavior and the acquired skills and knowledge does not help at all. Psychologists believe that intelligence is an individual characteristic who may partly explain the way people react or behave in a given situation. Although there are various definitions that define the meaning of the term intelligence, scientists agree the claim that intelligence is a potential (disposition), not a fully developed ability. There is a believe that intelligence is a combination of innate characteristics of the nervous system, impact of social environment and self – activity.

As already mentioned many authors have different opinion and understanding about the concept and essence of intelligence. Thus, according to some, intelligence is the ability to solve new problems and dealing with new situations. But according to others, intelligence is ability of understanding the world and originality in tackling the challenges ahead.

Emotional intelligence

Every day we can meet adults who could be described as intrusive, aggressive, violent, difficult people to deal with, who easily deviate from their jobs, have an unserious approach to their daily life and as persons with insufficient respect for the people who surround them. These features are result from numerous problems and disagreements in the workplace of individuals, although they are working hard to resolve them. What appears as a disadvantage, which would help to adequately address and resolve the problematic situations of the above examples, is the emotional intelligence. It is a skill that is crucial in human's life for success in private and business life. The acceptable and most used definition, for what is emotional intelligence, appears the "creation" of the already mentioned P. Salovey and J. Mayer, according to which emotional intelligence is a capability of monitoring, controlling and managing their own and other's emotions and using that information as a "guide" for thinking and behavior. According to Esther Orioli and Robert Cooper, emotional intelligence is ability of perception, understanding and effective application of power offered by emotions as a source of energy, information, creativity, trust and intimacy.

His popularity, the concept of emotional intelligence, has seen the emergence of the book by psychologist Daniel Goleman, according to which, emotional intelligence is "opposed" the concept of so-called academic or intellectual intelligence, emphasizing its superiority in various forms of efficiency in the everyday life of the individual. Daniel Goleman aside some parts of the theory of Mayer and Salovey and turned into a bestseller titled "Emotional Intelligence". He expanded the meaning of this term and defined emotional intelligence as

- *Knowledge of own emotions*
- *Managing emotions*
- *Self-motivation*
- *Empathy*
- *Dealing with relations with other people*.

Goleman's model of emotional intelligence includes optimism, motivation, awareness, social competence, as well as specific social and communication skills.

Although people, generally, believe that they know themselves well, many of them never have thought why they have selected the profession they are working, why they work a job that does not satisfy them, what they need to do to improve their lives, what is their ideal profession and many other similar questions that would help them to learn more about themselves and to live their lives according to their authentic interests and values. Each individual, as much better as they know themselves, their desires, goals, their virtues and faults, the easier he can control his behavior and make the right decisions. Therefore, awareness is the foundation of emotional intelligence.

Many believe that at work, sense (thinking) is a necessarily and emotion should be overlooked and ignored. However, given the fact that during the evolution of human development, emotions evolved much earlier than human sense, it is also logical the assertion that emotions have an enormous influence over human behavior. They are the ones that lead people to extraordinary results, on the one hand, or the passive approach to daily tasks and responsibilities, on the other side. Managing emotions include not only self-skills, but also creates a climate in which openly and constructively people discuss about problems and their output decisions.

For successful growth, in private and professional life, self-motivation is essential. No matter how dreadful the situation is, a positive and motivating spirit must be maintained at a high level. It seems that that's the only way to get power and strength to overcome difficulties. Those who feel helpless and discouraged in difficult times, they are "doomed" to defeat in war, even before it was finished.

Empathy is another capability that is based on human self-consciousness and is a result of personal growth. Those who possess it skillfully are adapted to the invisible signals of the society in which they live, where they are aware of what the others need and what they want. Empathy allows the success of those who have professional occupations (orientation) such as trade, health, education, management i.e. occupations that involve care for others.

People, still differ in their abilities in each area. Some are adept at overcoming their own anxiety, but in same time they are not able to reduce anxiety among others. Without doubt, the foundation of our capabilities is of a psychological nature, which doesn't mean that it can not be changed, develops, and so on. Mistakes in emotional life can be repaired. Each of these areas are determined by the habits and reactions which can be improved with a real effort.

Emotional-intelligence tourism organization

Today, many tourism organizations operate on the edge of disaster. These organizations are characterized by unstable organizational environment, poor working environment, exhaustion, differences, underestimated effort, fierce competition, aggressive tactics for development etc. Leaders understand that negative emotions in their employees are not healthy for the organization and its success in tourism. Many of them are searching possibilities to turn transform those negative emotions into positive and productive behavior.

Research studies show that there is significant correlation between emotional intelligence and work performance. Emotional intelligent organizations are increasing the potential for a business success and productivity, because people are more likely to be loyal to the organization and to establish group cohesion and excellent communication.

According to results of many research studies emotional intelligence is great indicator for success than traditional measurements for intelligence (IQ). The workplace is an ideal ground for people to develop their emotional and social skills. As individuals they are self-motivated to develop their abilities for future personal success and achievements. Happy employees create positive work atmosphere that is precondition for successful tourism organization and satisfied customers. People with high EQ are more likely to have two sides (good and bad), but wise people are using these information to improve their good side and change their bad habits and behavior. According to Vanessa Druskat and Steven Wolff, there are emotional intelligent groups, organization, and as well emotional intelligent people. They show the fact, according to which emotional intelligent teams, groups and organizations presents high level of cooperation, creativity and hardwork, that are crucial for effective organization and productivity. There is reciprocity between emotional intelligent people and emotional intelligent organization. As the time pass by, the employees who work in emotional intelligent organizations become more emotionally wise.

The influence of emotional intelligence to the organizational effectiveness is hard to measure. Today, many researches show that there is precise evaluation of economic benefit of emotional intelligence in tourism organizations.

If we put aside this factor, there will be catastrophic consequences for the productivity and business results in that organization. Interpersonal miscommunication leads to confusion, insecurity and hostility between coworkers.

Time management

Time management is an act of rational organization of the quantity of time which we estimate to complete some specific activities for improvement of the personal and organizational effectiveness and productivity. Firstly, the time management was applicable for business goals and work assignments, and then people realized that they can use it for achievement for personal goals.

Time management system is combination of processes, techniques and methods which are used for rational utilization of time for achieving goals and work tasks in tourism agency. There is necessity of this system in every project.

Time management teaches us how to finish necessary activities and work tasks in proper way and time. Be careful! Time management doesn't mean that we have to be in a hurry and to complete as much activities that are possible in one day. This not only will lead to achieving much more results in shorter period of time, but it's going to provide being more relaxed and focused in our personal and professional life. The managers with time management skills are using their time more rationally and they have a lot more time for people and activities they love.

Fortunately, time management skill can be developed and all we need it is patience, will and practice.

For start, we need to define the goals and write them down. This will help us to minimize the risk of unfinished tasks.

It is essential for the time management to prioritize the goals and work tasks to be sure that we are focused on what is important in certain time. Prioritizing means to make a decision what should or should not be done. The tasks with high priority are those which give us possibilities to achieve long-lasting goals or they can assure another significant benefit.

According to "Free management library" delegating means: "working with an employee to establish goals, granting them sufficient authority and responsibility to achieve the goals, often giving them substantial freedom in deciding how the goals will be achieved, remaining available as a resource to help them achieve the goals, assessing the quality of their effort and attainment of the goals, and addressing performance issues and/or rewarding their performance. Ultimately, the supervisor retains responsibility for the attainment of the goals, but chooses to achieve the goals by delegating to someone else."

When people are overload with work there is a possibility of burnout which means that they don't have control on their lives, feel helpless and they might forget their personal desires and wishes. This can be a perfect time for taking care of ourselves. The spare time helps people to relax, enjoy and to gain more energy for further professional and personal development.

CONCLUSION

Empathy and emotional intelligence development are crucial for every manager. These people understand their own emotions; know how to deal with them and to evaluate them properly. That means that they use this ability to recognize the needs of their employees and clients in a way to create healthy and positive work atmosphere. These individuals tend to be successful in private and personal life. Those who are emotional immature and can not control their own emotions will sabotage their potential and will face with a lack of time and energy.

The difference between successful and unsuccessful manager, in the area of tourism, lies in investing all his aspects of emotional intelligence.

> "*Anyone can become angry - that is easy, but to be angry with the right person at the right time, and for the right purpose and in the right way - that is not within everyone's power and that is not easy." (Aristotle)*

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ENTERPRENEURSHIP AND INNOVATION IN TOURISM AND HOSPITALITY INDUSTRY

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Abstract

Entrepreneurship is considered as a central force of economic development, as it generates growth and serves as a vehicle for innovation and change. Entrepreneurship and innovation are critical factors in tourism and are both central to the continued success and development of the industry, both globally and regionally.

On one hand the Tourism and Hospitality Industry needs a great degree of involvement by the entrepreneurial sector: diversification of tourism products and services is needed to cope with increased demand for new types of tourism needs. On the other hand this sector provides specific context that is perceived to be different from other industrial sectors in terms of identification of entrepreneurial opportunities and the process of taking advantage of such opportunities. Thus innovation in the Tourism and Hospitality Industry would be of great importance for the use of opportunities for more sustainable tourism.

Key words: *Entrepreneurship, tourism, opportunities, innovation, industry*.

INTRODUCTION

There is general consent on the importance of entrepreneurship for the economic development. Entrepreneurs increase the innovativeness, encourage structural changes in economies and force the existing enterprises to increase their efficiency. Thus, they provide indirect contribution to improved productivity. The general consensus is that entrepreneurs with high growth provide great contribution toward creation of new employments and sometimes are entirely responsible for the total number of new employments in the economy. The contribution of the entrepreneurs to the economy also varies in accordance with the specific phase of economic development. The level of “self-employment motivated by necessity” is particularly prominent in the lower phases of economic development, since the economy still cannot support increased employments in the sectors of higher productivity. As the economy gradually progresses, the degree of entrepreneurial activities “motivated by necessity” gradually decreases. On the other hand, the number of productive sectors is increasing, thus, leading to more opportunities for employment. At the same time, the entrepreneurial activities “motivated by opportunity” are increasing which leads to a qualitative change in the overall entrepreneurial activity.

ENTERPRENEURSHIP

Since Cantillon (1755) used the term entrepreneur a vast number of scholars through the history of economic thought endeavored to define entrepreneurs. For example, they were seen variously as economic agents, decision makers, and risk takers, coordinators of scarce resources, innovators, and agents of economic change (Cantillon, 1755; Say, 1855; Schumpeter 1934). However, they failed to arrive at one universally accepted definition. Undeterred by such academic activity, entrepreneurship succeeded to adapt to a multitude of social settings, historical epochs, and different game rules present at a certain point of time. Over years, entrepreneurship and entrepreneurs became a subject of interest for other social sciences, such as, anthropology, geography, psychology, sociology, law. Each observes the phenomenon through their particular disciplinary lens. Nevertheless, there continues to be a lack of a unifying framework.

However, while the developed Western economies recognized the role of entrepreneurial activity in stimulating innovation and change, employment and new venture creation, growth in economic activity and technical progress this was not the case throughout the world. For example, former socialist economies had very different development paths. In their ideology, supported by the dictatorship of the ruling communist party, socialist societies aimed to eliminate all major institutions and conditions for entrepreneurial development. These included private ownership, market competition, and freedom of individuals to establish private enterprises. Furthermore, while similarities can be identified, each of the former socialist countries, depending on its own particular historical, political and economic attributes, developed its own version of a socialist economy. However, a common feature of all was the position of the entrepreneur, seen as a deviant individual, infused with Western ideology, and a threat to a communist society.

Although little research has been undertaken regarding specific types and definition of entrepreneurship and entrepreneurs in transition economies, Dallago and Scase have made a significant theoretical contribution. Within a Soviet type of economic system, Dallago (1997) identified two types of entrepreneurs: economic entrepreneurs; and systemic entrepreneurs. The former transforms the structure and working of the system in a novel, non-routine way so as to render it better able to solve certain problems. Within the economic entrepreneur type Dallago identifies four sub-types: elite member (former socialist elite); domestic; returning migrants; and foreign entrepreneurs.

Research carried out by Scase (2000) within post-socialist countries of Central Europe and Russia revealed the existence of two distinct processes, which correspond to Dallago's findings: entre-preneurship and proprietorship, identifying legitimate and illegitimate entrepreneurs often connected with 'mafia' members. Thus, in comparing and contrasting Western conceptions of entrepreneurship and entrepreneurs with examples from former socialist economies acceptance of homogenized world views require to be challenged. Again, this emphasizes the importance of taking into account social setting and cultural contexts. Indeed, it is pointed out that even within socialist economies there are variations in attitudes and behaviors dependent of the historical, political and social setting.

As understanding of what constitutes entrepreneurs and entrepreneurship extended to into a wider range of the social sciences this contributed to more multi-disciplinary perspectives and methodologies. This is beneficial as a dominance of one discipline can not only determine what will be excluded or included in research but it can literally discipline both perception and knowledge creation. There is a close relationship and interconnection between knowledge and power; if knowledge of entrepreneurship and entrepreneurs is left in the hands of the economists then it is logical to suggest that research will serve an economic interest to the exclusion of other areas.

An additional viewpoint suggests that ideology underpinning entrepreneurship research is dominated by assumptions derived from male oriented cultural ideologies, highly discriminatory and gender biased, justified in terms of its appeal to a free market system. The research challenge, therefore, is to be cognizant of the danger of partial and uncritical knowledge creation through disciplinary and/or methodological, ideological bias or power. Furthermore, the fact that the subject areas continue to evade unifying definitions and/or conceptual frameworks is perhaps testimony to the complex and irreverent nature of the phenomena. Therein lies a further research challenge that explicitly requires the incorporation of the dynamics of social setting, and geographic and cultural context.

TOURISM AND HOSPITALITY ENTERPRENEURSHIP

The dominance of small, owner-managed tourism and hospitality businesses in many countries has led to recognition of the significance of entrepreneurship. Despite this, it is argued that the field has not received the level of attention it deserves. Furthermore, it has been dominated by that derived from developed economies, with a paucity of studies focusing on lesser developed or transition economies. Some points of similarity across economies have been identified, for example, relative ease of entry into the sector, and financial and human resource poverty, but the majority of conventional wisdom remains indoctrinated by Western developed economies ideology.

Exploring tourism entrepreneurship, I observed the concept of lifestyle entrepreneur. I identified a number of factors associated with the phenomenon including:

- Entry is often related to a desire to retain some control over working lives, or having a clearer line between work and private leisure time (Di Domenico, 2003,270);
- Desire to 'be my own boss' (Lashley and Rowson, 2010, 504);
- Move to an agreeable natural environment (Shaw and Williams, 1998, 239);
- Exit a stressful urban corporate employment (Morrison, 2001, 195); and
- Keep the family together (Hall and Rusher, 2004, 86).

Thus, from the foregoing it is insinuated that certain lifestyle motivations may be prioritized over a focus on those of an orthodox business growth and profit maximization nature. This is emphasized by Morrison (2001, 17) summarizing that lifestyle motivated tourism and hospitality entrepreneurs are those who are likely to be concerned with: 'survival and securing sufficient income to ensure that the business provides them and their family with a satisfactory level of funds to sustain enjoyment in their chosen lifestyle…[The] lifestyle proprietor defines an individual who has a multiple set of goals associated with their businesses. Profitability in their business operations will be only one of these goals.'

In addition, Shaw and Williams (1998) draw attention to two different models of entrepreneurship among small tourism and hospitality businesses, which are closely connected with the lifestyle entrepreneurship. The first comprises those owners who have moved into a tourism destination for non-economic reasons, usually combined with a lack of business experience. This group they categorize as 'non-entrepreneurs'. The second consists of 'constrained entrepreneurs'. These are mostly young people with a greater level of economic motives drawn from more professional but mainly non-business background. They are constrained by a lack of business skills and capital. Another motivational types of entrepreneurs can be 'family first', being predominant and 'business first'. Furthermore, half of the entrepreneurs within their study did not have formal business goals.

However, a number of these studies conducted in the context of developed economies found it difficult to explain the motivations of small businesses (Dewhurst and Horobin, 1998). Morrison (2006) proposes one model that may assist. It is that of a continuum moving from strong profit and growth orientation at one end through to a tenacious focus on the social orientation of 'business'. This has some utility as it recognizes that there exist under the umbrella of the tourism and hospitality industries multiple manifestations of 'entrepreneur' and their individualized motivations. While it is tempting to accept Morrison's proposition, it does not address or explain the source of different world views within literature, and limited understanding within the context of transition economies.

One explanation returns to the subject of what disciplinary lens and methodological approaches are employed. For example tourism studies crystallize around the field of tourism business studies, dominated by positivist approaches. Understandably, they fail to observe tourism in its wider social and cultural settings, focusing on the economics of business, and only offering a partial reading of the world. This narrow and constraining view is reflected by Franklin and Crang (2001, 6) who state that as a consequence understanding 'has become fetishized as a thing, a product, a behavior – but in particular an economic thing'. Furthermore if studies of tourism are to reflect contemporary conditions, they should move away from traditional inner- and multi- disciplinary approaches to more flexible forms of knowledge production. However, hospitality research has advanced from being a topic simply for thematic investigation directly or indirectly for the study to management to one that also locates the study of hospitality as a significant means of exploring and understanding society.

THE SITUATION IN MACEDONIA

Within Central and Eastern Europe there exists a respectable number of case studies of tourism development but the role of tourism in former Yugoslavian countries remains relatively unexplored. While tourism represents a key pillar of the national economy, and a significant focus is given to entrepreneurial activity, to date, tourism and hospitality entrepreneurship has not been explored within the Macedonian context.

Although attitudes and perceptions toward entrepreneurship are fairly high, the attractiveness of becoming involved in entrepreneurship appears to be low for many Europeans compared to other possible sources of income. A variety of national characteristics could be underlying this phenomenon. It could be that there is a lot of red tape (administrative burdens) attached to starting a business, reducing the attractiveness of entrepreneurship. It could also be the case that employment protection is high. This could discourage employees with positive entrepreneurial perceptions from switching to entrepreneurship. A different effect of stringent employment protection is that potential entrepreneurs may think carefully before hiring employees due to the substantial losses they would incur if their employees became unfit for work, or if they had to reduce the number of workers. Another factor that influences potential entrepreneurs is the fear of failure. If fear of failure is prevalent among those who in principle see good opportunities to start a business, this may justify intervening to reduce fear of failure. In comparison with other countries from the region, Macedonia is the leading country regarding desire to start business in the next 3 years. Namely, 39% from the non-entrepreneurs expect to start business in the next 3 years. 35% from the respondents who are non-entrepreneurs have suggested that fear of failure would prevent them from starting own business. This rate does not deviate significantly from the rates of other countries from the region. Almost every second respondent from Macedonia (47%), a non-entrepreneur, sees good opportunities for starting business in the next 6 months.

Support and help, the potential entrepreneurs can get for Business Start Up Centers and Incubators. For example the Business Start Up Center/ Business Incubator in Bitola, helps potential entrepreneurs from Pelagonia region to develop their ideas, to write a business plan and to implement that idea. For this reasons, the Business Startup Center Bitola, organizes Business Skill trainings, Business plan competitions, provides microcredit's, consultancy hours, promotions, participation on forums, fairs and conferences and etc. At this moment there are 5 businesses that operate in the Tourism and Hospitality Industry, opened with BSC Bitola support and 2 existing business expanded their activities and operations with BSC support.

Another contribution to the development of Tourism entrepreneurship in the Pelagonia region was the opening of Tourism Info Centre. Tourism Info Centre was established in June 2006, through a project of the NGO "Veritas" in Bitola, and with financial support from the World Bank and the Ministry of Culture of the Republic Macedonia as part of a project on "Community Development and Culture". From the outset of its work this body is financially supported by the Municipality of Bitola. The main reason for establishing such a body is the perception of the need to develop tourism in the city and promoting the city of Bitola out of our country. Tourism info center is working constantly throughout the year. He is one of the most active tourism info centers throughout the state.

Sector structure of entrepreneurship in Macedonia and region can be divided into

1. Extractive
2. Transforming
3. Business services
4. Consumer oriented

It may be inferred that early-stage entrepreneurship is more present in service oriented sectors whereas in established businesses in manufacturing sectors. The reasons may be the easier access (and exit) in the service sectors in comparison with manufacturing sectors (it is easier to open and close a restaurant or a beauty parlour than a factory), as well as the signifi cance attributed to manufacturing sectors in the past.

In the last few years several reforms for improvement of the business environment in Republic of Macedonia were undertaken

- Introduction of a flat-rate tax and personal income tax of 10% and the reinvested profit is fully alleviated from taxing. This ranks the country among the countries with lowest flat-rate tax in Europe;
- Introduction of one-shop stop system for opening own business with significant reduction of time;
- Implemented project “Regulatory Guillotine” which simplified hundreds of laws and bylaws in order to decrease red tape and corruption in state institutions, speed up the procedure for registration of enterprise and decrease costs for acquiring documents required for running business;
- With amendments to the existing laws, the rule “silence means approval” was introduced, which applied pressure on administration to respond the requests from citizens and businessmen, in the proscribed deadline;
- Reforms were made in the cadastre increasing its efficiency related to ownership rights; and
- Other improvements in customs, telecommunication services, construction and intellectual property.

These reforms as recognition for the success were confirmed by the World Bank Report “Doing Business 2008. According to this report, Macedonia is ranked the 4th in competition of 178 countries from the world. Thus, Macedonia has climbed on the 75th ranking for the overall indicator of “simplicity in doing business”, improving its position for 21 places in comparison with “Doing Business 2007”. The Government is planning several measures for further improvement of the business environment, related to: starting business, getting licenses and permits, conditions for employment and labor market, registration of property, access to credits, protection of investors, payment of taxes, and conditions for trading, concluding agreements and closing business.

THE CONCEPT OF INNOVATION

When talking about innovation and entrepreneurship, the great economist, Schumpeter (1934, 1981) attached great importance to linking together these concepts, each of which is linked to the market. We use the concept of innovation in Shumpeter’s original sense, where innovation denotes the achievement of developing an already discovered element for practical/commercial use. Sundbo (1995) identifies 3 paradigms in innovation research:

1. The entrepreneur paradigm (the entrepreneur is the innovation determinant as an individual:
2. The technological economic paradigm (the determinant is technological development) and
3. The strategic paradigm (the determinant is the strategy and general management of companies).

Sundbo goes on to argue that the strategic paradigm is the most adequate explanation of the innovative behavior of companies in this particular context, and thereby the most adequate explanation of social growth. He also concludes that his thesis may only be tested to a limited extent and that the contribution to the explanation made by the two other paradigms regarding all innovation within society may be discussed). This points to the contention that several different perspectives or paradigms may be valid and relevant at the same time but in different contexts. Sundbo’s (1998) discussion of innovation is based on the observation that the 3 basic views mentioned above from Sundbo (1995) emanate from the productive business sector, thus paradigms from a world that manufactures ‘things’. Sundbo (1998) argues that there are actually more people whose occupation involves producing services than people whose occupation involves do manufacturing products in the form of physical goods. Therefore according to Sundbo, a broader definition of innovation should be used. There is also innovation in the service sector, though the process is not the same as it is when there is innovation in the manufacturing sector.

According to Sundbo (1998), the decisive characteristic of innovation is that it can be generated regardless of whether we are talking about radical or incremental innovations. Sundbo therefore includes individual employee's contributions to the innovation process. In this Sundbo comes close to Drucker's (1986) description of social innovation as being closer to learning than production. Thus focus of the innovative process moves away from 'the product' towards the small 'incidental' events that lead to reproducible changes. By innovation in tourism we mean the following:

- Product innovation (new products and services for tourism)
- Organizational innovation (new forms of organization and management)
- Process innovation (new ways of making tourism known)
- Logistic innovation (new ways of supplying products or services to customers)
- Market innovation (new ways of marketing and consumer behavior)

These forms of innovation are in line with the definitions of service innovation that have been used in earlier research. However, the definition of innovation does not include that the specific form is implemented in relation to the market. It is sufficient that the concept is conceptualized and described. In relation to tourism, all 5 types of innovation (and all their conceivable combinations) will contribute to creating a new attractor or develop existing attractors.

SOCIAL ENTERPRENEURSHIP

As mentioned above, we are not talking about a general definition, and certainly not one that is conclusive. Thus our argument is that these elements must be interpreted a little differently today (table 1). The significance of the changed interpretation in table 1 is both the revision of earlier understanding and the addition of new perspectives. The essential point is that in the right- hand column of table 1 a far more dynamic, process-oriented and holistic perspective is involved.

Table1. From individual entrepreneurship to social entrepreneurship

Individual entrepreneurship	social entrepreneurship
Individuals	A participant or an agent such as a network or a team
An action	A holistic process
Innovation and favorable opportunity	Societal innovations create favorable opportunities
Risks may be taken	Minimizing uncertainty and risk

Source: Herlau & Tetzschner (1999,38)

The left-hand column of table 1 represents, to some degree, an older dominant myth about social originators of entrepreneurship:

"The older and still dominant American myth involves two kinds of actors: entrepreneurial heroes and industrial drones - the inspired and the perspired." (Reich, 1987, 78). But an old myth is not necessarily totally wrong. A myth contains a grain of truth for the person who tells you about it, and also for listeners who may or may not be skeptical. Reich (1987) does not doubt that the dominant myth regarding the individual as the decisive factor in entrepreneurship could have been valid earlier; but he does not believe it is valid today:

"If we are to compete effectively in today's world, we must begin to celebrate collective entrepreneurship, endeavors in which the whole of the efforts is greater than the sum of individual contributions. We need to honor our teams more, our aggressive leaders and maverick geniuses less." (Reich, 1987, 78).

The above arguments thus imply that neither column in table 1 gives either a true or a false picture. Both can be true or false at the same time – though in different contexts. Just as there is no unambiguous definition of the concept of social entrepreneurship, equally there is little agreement on the concept of social entrepreneurs. However, there is a starting point that distinguishes between independent entrepreneurs and social entrepreneurs just by looking at their role within the networks of their local communities.

Thus, we can distinguish between conceptualization of a potential innovation in the form of a new attractor in the given local community and the attempt to convert potential innovation to entrepreneurship. There are, therefore, two phases that were unequivocally based on a social understanding, namely the right-hand column of table 1, where success in innovative plans requires co-operation within a network.

CONCLUSION

It has been established that entrepreneurship is a critical component in the development process and is one valid approach to developing human capital, encouraging self-reliance, and creating a sense of well-being in the indigenous population. If indigenous entrepreneurship is to assist development, then it ought to be a vibrant activity whereby new combinations are being achieved, and where new markets are explored, not just being ownership/management that is overly dependent on the government.

Tourism can facilitate the development of an entrepreneurial class. The participation of the local population in the tourism industry contributes to the balanced development of both the industry and the nation. Indeed, the future of the tourism industry may depend on the development of a vibrant and innovative group of indigenous entrepreneurs who will be able to effectively respond to the opportunities and challenges of the industry. However, the necessary conditions must be present. Following the Schumpeterian definition (1937, 189) "entrepreneurship will occur when the following conditions are present:

- Task-related motivation (some vision or sense of social value embedded in the basic task itself that motivates the initiator to act);
- Expertise (present know-how plus confidence to be able to obtain know-how needed in the future);
- Expectation of gain for self (economic and/or psychic benefits); and
- A supportive environment (conditions that either provides comfort and support to the new endeavor, or that reduce discomfort from a previous endeavor."

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HUMAN RESOURCE AND THEIR TRAINING FOR TOURISM DEVELOPMENT

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Abstract:

Human resources in times of globalization and more expressed interaction in complex and unstable environment have an economic mission and are major starter of economical development. In this paper are examined key issues that affect the role and management of human resources in tourism. Today the modern tourisam in the world is characterized by new organizational and schematic mechanisms as dynamic processes that increasingly challenge in tourism in the 21st century and not only as an integral part of economical development but also as a factor of crutial meaning to its development. Human resources as a critical dimension in frame of successful delivery of tourisam servise have influence on the successful performance of tourism companies that largely take care of people through the concept and process of training of personnel who are contemporary reflection of the measure rhetorics of the people and for the organization presenting the greatest value.

Key words: *Human resources, training, tourism, development*

INTRODUCTION

Human resources in tourism is not a new phenomenon, but it is great recognition for its impact and management implications that has on the development of the sector tourism. Wood (2003,p.93) adopts the definition of management of people and talk about “development philosophy and practice managing people using various human traits, orientations, dispositions in meeting the ethical rules in the implementation of organizational goals”. People are a critical dimension within the successful delivery of tourism services. “The story of successful tourism is one that is largely about people -how they are recruited, how they are managed, how they are trained and educated, how they are valued and rewarded, and how they are supported through a process of continuous learning and career development” (Failte Ireland, 2005a,p.8)

The reflection of the ‘soft" rhetoric of people as an organization's greatest asset” (Bolton & Houlihan, 2007, p.1) may have had equal veracity at various points during the development of tourism over the past century, but the practical implications in terms of the role that people play, will have been interpreted in different ways at varying points. In particular, there is an apparent paradox in the dramatic evolution of the global tourism sector over the past half century and within it, the manner and conditions in which people deliver tourism services have remained timeless in many aspects but also subject to significant change. The debate about labor intensity, the number, training and cost of people required to work in many areas of tourism, has set discussion of the skills necessary to deliver quality tourism services, incomes and working conditions and the role that technology plays in both supporting and changing this delivery. At the same time, tourism work must be set alongside major economic reconstruction and reconstruction of the labor market in post-industrial societies so that direct comparison between tourism and traditional heavy manufacturing work in shipyards, mines and steel works, which formed an important element of the early industrial sociology in the emerging service sectors, is less relevant. Rather, tourism work now sits alongside and is compared to other activities within the dominant service

economy of developed countries, and the analytical paradigm for such comparison should consider employment opportunities in the sector in a rather different light.
The work then focuses on a large number of themes which allow us to evaluate the extent of change and its impact on the practice of the management of human resources in contemporary tourism; followed by consideration of the consequences of global and social forces on perceptions of work and careers; the impact of ICT on work and training in tourism; changing interpretations of skills within tourism.

THE ROLE OF HUMAN RESOURCES IN TOURISM

This primarily economic justification for investment in HR much of history has underpinned (Bolton & Houlihan, 2007,p.1), whether in the frame of personnel management, strategic human resource management, management with high commitment or the management of human capital. This is manifested in a range of good practices, adopted by companies recognized for their leadership in the management of people within the tourism sector. (Failte Ireland, 2005a,2005b) present ground breaking strategic plan for human resource development in Irish tourism which is predicated upon the argument that “good HRM practices will be adopted because they deliver bottom line profitability".(Fig.1)

Flexibility	… As evidenced in a preparedness on the part of the enterprise to match their demands on staff time as far as possible with the available supply of time from workers, and to recognize the work-life balance that must be managed in contemn horary society .
Participation	… As evidenced in a preparedness encourage staff to be involved in local decision – making and to exercise some influence over the patterns of their working day.
Performance & Management	… As evidenced in regular systems of performance review to ensure that individual and team performance is delivering the service standard and business results expected of it.
Recognition	… As evidenced in the attribution of credit to high – achievers within the peer group, and the celebration of the achievements of high- performing individuals and teams.
Reward	… As evidenced in payments (monetary and non – monetary) that are linked to performance, and that are clearly understood by staff to track the profitability of the enterprise.
Communication	… As evidenced in routine dialogue with staff, in the openness and accessibility of management, and in regular feedback loops and follow - through actions.
Learning& Development	… As evidenced in ready access to on- site learning opportunities, support for learning progression through attendance at off – site courses, and a continuous emphasis on on – site team development.
Empowerment	… As evidenced in the active support and guidance of staff so as to enable them participate in the workplace in the manner described above.

Fig. 1. HRM good practice-eight recurring themes. *Source*: Failte Irland (2005 a)& Failte Irland (2005 b)

Bolton and Houlihan (2007) bring one human dimension in the HRM review and consider that these dimensions are unit-dimensional in their focus on employer benefits so that they ignore any notion of reciprocity. They effectively propagate their assessment of the HRM as contract in terms of its humanity (Fig.2)

What sorts of humanity does HRM address ?

- Bring us your emotional labor and intelligence though not your emotional needs
- Bring us your ideas though not your objections
- Bring us your creativity though not your misbehavior
- Bring us your loyalty, so long as we need you

- Work to our codes and procedures, but remain flexible
- Bring us your motivation though Make it work related
- Be a team member, member, though we will manage you as an individual
- Develop, but on our terms, and towards our goals
- Listen and communicate, but don't have human conflicts, and we won't listen to you in the same way

Fig. 2. The HRM contract (Bolton & Houlihan, 2007)

Bolton and Houlihan's case is simple. They give arguments in favor of flexibility at workplace among other forms of accommodation and change in the workplace who generally are business and employer oriented. Notwithstanding blandishments that advocate recognition of employee lifestyle requirements and work-life balance, some of which is enshrined in legislation addressing matters such as maternity leave, compensation of employees, the overwhelming evidence that indicate reciprocity with regard to flexibility and accommodation in the workplace is relatively rare, both for employees (Bolton & Houlihan,2007p.28) and among volunteer workers in tourism sector. (Lockstone, 2005)

Within tourism businesses, the process of organizational attracting and the reduction in specialist human resource staff means that many human resource responsibilities have substantially been devolved to front line managers (Bond & Wise, 2003,p.58). Brewster и Larsen (1992,p.409) suggest that there are a number of reasons why many human resource activities have been devolved to line managers, and these are cost reduction, to provide a more comprehensive approach to HR Management, and to place the responsibility with the people who are most responsible for it.

Reinwick 's (2003,p.262) study to indicate that line managers are now responsible for a larger number of employees than ever before, which in turn means that there are more issues in this area for them to manage. Storey (2001,p.3) suggests that if the workforce is so critical to organizational success, the responsibility for human resource activities rests with all line managers and should not be left to HR specialists. While larger organizations have undoubtedly invested in providing managers with the new HR skills necessary for the responsibilities identified, there is little evidence that the majority of smaller tourism businesses have done much to meet this need. As a result, it is arguable that the quality of human resource management is worsen.

The new approaches to human resource management that are suitable for a complex sector such as tourism remain contentious and the evidence is that larger organizations have become more professional in their application of key HR principles within the workplace, but that such professionalism frequently remains absent in smaller businesses. The idea of reciprocity in workplace flexibility, can also be absent in large extent when organizations implement wider HR policies and practices. People management may be recognized as a concern for all those in positions of responsibility In organizations, but there is little evidence that those charged with this responsibility have a full comprehension of what this strategic role means in practice. This failure or neglect is not just carw at the level of the tourism firm but reflects a charge that can equally be directed at tourism development policies and practices at a community, regional or national level.

Liu & Wall (2006, p.159) are rightly critical of this neglect when they state that "tourism's human resource issues are poorly conceptualized and the many studies of tourism development approaches, both theoretical and practical, provide no consolidation of useful recommendations to situate the human dimension as an integral part of a comprehensive planning framework for tourism". This time there is little evidence that this recent criticism has any less validity today than in the mid-1980s, and this is a real indictment of the large number of master plans and similar documents for tourism.

PERSONNEL TRAINING IN THE TOURISM SECTOR

Perceptions of working lives in the distinctions between working and non-working lives, or as Hochschild (2003) puts it “family life had become like ‘work’ and work had become more like ‘home’”. Adler (2004,p.28) reinforces this notion in his discussion of that how initiation of new workplace practices, based on interdependence, can be spread into the home and change domestic behavior in terms of a weakening of traditional gender roles. Constant movement between working life segments allow individuals frequent mobility between different sectors of the economy, periods of study within models of lifelong learning and episodes that consist of travel or volunteering sabbaticals.

Vocational mobility is greatly facilitated by recognition of the underpinning “generic” skills which provide today a wide spectrum of education and working experience that allows easy transition and of both formal (qualifications driven) and informal (experience driven) transitions, particularly within the tourism sector's weak labor market conditions.

Writing more than a decade ago, Riley (1993) concludes that moving towards a future of leads to "rising insecurity of job tenure, more unsocial hours working, more uneven workflow, a greater sense of immediacy in tasks”, what is the model that production industries use, taking the low range skills service industries as the tourism is.

The concept of a career within this sector for all but a minority in positions of managerial responsibility is of limited and decreasing value. The role of education and training in the context of changing working lives, both within the external college environment and in industry itself, is to support mobility, entry in working life environment, re-entry to the sector and development in relation to new technologies and products. This represents a fast-moving, ever-changing and challenging model of life-long learning which, in the future, will play an important role in support of the “popular” sector of the tourism industry.

The response to global trends in tourism, by educational and training providers, has been obviously and mixed. Baum (2000,p.198) points to the institutional and cultural barriers to change within most educational systems, factors that mitigate against the adoption of common tourism programs and qualifications across national boundaries, notwithstanding the intentions of initiatives such as the Bologna agreement in Europe. The range of national case studies that address educational and training themes in tourism and the wider economy also points to the intransigence of diversity (see, e.g., Airey & Tribe, 2005; Budhwar & Debrah,2001; Hofmann Johnson & Lefever,2000; Hsu,2005).

At the same time, there has been a growth in programs in tourism education offered to a worldwide audience on-line and demand for education in this field through overseas study in Australia, Hong Kong, the UK, the USA and elsewhere remains high. However, such provision is largely structured upon demand from students from developing countries seeking to acquire skills and knowledge as imparted by academic and professional experts in the developed world. This is a questionable model of knowledge transfer and one that Botterill and Baum (2006) describe as neo-colonial in impact. It is similar to the underpinning assumptions behind the growth of tourism education in many developing countries over the past 20 years, assumptions that see European and North American models delivery that are uncritically in places in the colleges and universities of recipient countries.

Those planning for human resource development in tourism may need to be more responsive to the challenges and opportunities presented by fragmented learning and working lives and recognize, as Adler and Adler (2004) the diversity of motivations and interests that workers typically contribute into their employment relationships with tourism sector employers. Change, with regard to this theme, has moved employee aspirations for reciprocity in the utilization of flexibility up the agenda so that notions of workplace flexibility, as introduced by Atkinson (1984,p.28) and others, can no longer be seen solely in terms of approaches that are designed to benefit organizational needs but to realization of individual needs.

With the assessments of impact of ICT on work in tourism highlight the importance of changes in the workplace linked to a wide range of issues, including perceptions of time and work intensity within the workplace; organizational fragmentation; flexibility and enabling the recognition of work-life balance issues in the workplace; the polarization of skills and the decline in demand for less skilled workers; disparities in remuneration linked to use/non-use of ICT in the workplace; outsourced working; home and teleworking; social inclusion, ICT and the workplace; ICT and knowledge management; and technology substitution among a much wider range of concerns. These changes in the workplace mirror wider adoption and use of technology within society and, in many aspects, feed off familiarity with and expectations of technology that stem from everyday life. However, ICT created new forms of work in tourism, notably through the application of ICT and its use in distribution and management of key functions such as yield.

The advent of specialist Internet travel companies present is clear evidence of this change, but the growth of specialist electronic distribution is complemented by website communications, marketing and booking options within virtually all "traditional" tourism companies so that the boundaries between them and e-companies has decreased greatly ICT has also changed the role of management information within the sector, allowing far greater depth and access to key information about guests and their behavior. These developments have created demand for technology specialists in the tourism sector and also for new marketing and management skills in a more general sense, allowing companies to maximize the benefits they derive from e-business.

CONCLUSION

In the light of external change, certain aspects of human resource management in tourism demonstrate evolution over time, by responding across the breadth of the contextual environment within which tourism is located, notably in socio-cultural, market-related and technological terms. Such change is clearly evident within some of the large tourism companies in transport, entertainment and accommodation. At the same time, the headlines of change do not reflect reality across the totality of the tourism sector. There is a real contrast between major multinational tourism companies and smaller operators within some sub-sectors of tourism (particularly accommodation and restaurants) which contain areas of work where many things have not changed over the past 20 years—productivity remains stubbornly low, working conditions are poor and remuneration levels are well below national averages in many countries Riley, Ladkin, & Szivs, (2002). In some areas of tourism, businesses have been unable to cope with the pressures of external change-induced competition so that, for example, work opportunities in traditional travel agents have declined in many countries. By contrast to the developed world, in poorer countries, the picture is rather more homogeneous whereby much work in economies that offer low cost for employment , including that of the tourism sector, has been at the margins of the overall employment experience. At the same time the growth of tourism has a major role in developing counties shows that the tourism sector has become an important source of employment and extension and in the technical terms build in different ways through social, educational, cultural and economical context.

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INTERNATIONAL MANAGEMENT DEVELOPMENT IN CREATING GLOBAL MANAGERS

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Abstract:

We are in a new era of globalization and internationalization of the world and companies, where brainpower and talent are becoming the predominant currency. The traditional management paradigms which focused on productivity and efficiency were designed for 20^{th} century economy.

In the past two decades, politics and technology have changed the world, and total world economy creates new demands for the company's development, that see the only opportunity for its success and profit in the openness to the world.

Today, the only over-riding factor is internationalization, globalization and international management development.

International management development tends to search global managers that will copy the successful experiences and practices from the developed countries and will accommodate them to the local demands.

Although, many organizations begun to recognize the important role of international management development plays in their success, few are managing strategically. The global powered organizations is an organizations that invest in building distinctive capabilities in managing cross-cultural diversity to produce high caliber managers, extraordinary results for the company.

Key words: *international management development, internationalization, globalization, global management, global manager.*

INTRODUCTION

Today, large quantities of goods, services and capital cross the national borders faster than the last two decades of the 20^{th} century, more than 1.2 billion foreign investments and transactions are carried out daily in the world. The huge amounts of flow of goods and their symbols as the most brands make popular their national economies and organizational cultures. Despite numerous well-known international organizations in the global market, the brands that particularly stand out are: Coca Cola, McDonalds, Sony, Siemens, Nokia (Coca Cola, Mc Donald's, Sony, Siemens, Nokia), and many others. [39]

The definition of success in business is only observed through the passage of national borders is of great importance. Actually, "the "big" concept of business development within a country is already safe and it can be said that it is outdated. Modern organizations have no permanent place of residence and existence. There is no spot where the modern, international business does not exist, it is present everywhere, and is global.

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[39] Ivanovska S., "International management development in creating modern organization and global managers", Ekonomski institut, Skopje.2011.

Therefore, it can be said that the significant meaning have the concepts “management of global companies” and “modern-international Business – Management” that are becoming synonymous. Also, the terms international, multinational, transnational, global dominate in the management theory and practice. They cannot be separated for a long time.

The dominant role of international management development in management theory

The leaders of global organizations believe that the only competition in the global market is a key factor for their success. They believe that effective management of human resources on the international level is also a critical factor for global success. One of the famous international companies which is an example of the leaders of the the global market is Nestle. It was founded in Vivej, Switzerland and it has more than 140,000 employees in many countries. It produces and sells dairy products and drinks around the world, contributing to the enormous growth of its income. Nestle has its own restaurants and hotels in Europe and USA. It was proclaimed as the best International Company for Leadership Development[40]). The CEO of Nestle said that the development and success of the company are only due to nourishing and promoting the knowledge of their managers. He stressed that all managers in Nestle cherish their national cultures, but they know that they have to respect the principles of the Nestle culture. He said: “We want to transform the Chileans into Chinese or Americans into Australians. Everyone is asking if they can get closer to the requirements values that we have.”[41]

The dominant role of international management development is conditioned by more factors:

- accelerated process of globalization
- enormous growth of dominant multinational companies
- an increased role of international associations and integrations arising and creating the need for global international companies
- the role of human resources at a international level, monitoring and development of the emergence of global managers and new forms of leadership and partnerships
- the emergence of typical market economies, their grouping and integrating in the race for dominance and supremacy.

In the global competition on the world market, scientists have selected five types of global markets according to the characteristics and specific conditions in operating organizations: Anglo-Saxon, Central European, Russian market, Japanese and Chinese. They all differ in the way of competition, freedom of the market, legal regulations and the labor market.

The impact of changes in the environment and the internationalization of companies in the development of IDM

As never before, we are constantly flooded by information about significant changes in the global economy, political relations and cultural achievements.

All these result in increased connectivity and people communications and interdependence of differences in national economies. The global network is spread worldwide and provides access to all information in every corner, even in the least developed countries of the world.

The ability to produce and sell in the global market has created two important conditions[42]:

[40] H.Harrys, M.Dickmann, “International Management Development”, Guide, CIPD, 2005, p.11.www.cipd.co.uk
[41] Ibid, p.11
[42] Ibid, p.6

- the organization has to know to compete with organizations from different countries and management of production has to optimize the performances of the workers that should meet the needs of the employees.
- here the information management, communications and management of operational practice that operations must take into account for the global growing perspectives.

For a more detailed and more fully defining of the complexities of international development management - IDM, dedicates attention to important and characteristic terms, such as:

1. Internationalization of companies
2. International business
3. International Management
4. International Development Management (IDM).

An exceptional attention has been paid to the internationalization of companies and international development management.

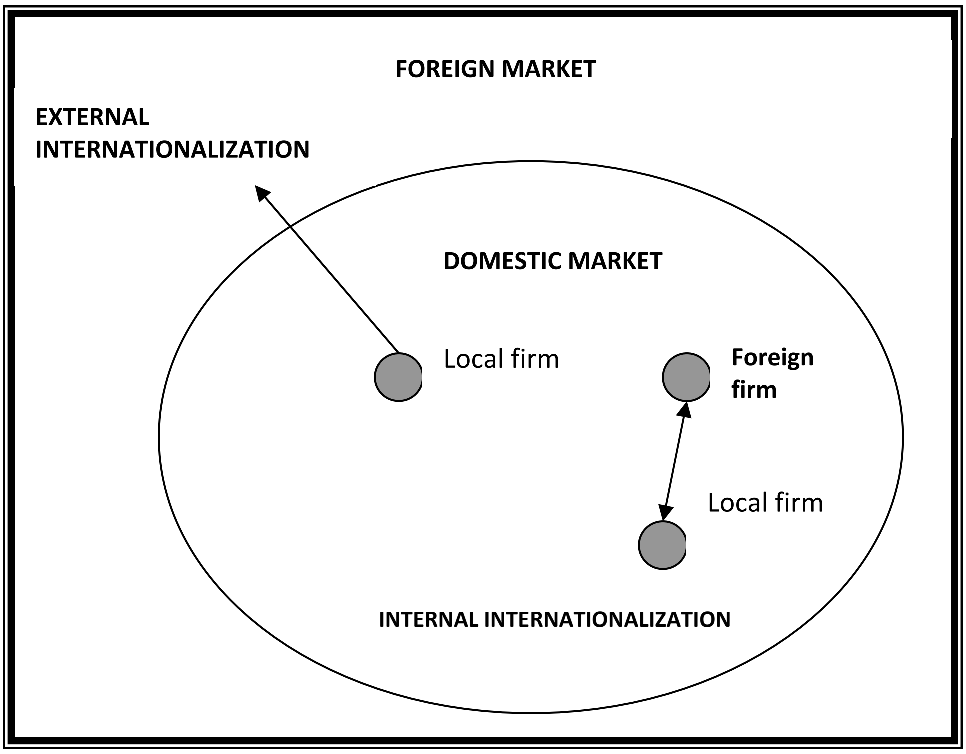
Internationalization of companies

The process of internationalization of companies is a basic, main and the most significant cause and development holder. Internationalization is a process through which the companies begin the recognition of the interactive relations between external and internal assumptions, their alignment with the objectives of market expansion beyond national borders. This process is evolutionary and through planning activities the company spends more stages of the internationalization maturing until it reaches its expected growth. When observing the process of internationalization of companies a distinction has to be made between the internal and external internationalization[43] .

In the process of preparing the companies for performance at foreign markets, at the beginning, it can be realized through the internationalization of the domestic market, i.e. through an active involvement in the company's system of international operations, management and marketing through networking and cooperation with foreign companies that are already present in the domestic market. The direction of internationalization is very important to intensify the process of globalization of the market. Through this kind of internationalization, the smaller companies in an easier and simpler way to gain experience in using the practices of already internationalized companies. At the beginning, the companies can realize that through imports, the use of licenses and franchises, so later they can move to more complex methods of performance such as strategic partnerships with foreign companies, joint ventures in the domestic market or through purchase by a foreign company.

Unlike the internal, the external internationalization can be realized by the company through direct emergence on the external market. Most of the companies have gained their experience through their own evolutionary development. In most cases, the beginning means preparation for indirect exports, followed by direct export, cooperative arrangements such as a license, franchise, cooperation agreements, joint ventures, direct investment, Green field investments, strategic alliances etc.
The next photo 1 represents the process of internal and external internationalization of companies.
Figure.1: Internal and external internationalization of companies

[43] B.Rakita, “International Business and Management”, The center for publishing activity, Belgrade, 2006, p.24



Source: B.Rakita, "International Business and Management", Center for Publishing activity,Belgrade,2006,p.25.

The present interdependence of national economies one from another can be illustrated by the following example[44]:

> *An American can travel to their workplace by car designed in Germany, made (assembled) in Mexico from Daimler Chrysler, from parts manufactured in the U.S. and Japan, which were made of steel from Korea and tires from Malaysia. She probably filled petrol in the car at a petrol station held by a British multinational company, which changed its name from British Petroleum in BP in order to hide its national origin. The petrol is probably produced from oil that is taken from the coast of Africa from a French Oil Company which is transported by ship from the United States owned by a Greek shipping transport company. Driving to work, the American can talk with a broker on the stock market via the mobile phone "Nokia", designed in Finland and made (assembled) in Texas, from components manufactured in Taiwan, which are designed by Indian engineers employed by the company Qualcomm, San Diego, California. She can turn on the radio in the car, which is made in Malaysia from a Japanese firm, and hear a popular hip-hop song composed by Swedes and sung in English by a Danish group ... etc...*

By the completeness and the presence of the international business world, it is apparent the strengthening of economic power and income of the world's largest companies that significantly exceeds the level of gross social product of more medium developed and developing countries. The international business is becoming obviously visible by strengthening more internationally oriented and supra-national (internationally) directed companies towards the global market through the accelerated process of globalization and internationalization.

[44] Charles W. L. Hill. International Business, Macedonian Translation, project of the government of Republic of Macedonia, Macedonian Association, 2009, p.3

International Development Management (IDM)

After determining the previously mentioned concepts, it is needed to round off the term International Development Management (or international development of management). As a result of the enormous role that is carried by modern managers (global managers) in the development of international business, international businesses are increasingly using the development management as a strategic instrument[45].

The need for continuous monitoring and improvement of knowledge in international management requires specific characteristics from the international managers in order fro it to be called successful and modern. Expatriated managers perform tasks outside their country and they are faced with many challenges that are brought by the new environment, culture, legal and political rules and pressures. The growing phenomenon of unsuccessful realization of the tasks by expatriated managers (expatriates) created the need for more complete planning of the selection procedures and procedures for detection of true candidates for this position. In one of her researches R.L. Tang[46], respondents were international managers - expatriated managers from a certain number of American, European and Japanese multinational companies. She concluded from her research that 76% of U.S. multinational companies realized a failure rate within expatriation of 10% or more and 7% of companies realized the failure rate higher than 20%. Her research showed that multinational companies based in the United States achieved much higher rate of unsuccessful managers compared to the European and Japanese multinational companies. Tang asked the multinational, expatriated managers to give reasons for their failure.

International Management includes development programs that are designed to increase the overall level of qualifications of managers through a combination of ongoing education in management and rotation of managers to different jobs and positions. The Programs for Management Development are helping to build a unified corporate culture with socialization of new managers in the concepts and values of the company. Keeping the managers at a certain position for longer periods and their rotation to different places and in many countries creates opportunities for the company to build an informal management network, which will be utilized as a channel to increase their results. Such transfers of managers are made by the company Ericsson (L.M .Ericsson), that often sends teams of 50 to 100 engineers and managers from one subsidiary to another for a time period from one or two years[47].

On Figure 2 the role of the global leadership competencies of managers has a dominant position in the international development management. In the operation of the international companies, a crucial, key role for its success has precisely the management of human resources i.e. the international talent resource company. This talent resource, through the use of international development programs, sending of international assignments and the application of alternative forms of international operations, is constantly evolving. Global leadership competencies that meet the diversity in the environment in terms of international environment, lead to the development of a global strategy.

The IDM model is the model of Peter Dowling. According to him, the place of IDM lies at the basis of international management and international human resources management and talent resources that are possessed by the international companies, following the business functions and forms of international management through development management skills of expatriated managers (global managers) who are working on performance of the tasks of the company and are influenced by economic, cultural, legal and political environment in which the company operates.

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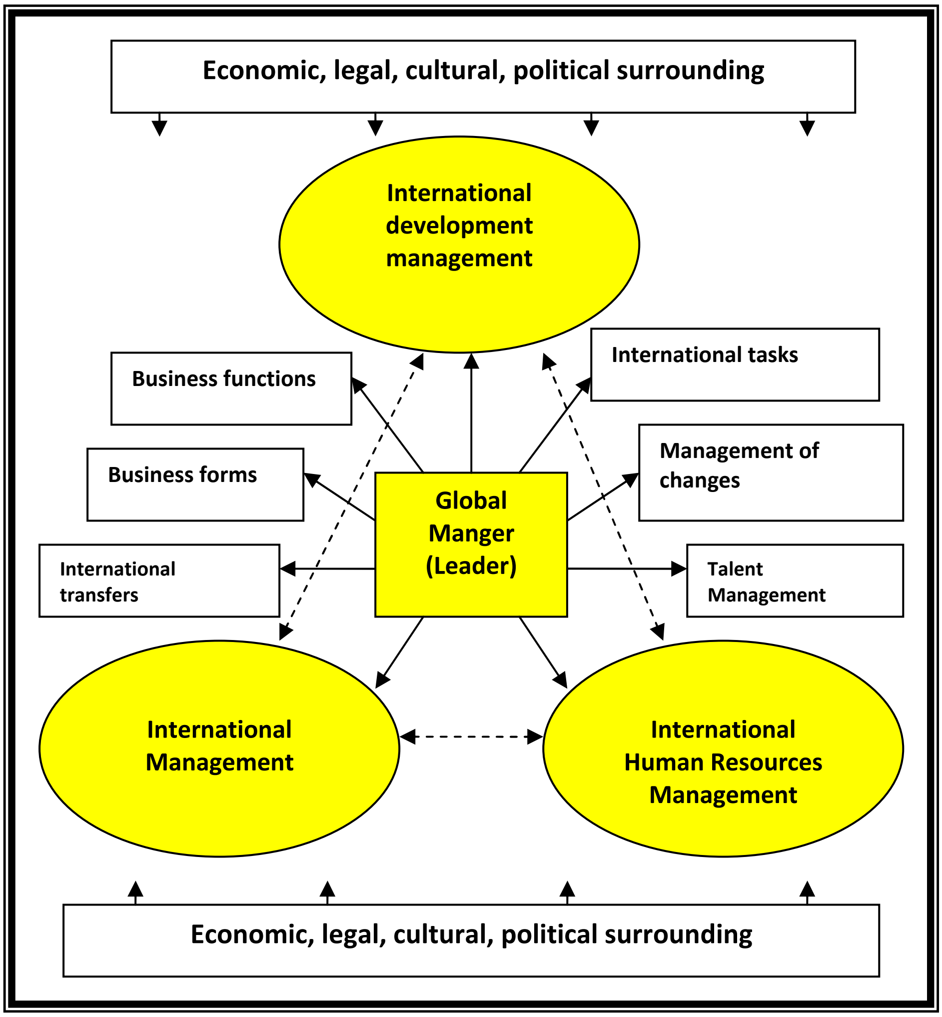
[45] Charles W. L. hill, International Business, McGraw-Hill College, 2007, Macedonian Translation, project of the government of Republic of Macedonia, Macedonian Association, 2009, p.75
[46] Ibid, p.696
[47] Ibid, p.706

Figure 2: The place of the IDM within an international framework



Source: Adapted according to: Peter Dowling, "International Human Resource Management", Paperback, 2007, p.15.

The presented model of international management development on Figure. 2 represent the place of the IDM and the relations with international management and international human resources management.

CONCLUSION

The international development management is the answer to improving organizational effectiveness and efficiency through continuous management learning and development. Traditionally, the organizational development was presented as relative and permanent changes in the behavior of organizations whose aims are keeping the results in practice and development of experiences[48].

In the process of globalization, organizational development and transformation is manifested through the legalities of internationalization and economic globalization as an imperative for developing countries, particularly in circumstances where no other alternative except the opening of their markets. As a priority, the international development management has the development of modern, global manager's performers in the process of internationalization and holders of organizational development. In the contemporary operating conditions only the organizations that quickly learn and change, and above all

[48] R. Harrison, "Learning and development", CIPID, 5th ed, 2009, p.96

invest in the development of management potential will succeed. Regarding this, an analysis of the process of internationalization of organizations in the international business and development process management has been created. Their determination is expressed through a critical reflection of current transformations, the situation in the world and opportunities in the country.

In the international development management the central significance is taken by the talent management as a growing dimension and observing success in the critical factors of the organization-managerial potential. However, do the organizations really manage the talent? Starting with this attitude, it is significant to determine how organizations identify, develop, engage and retain talent and how it is implied as a part of a proactive policy of organizational development. Development of management, managers and leaders, is defined as a planned and deliberate process that should help managers and leaders to be more effective, or as a process of learning of managers and leaders to createopportunities[49].

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CRISIS MANAGEMENT IN TOURISM ORGANIZATION

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Abstract

Tourism is exposed to many risks and uncertainties that affect on the choice of tourism destinations. Unfavorable environment, unfavorable political and security situation, environmental disasters, epidemics and other health problems, the global economic crisis, frequent accidents (particularly in air traffic), are the leading factors that affect on the usual tourism movements.

Especially attention to safety in tourism is given starting from 80's of last century. The problem of security of tourisms is not just a problem of the tourism organization, but it is a problem of the goal state, because the greater reliability of the destination even more likely that tourisms will visit the destination.

For these reasons the World Tourism Organization has provided the recommended security measures for tourism.

Informing tourisms about safety and security of destination can help tourisms to develop an objective view of the expected travel risks. When crisis will hap-pen, effective crisis management can help in order to reduce the damage, and in some cases even can help the organization to come out stronger and more stable than before the crisis. There is no organization who is immune to crisis management, and because of that, organization should be prepared that can happen crisis. Crisis plan will help to avoid negative publicity and much of the damage that brought the crisis.

One of the definitions of crisis management reads – management crisis is a science that has a goal to seek and anticipate potential hazards, and to help for quick rehabilitation and proper management of resources. Crisis management is following part of each project management and it can be applied in any situation where there are potential adverse and unexpected risks.

Key words: *crisis, risks, tourism organizations, crisis plan, crisis communication, crisis management.*

INTRODUCTION

The tourism Is under many risks and uncertainties that influence the choice of tourism destinations. The improper surroundings, improper political and safety situations, the ecological catastrophes, epidemics and other health problems, the World economic crisis, the frequent traffic accidents (especially in the air traffic) are leading factors that influence the everyday tourism movements.

A special attention on the safety in tourism is starting from the '80 from the previous century.

The problem of the safety of the tourisms is not only a problem of the tourism organization, but also of the whole country, because the bigger the safety of the destination is, the bigger is the possibility that tourisms will visit that destination.

Based on those reasons, the World Tourism Organization has written recommended measurements for safety in tourism. Informing the tourism about safety and destination can help the tourism to recognize the risks.

When the crisis happens, the effective crises management can help to lower the damage, and in some situations even to help the organization to come out of the crisis stronger and more stable.

No organization so far is immune to the crisis, that's why the management should be prepared for a crisis happening. The crisis plan will help to provide the negative publicity, and huge part of the damage that has been made from the crisis.

One of the definitions[50] for the crisis management is- The crisis management is a science that has as its purpose to predict and foretell the potential dangers, and if it comes to crisis to help for a brief and fast sanction and a true management o the resources.

The crisis management is a part of every management project and it can be used practically in every situation where are many unexpected risks.

DEFINITIONS THE CRISIS

The crisis can appear in various shapes and therefore there is no one generally accepted definition for the word crisis. The etymological word crisis originates from the word crisis which means decision.

Several definition for crisis communications[51]

1. The crisis is an incident which influences on the human safety, surrounding and reputation of the tourism organization
2. The crisis is a condition with which the safety, the life or the survival of the individuals or the organization are threatened.
3. Crisis (corporative) is an unplanned process which lasts for a certain period of time, where it is possible to have a partial influence, and can finish up with many different outcomes.

The crisis are characterized by the thing that they happen at once, as a result of involving many doers; having the necessity of coming up with fast decisions, under serious pressure of the time factory. During that, they are followed by the conditional unsafely, having involved during that time the medias, that inform about the crisis.

There are three elements that are mutual for all the crisis.

1.They are a thread for the tourism organization

2.They happen at once

3.They impose a short period of time for decisions

In the beginning of the 90es Hanworth and Menge presented the development of the crisis as a cyclic process consisted of four parts :[52]

1. Origin or potential danger
2. Increasing or growing crisis
3. Real or critical crisis
4. Solving the crisis

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[50]http://www.sertifikacija.com/index.php?option=com_content&view=article&id=76%3Aupravljanje-kriznim-situacijama-i-programi-poslovnog-kontinuiteta-prema-standardu-nfpa-1600-&catid=14%3Akrizni-menadment&Itemid=50&lang=sr

[51] http://web.fmk.edu.rs/files/blogs/2008-9/V/Planiranje_PR/Krizno_komuniciranje.pdf

[52] http://web.fmk.edu.rs/files/blogs/2008-9/V/Planiranje_PR/Krizno_komuniciranje.pdf

DIVISION OF CRISES

Potential crises can be divided into the known unknown, unknown to known. In certain industries such as air traffic railway, chemical industry, nuclear power plants, mining, etc. There are real possibilities in every moment to cause an accident. So the danger is known, but it is unknown whether and when impressions happen. But apart from this, and there are crisis situations such as computer crime, the death of the president of the company or bankruptcy of the debtor. In such cases the organization should provide a plan in case the need for concrete action.

If it is a risk of type unknown to the known, in this case, crises can not be predicted. Here is a force majeure such as earthquakes, volcanic eruptions, floods, tsunamis, epidemics, AIDS, flu and the like. It is very difficult these situations can be foreseen, but when they occur require prompt action.

Depending on the type of the organization, crises can be divided into: (according Cultip)

1 NATURAL crisis-natural disasters, earthquakes, fires, floods that have to face local authorities.

2 TECHNOLOGICAL crises-problems of using various technologies such as nuclear disaster in Chernobyl, computer hackers.

3, wrong-procedure's management over short-term profits when people are injured or even social values are illegal or immoral act.

4 Confrontation-open conflict between two groups such as the boycott, blockade, occupation of the building, setting an ultimatum.

5, the violence of the work-force behavior of a fast employee another employee.

6, rumors, lies, false information about the organization or its products which harm the reputation.

7, business and economic crises, the influence of economic cycles, tremors in the stock market decline in the shares, boosting the price of oil.

RISKS IN TOURISM

According to WTO (World Tourism Organization) there are four basic risks in tourism:[53]

1. The institutional environment outside the sector of tourism
2. The tourism sector and related commercial sources
3. Individual travel risks
4. The physical risks of the environment (natural, climatic, epidemics)

Institutional environment outside of tourism:

This type of risk exists when the tourisms are a victim of:

1.Delinquency

2.Organized Crime

3.Human trafficking

4.Military Conflict

5.Social Conflict

6.Terrorism

[53] http://www.wto.com/search?cx=partner-pub-0050454539894693%3Aybx464-c7tm&cof=FORID%3A9&ie=ISO-8859-1&q=tourism+risks&sa=Search&siteurl=www.wto.com%2F&siteurl=www.wto.com%2F#1076

Tourism sector and related commercial sources

Tourism can endanger personal safety through:

1.Lack of standards for protection against fire, earthquakes

2.Insufficient level of hygienic sanitation

3.Disposal of contract

4.Fraud in commercial transactions

5.The strike of the employees

Individual travel risks

1.The consumption of unsafe food and drink

2.Causing conflicts with local people

3.Breaking the Law

4.Loss of documents, money, etc.

Physical risks of the environment (natural, climatic, epidemics) occur as a consequence of:

1.Where tourisms are not aware of the risk derived from the natural characteristics of the destination (eg flora and fauna)

2.If you had not taken prophylactic measures (eg vaccination)

3.Visit the forbidden and dangerous areas

4.Exposure to danger during natural disasters and epidemics

CRISIS PLAN FOR TOURISM ORGANIZATION

No single company can predict when a crisis occur. But before it happens, the tourism organization should create an effective plan for its solution. Lack of thoughtful response may further damage the company. Deliberative, quick response, however, can minimize the damage and in some cases and to strengthen the company. The advantages of the existence of a plan for responding to unforeseen situations are more than obvious. But many tourism organizations not to rush his decision .. Many organizations think "That will never happen to us".

How well will it work communications during the actual crisis situation, depends on how well the company is prepared for that purpose before the crisis. The internal organization must have an awareness of potential crisis, and the way they should deal with it or to prepare a plan.

This plan should cover[54]

1.**External and internal analysis** allows us to get with early warning signals.

This analysis not only enables the hospitality organization to detect warning signals even in the earliest phase, but also ensures the institution to know the facts, principles and opinions of external partners.

It is often very difficult to predict crisis, but once you discover the causes of the crisis should be given an official character.

2.**Preparation of the plan**.

The plan should include planning to crisis communications, communicating during a crisis and crisis communication following a crisis.

[54] http://www.bifonline.rs/tekstovi.item.381/odnosi-s-javno%C5%A1%C4%87u-pr-u-vreme-svetske-ekonomske-krize.html

3.**Selection of staff**. It is necessary to appoint a spokesperson for various types of crisis situations will also be prepared to respond to phone calls and contact the press. Coverage in the event of an accident must be 24 hours. Often times, accidents occur at night, on weekends or holidays**.**

4.**Communication facilities**.

Technical aspects have to carefully consider how to solve the problem of load lines of communication in times of crisis. Because of this problem should be given great importance to predict. Must also know that people in crisis communications team, and what their tasks.

5.**Training team**. So that people involved in the crisis plan to know their obligations should spend adequate training to function in times of crisis. For example in terms of financial crisis is best to speak with a financial director. But how he would behave on camera? Because he needed to pass a short training for media performance.

6.**Simulation of a crisis situation**. After the crisis plan will be developed, it is occasionally indifferent time intervals unannounced to simulate crisis situations. Simulation will give an answer to how staff reacts in crisis situations. These simulations are done to detect defects that could occur in conditions of crisis.

COMMUNICATION IN TIMES OF CRISIS

In case of crisis reduced budgets and are often ignorant of the managers, the prevailing opinion to reduce the budget for PR activities. But this step is wrong and can be fatal. If management decides not to communicate then puts the institution in isolation but it mustn't forget that s takeholders that communicate the organization (customers, potential customers, suppliers, creditors, the media etc...) persist. Their "hunger" for information is even more pronounced in times of crisis. They need to know what is happening with the organization. If management communication stop it sends a wrong message, and doubt that the company has some disorders and therefore avoid communications. In that case they would be informed of sources, which avoid problems if the organization has actual notice must be divided by the target groups on the right way. or at the appropriate time and in adequate form. They must not public relations to serve with omission of the public because sooner or later it returns as a boomerang. Also increases uncertainty among employees. It negatively affects their motivation, efficiency and effectiveness in the work. Special attention in times of crisis should be paid to the contents of the message to be communicated. it should be carefully designed. means the key role of communication in crisis situations is not to target groups deceit themselves but to restore confidence in the organization.

COMMUNICATION TEAMS

Team to analyze information

The problems not only have to anticipate it should be prevented. The primary objective of the analysis team is to collect data on which management will base their decisions. Every individual, family, local, regional or national target, before or during a crisis. Crisis communications should therefore be adapted to different situations.

Team fordevelopment of information

It is important to have a team that will immediately commence the preparation ofvarious types of messages to internal and external partners. The journalists will probably need materials, texts, images, graphs, images of the crisis or statements of responsible people. This team must be equipped with extensive expertise regarding the development of good information and their distribution through various channels of delivery.

A team for media relations

The main goal of the team for media relations is to be the primary source of the latest and accurate information on the crisis. Relations with the media are crucial. This team has three heads chores

1. **To facilitate and assist** The work of journalists. Journalists are always interested in news and compete with other journalists who would first announce the news. During the crisis the media need information. They often publish "pompous" title in order to attract attention. Then follows the information.

2. **Proactively communicates attitudes and views of the institution to the crisis.**

The institution should take active steps to attract media attention. This can make it through daily briefings on developments and planned works.

3. **To analyze the content of the media**. The media is the fastest mean of transmitting message to the public. They monitor, analyze, criticize and write. It is very important that the institution follows the crisis news that are announced and to comment in the medias, because the perception of the publics for the crisis itself is formed on the basis on what it is announce in the media. You should analyze :

-Showing that the situation is objective?

-Which statementsare provided?

-How theinstitutionis shown?

-Whether the media spread rumors?

Analyzed material should not only provide daily digest of media but also to initiate action by the institution for correction of irregularities, rumors, etc...

Internet as an information medium

The team should have a person who will be responsible for the Internet. The primary task of this person during a crisis is continually upgraded web site to be able to use the media and other interested parties.

Domestic team information

Many companies make the mistake when they think that the media is first to turn to when there is crisis. Media auditorium is not the only channel through which you can reach the audience. In 80% - 85% of cases the employees are the most important audience. They are the heart of business and key to the survival of the firm. The employees are the ones that contact clients, the customers, their families and the friends. Therefore they are the best tool to keep in touch with the public. If employees are not informed for what happens, not only they will feel alienated but they will also doubt whatever the company will survive the crisis. The only way to stop this is to have a continuous flow of information to all levels of employees.[55]

ONCE THE CRISIS OCCURRED

Reactions

The beginning of the crisis is the most sensitive moment for the organization. If the media create a false or distorted information or picture at this stage it is very difficult to correct it later.

The public expects institutions to do something. But when it came to a crisis situation, companies often make mistakes like Wetzel and Johnson who called them "the process of decay.

[55] http://www.kapital.com.mk/DesktopDefault.aspx?tabindex=1&tabid=65&EditionID=304&ArticleID=470

Reactions managers

1. phase-blindness- at this stage management has not noticed signs that shows of crisis and therefore not taken any preventive measures and steps. Often this error is the flow of information.
2. stage passive - at this stage the leadership is aware of the danger of the crisis but takes nothing believing that problems will be solved by themselves.
3. phase of wrong decisions when the leadership will decide on some decisions, they're often based on their own perception and simple information.
4. the stage of crisis-the crisis at this stage in the organization and the public notice but the organization still carries the wrong decisions
5. phase failure, the company can not be saved anymore.

Reactions of the employees

The crisis doesn't alter only the behavior of the officials but it also alters the behavior of the employees. They can have a different reaction and behavior towards the crisis:

1. Some of them still being loyal to the organization;
2. Some of them using the crisis for their personal benefit;
3. Some of them looking for a new job;
4. Some of them openly confront the officials.

Above all, during the crisis, everyone is afraid, especially if lack of information, therefore they have to take the rumours into account.

Reactions of the external public

The users of the services of the tourism organization in the time of the crisis can take into account other offers. These days, where the choice of services is wide, the organization has to be aware of the such negative results of the period of crisis. Medias have quiet a huge influence on the decision on the users, wherefrom we usually get an information in terms with the organization. Therefore, the official have to get to a way from users can reach information through indirect ways.

The beginning of the crisis is the most sensitive moment in the crisis. Specifically then, an "informative vacuum", appears, i.e. no one knows what kind of information should be given for certain important matter. When the crisis appear, in can be altered once or many times, and therefore we have to react quickly. On the contrary, the risk from the rumors and from the conspiracy theory is getting bigger and bigger. Therefore, the manager for regulating in the period of crisis has to be proactive, instead of reacting only when needed.

Rules for responding to crisis situations

1. The crisis plan is instantly activated
2. Immediately activate the teams that are trained for this job
3. Preferably the CEO to come to the place of the accident(his presence will provide moral support)
4. The media are said only a part of the facts(they are always interested to hear the opinion of the officials in the orgnistion)

5.A full understanding of the relatives of the crash victims(this has to be done by the team which is completely educated for this task)

6.Press for the journals (how often the press conference take place will depend on the nature of the crisis)

This usually starts with a short introductory statement in the name of travel agency describes what happened, how the organization responded to the risk, and which is the next activity. It is desirable that the president of the organization is present at the conference.

7.The image of the tourism agency must be taken into account. The rapid provision of media information, interviews, corrections of errors etc. can play an active role in building their property or it’s breaking up.

CONCLUSION

The word crisis in chinese means opportunity. Only a well organized tourism organization will susceed. The crisis itself is also a huge manager's challenge. In the end of the crisis the informational capacities should be lowered, evaluation should be made and conclusions should be read. The experiences should be corporated in the organization’s plan.

When the crisis happen as a negative situation the effective crisis management can help lower the damages, and help the tourism organization get out of the crisis itself even stronger than previously.

The awareness that the crisis can happen is actually of a crucial importance for all the tourism organizations, aiming towards an escape of bad publicity and damages in the work. The success in the regulation in period of crisis situations dwells in the effective planning before the beginning of the crisis. The crisis management is from crucial meaning in order to provide and maintain positive relation with the stakeholders during the crisis.

There are many types of crisis (natural, technological, financial crisis etc). There has to be a crisis plan developed that would be activated in the period of crisis in order to help the organization to get out from the newly born situation. In the condition of the crisis the role of the PR is also of a huge importance. During this period informative vacuum should not be allowed, instead of that regular submission of accurate information reaching the target groups would be helpful. In the organization itself various communication team should be working, having precisely specified tasks for functioning in condition of crisis. An evaluation should be made at the end of every crisis and conclusions should be drawn that would be incorporated in the organization’s plans. The manager in USA Jack Welch give us five suppositions that have to be taken into count when a crisis happens

1. Always predict the problem and make it bigger for looking more serious.
2. In the real world secrets don't exist and on the end they come out.
3. Think that your organization and you will be presented on bad looking way.
4. Think that after the crisis changes will be noticed in the processes and the human resources also think that your organization after the crises period will come out.

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LEARNING ORGANIZATIONS – PREREQUISITE FOR SUCCESSFUL TOURISM ORGANIZATIONS

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Abstract:

Nowadays, each and every organization, including the tourism organizations should be learning organizations. The globalization and the competition affect the process of working of tourism organizations, where only the organizations which have knowledge, and are learning organizations can succeed. In a time of constant change, tourism organizations can have a competitive advantage only if they can do something or offer something different than their competitors. Many organizations in order to enable the learning process, should firstly undertake changes in the organization design, the organizational culture and the leadership style. The paper discusses the relevance of implementing the process of learning organizations as a concept for successful tourism organizations.

Key words: *learning organizations, tourism organizations, knowledge, advantage*

INTRODUCTION

The learning process is one of the foremost prerequisites for success of any organization. The concepts of organizational learning and learning organization in their core standpoint correlate the learning process with the organization's performance. The organizational learning is a process, whereas the learning organization is at the same time, a precondition and an outcome of that process (McGill and Slocum, 1994). The learning organization is a relatively new concept based on the concept of organizational learning. Furthermore, the learning organization is a contemporary management approach. It defines how an organization should operate in the ever-changing business environment.

Organizational learning is a perpetual process of organizational change which implies innovation and improvement in manufacturing, services, customer care etc. This process happens as a result of new knowledge which the organization acquires constantly (Petkovic, 2008). In addition to this, the concept of a learning organization tends to make changes in the behaviors of all the employees, which will cause change of the overall performance of the organization. These changes should basically transform the organization into an organization that operates at its optimum capacity.

The competitive advantage was and still is, in:

-the land and natural resources (18th century)

-the technology (19th century)

-the finance (20th century)

-the knowledge (21st century)

The process of globalization and the ever-present competition generate a situation in which the organizations which possess knowledge, and more importantly know how to manage the organizational knowledge, have advantage over their competitors (Hamel and Prahald, 1994, Slater and Narver, 1995). Additionally, as Cerovic (2003) states, the ability of a company to learn is definitely the most valuable competitive advantage over its competition. Nowadays, an organization can create a competitive advantage only if it owns resources which provide: superior values for the consumer, are easily accessible, and can be re-used. The resources that an organization has are not crucial for gaining a competitive advantage. The organization's ability to use its resources in a way that is superior compared to its competitors, is what creates a competitive advantage (Hamel and Prahald, 1994). Moreover, as Grant (1991) underlines, nowadays, an organization can have competitive advantage not because its competitors don't have something, but because it can do something better than the others.

The learning organization applies new, modern concept of continuous learning, which entails learning on one's own experience and experience of others. Moreover, organizational learning is a continuous process of creating and improving the organization's competence (Petkovic, 2008). Additionally, the organizational learning focuses on the process of how the organization can learn best, so that the knowledge which it possesses can be effectively put into use, and the organization excels in its performance level. Nowadays the organizations are overwhelmed with information, quantity of information that is greater in the last thirty years compared to all the information in the previous 1000 years. It is important for any organization that tends to be a learning one to utilize the information in the best possible manner.

Even though, the term learning organization is well established and recognized, still there are academics that argue that the organizations are not capable of learning, unlike the individuals. On the other hand, as Janicijevic (2007, 229) points out, the organizations, like the individuals, are capable of learning. The organizations have "organizational knowledge", which entails all the skills, knowledge and competencies that the employees possess. What is crucial for the management of every company is to find ways to keep this knowledge within the company.

In order for an organization to adjust to the numerous external and internal changes, it must improve its products/services, processes and staff, transforming itself into a Total Quality Management (TQM) organization, it must accept radical changes directed towards eliminating activities which don't create value for the customers (Cerovic, 2003, 50). Moreover, the process of organizational learning, gaining and using organizational knowledge is by all means, a process of organizational change. Every organizational change is certainly process of learning, but not every process of learning involves change (Janicijevic 2007, 229). Furthermore, the learning organization can easily undertake a process of organizational change since it can amend its behavior rather fast. By doing this, the organization introduces new competencies, which enable the organization to survive and sustain in the ever-changing environment. The learning organization enables faster and more efficient response to the never-ending changes in the organization's environment. In addition to this, the learning organization entails each and every employee working together in finding a better solution for better customer satisfaction. The focus is on the customer's satisfaction and quality (Cerovic, 2003).

The increased competition, globalization, and IT are all relatively new terms in the contemporary literature concerning the area of management. As the process of globalization intensifies, the organizational learning and the learning organization are becoming prerequisite for future success. The learning organization is becoming a very popular term in the fast-growing industries, such as tourism. Tourism organizations which are interested in enhancing their competitive advantage, efficiency and innovation, need to become learning organizations. The learning organization implies a synergy of its individuals' knowledge and competencies. Moreover, as Janicijevic (2007, 233) states "learning organization is an organizational model that has positive influence for development of capabilities for organizational learning. Furthermore, it is an appropriate framework for learning that encourages and directs the employees' endeavors for learning".

Nowadays, the only resource a tourism organization can use to gain a competitive advantage over its competitors is the human resource, or, more specifically its knowledge. The knowledge more than any other resource is what differentiates successful from not so successful organizations. Additionally, the learning tourism organization is a strategic decision. This is a concept which empowers everyone in the organization, regardless of their position to be involved in creating and disseminating knowledge, which then can be used to gain profit.

Learning organization is an organization that is continuously improving, that creates and advances the competences necessary for future success (Levinson and Asahi, 1995 cited in Petkovic, 2008). In order for an organization to become a learning one, some conditions must be present. Firstly, the employees' willingness to undertake a risk. Organizational culture which provides an environment for information and knowledge to be shared and disseminated is also important. Additionally, the concept of learning organization can exist only if appropriate aspects are present. These aspects include suitable structure and fitting strategy. According to Cerovic (2003) the following characteristics, which support the individual and organizational learning, distinguish the learning organization from the traditional one: leadership, horizontal organizational structure, empowering employees, communicating information, strategy put together from all the employees and strong organizational culture.

One of the most significant characteristics of a learning organization is how they view their competitors. The learning organization considers its competition more like means for learning, rather than competition. Furthermore, a learning organization sees its competition as an advantage, rather than a threat.

The concept of organizational learning is in relation with the concept of intrapreneurship. Intrapreneurship entails collaboration within various working groups and teams in order to exchange knowledge and experience and to learn and improve competencies (Petkovic, 2008). Intrapreneurship like organizational learning enforces employees' participation in the decision-making process and their active involvement in achieving the organizational objectives.

The tourism learning organization continuously creates attitudes, processes and procedures in order to deliver the best possible service to its clients. All these changes create new and improved capabilities and superior know-how. Furthermore, the tourism learning organization has a tendency to become the best, and distinguish itself from other tourism organizations. It aims at being the best at every aspect of its work.

SINGLE-LOOP AND DOUBLE-LOOP LEARNING

It is considered that all organizations are learning organizations but the thing that differentiates them is how they learn, more specifically how they adapt to the changes in their environment. Some organizations amend their models of behavior, whereas others discard old models of behavior and espouse new ones. Both, the former and the latter types of organizations operate based on their own previous experience, and experience of similar organizations (Petkovic, 2008). There are two types of organizational learning, which are directly related to how the organization reacts to the changes in its environment, more specifically how it adapts to them.

The *single-loop learning* is a type of learning when the organization adjusts its behavior to the changes in its environment. This adjustment of the organization is a reactive response, rather than proactive, meaning that the changes within the organization occur after the changes outside of the organization occurred. Moreover, the changes based on the single-loop learning model are incremental. Organizations that practice single-loop learning are neither passive, nor innovative (Petkovic, 2008). According to Argyris and Schon (1978, 2) organizational (N.K) learning involves detection and correction of error. When something goes wrong, this is usually a call for the employees to look for another strategy that will work within the present variables. Moreover, the pre-determined goals and values are operationalized rather than questioned. This explains the model of single-loop learning. When the error detected and corrected allows the organization to achieve its present objectives, then this error-and-correction process is single-loop learning (Smith, 2001).

Another reaction for correction of error is to question the present variables themselves, method known as *double-loop learning*. Such learning may then lead to an alteration in the prevailing variables and, therefore, a change in the way in which the strategies are placed (Smith, 2001). Double-loop learning happens when an error is detected and corrected in ways that include alteration of the organization's underlying values, policies, objectives… Moreover, this method questions the underlying values, policies etc. Double-loop learning is a process which comprises of two stages: discarding the old and adopting new behavior, views, opinion, action etc. As a result of this, radical changes occur. This kind of learning is most often related to organizations that operate in fast-changing industries. Moreover, innovation and change are results of the process of double-loop learning (Petkovic, 2008). Double-loop learning is necessary if the organizations are to make informed decisions in the ever-changing and often uncertain context (Argyris, 1974 in Smith, 2001). The organization's environment is crucial for the company's survival and success. In order to compare their performances, many companies benchmark. Therefore, the companies try to align themselves with the competition, which requires double-loop learning.

MODEL OF LEARNING ORGANIZATION

The management of the leading companies understands that their foremost task is to create context of learning. This context comprises of numerous organizational variables or so called factors of support or generic factors of learning. According to Petkovic (2008, 189) these factors include: team structure, distributed leadership, decentralized decision-making, innovative climate and culture, continuous learning etc.

The organizational design that supports learning organization has characteristics of an organic structure, rather than mechanistic. Organic structure enforces team work and employees' participation in the decision-making process. The mechanistic organizational structure administers the single-loop learning, whereas the organic structure enforces the double-loop learning. Furthermore, if the decision-making is centralized, this kind of organizational structure implies that the employees don't know what the whole picture of the organization looks like.

Distributed or disseminated leadership has a role of a change agent or advocate for new values (Petkovic, 2008, 193). This means that initiatives can and should come from every employee.

Probably one of the most relevant generic factors is having an innovative organizational culture. Firstly, this type of culture implies that the employees should feel free to discuss and express their opinions regarding their work, to suggest new approaches and solutions. It is important for every organization to create an organizational culture, in which the employees will continuously learn, question and change their outlook, attitudes and approaches to the problems and situations that the organization encounters. Furthermore, lifelong learning and creativity should be encouraged.

CONCLUSION

The learning organization applies new, modern concept of continuous learning, which entails learning on one's own experience and experience of others. Nowadays, the only resource a tourism organization can use to gain competitive advantage over its competitors is the human resource, or, more specifically its knowledge. The knowledge more than any other resource is what differentiates successful from the not so successful organizations. The learning organization is a concept which empowers everyone in the organization, regardless of their position to be involved in creating and disseminating knowledge, which then can be used to gain profit.

The tourism learning organization continuously creates attitudes, processes and procedures in order to deliver the best possible service to its clients. All these changes create new and improved capabilities and superior know-how. Furthermore, the tourism learning organization has a tendency to become the best, and distinguish itself from other tourism organizations. Tourism organizations which are interested in enhancing their competitive advantage, efficiency and innovation, need to become learning organizations.

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BUSINESS BEHAVIOR FACTORS OF BACHELORS OF TOURISM

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Abstract:

The paper analyzes the question of needs and opportunities for professional development and relationship of the tourism worker in his/her business. Starting with the explanations for the specificity of the profession, the development of tourism worker in the environment where he works and acts, i.e, the fulfilment of his individual needs and potentials, is considered as an assumption, the observed element and an indicator of successful professional work and professional development of tourism worker. Separated and presented are four elements or indicators for individual development of the tourism worker: knowledge, ability, skills and their development in tourism; the needs and interests of tourism workers and their satisfaction in tourism; It is a peronal satisfaction when you have the role of tourism worker and the level of worker motivation with which he performs his duty; attitudes and values of tourism worker connected to his profession. In this paper a presentation is given of research results and opinion of tourism workers about the opportunities to develop tourism on a personal plan. According to the opinion of the respondents our travel agencies, partly provide such opportunities for tourism workers.But, in order the tourism to be developed as a context of individual development (not only tourisms, but also the tourism workers), it is necessary in the future to work on changes in all elements, in contents and structures of that institution. Quality tourism workers are of critical importance and provide quality activities, services and witht everyday work give a huge contribution to the general development by establishing its human foundation - developing the capacity and willingness of tourisms to travel. Worldwide, millions of people are still suffering great difficulties in enabling free movement, travelling outside the borders and so on. The professional role of the tourism worker is numerous. He represents the tourism industry and at the same time is a person who organizes tourism, leads the tourism process, transmits the information, presents the destinations, selecst and presents various contents. He is also the coordinator of the tourism communication and is always a model of intellectual behavior and presentation of the tourisms.

Key words: *tourism worker, tourism, development of the tourism worker in tourism, professional attitude of the tourism worker in tourism, an indicator of the management of tourism worker in tourism*

An important area of the economy is the tourism sector, both in Macedonia and in many other countries. Even though the jobs in this sector are considered as being „poor" and without career perspectives, tourism is an important employer in the economy. For many countries, international tourism is an indispensable source of foreign currency earnings.

The economic concept of tourism includes personal travel (for leisure and other purposes) as well as business trips, international as well as domestic travelling. The industry's direct or "face-to-face" services to tourisms represent between 3 and 4 per cent of GDP in most of the world economy and employ about 3 per cent of the world's total labor force, although in some countries tourism employs up to 10 per cent of the workforce. Border-crossing tourism has grown faster than tourism overall. According to statistics published by the World Tourism Organization, international tourism arrivals have grown at an average annual rate of 7 per cent since 1950 and will grow at an average annual rate of 4.5 per cent over the next

20 years. In recent years, however, the growth of international tourism has been no more rapid than the growth of the world economy as a whole, i.e. about 3 per cent.

The world economy is currently witnessing two distinct trends – globalization and regionalization – and within this context States as well as companies are pursuing a variety of different strategies in order to become more competitive. Shifting patterns of production and consumption across the world are also reflected in the rise of new international tourism destinations, particularly in the Asia and Pacific region. This has given rise to increasing regional, intra-regional and interregional competition and to new challenges in terms of investment needs and human resources development, especially with regard to training and labor mobility. In an industry which employs a large proportion of young, mobile people, turnover is bound to be high, and recruitment is a habitual problem in the sector for this and other reasons.

Globalization of the travel and tourism industry and the increased use of e-commerce require a common international understanding and certification of core skills in order to facilitate distance business transactions and assure buyers and sellers that the services they deal with meet certain standards anchored in the qualifications of the labor force. The competitiveness of small tourism enterprises will increasingly depend on the credibility and reliability of the services they can offer. Hotel and restaurant management training provided by colleges and universities is quite transparent even across national borders, but for operational level workers it is often developed by industry associations of the different sectors involved, and it is difficult to avoid overlapping even at the national level.

In a globalized economy, skills become an important determinant in competitiveness. The changing composition of the workforce and work patterns resulting from globalization processes in the tourism sector of the economy has brought about new challenges in human resources development. Training policies in the tourism sector will need to be reviewed in a new climate of empowerment and retention of staff. This is particularly the case in many parts of the world where there is an acute shortage of qualified staff to fill positions created by an expanding industry. An internationally focused human resources policy calls for a change in personnel policies and strategies which implies, among other things, management commitment to transnational strategies, the development of IT skills and procedures to support transnational operations in a number of ways such as knowledge and information transfer, and an awareness of the different national policies on health and safety, occupational standards, dismissal, discrimination and workers' rights.

The goal is not just the creation of jobs, but the creation of jobs of acceptable quality. The quantity of employment cannot be divorced from its quality. All societies have a notion of decent work, but the quality of employment can mean many things. It could relate to different forms of work, and also to different conditions of work, as well as feelings of value and satisfaction. The need today is to devise social and economic systems which ensure basic security and employment while remaining capable of adaptation to rapidly changing circumstances in a highly competitive global market.

The traditional constraints of the tourism industry – long, antisocial working hours, low pay, unstable, seasonal employment, low job status, etc. – make employment within the industry appear unattractive to many.

The immediate and most obvious consequences of such a situation are the difficulty of recruiting suitable staff and high staff turnover; both these effects are costly to the industry. There is therefore a perceived need for human resource development, to raise the profile of the industry, increase productivity and provide decent, sustainable employment within the sector.

Young people who are marginalized are generally poor, with little education and training. Migration also tends to exacerbate the process of marginalization. Eighty-five per cent of young people live in developing countries, and that proportion is expected to increase to about 89 per cent by 2020. UNESCO estimates that approximately 96 million young women and 57 million young men are illiterate, the majority in developing countries. The number of younger people employed in formal sector tourism, either as “apprentices” in fast-food chains or as casual workers in occasional or seasonal employment in catering, is also growing rapidly. These types of labor have raised concerns regarding contraventions of labor regulations such as those concerning the minimum legal working age.

ILO estimates dating back to 1983 indicated that a third of the global workforce in tourism was made up of women. According to more recent estimates, the proportion of women in the tourism industry (excluding the informal sector) has risen to 46 per cent, while in catering and accommodation they represent over 90 per cent of all employees. They occupy the lower levels of the occupational structure in the tourism labor market, with few career development opportunities and low levels of remuneration (some estimates suggest that wages for women are up to 20 per cent lower than those for men). The greater incidence of unemployment among women is attributed to their low skill levels and their low social status in many poor countries. They also tend to be the first affected when labor retrenchment occurs as a result of recession or adjustment to new technology. It should also be noted that the majority of workers in subcontracted, temporary, casual or part-time employment are women.

Truly structured careers, in which workers have genuine prospects of career development, are not numerous in the tourism sector, and efforts to retain employees through incentives or promotion are the exception rather than the rule. Not only do people tend to “pass through” the sector, but research has shown that it is often the most talented who leave, since they are the most confident of finding other employment, while the less confident stay for fear of becoming unemployed. However, for many young people the industry is an entry point to the world of work. It brings workers into direct contact with the public and can provide opportunities for travel. Moreover, for young people, the provision of food and lodging – a common practice in the industry – facilitates entry into active adult life. These factors combine to make tourism a major motor for the social and professional integration of the young.

What is the main goal of a modern tourism agency: to introduce team working, extensive training programs, enhance quality procedures and multi-skill staff. New divisions of labor and changes in the nature of jobs within the tourism sector mean that the industry is employing an increasingly varied range of employees. However, although tourism is a diverse sector which can provide many working opportunities for a wide range of skills, there is a shift within Europe away from specific skills towards broader, more generic competencies. Good practice in training is largely limited to large travel agencies, and small, individual enterprises tend to rely on training given “on the job”. Employers maintain that many enterprises, especially SMEs, cannot pay wages commensurate with formal training and recognized qualifications. Others argue that the greater productivity made possible by training will make higher wages possible. In general, many of the operational activities in the industry require learning on the job, rather than formal training, and managers frequently state their preference for recruitment on the basis of personality rather than formal qualifications. The industry displays a reluctance to give formal recognition to acquired skills, and this may reflect a wish to avoid claims for higher wages and prevent undesired mobility. More complex workplaces have brought about a shift in training concerns from operational or vocational skills to personal and social skills. Operational skills are still required, but are increasingly focused on technological innovation. New technical skills which need to be acquired by line-level employees include: deeper and more up-to-date knowledge of materials and production processes; knowledge of computer programs and other new technologies; awareness of safety and health issues, an understanding of the “business culture”; and an ability to impart an increasingly broad range of information to customers. Language knowledge and a developed inter-cultural sensitivity are key skills for tourism personnel who have direct contact with customers.

Management-level requirements mirror the qualities listed above, but also embrace a new approach to human resource management and development. Enterprises are espousing a philosophy by which workers receiving “good service” from their superiors are more likely to provide “good service” to customers. Another important area of innovation and emphasis for management training is quicker response to – or anticipation of – market developments.

Tourism education and training is provided by a wide range of institutions, public, semi-public, such as trade associations, or privately owned. Distance training systems with worldwide outreach, based on CD-ROM and interactive Internet technology, are starting to operate and are changing the training business profoundly, raising quality and lowering costs despite the huge investments made in the new training instruments. New training technologies will also be accessible to small and medium-sized enterprises. This will allow more training to be extended to lower skill groups which at present are largely restricted to spontaneous on-the-job training.

The tourism is particularly sensitive to economic cycles and political trouble and can be badly affected in times of uncertainty. For example, the global nature of the industry means that it is vulnerable to external events that cause fluctuations in tourism visits and spend. The global 2001–2004 economic downturn, 9/11, the Iraq war, etc. all led to a drop in revenue in the tourism. These factors reduced the number of travellers internationally and left uncertainty and fragility in the tourism market. Many of these aspects are particularly pronounced in the airline industry and trade unions have often railed against the manner in which employees are used as 'shock absorbers' to protect the industry from the cyclical nature of the market. Ultimately, employees may well be a company's 'greatest asset', but in times of uncertainty and downturn are equally expendable.

CONCLUSION

This paper is intended to address the necessities of the human factor management and education in the field of tourism and related industries. Tourism is fast growing industry and must be managed sustain ably to ensure maximum benefits and minimum negative impact on the states, their economies and the environment. For that reason it is indispensable to pay more attention on the profile of the tourism workers and their better training and education, not only for the benefit of the end users but also for their own prosperity.

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DECISION-MAKING IN THE TOURISM ORGANIZATIONS

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Abstract:

The modern management concept refers and it is based on cooperation, democratic decision-making, encouragement, motivation and creativity, and also on alignment of the personal with collective interests. The management of human resources is a set of activities or knowledge of employees and labor relations, selection and acquirement of personnel, education and career development, compensation and reward, which are complementary and linked into a single activity.

Everyday life of a man is followed by decision-making and problem-solving. The basis of decision-making is to choose the appropriate action among several alternatives. This paper is aimed at that direction. The decision-making applies to all organizational levels, in all organizational units and functions in tourism organizations. It is an integral part of managerial activity. Modern information systems are an important factor that has a crucial role in decision-making. The significance of information is determined by its place in management structure.

Key words: *management, management of human resources; decision making; modern information systems; information*

HUMAN RESOURCES MANAGEMENT

The management of human resources, as a management function, is a set of activities or knowledge of personnel and labor relations, filling and selection of personnel, education and career development, compensation and reward, which are complementary and linked into a single activity. The management of human resources is part of the management organization. Human resources management is leading or directing people within an organization.

The management knowledge and activities of this office are[56]:

- Knowledge of personnel and labor relations - the sum of knowledge on the importance of staff that the indirect and direct mutual relations will perform managerial tasks, knowledge of the legislation on labor relations, possible rights and obligations of workers and the rights of managers treatment of workers;
- Filling and selection of staff - a set of activities for planning and collection of staff, their replacement and filling, a set of processes and techniques for selection and fair election of associates and employees together as a team will perform the planned tasks;
- Education and career development - a set of activities that monitor and guide the educational system, to prepare personnel for independent execution of tasks or processes, activities which encourage and strengthen the desire for personal career development that satisfies personal needs as well as the needs of the organization;
- Compensation and rewards - evaluation and compensation of the work performed.

[56] Cicin-Sain D., script from the base management, pp. 139

DECISION-MAKING METHODS IN THE TOURISM ORGANIZATIONS

Our everyday life is filled with decision-making and solving problems. The basis of deciding is to choose the direction of an action among several alternatives. The decision applies to all organizational levels, in all organizational units and functions in the tourism organization. It is often associated with the managers and is an integral part of managerial activity. They decide how to use the profits, which technology will be implemented, how the products and services should be placed, the choice of strategy, selection of employees who will perform a specific task, etc.. Every manager, regardless of his position in the hierarchy, is repeatedly faced with decisions which he would never want to make. In such cases there are managers that will act immediately, managers that will work out solutions then proceed to solve, and managers who lack the courage to resolve an issue, so they delay the decision indefinitely. It is a fact that the managers are constantly taking risks, but at the biggest risk are those managers that take no risks at all. The main difference between a manager and employee is the level and type of decision that they are making. Deciding occurs as a result of the reactions arising from the wish to respond to the changes in the environment in which the tourism organization operates. Every single change leads to a new problem which needs an appropriate solution, or decision. By its very nature, decision making is the process of preparing and making decisions that should resolve a previously determined problem[57]. This means that within the foundation of a successful management is the identification of the problem that managers face and finding the appropriate solution. However, we should distinguish between decisions and solving problems.

Decision-making presents a narrower range of problem solving and includes:

- problem identification;
- generating at least two alternative actions as possible solutions;
- choosing the best alternative.

Problem solving includes:

- Decision making;
- Activities needed to implement decisions and its control.

The process of decision making is influenced by two factors that have primary importance, and those are the time and the interpersonal relations.

The time factor is shown through the continuity between past, present and future that is realized through the making of any decision. Many decisions are based on past experience.

Interpersonal relationships, respect and cooperation among employees in the tourism organization are greatly contributing to the rapid and easy adoption of effective decisions that important for the development of the tourism organization. Managers are not isolated from the environment but they are in constant communication and influence other managers and employees in the tourism organization. Communication is not exercised only within the tourism organization. Managers communicate with people who are employed in other organizations, government institutions, media, customers and so on. Therefore, when predicting the results of the decisions, the impact of those decisions on the decisions of those that would provide communication should be taken into account.

The process of decision-making consists of several approaches and techniques that are based on facts, experience, intuition, cause - effect relationship, analysis and so on., and they meet in the following methods of decision-making: programming morphological analysis, brainstorming, tree-making, consensus, etc..

The procedure of decision making is done through the following stages[58]:

[57] L. Simoncheska., Business Planning, Ohrid 2004
[58] Dimitrovski R. Business Planning and Decision Making, 2007

- Knowledge about the problem;
- Identification of the problem;
- Development of alternatives;
- Evaluation of alternatives;
- Choosing the alternative;
- Possibility of realization;
- Assess the impact of the decision.

The decision-making is of a great importance for the functioning of the tourism organization. Often the most meaningless decision can have enormous impact on achieving of the goals and mission of the organization. This does not mean that the decision is voluntary and of a hazardous character, although managers in many cases act that way. In decision- making, the manager may have several roles such as entrepreneur, corrector, allocator of resources and negotiator. As an entrepreneur, the manager is considering targeting the tourism organization in a new direction. As allocator of resources, he decides where tourism organization will use its people, equipment, capital and so on. As a negotiator, the manager represents the tourism organization in negotiations with another tourism organization or institution, and is ensuring the cooperation, removing the problems and so on.

If we analyze the work of the managers, you will see that each of them works and sets things in different ways and that each of them uses the experience of the past which brought good results. Common among most managers is that they want to make decisions in a short period of time, in 15 minutes the most, and do not want truncated data. Each of the managers, after receiving the data should be informal and effective and should know the source of the data. If the manager has confidence in the person that has presented the data, then they have confidence in their proposals. You should know that the manager in his memory can hold 7 +/- 2 information, which means that he works with limited information. In decision-making, of great importance for the manager is his experience. The manager will use the techniques and procedures that in the past have brought good results, because the poor results show that he has not previously used or applied the techniques and procedures.

The manager of a tourism organization, during his job duration, makes various types of decisions whose division is conditional on the reasons for which they were adopted, the way they were made, the entity making and so on., so there are[59]:

- Regulatory decisions, which are intended to regulate certain practices or issues;
- Corrective, performing correction of a previously occurring condition;
- According to the goal; personnel, investment, commercial;
- According to makers; individual peer and hierarchical;
- According to the functions; management, organizational, managerial and executive;
- According to the method of execution; strategic, operational, generalized, principal emergency, suspended;
- Under the conditions; safe, risky, uncertain;
- Programmed: custom, rules, procedures;
- Not programmed: decisions for unusual and outstanding issues;
- Routine and unusual.

Often, managers of tourism organization can make a mistake, or take the wrong decision. This way, they

[59] Dimitrovski R. Business Planning and Decision Making, 2007

contribute towards creating a working environment that is not effective, and thus create the basis for the emergence of new problems in management, organization and its environment. Main reasons for the wrong decision-making are mostly:

- The situation when the manager can not identify the priorities that are troubling and delays the time of decision making. Unable to see, the manager considers the priorities that, if spent more time will bring better quality decision.
- Too much independence in the action; or the situation when the manager believes he is the principal, and thus the smartest, and that could do anything alone, brings him to the standpoint from where he makes the wrong decisions.
- Not implementing the basic rule, that the decisions that bring positive experiences are repeated or become law, can have an impact on decision-making.
- Managers who do not recognize their mistakes are a great danger to the tourism organization. Though they are aware that they have made the wrong decision, they proceed with the realization and cause even more damage, just to not admit the mistake.
- Empty promises must not be the best quality of the manager. The manager has to worry about the image and reputation of the tourism organization.
- The manager must not feel sorry about the past or to be constantly thinking about what would have happened if in past he decided otherwise.
- Creating an artificial crisis so that the manager can overtake the role of savior and thus show his capabilities, leads to the emergence of problems that often escape from control.
- Managers may decide in cases where there is a lack of data, but of course that this decision will have the quality that will have that decision that was made previously provided with relevant data.

THE TOURISM INFORMATION AS A BASIS FOR DECISION-MAKING IN THE TOURISM INSTITUTIONS

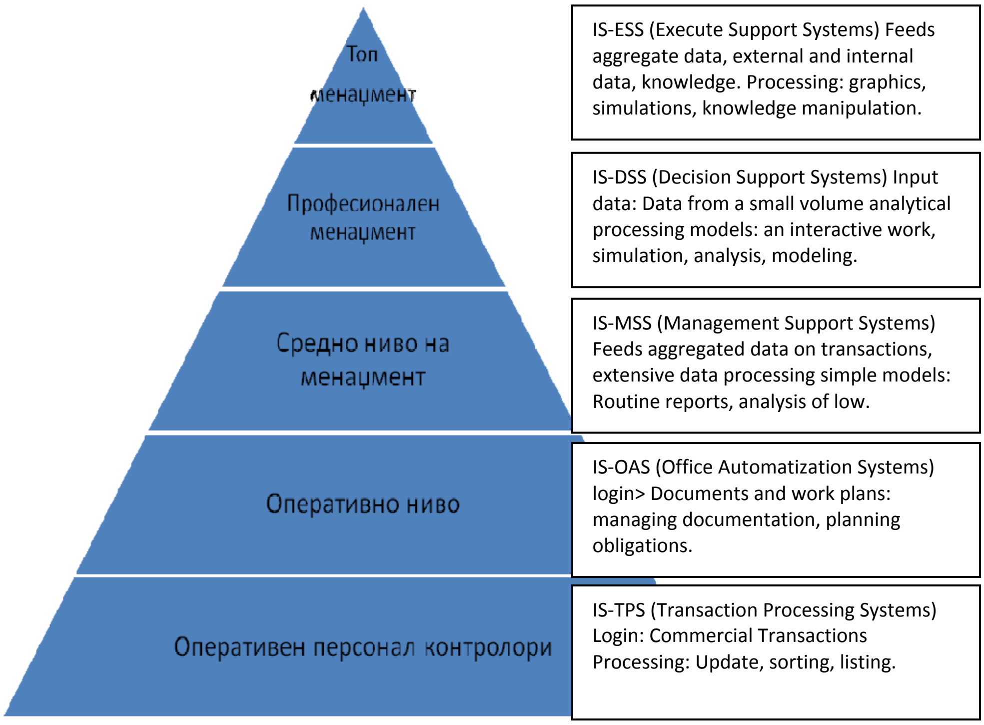
Market conditions in which tourism organizations operate are increasing the competition, increasing the risk of operations and decision-making. With the development of the tourism organization, higher demands on IT systems are set, which should answer the following questions:

- How to process the increasing number of data required for successful management in the tourism organization in the newly emerging conditions?
- How to link most parts of an organizational unit?
- How to ensure effective development of all parts of the organization as a whole?

Thanks to the historical development of information systems, modern information systems are an important factor that have a crucial role in decision making at all managerial levels, including top management.

Taking into account the position of the organizational structure of the tourism organization, information systems are being modeled that operate in different ways with differentiated information and thereby meet the needs of users, managers and other users (Fig. 16).

In modern conditions of operation of a tourism organization, information systems actively participate in making management decisions, giving a huge contribution in achieving the strategic goals of the tourism organization. The significance of information is determined by its place in management structure. Management structure is usually set at three levels: strategic, tactical and operational level. On a strategic level, answering the question, what should be done and decisions related to global targets. At the tactical level, managers answer the question, how it should be made; they are responsible for certain products, units seeking their goals to be correlated with the objectives of the tourism organization. At the operational level decisions that are characteristic of everyday work are implemented as decisions taken at the strategic and operational level.



The placement of the organizational structure of information systems

Managers, according to their power of perception, need to make themselves the distinction of necessary and unnecessary information, in order not to enter the stage with information overload.

The information received by the managers can be from the surrounding or internal information obtained within the organization. Under the information obtained from the surrounding include: market, political conditions, legislation, social environment and so on. Under internal means: available resources, readiness for innovation, new organizational solutions, standardization, control of operations and so on. by providing internal information flow between all parts of the system. External information is for the environment and are taking the relationship established with the larger system in which tourism is organized and operates as a sub.

In response to these issues timely elimination of unnecessary information is done and information overload is avoided.

Managerial decision-making should be based on information and knowledge. Intuition, feelings, and psychological factors are secondary and can be used in those segments that are not of too much importance to the decision.

Regardless of whether the managers will make a decision immediately or it is about a potential decision, they must use the right information to make the right decision. Quality information means information which has the following features:

- Relevance - the information used for decision making, or solving a specific problem. Irrelevant information lead to information overload and reduce the ability to solve the problem;
- Accuracy - the accuracy is destined for several sub-elements, namely: completeness, correctness and reliability;
- Timing - how much time does it take for the data to be transformed into information;

- Economy - what is the necessary cost for obtaining the information needed to solve a specific problem;
- Efficiency - amount of resources consumed per unit of information;
- Attachment - the presentation of information according to the characteristics of mean, average, value expressed through the average error, average accuracy, average time of reference and so on. Metric standards of information are set by the managers.

Often in practice, managers and even professional people working in data processing and production of information, mix the terms data and information. In theory, there can be found several definitions for these terms, such as:

- The data are raw, unrealized facts, figures and events that may develop in the information.
- Data are facts and figures, are raw information.
- Data are those parts of the message to be processed or already processed in computer systems.
- Information can be defined as news to certain end users, which is contained in certain data which is obtained by processing the data.

Before being processed, the data should be collected, sorted, picked, analyzed and evaluated as content in the context of the requirements of the end user. Only in this way data can be quality raw material for obtaining useful information.

Information by its nature is objective and it reflects the characteristics, properties, condition, mutual relationships and mutual actions of the objects, events and processes.

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HUMAN RESOURSES MANAGEMENT IN THE TOURISM ORGANIZATIONS

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Abstract:

The term human resources speak for people and organizations. The importance of activities related to human resources management steams for the fact that people are a common factor for all organizations. Human resources management is defined as strategic and coherent approach to managing the most valuable resources in the organization – the people – who work in it and contribute to achieving its goals. Staffing is the foundation of human resources management. Staffing is a feature that includes several activities that provide staff (employees) in the organization. It is clear that there is no such organization which can work and function without people.

Each of the functions of management is followed by decision making. Decision making is incorporated in all management functions. Nowadays, changes are an inevitable thing, and not only inevitable but also a permanent thing. Changes potentially bring problems, and problems should be addressed.

Key words: *human resources management; staffing; decision making; changes; solving problems*

INTRODUCTION

Management in organizations is extremely important function of managers. The management of personnel in all types of organizations is of particular importance. The term human resources stands for people and organizations. The importance of activities related to the management of human resources comes from the fact that people are a common factor for all organizations.

As a key factor in realizing the particular product or service in tourism is the engagement of human resources. In fact, human resource is the creator of the product/service, and therefore its role is very specific.

The tourism industry creates, provides and implements a service in which special emphasis is placed on the influence of labor. Hence, the quality of service is closely linked with the quality of labor or the management staff/the management of human resources, in order to effectively meet the required service.

Staffing is the foundation of human resources. Staffing is a feature that includes several activities that provide personnel (employees) in the organization. It is clear that without people no work or organization can exist. Without the people the job in the organization cannot be done.

The management of human resources is defined as strategic and coherent approach to managing the most valuable resources in the organization - people - who work in it and contribute to achieving its goals[60]. This function covers multiple activities that are interconnected such as: planning of supply and the need for human resources, job analysis, recruitment of potential candidates, selection of candidates, the socialization of new employees, training and employee development, motivation and others. In fact, a

[60]http://www.skolarac.net/index.php?option=com_content&view=article&id=61:menadment-ljudskih-resursa&catid=43:preduzetnitvo&Itemid=66

comprehensive systematic approach to interpersonal relations with staff allows achieving better performance in any organization.

Management of human resources is a part of the managing and is based on theoretical and practical knowledge of the psychology of labor. Reviewing the psychology of labor and its history is clear that many issues of today's management of human resources are not in the least new. They existed and were considered a long time ago. Hugo Munsterberg is considered as founder of the psychology of labor, with his book "Psychology and Industrial Efficiency" (1913)[61]. This branch, extending its field of interest to the psychological problems of man in the work environment is separated from psychology as an independent discipline.

People are those that create products and services, those who control the quality of each, marketed products, manage, build strategies for the organization. People have the knowledge, they innovate, have intellectual and physical capacity. So without this resource - human, everything would be impossible.

One of the basic principles of CDM should be: 'the right man to be at the right place at the right time'.

People get more and more knowledge and information and hence the human resource management becomes more difficult. The importance of human capital is growing and more and more skill is required in managing human capital. Quality management of human capital is the most important activity of any organization.

Modern Human Resource Management

Today, when there is constant change and development of technology and information, management requirements are more complex. Modern organizations operate in an environment or atmosphere which requires them to have a different approach, different ways of thinking and a different structure. Modern organizations are prone to constant change. Nowadays there is no universal model of organization. New organizations are increasingly moving away from the usual pyramidal shape and are increasingly directed towards horizontal organizational form. With this form of organization they themselves have a major influence and role in profound and significant changes in the management of human resources. The main feature of these changes is primarily derived from the fact that the basic development resource is knowledge. A new kind of organization, John Naisbitt calls it "networking". According to him, networking is connecting the people who talk among themselves while sharing information and resources[62].

The function of human resource management encompasses a variety of activities:

- **Analysis of the work** - the process of collecting relevant information about the work and define the necessary knowledge, skills and abilities to perform specific tasks;
- **Planning the supply and the need for human resources** - a process in which, based on anticipated changes in external and internal environment are anticipated the needs for human resources;
- **Recruitment** - the process of attracting quality candidates in such numbers that would enable the organization to choose the best to fill vacant jobs;
- **Selection of candidates** - a process in which the selection of applicants for a job is made as well as the decisions on hiring or rejection of candidates;
- **Training of employees** - a process aimed at changes in specific knowledge, abilities, skills, attitudes and/or behavior directed at improving the performance of employees to their jobs or any related work;

[61] http://www.muskingum.edu/~psych/psycweb/history/munsterb.htm

[62] http://www.naisbitt.com/home.html

- **Development** - the process of creating opportunities for learning how to help their employees in their personal development and future needs regarding work and career development;
- **Evaluate the performance of employees** - a process which assesses the individual contribution of employees in achieving the objectives of the organization, in a certain period of time;
- **Remuneration of employees** - the creation and administration of direct (basic pay and earnings based on the performances) and indirect earnings of employees (protection programs, paid leave);
- **Labor relations** - promotion of relations in the relation employer - employee through collective bargaining and respect for legal regulations concerning labor and employment relations;
- **Health and safety staff** - by improving working conditions, programs to reduce stress, reduce accidents in the workplace, counseling;
- **Managing the process of leaving the organization** - planning and implementation of various programs to leave the organization by employees such as: granting dismissal of employees voluntarily leaving the organization by employees etc. technological surpluses, retirement etc[63].

Also, important activities within the office management of human resources refer to the various programs of quality management, programs to build teams and so on.

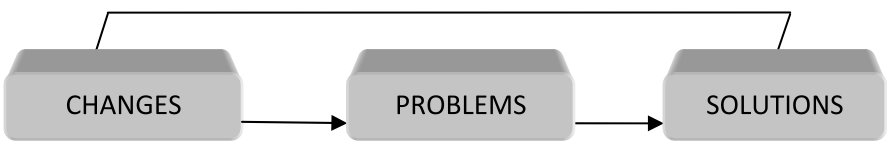
In modern terms these activities that are carried out are faced with more challenges because there is no ready solutions and recommendations for changes or the problems arising from the environment. Rapid changes significantly affect the change of the strategic goals of the organizations and the changing nature of the problems faced by companies, which affect the policy of management of human resources. As important trends affecting the management of human resources are the following: reduction in economic growth, the Internet revolution, globalization, changes in legislation and so on.

Managerial Problems, Solutions And Decisions

Each of the functions of the management is followed by decision. Decision-making is incorporated in all functions. Decision-making is a very important part of the management. It encompasses the best actions that are directed towards achieving the goal. Deciding is the process of decision making to solve the problems already identified.

Changes are inevitable nowadays, and not only inevitable but they are also somewhat permanent. If everything is unchanged in comparison to what is predicted, then there are no problems. But the changes are permanent and present everywhere. When a problem occurs, it is actually a situation in which the current things differ from the planned. Usually the discovery of the existence of the problem is intuitively and informally, and there are few situations that would suggest the occurrence of a problem to the manager, such as: concessions on previous experience, the deviation from the plan foreseen, customers, competition and so on.

Therefore, the changes bear problems, and problems must be solved. (picture)



Picture: Changes – Problems - Solutions[64]

[63] Biljana Bogićević Milikić, *Menadzment ljudskih resursa,* Faculty of economics, Belgrade, 2003, Page 8
[64] Todor Kralev: Management Basics, Fifth Edition, Faculty of Tourism – Skopje, 2007, page 63

Often, a streaming of unwanted changes or problems occurs. The success in solving a problem depends on the ability of the managers to recognize the unwanted and unexpected changes that have caused some deviation of the already planned situation. The difference between successful and unsuccessful managers is ascribed to the fact that the successful ones tend to solve the problems that occur, while the unsuccessful ones not only they can not fix the problems, they fail to recognize them as well. An interesting fact is that the manager are often in situations where they have a hard time to determine whether the upcoming events present a problem or an opportunity.

The process of solving problems is closely related to important managerial task and that is the decision-making. When solving a problem, it is necessary to make a decision. Whenever there are more alternatives, and that the performance of all managerial functions - planning, organizing, staffing, management and control, it is necessary to make a decision. There is always an alternative choice, to do or not do something. In fact when one makes a choice not to do anything in fact is making a decision. It is a decision not to change anything, not to improve and not to anticipate potential problems.

The fact is that all of us in everyday life deal with making decisions. Managers are those who pay particular attention to decision making and approach the problem in a systematic way. It is necessary to pay attention to three points:

1. To make a decision it is necessary to have a choice between several variants.
2. Deciding is a process which is influenced by: knowledge, experience, information, interest, emotion, intuition, and many other factors.
3. Decisions are directed towards achieving the objectives.

The image shows the process of decision making:

Figure: Process of decision making[65]

Theorists divide the decisions to programmed and unprogrammed. Programmed decisions are those that are repeated and which may have some standard procedures and methods in the making. In programmed decisions there are usually a number of alternatives. Actually programmed decisions are made for routine problems. Unprogrammed decisions are those made for unusual and outstanding problems. These decisions, consist of several factors that the manager who makes the decisions, cannot control.

According to P. Drucker[66], there are several stages in the process of solving problems. He noted that each phase of problem solving is complex and involves many analytical procedures.

Step 1 - define the problem that hinders the achievement of the objectives of the organization. A key issue for managers in this stage is: who is the problem? At this stage, the key reason for the problem should be revealed which will highlight the necessary changes to be done.

Step 2 - In this phase the problem is clearly analyzed and studied in terms of the consequences that it might cause on the organization as a whole. Managers must look at the problem and be more

[65] *Milićević V*., *Strategijsko poslovno planiranje*-menadžment pristup, Faculty of organizational sciences. Belgrade 1998, Page 3
[66] http://www.decision-quality.com/intro.php

intuitive and look deeper because not all reasons are obvious and not all of them can be solved mechanically.

Step 3 - Creation of alternative solutions. For every problem you have to offer more alternatives; so managers have suggested to combine qualitative and quantitative methods.

Step 4 - After you create alternative solutions, the phase of choosing the best alternative follows.

Step 5 - This is the stage at which the decision is being made. The decision must be the best. The assessment that makes the decision the best is the following criteria: risk, productivity, cost.

Step 6 - This is the implementation phase. It is necessary to convince people to accept the decision. Additional steps and procedures are required in order for the decision to be fully implemented.

In addition to the individual managerial decision-making, there is a group decision. The advantage in such decision making is in the larger quantities of information and knowledge available. This generates a number of alternatives and makes decisions-making better as well as solutions to additional problems. But this decision making process is long and expensive, and the lack of one individual that would dominate the group would lead to a compromise decision.

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ENTREPRENEURSHIP IN TOURISM INDUSTRY LEAD TO BUSINESS BENEFITS

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Abstract:

Tourism has the potential to empower communities and the sustainable tourism agenda needs to focus on how to bring this about. Understanding tourisms and tourism processes is the first stage to empowering the local community to make informed and appropriate decisions about their tourism development. Considerable investments are required in communication and trust building between the actors in tourism. In this context to make successful development of tourism is necessary to understand the importance of entrepreneurship and human resource management.

Tourism businesses have been identified as essential actors for creating jobs and generally growing the economy. Also here is attempt to identify the constructs that influence in building high-quality entrepreneurship in tourism industry. So, here is indicated the relationships between them - the level of involvement of owner-managers, the owner-manager having an entrepreneurial orientation, the knowledge of owner-managers, the involvement in decision making of owner-managers and a marketing orientation, market orientation, differentiation and tourism destination development.

Key words: *entrepreneurship, tourism industry, business benefits*

INTRODUCTION

Sustainable tourism is a sub-branch of sustainable development that was put on the world agenda. Community participation, although considered essential in sustainable tourism, is a concept subject to much interpretation. Research investigating the competitive advantage of small tourism business has consistently emphasized the importance of high-quality entrepreneurship as key factor in business survival and growth. The ability to identify and operate in a particular market niche enables the firm to exploit a range of specializations and being competitive. That's why for tourism business performance need to be explore the relationships between entrepreneurial leadership, market orientation and relationship marketing orientation.

Tourism businesses have been identified as essential actors for creating jobs and generally growing the economy. Also here is attempt to identify the constructs that influence in building high-quality entrepreneurship in tourism industry. So, here is indicated the relationships between them - the level of involvement of owner-managers, the owner-manager having an entrepreneurial orientation, the knowledge of owner-managers, the involvement in decision making of owner-managers and a marketing orientation, market orientation, differentiation and tourism destination development. An entrepreneurship quality measure is essential to develop because it could help focusing on high-growth small and new businesses, according researchers. This will help to identify a wide range of economic, social, policy, and firm factors that may affect the development of high-quality entrepreneurship. Also it will enable entrepreneurs to uncover the critical role of high-quality entrepreneurship in economic growth and in rural development too.

One of the associations for entrepreneurs is the fact that they innovate. In this way they create and employ. Entrepreneurship is necessary for creation of new organization, construct new businesses. So, it plays crucial role for success of economic growth and lead to business benefits.

Entrepreneurial individuals also channel and transform their entrepreneurial ambitions and qualities into actions. So, an organizational extension of individual entrepreneurial actions and a behavioural manifestation of entrepreneurship could be identified in small firms (Wennekers and Thurik 1999). In this way, entrepreneurship quality is connected to job creation in small tourism business and economic growth generally. New small tourism businesses contribute to the flourishing of entrepreneurship as important catalysts or actors in technological innovations; as agents of change in market structure and competition environment and as critical forces in industrial restructuring and national competitive advantage upgrading (Hart 2003, Porter 1990).

In context for new ventures, according to the researchers, are far more important in bringing new ways into economic process than are established firms. High-growth and high-potential small tourism businesses have positive impacts on economic growth. Possibility to understand entrepreneurship quality is very important in a way to discuss about essential meaning of entrepreneurial leadership, market and marketing orientation, differentiation and tourism destination development. This will enhance accessing high-quality entrepreneurship in tourism industry. Growth in the tourism industry will bring benefits which will facilitate job creation. The government views this as an opportunity to create employment and to bring in equality in the country's job market. Business with low capital investments could become sustainable, depending on the skills and characteristics of the owner-managers of these businesses that represent human resourse management.

Entrepreneurial leadership in tourism industry

The tourism industry has been identified as one of the key industries for driving economic development and economic transformation in developing countries. The marketing challenges facing tourism businesses are unique in that these businesses cannot be promoted in isolation from their competing and complementary products. Entrepreneurship quality, entrepreneurial leadership, market and marketing orientation, have been identified with positive influence on the business performance of an tourism enterprise. Also, it is important to identify the specific factors that influence success in small tourism businesses which were aforementioned. The relationships between entrepreneurial leadership, market orientation and marketing orientation could be explored with their common elements - the skills and characteristics of the owner-manager, ownermanager knowledge and alliances. These elements of entrepreneurship on one hand, and innovation orientation on other hand, are positively linked to various measures of organizational performance. In this context, many studies suggest that the performance of a small tourism enterprise could be determined by the personality of its entrepreneur. So, owner-managers are the people who recognise the potential of a particular project. When they do it, further take the necessary action to implement the innovation. The importance of the owner-manager is essential in small tourism businesses because of the inseparability of production and consumption (Hill, J. & McGowan, P. 1996).

Gupta (2004) define entrepreneurial leadership as "leadership that creates visionary scenarios used to assemble and mobilize a 'supporting cast' of participants who become committed by the vision to the discovery and exploitation of strategic value creation". So, owner manager has a vision for using all potential from tourism industry. That's why he is recognised as person who initiate, develop and manage entrepreneurial organizations which is an important component in achieving success.

Some researchers posit that technical skill is a competency that needs to be acquired by the ownermanager. In this context, the owner-manager should implement all the technical attributes. The ownermanager of a small tourism business has to have the technical competence. The knowledge that owner-managers of small tourism businesses have of how to gain and understand the entrepreneurship quality, entrepreneurial leadership, market and marketing orientation, differentiation and tourism destination development will be related to the successful use for purposes in tourism industry. Also, other mentioned important element is alliance. The importance of alliances is that can take a number of forms and include personal contact networks, social networks, business networks, industry and marketing networks. Alliances are used to describe these cooperative relationships. Alliances play a crucial role in small business marketing by reducing uncertainty, facilitating trust, reducing the risk for all the parties. Small tourism business uses these networks to access market information, as small businesses often do not have the time or resources to buy market information or solicit the services of business consultants. They also have an influence on its decision-making.

Market and marketing orientation

Many researchers showed interest for reasearcing the positive relationship between market orientation and a firm's performance. In this context, researchers (Narver and Slater, 1990) propose the behavioural components such as customer orientation, a competitor orientation and inter-functional coordination, as part of market orientation. In this way, Sin (2005) adds "relationship marketing focuses on the individual buyer and seller relationships and that both parties in each individual buyer and seller relationship benefit". The conclusion is that market orientation as strategy orientation play crucial role in obtaining the superior customer value taking in mind that this value will result in organizational performance. More exactly, market orientation is a term used to describe the implementation of the marketing concept, and describes an organisation-wide approach.

Other researchers argue that there are three behavioural components making up the market orientation construct, which they label as customer market orientation, competitor market orientation and inter-functional orientation, as well as two decision criteria, namely long term focus and profit objective. Much of the research in this area has been directed towards establishing a link between market orientation and improved financial returns. Research has found that market orientation is positively correlated with improved financial results. The link between market orientation and improved financial returns is based on the rationale of maintaining a sustainable competitive advantage and this principle applies equally in small businesses. Smaller tourism businesses that strive to engender a market orientation, through the dominant influence of the owner-manager, will have a better chance of successfully gain the purposes.

To be able for taking benefit, small tourism enterprises should form sustainable relationships with relevant stakeholders. These sustainable relationships should permeate in improved business performance, as many researchers define as "an organization is engaged in proactively creating, developing and maintaining committed, interactive and profitable exchanges with selected customers and partners". In this way, Sin (2002), defines relationship marketing orientation as a multi-dimensional construct consisting of the following six components: trust; bonding; communication; shared values; empathy; and reciprocity. Existing positive relationship between entrepreneurship and organizational performance and positive relationship between marketing orientation and organizational performance, the conclusion in the most similar studies, is that there is, also, a positive relationship between ethical entrepreneurial leadership and organizational performance, strengthened by relationship marketing orientation.

In the global economy small businesses are playing a critical role in reducing unemployment, penetrating new markets and generally growing national economies. It follows that small businesses represent an important vehicle for addressing the challenges of job creation, economic development and social development. Tourism is an under-exploited sector with considerable potential for expansion, particularly given the high labour absorption capacity of small businesses (Bengtsson, M., Boter, H., Vanyushyn, V., 2003). Most studies attempt to build on extant research which has attempted to identify the resources required to allow businesses to leverage generic information technologies (IT), such as the Internet, to enhance the businesses' returns. Also, the entrepreneur should have a vision of what the Internet can achieve, and a competency which implies that the ownermanager takes his vision further and actually acquires the technology and technical competencies to utilise this medium. The owner-manager manages the Internet within the context of the overall business and marketing activities on a continuous basis, which means a high level of involvement on the part of the owner-manager.

Today, more often are studies that attempt to identify the non technology resources driving the successful use of the Internet for marketing tourism services, taking a resource-based view of the business. If these complementary resources can be identified, they can be used to leverage the use of the Internet for marketing, which in turn will contribute to a sustainable competitive advantage for small tourism businesses and bring business benefits in tourism industry.

Conclusions of studies indicate that a network of effective alliances, the existence of a product champion in the business, and appreciation by the ownermanager of the broader business implications surrounding the implementation of the Internet for marketing, are important to the successful use of the Internet for the marketing of tourism services.

In spite of the Internet being uniquely equipped to provide dynamic and rich information to customers in an interactive setting, identifying the drivers of successful Internet marketing is proving to be challenging. Although it can be argued that the utilisation of the Internet for marketing is necessity for businesses, this information technology has a direct impact on achieving a sustainable competitive advantage (SCA) (Chaffey, D., Mayer, R., Johnston, K., Ellis-Chadwick, F. , 2000). This approach to understanding the influence of information technologies on realising a sustainable competitive advantage implies that although businesses may have equal access to the Internet, they may differ in their access to complementary strategic resources necessary to optimally utilise this medium. One approach to appreciating the factors driving the successful deployment of the Internet for marketing is the resource-based view (RBV) of the business (Porter, M. E. 2001). Assessing the success of integrating information technologies into the marketing of a business is the extent to which it contributes to the satisfaction of customer needs. This view implies that a resource may be a source of competitive advantage if it is valuable to customers or enables the creation of value for customers.

The tourism industry has been identified as one of the key industries for driving economic development and economic transformation in developing countries. The marketing challenges facing tourism businesses are unique in that these businesses cannot be promoted in isolation from their competing and complementary products. So, the tourism industry is part of the service sector and the tourism product is predominately a service offering, whereas much of the research on the factors driving the successful adoption of the Internet as a marketing tool have largely concerned physical goods. Small businesses lack many of the resources typically available to larger businesses, and as a result find it difficult to compete with bigger enterprises in terms of reaching target markets using the conventional marketing techniques (Middleton, V. T. C., Clarke, J. R. 2001). The marketing practices of small businesses are influenced by factors as the traits of the owner-manager, the size of the small, medium and micro enterprise (SMME), and its stage of development, all of which impact on their marketing techniques. The Internet, as technological tool, with its ability to reach broad and diverse markets at a very low marginal cost, has the potential to contribute to the growth of this sector.

Efforts of tourism business network connection for tourism entrepreneurs decision-making and destination development

Small business networks contribute for destination development. Networking has been the focus of much small tourism businesses. The exact manner in which networks are utilised within a locality, why, and how they may contribute towards the building of a tourism destination is currently unclear. An understanding is critical to the success of making decision by entrepreneurs, also giving business support and make tourism destination policies. Deteremining the networks could be done from a sociocultural perspective, and in a way to underline the implications for business behaviour and destination development. The social network relates to family, friends and the wider cultural dimension in which the businesses are immersed. Using a networking and destination development framework, emphasis a cultural understanding.

Definitions of network in tourism industry are many. In this context, Lynch and Morrison (2007) define networks as "social structures that enable the operators of small firms to build the level of trust necessary for them to share in the development of the local tourism product". Networking is "the process used by members of the network to mobilise relationships and learn from each other". Network "density" is used to refer to a measure of the extent to which entrepreneurs are connected to their environment and may be described as "loose" or "tight" knit (Granovetter, 1982). Research into small tourism firms identifies limited marketing and management skills. The development of these firms is restricted by an inadequate understanding of other businesses in the sector and of how to work with them. The capacity to work with other actors is identified (Van Laere and Heene, 2003) as a core competence of organisations. Entrepreneurs recognise the fact that many of the skills and resources leading to a small firm's success exist outside of the firm. The desirability of small tourism firms working together in a form of "co-opetition" could be seen in tourism economic policy initiatives.

It is necessary to consider the tourism business networks collectively, for a more complete picture in terms of destination development. Individual networks are still considered but from the tourism business epicentre. It is necessary to choose an epicentre to create perspective, angle and focus to the research. From a tourism perspective, the activities of small businesses within such tourism destinations are of research interest in terms of their contributions towards sustainable economic and community development of the destination (Tinsley and Lynch, 2001 ; Petrillo and Swarbrooke, 2005). Some researchers contribute a useful framework for understanding these activities through the concept of micro-clusters as a development model. They apply the concept to a concentration of firms in close geographic proximity: where, in sociological terms, they are bounded by a single community of social and economic interests. Although their number and size may be small, the cooperative and complementary nature of tourism firms is developed through the community's own needs and values. This interaction enhances their specialization, improves their market potential and generates opportunities for others. This micro cluster approach is intended to encourage new growth but at a level which the community can understand and control. A number of significant studies have been made on these propose opinions within a destination context. In this way, Morrison (2004) establish the core of a network as inter organizational learning and knowledge exchange, with a sense of community and purpose-giving cohesion. A core element of these communities is that they have been historically shaped by different socio-political and economic interactions amongst actors in a bid to sustain the competitive advantage of the destination. In Lynch's (2000) study of social networks within the host family operation, hosts with denser networks are seen as potential targets for influencing quality in the overall host family sector, due to their key role for contact and dissemination capabilities within geographical neighborhoods. Lynch suggests that there may be similar relevance to be found in other accommodation sectors. Lynch and Morrison (2007) emphasis social network analysis to understand the impact on destination development of interim interaction among community-embedded small tourism organizations.

Also, important thing in understanding the nature of networking and to determine how it contributes to the overall tourism destinations for building high-quality entrepreneurship in tourism industry. That's why measuring and building high-quality entrepreneurship are important to explain the role of tourism destinations. In order to drive economic growth and profit, tourism destinations should be promoted. That is the reason why today competition between destinations has become intense. The tourism destination is an important construct for the exploration of tourism networks. Tourism is one of many different perceptions of the destination. There are researchers which argue that it is up to them to decide what perspective to observe the networks from. Network strength will depend on what angle they are examined from and what level. Networks may contribute for building of a tourism destination and this is important to the success of business support and tourism destination policies.

In this context, many researchers discuss about networks from a socio-cultural perspective, and the implications for business. Defining networks as social structures, they help to the operators of small firms to build the level of trust necessary for them to share in the development of the local tourism product. Also, they include the meaning and acting of family, friends and acquaintances of the owner and their employees, and the wider cultural dimension in which actors are immersed.

The cooperative and complementary nature of tourism firms is developed through the needs and values of community. This interaction enhances their specialization, improves their market potential and generates opportunities for others. Another researchers establish the core of a network as inter-organizational learning and knowledge exchange, with a sense of community and purpose-giving cohesion. The control mechanism of market differentiation is used informally within the destination, regulated by business community pressure. Community embedded business networks demonstrated successful control over the destination’s tourism development.

Others explore (Von Friedrischs Grängsjö, 2003) destination marketing by small tourism businesses focusing on the importance of the operators being tied in time and space to the tourism. It’s logically that here exist the relationship which connect company interest and destination interest. The essential meaning of this relationship is that the destination should serve the company interest and the company serves the destination interest. The reason is that for tourisms and entrepreneurs is important their feeling that they have of a village community as they realize their joint importance which is part of the tourism destination package.

Tourism destinations are framed as products to be marketed. Some researchers point to tourism destinations as a place that can be viewed as a product. The point is on consumption of the complex of activities that comprises the tourism experience, and what is sold by place promotion agencies on the tourism market’ (Ashworth & Voogd, 1990, p. 7).

The natural environment, culture and built environment of a place can be treated as the place’s valuable assets. This resources or inputs create the right ambience for the realization of tourism consumption. Tourism destination also calls into action a range of marketing instruments. These instruments are similar to those used by entrepreneurs in fast moving consumer goods marketing, such as SWOT analyses, branding, market segmentation, the marketing mix, market penetration, extension, development and promotion strategies in order for destinations to be successfully marketed (Kotler, 1993).

Further, the main resources for the development of a competitive destination brand which could be mentioned are culture and history of the destination. With elements from these resources entrepreneurs could make a differentiation and enhance competitiveness in tourism as marketing efforts involve the creation and promotion of attractive destination images. The natural environment of a destination and its history and culture are parameters of its core attractiveness.

So, the process of selection in tourism business is determined by what is perceived to be attractive to the particular tourism segment targeted.

Ryan, C. (1991) defines that “tourism is not simply about places – it is about the experience of place, about meeting people, the interaction between host and visitor and with fellow tourisms. Of all the service industries it is perhaps the most intangible of all. People save their money and their weeks of escape from work to buy what becomes a memory”.

When it’s mentioned the word “perceiving”, it is good to know that a lot of findings, also, emphasize the importance of entrepreneurial perception.

Researchers found that entrepreneurial perception of market opportunity was significantly related to entrepreneurs’ efforts to create a venture and that these efforts, in turn, were significantly related to venture start-up. Entrepreneurs are cognitive agents operating in enacted environments in which the entrepreneur's key tasks are interpretation, sense-making, and the reduction of subjective uncertainty**.** In line with this creation view of entrepreneurship, some empirical result supports a different conceptualization of opportunity than the traditional structuralism discovery view. It's find support for the view of opportunities as subjective perceptions. These perceptions are what spur entrepreneurs into action through cognitive processes, social interaction, and the mobilization of resources, entrepreneurs enact these images and thereby create opportunities.

Another interesting founding in the environmental context has long been considered an important factor in the organizational and entrepreneurship literatures. Environmental change has been considered to be the source of opportunities in the discovery view of entrepreneurship, and environmental dynamism has been empirically linked with increased entrepreneurial activity as well as success of entry and higher performance of new firms. The proposal from researchers is that entrepreneurial perceptions are the key mechanisms through which environmental characteristics influence outcomes such as firm creation. Entrepreneurs' perceptions of opportunity are influenced by the actual dynamism of the environment.

CONCLUSION

Small businesses have been identified as factor with crucial role for creating jobs and generally growing the economy. One industry that is characterized by the proliferation of small businesses is the tourism industry. Key to this industry reaching its full potential is access to markets.

The owner manager factor is important in an industry such as tourism. For its aim is necessary to maintain a competitive advantage, as it facilitates customer, market and technology intelligence (Hoffman & Novak, 1997; Jones, Hecker & Holland, 2003). In this context, many research suggests that from the extent and nature of market orientation depends successfully introduces innovations in tourism business. The owner-manager possessing an entrepreneurial orientation has the importance in sense that it allows small tourism businesses to visualize the benefits. This vision in turn drives the plan on how to achieve these goals and the allocation of appropriate resources. In large businesses, planning may be driven by objective and collective decision-making, which is not atypical for small businesses, given the significant influence of the owner manager.

So it could be summarize that tourism is a competitive industry. Tourism through the creation of attractions and provision of supporting infrastructure, can effectively create its own demand. For this aim, tourism has own strategy. This strategy should provide a tourism management and marketing structure, supporting research and product development and giving attention to risk management. Another important thing is the protection of environment, heritage issues and limitations of carrying capacity.

Also, for successful tourism business other important factors are entrepreneurial and leadership characteristics. In this way, it's the human capital approach in small business ventures. Many researchers have identified certain qualities and skills essential for effective performance of a tourism entrepreneur, which also contribute towards small venture performance. These are managerial and personal characteristics, such as internal locus of control, achievement orientation and autonomy. In small and micro enterprises these characteristics for the owner-manager seem to be of vital importance for the venture to perform effectively.

The influence of entrepreneurial leaders on the choice of the appropriate blend of market orientation and marketing orientation in an enterprise will result in different levels of performance. A lot of studies suggest that the combined effect of entrepreneurial leadership, market orientation and relationship marketing orientation on small enterprise performance, the personality of entrepreneur determines the performance of a small tourism enterprise.

In this way, market differentiation is also important. Differentiation is important as a key element of the tourism business networks, and their contribution to destination development.

That's why many studies of small tourism businesses within a locality are needed, focusing on their interconnectedness through networks and the wider benefits this brings to the industry as a whole. On other side here are entrepreneurial and marketing orientation. An entrepreneurial orientation will provide a focus for the constructs of owner-manager involvement, owner-manager knowledge and owner-manager decision making. A marketing orientation will assist in obtaining the information on which the owner manager can base decisions. This is because a market orientation will facilitate the acquisition of information on competitors, the appreciation of customer preferences and understanding the drivers of customer satisfaction. In this way it's recognize the importance and influence of human resource management.

So, the creation and development of the entrepreneurship quality measure will enable entrepreneurs to identify a wide range of economic, social, policy and firm factors that may affect the development of high-quality entrepreneurship in small tourism business. Further, the creation and development of the entrepreneurship quality measure will also enable to uncover the critical role of high quality entrepreneurship in economic growth in general and in rural development in particular. In this way, a lot of studies represent the comparisons of the overall performance of the firms- which measure the adoption of technological and administrative innovations, sales and profit growth; and a subjective assessment of the firm's ability to respond to future changes in small business tourism.

The conclusion is that an entrepreneurial orientation is needed for the firm to keep pace with environmental developments is developed. Also, a strong marketing orientation is needed for the firm because this orientation increase the loyalty of its customers and therefore its customer retention performance.

In addition, entrepreneurial perception of market opportunity is significantly related to entrepreneurs' efforts to create a venture. Perceptions are what spur entrepreneurs into action through cognitive processes, social interaction, and the mobilization of resources, entrepreneurs enact these images and thereby create opportunities. So, entrepreneurs are cognitive agents operating in enacted environments in which the entrepreneur's key tasks are interpretation, sense-making, and the reduction of subjective uncertainty.

In order to underline the importance of discussion for the essential meaning of entrepreneurial leadership, market and marketing orientation, differentiation and tourism destination development, its necessary to understand their stronger influence upon the development of new products/services and the use of advanced technologies, as their stronger influence upon the market image of the firm, the achievement of sales targets , the use of effective pricing methods because tourisms seek to experience and locals are thought to have the potential to assist in the maintenance of an atmosphere conductive to tourism. The consideration of the needs of the tourisms and the preservation of the natural environment are essential factors which will brings high performance and benefits in small tourism business.

Key stakeholders in entrepreneurship development and economic growth will be better equipped to determine the types of incentives, organizations and institutions that will be needed to encourage, develop and sustain the aim of nurturing a vibrant environment for entrepreneurship development.

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STUDENTS AND SUMMER PROGRAMS FOR WORK AND TRAVEL ABROAD AS A METHOD FOR RECRUITMENT IN THE TOURISM

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Abstract:

Today many students are leaving the Republic of Macedonia during the summer to work and travel abroad. These kinds of programs are provided by travel agencies in cooperation with the embassies, and allow students to work ant travel abroad during the summer for a period of four months. These kinds of programs are attractive to students because it allows students to travel to countries like England and United States of America and simultaneously to earn money and gain work experience.

This type of recruiting from other countries is popular, because it allows employers to hire young, motivated and capable workforce for much smaller expenses than domestic labor. This is a opportunity that needs to be used by traveling organizations in order to improve its efficiency.

Key words: *recruitment, employers, cooperation, labor contract*

INTRODUCTION

Each organization consists of more resources which are mutually related, such as material, human, financial, technical and information resources. All resources are equally important for the organization and its functioning. In every organization these resources are provided. Depending on the activity of the organization, somewhere some elements are more pronounced, in other organizations other, but in all organizations regardless of the activity, the type of organization or branch of industry is an indispensable element that is people-human resources.

The human resource management is occupied with governance and planning of this resource. Human resources management affects organizational effectiveness through a complex of several inseparable activities. This complex e composed of the following activities: planning, recruitment, selection, socialization, training, effectiveness and improvement.

Of all these activities the emphasis in this paper will be put on the planning and recruitment of human resources. Through these two activities, the companies provide sufficient number of qualitative staff for executing its activities. These activities are of significant meaning for the large companies and companies which are in a need of adequate and qualitative staff.

The activity of planning allows companies to provide, organize and deploy human resources. Companies which execute correctly this activity are much less likely to encounter problems as: lack of staff, redundant staff, lack of adequate skilled staff than companies that do not plan their resources or do not properly perform this activity.

The recruitment is action (activity) through which companies attract and engage the necessary adequate staff for performing their functions. Through this activity companies satisfy the needs and pre-planned targets in terms of human resources.

In the last few years in Republic of Macedonia more and more popular are becoming student summer programs abroad. Through these programs students get the opportunity to work and travel during the summer period in some countries like Germany, America and gain the unique work experience. These programs operate on the principle that travel agencies and embassies through mutual agreement allow students more liberal conditions for obtaining a student visa for stay and work in the given country.

These programs are of particular importance for foreign employers, because through these programs they can recruit young, capable, ambitious and motivated staff at relatively low cost than the home labor.

Embassies, precisely countries provide these programs in order to meet the need of quality workforce during the summer period and also to stimulate tourism.

Human resource planning

Since the late 80s from the last century, systematic planning of human resource becomes more important and necessary for the most companies, because of the dynamic changes in the environment such as: reduced supply of professionalism with a special profile of the labor market, quickly obsolete knowledge of managers and experts with technical profile, employees resistant to changes and movement, a surplus of mid-level managers.

Human resource planning today is not a privilege today but real need, especially for companies which in its external environment have a unfavorable demographic changes, as a reduced work-active population or skilled personnel deficit. This is especially important for companies that need a large number of skilled and trained personnel or companies that need staff with specific profession. As an example we can include the lack of academic professors in Republic of Macedonia. The present state of the labor market results from the sharp opening of many private universities and also of the increasing demand for staff in this field. Therefore the university managers have to plan their human resources, in order to avoid situation without teachers or insufficient number of teachers and thereby to lose the basic tool for functioning. With similar problem are encountering the tourism business as well, in the summer period when they have an increased need for professional staff for the upcoming summer tourism season.

What benefits companies receive from well planned human resources

The human resource planning provides a great benefits and convenience for the organizations in many areas of their working. Outstanding benefits located by major experts are the following:

- Reducing costs through by predicting supply and demand of human resources before creating surplus or shortage of employees.
- Specific knowledge identification and skills that posses the available workers and the need for them.
- Optimal use of skills and knowledge held by the employees.
- Predicting the effects of the use of alternative management policy of human resources and their analysis.

How long the human resources are planned

The duration of human resource planning in each organization is different. In most organization the planning is annual, but if there is a need they modify and change plans during the year. Usually small companies or non–experienced companies in this field, make short-term plans with main focus on how many employees should be employed in the future. This is completely opposite at big companies and companies that have experience within this activity. These companies are planning in a longer period of two or three years and their plans are far more complex and concern segments like employee’s fluctuation and expertise, number of employees by profession and so on.

Phases of the planning process

In the planning process we can identify four phases:

- Collecting data on factors of external and internal environment. Anny planning commence with data collection. The quality of a plan depends on the quality of the information used during its formation. Therefore planning human resources requires accurate data on external and internal environment. External factors include: competition characteristics, market state (unemployment rate, specific professions presence, etc.), relevant technologies and legislation in terms of work and employment relations. Internal factors include: employees fluctuation rate, rate of turnover, the current number of employees, their expertise and strategic and business plans.
- Prediction of the need and supply of human resources. The following step in the planning process after the collection of relevant information is prediction of the need and supply of human resources. In the interest of planning, the needs of personnel, the offer of external and internal staff are predicted. All this is done by using adequate methods as: trend analysis, coefficient analysis and electronic (computer) prediction.
- Alignment of the supply with the demand of staff. The supply and the demand should be alignment and inequality between them should be removed. Whether imbalance will cause surplus (the supply is greater than demand) or deficit (supply less then demand) the company will be in lost.
- Control of planning. This step covers following, evaluation and sometimes correction of planning. No matter how much detail and quality the plan is, it is impossible to foresee all circumstances that are expected in the future. Therefore the plan must constantly be monitored and evaluated and where necessary corrected.

Continental pools inc.

This whole theory on planning activity we can transform it in a example, more specifically we can explain it through the example of the company Continental pools. This American company is involved in maintaining and securing pools. During the summer there is an increase need of professional staff, precisely licensed and trained lifeguards who would guarding their pools. Due to the large number of companies of this type, on the domestic market during the summer season there is a lack of this profession. This company analyzes in detail the external and the internal factors and based on that analysis makes its plans for the upcoming season. Because of the inability to satisfy its needs of the domestic labor market, the company covers the lack of staff through recruitment of foreign labor markets. Most common students are recruited from countries like Macedonia, Bulgaria and Serbia which are secured with the whole documentation needed for work visa and stay in USA. Companies make detailed plans and research on how many staff should recruit from foreign markets by beginning with recruitment and selection of staff needed, by the travel agency ,,Work Abroad". This agency is specialized for recruitment and training staff of this type and has an exclusive agreement for cooperation with Continental pools. After ,,Work Abroad" travel agency receives the required number of how staff should be recruited, begins with recruitment through various presentations and promotions of its services to students at universities. Once they have collected the required number of staff, selection and training is performed. After finalizing of this process the chosen staff are living to work in USA. In this manner the company Continental pools, with well developed plans for human resources and well developed strategy tackled the lack of trained staff. Each step of the given process is thoroughly planned and predicted and no step is left to a chance.

Recruitment

The recruitment is a process through which organization and companies attract a great number of staff, in order to select and choose the most suitable for their needs. From the given definitions we can conclude that recruitment is a process in which the company attracts the qualitative and adequate staff in order to fulfill the free places and to satisfy its needs. The purpose of recruitment is not only to attract and discover quality staff but also to permanently keep in the organization. There are two types or two kinds of recruitment and they are: internal recruitment (the recruited candidates are from organization itself) and external recruitment (the recruited candidates are drom the external environment of the organization).

Objectives of recruitment

The process of recruitment has many objectives but as crucial we can select the following ones:

- Definition
- With very low costs to attract as many qualitative and adequate staff.
- Reducing number of inadequate staff and thus increasing the rate of successful selection.
- Establishment good coordination of activities of selection and training of staff.
- Good staff selection and thereby reducing the possibility of staff leaving after employment in the organization.
- Evaluation of recruitment programs and methods efficiency.

Internal recruitment

Internal recruitment is a process by which the vacancies in the organizations are filled by existing staff. This type of recruitment is often used because it takes a little time of conditioning and staff training, since they have already completed these processes and are familiar with the organization. Most studies show that even 90% of the organizations often use this method of recruitment in order to fill the managerial and leadership positions.

1) Positive sides of internal recruitment

- Small possibility of choosing the wrong person, since the capabilities and the skills of the staff are already known.
- It safes time resources, because of unnecessary media advertising and training and conditioning staff.
- Significantly motivates and strengthens the awareness of employees to security of employment and organization

2) Negative sides of internal recruitment

- Lack of sufficient staff to satisfy the overall needs of organization.
- Reduction of motivation and disruption of interpersonal relationships.
- A small input of new skills and knowledge.

Methods of internal recruitment

- **Call on existing employees to compete in the competition for the free job positions.** This is the way that employees are informed for the free job positions. This call may be announced in the form of a notice placed on the bulletin board, classic letter or e-mail. During such method of recruitment you should be quite cautious, because very easy we can disrupt the interpersonal relationship and to reduce employees motivation. All information and overall the whole process of recruitment should be transparent to avoid conflicts and misunderstandings. Perfect example for this kind of recruitment is the company Continental pools which the managerial and leadership position fills with already existing staff. This is done in a way that, students who have already worked one season for the company have a chance to sign a contract for the next season, which gives them a opportunity to advance and promote to a higher position.
- **Making an inventory of skills**. This method involves collecting all the information about the expertise of employees and their analysis in order to select the most appropriate candidate for the free fixed job position. This done is such manner as to gather all relevant information for each employee separately and form a proper base for storing and analyzing these data. These bases can be quite simple or serious and complex. Usually, this type of databases we can see in large companies with great number of employees. Processing and updating this

type of databases require much time and great commitment. Mostly, for their preparation various kinds of software are used. Such database often contain all information about employees such as: work experience, product knowledge, industrial experience, special training, skills, foreign language, and career interest, evaluation of performance and restrictions of movement.

External recruitment

External recruitment includes requirement of suitable personnel outside the organization. In such recruitment several kinds of conditions should be consider: general economic conditions (such as the unemployment rate), local conditions (such as a construction of a factory would have change significantly the rate of unemployment at the local level) and professional market conditions as representation or lack of various professions. The aim of this type of recruitment is to attract a great number of candidates of the external organization environment, in order to find suitable candidates for the organization.

1) Positive sides of external recruitment
   - By introducing new people into the organization her openness and flexibility is maintained.
   - The lack of qualified staff and the need to fill one job position on behalf of another job position is eliminated.
   - The inventory of skills and knowledge of the company is enriched.
   - A significant input can be introduced to the recognition and removal of the deficiencies of the organization, due to the growing objectivity and freshness of the new recruits.
2) Negative sides of external recruitment
   - High costs
   - Takes lot of time
   - Increased possibility for mistake during candidate selection.

Methods of external recruitment

As most common methods for external recruitment are the following:

- Advertising – this is the default method of recruitment which is most often used by the organizations. This method is oriented towards all who look for a job. Employment advertisements are transmitted through the mass media for information such as : daily newspaper, television, radio, magazines, billboards and internet. An advertisement in order to achieve maximum effect, should posses all key information as: the name of the organization, detailed job description, required expertise, skills and knowledge, physical location of the job, earnings and benefits. Through advertising, maximally should be avoided various discriminatory contest restrictions like: age, gender, nationality, religion or physical beauty of the candidate.
- Employment Agencies – are default method of recruitment which serves as intermediary between the supply and demand in the market. They operate with, applicants seeking for a job and also with organizations which need suitable staff. After this the agency analyzes the candidates and individually depending on their features, recommends them to the organization that requires such staff. For this service, agencies charge a fee which usually ranges from 20-30% of the annual salary of the candidate. Often the services of these agencies are used by companies which do not have human resource department, companies with no experience of recruitment and companies that can not attract sufficient number of candidates. Such agencies exist on the Macedonian market as an example: ZIP Travel Agency-agency for mediation in employment. This agency serves as an intermediary between candidates from Macedonia who want to work abroad and foreign organizations.
- Recruitment Agencies – these agencies are specialized in recruiting skilled and trained staff which is difficult to reach. They operate in a way that after the request of an organization that

needs some sort of professional staff, search the market and locate the most appropriate candidate for the given job. Companies use these agencies when they are in a need of skilled staff, for example when they are in a need of top manager or some kind of an expert. This method is most commonly used by The United States. One of the flaws of this method is the high costs for its implementation.

- University recruitment – this type of recruitment is most commonly used by large companies. Operates in a manner through which companies directly from universities recruit the staff they need. This is often done by prior agreement with the universities. Lack of this method is that candidates who are recruited do not have prior work experience so you will need to allocate more time for training. An example for this type of recruitment, today we can see at private universities, that in order to attract more students, concluded agreements with large companies which guarantee that after graduation the students will be recruited by these companies.

Students Work Abroad Programs as a manner for recruitment

In the last few years in Republic of Macedonia, students Work and Travel programs are very popular. These programs allow students to work and travel in some other country for period of four months. These programs operate in a manner that travel agencies in cooperation with the embassies enable students to gain visa and to work in the given country based on predefined conditions.

The required conditions for participation in these programs are the following;

- Age between 18 and 26 years
- To be regular students in higher education- University
- To have great academic standard (regular exam)
- To be able to work at least nine weeks
- Good knowledge of English language
- To have sufficient funds for covering the costs of the program
- To be built person with independent character

These are the basic criteria on which embassies issuing visas boarding. Apart from these criteria students must pass through a selection and to prepare the necessary documentation.

Why these programs are so attractive for students

The greatest credit for the popularity of these programs is due to several factors as follows:

- These programs easier the procedure for obtaining student visa
- Students are gaining with specific job experience, that will later use in their carriers
- Allows them to make profit and to recover the invested funds
- These programs are excellent opportunity to spent summer in very creative and profitable manner.

Why do foreign employers recruit trough these programs?

Employers express a strong interest in recruiting through these programs. Without their support these programs would not exist. The main reasons for the great support that these programs enjoy among foreign employers say the following:

- Providing qualitative, motivated and adequate workforce cheaper than the home labor.
- Eliminating the possibility during the season to lose staff due to leaving company, since students are required to respect the work agreement till the end because on the same the visa shall be issued.

- Possibility to attract a great number of qualitative staff and during selection process to choose only the most suitable for the company.

Travel Agencies role in these processes

In Republic of Macedonia there many types of these agencies for example: ZIP Travel, Viking, Work and Travel, Aurora Travel and some others. All these organizations share the same role in these programs, to act as bridge between students, embassies and employers. As essential obligations of the agencies are the following:

- Attracting a large number of employers in a need of workforce.
- Attracting a large number of students who are ready to work in another country in period of four months.
- Gathering all information for students and performance of the whole selection process for the employers needs.
- Preparation of whole documentation necessary for obtaining student visa.
- Ensuring a secure way, stay and return of all students after contract completion.

These programs are beneficial to all parties involved. This type of recruitment provides benefits for both students and employers and for travel agencies and countries as well. While students gain a unique work experience, employers and companies satisfy their needs agencies gain profit and along with embassies promote the given countries as excellent tourism destination.

CONCLUSION

From all of the information we can conclude that the processes of planning and recruiting are of great importance to the companies. Through this processes the companies satisfy their needs in the area of human resources which are an important part of every company. As we already saw there are many methods for recruiting, but the most used method by the tourism businesses, especially the foreign, is the method Work and travel. These programs allow the companies, in cooperation with the embassies and the travel agencies, to recruit quality staff during the summer period when they have a lack of workforce. All of the involved in these processes derive some benefit. Employers and companies meet their needs and provide quality, motivated workforce that they can rely on and students get a chance to visit and get acquainted with… and simultaneously to gain an amazing experience. While the agencies which in these cases serve as mediators are exercising its basic function and making profit, the embassies, throughout which this process is taking place, promote their countries and they help their employers.

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THE GROWING ROLE OF CULTURE SUSTAINABILITY IN TOURISM DEVELOPMENT

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Abstract:

The article examines the essential and growing role of culture sustainability in tourism development. The key to cultural sustainability is fostering partnerships, exchange, and respect different streams of government, business, and arts organizations in sense of tourism development. The role of culture sustainability as a way of development was supported by theories of modernization, during recent years; there has been a growing tendency to view culture as an instrument for tourism development.

An important aspect of culture sustainability in tourism development is the concept of shared culture, which entails mutual respect for every culture in a community. Through this collective experience, communities gain respect for their own and others' histories, resources, hopes and dreams.

Key words: *culture, culture sustainability, culture sustainability indicators, community, tourism*

Sustainable Development a great future for all

The concept of Sustainable Development (SD) was launched in 1987 by the Brundland Commission, formally known as the World Commission on Environment and Development. The Sustainable Development was defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The concept of sustainable development has three dimensions: an environmental, an economic and a social dimension.

The idea of sustainability is the persistence of certain necessary and desired characteristics of people, their communities and organizations, and the surrounding ecosystem over a very long period of time (indefinitely). Achieving progress toward sustainability thus implies maintaining and preferably improving, both human and ecosystem well-being, not one at the expense of others. The idea expresses the interdependence between people and surrounding world[67].

The interconnectedness between tourism, culture and sustainable development

Culture and sustainable development

Our future will be increasingly shaped by the interdependence of the world's population. It is essential to promote the interconnectedness between culture and sustainable development. The World Commission on Culture and Development (WCCD) chose to view culture as "ways of living together". According to WCCD, the culture has two different implications in the two views of development. If it is economic growth, culture is purely instrumental, not something valuable in itself, but a means to the end of promoting and sustaining economic progress. Without a doubt, economic growth is generally valued. However the question arises as to whether it should be valued for its own sake. Are the instruments of growth-including culture valued as means only, or is growth itself an instrument?

[67] Hardi, P., Zdan, T., (1997), Assessing Sustainable Development: Principles in Practice, the International Institute for Sustainable Development, Canada

Due to its broad definition and understanding," culture" can be regarded as a fundamental issue, even as a precondition to be met on the path towards Sustainable Development (SD), culture in a global framework is poorly recognized. The relationship of human beings to the natural environment has so far been seen predominantly in biophysical terms, but there is a growing recognition that societies themselves create, elaborate, culturally-rooted procedures to protect and manage their resources[68].

Environmental, social, and economic models of sustainability view culture as an important dimension, but still lack understanding of what culture relates to and contributes as a means of development.

Tourism and Culture

According to the World Tourism Organization (WTO) tourism is "the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure business and other purposes." Tourism brings individuals and human communities into contact, and through their cultures and civilizations. Tourism generates both income and employment relatively cost effectively by drawing upon the resources of nature and culture.

The fields of tourism, culture and development, if taken separately, are very complex for policy makers in the context of development. Tourism is a problematic field because it is related to with many various sectors and administrative institutions (such as transport, planning, health, agriculture, water, heritage, environment, immigration, public security etc.).

The inter-relationships between tourism and culture have attracted attention over recent years, and have become a focal point for policy at a regional, national and international level. In policy and planning terms much has been done to "protect" culture, heritage and resources and related natural environments from the excess of unplanned and uncoordinated tourism development[69]. Our understanding on the complexities of culture has evolved within the context of globalization. The World Commission for Environment and Development (1987), and the Rio Declaration on Environment and Development (1992) were central in first recognizing the inter-connectivity of the health of the environment and the wealth of culture but within policy making relating to sustainable tourism development, the cultural dimension has tended to be secondary to attempt to solve environmental problems, better utilization of resources for tourisms and host communities. Related to this, the cultural dimension of tourism is problematic to measure. The World Tourism Organization has developed "core indicators of sustainable tourism" designed to aid managers and decision makers involved in tourism development.

Tourism and sustainable development

Tourism contributes to sustainable development in two approaches. Firstly, because of the dynamism and growth of the tourism sector, the major contribution that it makes to the economies of many countries and local destinations. Secondly the tourism creates relationship between consumers (visitors), the industry, the environment and host communities.

According to World Tourism Organization (WTO), there are three unique aspects of the relationship between tourism and sustainable development.

- Interaction: the nature of tourism, as a service industry that is based on delivering an experience of new places, that involves a considerably amount of interaction, both direct and indirect, between visitors, host communities and their local environments.

[68] Report of World Commission on Culture and Development (WCCD) (1995), Our creative diversity, Paris
[69]Robinson, M. and Boniface,P. (1999) ,Tourism and Cultural Conflicts, CABI, Wallingford

- Awareness: tourism causes people (visitors and hosts) to become far more conscious of environmental issues and differences between nations and cultures. This can affect attitudes and concerns for sustainability issues not only while travelling but throughout people lives.
- Dependency: much of tourism is based on visitors seeking to experience intact and clean environments, attractive natural areas, and authentic historic and cultural traditions and welcoming hosts whom they have a good relationship with.

Cultural Sustainability

"Cultural Sustainability" is a new term, and one not easily defined. According to the Sustainable Development Research Institute, cultural sustainability can be defined as "the ability to retain cultural identity and to allow change to be guided in ways that are consistent with the cultural values of people".

It is clear that the cultural sustainability perspective must be examined within deep understanding of our roots. It could be considered that the cultural sustainability concept as one that comes to solve the conflict between the conservative visions of our inherited cultural over layers and the need to meet the new era of challenges. Cultural sustainability is mainly concerned with the continuity of cultural values linking the past the present and the future. This linkage deepens across both geographical and temporal scales. It is applied to territories that share a set of well defined characteristics[70].

Various dimensions of cultural sustainability are utilized in the context of tourism, though each has its own standing of independence of mobilization for economic purposes. It is important to recognize that increasingly the tourism sector creatively draws upon the fullest range of expression of culture to provide it with products and experiences for tourisms.

Cultural dimension on Sustainable Development has been emphasized in the context of primary production, tourism and regional development. That expresses that cultural sustainability requires recognition of local cultural values, equal rights and cultural logic of the community in policy planning and decision-making. On the other hand, cultural sustainability has been associated with the role of art, creativity and cultural activities necessary for community development.

CONCLUSION

Despite many activities, the link between culture, tourism and sustainable development is still unstructured in scientific terms and it has not been fully recognized in context of policies for Sustainable development. Such a multidisciplinary approach into different areas of Sustainable Development is new and innovative.

The tourism sector could not remain indifferent to the sustainability challenges of our time. It can have positive and lasting effects on cultural sustainability, on our cultural and natural heritage, on creativity and cultural diversity, and on the environment and balance of societies. In the long run, tourism could contribute to environmental, economical and social development on a global and local scale through increasing importance of cultural sustainability on its development.

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CONNECTION OF THE REWARD SYSTEM OF THE EMPLOYEES WITH THEIR JOB SATISFACTION IN TOURISM

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Abstract:

Everyday dead heat for survival, profit and organizational development in contemporary business of the tourism organizations often impose the issue for the place and role of the employees in this process. Tourism, as a complex scene with all its specifics, offers remarkable privilege to employees in this industry to make successful mix between working for salary and satisfaction and advantages which this profession offers. This work tries to answer the question what is the successful formula to find balance between everyday job duties and the skills to find job satisfaction on the workplace.

Key words: *Rewards, tourism, job satisfaction, motivation, human resources.*

INTRODUCTION

The secret of life is not the man
to work what he loves, but to love what he does
– Winston Churchill –

And this year the winner of the award of what company is the best to work in is Google, which is on the top of the list of the Fortune magazine, where the job satisfaction is very high. The own kindergarten, spa center, bowling alley, volleyball and football terrains, ping pong hall, hairdresser, the capsule for resting are all the part of the ambient which this firm afforded its employees who sometimes don't want to go home. Totally aware that all the people want to work for Google and the other highly ranged companies, one issue arises: what to do, how to act and how other company employees should behave.

It is very rare for people to be able to work what they love, but if we are wiser enough to listen to Winston Churchill, we should learn to love what we do. Regarding the job satisfaction, there are lots of definitions and its essence is in the feeling for the job one employee has, is it pleasant or not. In the last 60 years there are number of researches for job satisfaction in order to find the answer how much people are satisfied from the job in their organizations.

The challenge of this work in its analysis of the connection between the tourism employee's rewards with their job satisfaction, is in the fact that the tourism is one of the most beautiful and most attractive industry with lots of possibilities for the employees to be satisfied with and what is more important, lots of possibilities for the customers to be satisfied.

Connectivity of motivation with the reward systems

Motivation for one employee to work is consisted of all drives, forces and impacts –conscious and unconscious– which affect the worker to want to achieve some objectives[71]. The motivation is not just to do something, but to love to do the things in best manner. Motivation is fuel for the employee's career, ideas and actions, forces the people to give extra 10% with good will. Where the motivation is, there is productivity and best performance. In other words, everybody wins[72]. The motivation is essence for every organization. The context in which this problem arises includes the changes of the economic conditions

[71] Bannett Roger: „Organizational Behavior", Longman Group UK Limited, 1994, p. 97
[72] McBride John, Clark Nick: „Steps to Better Management", BBC Books, 1999, p. 104

and values of the society. The organizational context of motivation of employees dramatically changed during the 1990s with growing job uncertainty, rapid development of the new technologies which have great impact on worker's skills, and with the pressure of the constant changes.

Depending the life cycle of the employee, different things motivate. Young couples are more motivated by material rewards. Young and yet graduated employee has the need for improvement and he leaves the money secondly. The aged employees are more favorable to security, because if they lost the job, they will hardly finance the family and the loans. The oldest employees in a company want their experience and knowledge to be used and applied and therefore they want to be respected. This means that the capability to have maximum from employees is crucial for business success[73].

The way the rewards are distributed in an organization has big impact of the level motivation of employees. The employee's rewards are means by which employers strive to attract employees, to retain the suitable ones and to motivate the employees already engaged in producing results. Is there a fair reward system and if there is what to do to implement it in an organization? The reward system creators very often, particularly in Macedonia are not ready to dive in what the job analysis means and what is estimated performance of the employee. In order to achieve these two assumptions, it is necessary to put standards which will guarantee the appraisal of the employee's performance without subjective elements. Important criteria in this analysis should be work experience and expertise, physical and intellectual effort, theoretical knowledge, responsibility and competence. The job requirements decide which employees have high rates of salaries. The employees receive more if they do diversity of tasks, more knowledge and skills, more physical effort. But, design of some compensation programs focus the competences instead of job tasks. The pay based on competences rewards the employees for their capabilities which they show and get. Where the pay is connected with knowledge or skills, the employees start with the basic level of pay and get pay raise as they learn to perform other tasks and so become more important or valuable to the employer[74].

The success of the employees can be measured by different methods which can be integrated in a system which will obtain quality data for the performed exact task. It is clear that there is no fair reward system, but it is not the cause to discourage the trial for the model which will be successful. Interesting are the findings resulted by number of researches which objective was: is there a difference between male and female motivation. The results showed that for females the working environment is more important, i.e. social success, and the males are interested in being successful in their competition. Also, the males are more satisfied when they work in organizations in private property which gives new dimension of the correlation between the gender and the job satisfaction.

The effective reward system should be designed to be in accordance with the design of other organizational systems and with the business strategy. The decisions resulting from the reward system must be brought in interactive manner: to be in accordance with business strategy and tested how they affect the other organizational systems. The ultimate objective is to develop integral human resource management strategy which will be consistent with the way it encourages the people to behave, how to attract people to support the business strategy and encourage them to behave appropriate[75].

It is very odd that very little is needed to be happy
and is even odder how frequently that "very little" we miss
– *Ivo Andrić*

Connectivity of tourism employees rewards with their job satisfaction

[73] Vckov Ljupco: „Motivation and Managers", International scientific paper: Psyhological Approach, the Study of an Individual in the System: Man - Society, 2008
[74] Mathis L. Robert, Jackson H. John: „Human Resource Management", Thompson Corporation, 2008, p. 367
[75] Steers M. Richard, Porter W. Lyman, Bigley A. Gregory: „Motivation and Leadership at Work", McGraw-Hill, 1996, p. 549

The basic role of the reward system is to harmonize the individual goals with the organizational goals. If the employee feels job satisfaction, and contributes in organizational profit achievement, then the goal is fulfilled.

The reward system is consisted by two kinds of rewards: material and nonmaterial. The nonmaterial rewards are the vacations, life insurance, education, scholarship, specialization, health control. Especially significant are personal satisfaction and happiness, flexible working hours, child care, additional vacation days and so on, which impact the quality of an employee's life. This is the objective of the research if indirect (nonmaterial) rewards for large number of employees are motivators to work and how they affect the employees in the tourismic industry. How the employees in tourism industry can make successful mix between the job and the satisfaction from it? This is especially important if it is seen through the context of the competitive advantages which this industry offers comparable to the other industries. The job satisfaction cannot be connected with the life satisfaction, because in contemporary living, the man passes one third of his working life on the work place. This important social dimension is in correlation with the life satisfaction which mutually have large impact on the family life and total relationships in the society. The researches of EU Foundation for improvement of life and working conditions done in year 2007 offer comprehensive review of the social reality in all countries in Europe, including Republic of Macedonia. In this research it is concluded that „the feeling of too large load from work, caused by professional and family duties, leads towards significant lowering the life satisfaction[76]".

Before entering the analysis of what makes employees happy, it is necessary to analyze what are the investments in the employees, how much their labor, knowledge and skills correspond to their expected income from the job. Regarding my opinion, the employees in tourism industry have greater possibility to make their own job interesting, because the product they offer to the customers is attraction and relaxation for every man.

Some organizations make large profit, some make it small, and some are lost. What makes these organizations so different? Once, when Ferdinand Porsche was asked if he could choose between the two choices: To lose all his loyal people or to lose all his machines, what would he decide? He did not hesitate and said: the machines. The cause of this answer is in the fact that new machines can be bought and in short time will be operable, while the change of the employees with new, educated and skilled ones will not be so easy and quickly. The capital and technology are important factors of production, but they cannot be the substitution for human capital. The human capital represents the capability, expertise, experience and knowledge of the employees and the management in one company. The essence of human capital is that investments are made in human resources in order to improve their productivity[77]. To enlarge the organization profit, it is necessary to find suitable method to motivate the employees to perform their tasks and to achieve organizational objectives realization. The basic prerequisite to motivate the employees is to know what motivates each employee, because every employee has its own specific motivators and the manager is the one who must know the characters, weaknesses and strengths of every employee.

In the mass product production era in the centre in the economy was the equipment and produced products. But today, in so called information society, the center is the human capital, because the organization which employees more quality and more competitive employees will win the profit race. In order to get larger organizational profit, it is necessary to find suitable method how to motivate the employees in their performance. Motivation is essence for every organization. The context of this problem appears in the changes of economic conditions and society values. The organizational context for motivation dramatically changed during the 1990s with increased job insecurity, the rapid development of the new technologies which have great impact on the working skills, the pressure of the constant changes and unpredictability and intense work.

[76] The second European Quality of Life Survey for family life and work, Brussels, 2008, p. 53
[77] Pearce W. David: „Macmillan Dictionary of Modern Economics", Macmillan Press Ltd, London, 1996, p.188

Are there better prerequisites and better possibilities for motivating the employees in the tourism industry, then the other industries? The pay is in higher place, even thou it is not always the decisive factor. It is very important to have in mind that nonmaterial rewards are very useful instrument for motivating the employees which is not frequently used by managers. Today's tourism is influenced by the global changes in the whole world and can receive influences from the society and in the same time can change the philosophy of life, especially when people meet other cultures and other people. In times when there are tourismic events, especially important are the changes which occur in habits, believes, norms and values of the tourism employees and in the same time of the users of tourism product.

Tourism as a complex scene enables all participants, which are users of the tourism product and are obtaining satisfaction to the customers, to combine their job tasks and find balance between the job and everyday life. This social dimension is very important, because only happy and satisfied employees can forward their positive experience outside the workplace and in everyday life. Today, when we live in time where less people can find appropriate balance between work and life, the issue for job satisfaction is priority to the managers and to the employees.

CONCLUSION

The basic task of the reward system is to generate expected employee behavior and it sends clear message what the employees should do in order to get appropriate compensation. If the reward system succeeds to create positive job satisfaction with material rewards, then its task is completely successfully done.

The positive job satisfaction creates emotional connection between the employee and the organization and it forms better organizational culture. Well motivated employee who is competent and expert for its work are the basic prerequisites for creating successful formula how to find balance between the workplace duties and everyday life duties.

In creating the future directions of tourism development, the human capital should be in central place, because without it in the contemporary globalization process of the world, the tourism organization will lose the race for survival, profit and development.

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MANAGEMENT OF EMPLOYEES' PERFORMANCES FOR BETTER ENFORCEMENT OF LABOR OBLIGATIONS

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Abstract:

It is said that the management is the process of planning, decision making, organizing, managing and controlling the human resources, financial, physical and information resources of the organization in order to achieve its objectives following the efficient and effective way. Elsewhere can be seen that management is the process of planning, organizing and staffing, management and controlling the activities in an organized systematic way with efforts to achieve common goals.

Key words: *planning, organizing and staffing, management, communication, grouping the work, assessment.*

INTRODUCTION

As we all know the tourism is one specific appearance, one social; natural; socio-economic; socio-geographic and all kind of different phenomenon of today. Its power is so big that today, in only one year, it can make 6000000 people change the place where they live and take part in the process of tourism movement, not taking into consideration the movement that happens inside one country. It is estimated that the total income today is around 500 billion American dollars. For achieving better results of the tourismic organizations the need of good management of the department of tourismic organizations is essential.

The success of one tourismic agency depends on the managing of the performance of the employees, as well as the tourisms, with the intention of securing better fulfilment of the given tasks. The achieving of positive results of one tourismic agency depends on the choice of employees and their education through the realization of the process of tourismic arrangements.

When managing one tourismic agency there are a lot of questions that refer to the choice of the employees and their introduction to the work through training of the new employees. The main problem actually is how to choose the right people and give them the right job. To do this task completely it is necessary to pay close attention when choosing the employees, through assessment of their performance.

The management of the performance is a process that includes: following; building and evaluating of the employees' performance.

One of the more important functions that have a very crucial role is the managing of the human resources and the way of communication inside the tourism agency, because without communication the human cannot exist as a social being or the society cannot function as a human unity. The communication enables development and transfer of the knowledge, the culture etc. The communication is the essence of the human activity towards the outside world as well as the outer human being.

The communication is the main function in the working of every business especially in tourism. Without communication there is no opportunity for establishing any kind of close relations or mutual trust. Whether it is verbal or written the communication is the leader of the business in order to satisfy its needs. The communication is a mechanism that directly affects the managing of the tourism agency and the carrying out of its task. The communication is a means of information of the employees in the agency and of the interested tourism through which they are informed and reasonable decisions are made when time comes. If one tourismic agency or organization has clear and effective communication with its clients, employees and other social subjects, it has good perspective to build good relations and gain trust in order to fulfil the established plans and achieve better financial results.

The main condition of the communication in one tourism agency is in the individual capability and the characteristics of one person. The people who can communicate well make faster progress and are more successful in the achieving of the set goals in the same working conditions. The famous people from the public and the business world, who have managerial functions or have become famous scientists with leading positions, have succeeded with the help of their good communication skills. As a result of their good communication skills, top managers can communicate very well with their employees, managers and clients about their needs. Good managers, whether they communicate in a written or verbal way, focus on their target in their performance thus, making themselves clear about the issue they are discussing. Good managers use all the possible ways of communication and hire good people for gathering more information or present their future views and plans for the carrying out of the goals in the tourismic business.

The communicational skills in all areas are the core element in the managing of the business and the execution of the set goals. Although there are only a few managers who possess good oratory skills, all the good leaders who don't possess this are focused on the communication with their clients in order to instil the trust that is presented whether it is written or verbal communication.

There are different ways of communication in the human resources in order to achieve the desired goals. The communication can be presented through the group or individual desire for getting or sharing information, in order to realize the main goal in the tourismic organization or agency. Also, it should be clear who is going to communicate with whom, which ways are going to be used and how big that communication is going to be. According to different criteria, the ways and types of communication can be many and can be used for achieving different goals. One of the ways is the daily communication with the interested clients, future tourisms.

Management of employees' performances in tourism agencies

In modern tourism agencies the management of human resources has a very important role not only in the process of evaluation, following and building the employees' performance but also in the set activities for the realization of the tourismic program. The employees' problems in the organization can be observed more easily in the following ways: through the process of selection; training and education that will lead to employees' stimulation and maximum usage of their working potential regarding their individual career development as well as more successful realization of the tourismic arrangements.

It is evident that the process of managing the employees' performance is a delicate system that is based on the following presumptions:

- the tourism agency should have a common vision regarding the goals connected with the employees' performance that are familiar to the entire staff;
- the tourism agency presents a unity for individual management of performance of the employees and the tourisms;
- the tourism agency should implement regular, formal controls (measurement and evaluation) for successful completion of its goals;

- the tourism agency should use the process of planning, organizing and staffing, managing and controlling in order to identify and stimulate the education, development and upgrading of the employees;
- the level of the successful functioning in the tourism agency evaluates the effectiveness of the overall process; it evaluates the improvement of the overall performance of the employees.

The planning presents the establishing of the goals and standards; the developing of the rules and procedures and the prediction or projection of future appearances or happenings in the planning of the tourismic arrangements.

The organization presents the giving of specific tasks to the employees;

The staffing means making decisions about the types of people who should be hired:

Recruiting potential employees;

Selecting or choosing employees;

Setting standards for job accomplishment;

Following and evaluation of the employees' work;

Consulting the employees about the organization etc.

Leading means enabling the others (employees) to do their job through maintenance of the working morale and their motivation.

Controlling involves qualitative standards (for ex. sales quotas); standards of quality and achievement which act parallel to these standards; taking specific activities if necessary.

Manager/head/chief is a person responsible for the supervision of the using of the resources of one tourism agency to accomplish its goals.

Human resources/personnel are the people in one tourism agency who have their competencies and are necessary for the achieving of the agency's goals.

Management with human resources is the politics and the experience that are needed to complete the managerial tasks regarding the human resources in the tourism agency, especially the hiring; training; evaluating; upgrading and creating of safe and ethically acceptable and fair surrounding for the employees.

Communications have important role in the overcoming of the problems with the mobbing, which nowadays are massive and have different nature and function compared with the traditional type of communication. The content and nature of communication in one tourism agency predicts the reaction of the employees regarding their job and the organization as a whole.

Basic models for managing of one tourism agency

The tourism agency as an artificially created hybrid human formation is not a coincidence. Based on the objective process with the desire to accomplish certain results the man creates the tourism agency and directs it in function of its idea and need, which is why the goals of the agency are its first element in the "organisational-hierarchical pyramid" of its managing.

For the accomplishment of the set goals the managerial system develops and realizes a number of managerial functions in accordance with the processes and the financial-technological capabilities and needs in the tourism agency. The managerial functions are in the second element of the managerial system. Divided in organisational departments and levels they form the managerial structure in the third basic element in the managerial system. The actions that the managerial system takes are in order to use the constant potentials more effectively. Those are actually the organisational, social, economical and other methods of managing. That is why the methods appear as next and very important element of the managing system. Here we can mention other important elements as the technology of managing, the organisation of the managing and the managing of the human resources.

As a product of the mutuality of the managing over the systems are the decisions made in the managerial system, based on the information system of the organisation. Starting from the cybernetic understanding of the managing, the main target is how to bring the system to a new state and reduce the degree of entropy and the character of probability. The made decision can help in that but it can also be the other way around. Instead of the desired effect it can lead to unwanted consequences. In any case the elements in the system react after the made and implemented decisions; the connections between those elements are used and changed in quantity as well as in quality. New result is accomplished but the system is in a totally different position than before.

Communication between the employees in the tourism agencies

The communication has a very important meaning for the human and society because without communication the human cannot exist as a social being or the society cannot function as a human unity. The communication enables development and transfer of the knowledge in general. The communication is a necessary assumption for the existence of the social system especially in the tourism agencies. Our ability to communicate and the forms in which we do that, are very often understood as something natural, logical, something given to a person and that is why we comprehend the communication as a basic social process.

The communication is the essence of the human activity towards the outside world as well as the outer human being.

The communication is the function of every business. The communication is the main function in the working of every business especially in tourism. Without communication there is no opportunity for establishing any kind of close relations or mutual trust. Whether it is verbal or written the communication is the leader of the business in order to satisfy its needs. The communication is a mechanism that directly affects the managing of the tourism agency and the carrying out of its task. The communication is a means of information between the employees in the agency through which they are informed and reasonable decisions are made. If one tourismic agency or organization has clear content and effective communication with its clients, employees and other social subjects, it has good perspective to build accordingly good relations and gain trust in order to fulfil the established plans and achieve better financial results.

The main condition of the communication in one tourism agency is in the individual capability and the characteristics of one person. The people who can communicate well make faster progress and are more successful in the achieving of the set goals in the same working conditions. The famous people from the public and the business world, who have managerial functions or have become famous scientists with leading positions, have succeeded with the help of their good communication skills. As a result of their good communication skills, top managers can communicate very well with their employees, managers and clients about their needs. Good managers, whether they communicate in a written or verbal way, focus on their target in their performance thus, making themselves clear about the issue they are discussing. Good managers use all the possible ways of communication and hire good people for gathering more information or present their future views and plans for the carrying out of the goals in the tourismic business.

Managing of the employees performance

As a result of the continuous activity of the tourism agencies the need of hiring people is always present, especially the finding of good tourism guides for the needs inside the agency as well as abroad. All the employees in the tourism agencies are with higher education for the realization of their tasks. Thus, they are professionally skilled for the fulfilment of the tourismic arrangements.

As a result of the work duties during certain periods (for holidays, weekends; vacations etc.) the need for hiring new people is always present. Very often the tourismic workers are forced to work overtime, especially during peak season, when after one trip they have to go on another with other group without taking a break. As a result of this, the managers are forced on this kind of decisions. Always, in a situation like this, the tourism guides are forced to do this.

The success of the managing of the employees' performance depends very much on the communication between the manger and the other employees. If the communication is good, the problems are easily solved with mutual satisfaction.

The structure of the employees in the tourism agencies is usually with higher education and in our country its very often young people who are prepared for the solving of problematic situations. Bigger part of the employees in the tourism agencies are prepared to work overtime in order to satisfy the needs of the tourisms as well as the tourism agency.

For the accomplishment of the required objectives in the leading of the tourism business it is necessary to communicate and interview the employees about certain questions in order to solve the problems they have come across and thus achieve better financial results.

After the interviewing of the employees in the tourism agencies, on the questions whether they are satisfied of their job 85% of the interviewees gave positive answer and 15% said that they were partially satisfied of their job.

On the question whether they have an opportunity to share the problems that they come across in the doing of their job all the interviewees gave positive answers. This kind of answer is the result of the good communication and the interest of the mangers in the solving of the problems.

The employees in tourism agencies are forced to work overtime as a result of unpredictable situations which usually have objective nature. The employees who were part of the interview gave positive answers and said that they in any case they had to work overtime in order carry out all the arrangements and thus satisfy the requirements of the tourisms.

CONCLUSION

Based on the presented problems in the managing of the employees' performance for better carrying out of the working duties, the following conclusions have been made:

1. For the continuous movement from one place to another in order to satisfy their personal needs, the people look for agencies that will meet their needs.
2. During their work tourism agencies come across different problems regarding their employees as well as the tourisms, which requires prompt solving of the problems.
3. The good communication between the managers and the employees as well as the clients, enables realization of the tourism arrangement and better financial results.
4. For the solving of the problems that arise during the working it is essential to interview the employees in order to get useful information for the agency.

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THE IMPACT ON MANAGERS FOR MOTIVATING WORKERS IN THE TOURIST ORGANIZATION

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Abstract:

To discuss about the way of performing work in an tourism organization, firs of all, the conditions that determine the efficient operation of this organization should fully comprehended. Many authors in the past and nowadays, not only talked about this kind of addiction to success but also there were scientific studies developed, through which could be explained these phenomena. Exactly that type study is the work "The influence of managers on the motivation of employees in tourism organizations". Generally, it is almost impossible with a few sentences to cease ideological ideas of the author conveyed in the contents aspects of this paper. This difficulty does not come as a result of unclear style of expression, complexity of the content and conclusions vague idea, but on the contrary, it is difficult to talk about work that is so simple and yet so valuable.

This work fully deserves this attribute, and the best proof of all this is exactly its content frame. Its framework has contents of different nature, but with the same objective -presentation of the management process and the process of motivating employees in tourism organizations. This issue elaborates this paper basing on the principle of substance distinction. This principle of analysis not only provides a concretization of views, but direct penetration in the contents specifics of this process. The process of direct analysis within this paper, the presentation begins the process of management, then content to enter into the specifics of the motivating process.

Key words: *tourism organization, motivation, managing human resources, management, manager, leadership, communication, communication skills, defining.*

INTRODUCTION

Scientific interest in the role of man in the work occurs substantially later, much later than the interest in new technologies and processes. Scientific interest in the man's work occurs at the turn of the 19th to the 20th century, while intensive study began only in the second decade of the last century. That is contribution to the economic crisis, the concentration of capital and creating huge companies, sharp market competition, which requires companies to be better organized and seek any plan better for the economy. Such socio - economic conditions contributed to realize that human resources should be considered multidisciplinary.

One fundamental question that arises from the very beginning, has been studying the relationship of man and the work that is "What motivates a person to be dedicated to the work?

The answer to this question depends on how to organize and work with it to meet human needs in order to increase the commitment of employees in a company.

Modern man is surrounded by different types of processes that more or less have organized its existence and give organized dynamics of his life. Such processes have to be crucial, not only to organize the private segment of human life, but some of them can enter directly in the business activity of man.

Managing human resources in tourism organizations

"Managing human resources is a strategic and coherent approach to managing the most valuable resources in an organization - people who work there and who individually and collectively contribute to achieving organizational goals." (Amstrong, 2006).

But what exactly is the management of human resources?

Expression human resources means the total spiritual and physical potential, but also the hidden and used potential of employees. The main objective of rendering of people as resources is the intention for their potential to equal the potential of other resources in the enterprise.

Human resources have the knowledge necessary to carry out business activities and enterprise development. Man possesses qualities of innovation, and intellectual, biological and physiological potential as you do to perform the processes at work. Finding such resources and their engagement is the most important task of management of the company. Therefore the whole concept of treating employees as human resources in company develops within the management and in that phase of its development in which a significant part of the activities associated with staff transferred from other management personnel management in the enterprise.

Human resources management in theory and in practice appears in the early 90 - ies, a period in which the human factor is analyzed as an object of management. Managing human resources are classified in the process of improvement, specifically in guiding people in the organization and its base is observed in most categories in organizational behaviour such as motivation, the relationship between individual and group, organizational socialization, organizational culture, etc.

To effectively manage these resources is to determine the necessary theoretical knowledge, as well as specific methods, processes and procedures that would maximize human potential that would have focused its development.

The use and development of human resources should be directed towards achieving the primary objectives of the company, i.e. to achieve development and business policy of the company. However, the efficient and effective management of human resources must take into account the interests of the people, not just the goals of the company. It is true that the company uses the human potential for achieving the established objectives, but also true is that people use the company to achieve their personal interests (salary, experience, affirmation, etc.). Management and development of human resources is closely related to the management and development of the enterprise.

By this, the new concept of management, despite the technological, organizational and economic components, will have greater impact to be paid to social and psychological components. Only this way we can provide a connection between the business resources of the company which is a prerequisite for its successful operation and development. The modern concept of management, which manage human resources deals with strategic, individual and social aspects of people in the organization. Moreover, this aspect of management, account of competitiveness - includes all decisions and actions to manage people who create and support competitive advantage.

Human resources management and its development as a scientific discipline, represents an area of research and organization of knowledge aimed at creating capacity, strategies, policies, principles, models, methods, instruments and procedures for successfully managing and developing human resources as the potential of each organization.

The development of human resources today, represents a prerequisite for successful adaptation to the globalize world and information technologies as basic features of modern times. Time at which affirm and dominate the quality of the work, competition, dynamic growth, high productivity, profitability, large investments in information technology, educated workforce, global marketplace, incentives for employees and their commitment to the organization. The main condition without you can’t imagine the performance of every organization is ensuring people or workers. Without any tools or machines you can run and without sufficient financial means, but without the people you can never work. Even when they are fully automated production systems, when there will be no need for people to perform the physical work, and then there will be need for people for other activities.

Modern management concept that deals with human resources management deals with strategic, individual and social aspects of the employees. Besides this aspect of management that is given to the competition, covering all the decisions and actions for keeping the quality people who create and support competitive advantage.

Management and motivation of employees in tourism organizations

Management and development of human resources represent the important processes in society and in the tourism organization. Motivation and employee satisfaction survey represents the centre of the modern management of human resources. With the creation of quality motivational system enables the organization to increase its value. Motivation is the psychological - sociological category that reflects the relationship between individual and work, gives strength, determined purpose and move towards a certain activity. In the context of the promotion and utilization of human resources there are used various schemes to increase employee satisfaction. Employee satisfaction is the key to the success of any organization.

Under the satisfaction of the work means the emotional direction and emotional connection with the work of the employee and organization.

It is an emotional reaction of individuals in the work. The emotional tone is commensurate with the notion of favourable and unfavourable elements of work and working situations.

The most important attitude among employees is the attitude towards work. This relationship is called pleasure in work, and can be defined as cognitive and affective evaluation, response of the employee. Enjoyment in work can be defined as: a state of mind which includes all the feelings of a certain range to where the employee sees that his needs are related and are satisfied with this work. According to (Certo 2003) satisfaction in work is the most important factor of motivation and commitment of the employee.

Satisfaction in work is a complex process that involves certain assumptions and beliefs about the job (cognitive component) feeling toward work (affective component) and check of the work that is done (evaluation component). The relationship between motivation and **job satisfaction** is not always clear. From the standpoint of the demand for high performance of works by the individual, the motive will be job satisfaction.

However, although the level of job satisfaction may well affect the strength of motivation, that is not always the truth. We should have in mind that, the motivation to work, requires additional efforts from the individual, and his satisfaction with the work is relatively independent things. Pleasure is more a supported condition, which refers to the individual sense of achievement, as the quality, and the quantity. But it depends on the level of individual aspirations.

All I can say with a certain probability is that motivation is a process that could lead to job satisfaction. On the other hand, is not certain that compulsory job satisfaction leads to improved performance of the work. Vrum and Lutans, independently, through conducted surveys and analyzing came close to the conclusion that there is little correlation between job satisfaction and improving of the operation, which would lead to increased productivity at work.

Modern strategies of motivating

Recent developed new programs seek motivation to advance performance and employee satisfaction. Motivational system is rational and contributes to increase the working performance of the human factor or the performance of the organization as a whole. Because motivational system involves different motivational techniques that many authors put into two major groups:

1. Material or financial strategies
2. Non - material or non-financial strategies

At past there where used only means of cover material compensation, but today the analysis of the practical work shows that most used and most effective is the strategy of non - material nature. Under properly constructed and complete motivational system, we mean one system that combines both motivational strategies and groups who do not or exaggerates the importance of the above strategies.

Economic strategies of motivation

Material or financial compensation is made up of different forms of motivation that are aimed at ensuring and improving the material position of employees.

Material compensation associated with the program and policy and performance of the organization to achieve the goal. Managers must understand human complexity and feature to apply the right motivations, leadership and communication. There is a classification of material compensation there are tangible direct compensation and indirect material compensation. Under direct material compensation are individual salary, bonus, increasing the allowance, training, reward for innovation and so on. The direct material compensation of the organization bonuses tied to performance and organizational units and the success of it. Indirect material compensation for individual scholarship and education, business trips, specialization, paid leave, days off, cars of the organization, managerial benefits. In indirect material compensation of the organization includes pension insurance, health care, life insurance, social assistance for unemployment etc.

Non - material strategies of motivation

Of great importance is to develop a system of non - material incentives for work that meet multiple needs of employees. For many people the needs of high order such as development and validation, status, respect, etc., are of great importance. The development of a strategy for non - material incentives significantly affect the work motivation and the overall life of the employee. Therefore, it is necessary to implement specific programs to improve the work to make it more interesting, different and challenging. Many important procedures in individual workplace are rotation of people from one place to another to prevent monotony of employees in the work place.

The organization has to understand what employees want to work, how to be stimulated and they should feel like the organization like theirs. Many other important and intangible motivating strategies such as flexible working hours, recognition of successfully completed work, feedback to employees about their work.

One of the biggest problems is the resistance of employees who often do not believe that stimulating the reward system is objective and honest. Therefore one of the important conditions for success stimulating reward is to get trust from the employees and that they are well informed.

The practice shows that the process of setting clear goals and attempt to achieve is more motivating than current achievements. Therefore, the commitment of every manager should always be aimed at setting clear objectives and ensure that they are achieved. It will be ensured only if we care, the goals should be specific established, concise and understandable. The goals should be based on standards, which means realistic and achievable. They should be fair, that is established on clear principles, tailored to the expertise and experience of staff. They themselves should have the basic principles of fairness and democracy. Finally, it is very good when the objectives will be achieved, there is mutual willingness to inform the supervisor (the one who landed) and subordinates (those who carry out). You should know that appropriate goals, plus praise for achievements, actually represent motivation.

The organization and the people, their needs, motivation and satisfaction are the centre of attention of the management of human potential, because human capital is a major weapon in the global market. The need to motivate the employee shall be subject to research and analysis.

Man is a complex psychological system that requires a lot of instruments to raise motivation. It is necessary to know the employee and his personality and environment that surround it.

Widespread mechanism of incentives and security of present employment, recognition, job advancement, increased informality and social equality, elimination of formal status and functional barriers to communication and so on. The development of a strategy to increase motivation and interest in development work and enable the organization to come to a complete reorganization, change of climate and culture in modern organizations and thus increasing the capital.

Satisfaction at work is an important topic for research in the field of management of human resources and field behaviour of employees to the organization. The reason for this is certainly the belief that a satisfied worker is a productive worker, and that a successful organization can not be that one who has unhappy employees.

The organization has to understand that employees want to work, and that their employees should be stimulated and they should feel the organization like theirs.

Of great importance is good interpersonal relations, employee involvement in decision making, providing accurate and correct judgment task on their merit to further the organization feel like your own and have confidence in it.

CONCLUSION

Man constantly strives to meet different needs. These requirements are set up hierarchically, from physiological needs to self validation. The need that we consciously experiencing is called motive. The way that we satisfy our motives are different, because there are individual differences among people. There are different conceptions of motivation.

If we can predict motivational model of an individual, or find out who are his most important needs, you can set optimal goals that will have greater success in their work. Optimal goals are specific, with clear accountability and a clear timeframe.

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FINDING A WAY OF INCLUDING OF EMPLOYED HOW TO MEET THE DEMANDS AND NEEDS OF TOURISMS BY MENAGERS

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Abstract:

The tourism is specific natural, social and socio-economic phenomenon of the contemporary every day, and everyday becomes more massive. Its power is very large, because today great part of the world's population is in continuous movement in different destinations organized by the tourism's agencies. As a result the tourism is important branch to which is given great importance. In order the different excursions and trips to be realized and for good flow of this complex department, the managers should do good management of the tourism's agencies.

The managing is a specific area which covers a number of segments in all spheres, especially in tourism's agencies, and through which is intended to be achieved the requests of the tourisms in order to be accomplished better financial results.

The manager is not only managing the tourism agency, but is also responsible for the execution of many other tasks of the employees as well as the very specific and demanding requests of the clients. The manager, besides the other duties, is responsible for the selection of the local tourism guides when about visiting of tourisms locations in different destinations. Special attention the manager should dedicate when about selecting new employees, and for the current employees is important to be motivated for achieving of better results in keeping of the old and attracting of new clients.

Key words: *manager, employee, management, satisfying tourism requirements and needs*

INTRODUCTION

We all have a desire for travel and meeting new cultures and establishment of new mutual communications with new people in new environments. Communication is closely related to the traveling requirements to maintain the friendship, but even more to satisfy their own desires to conquer the new unknown environments and achieving a different goal. The ability of human communication and trips has aim to meet new people, meet new environments, cultures and of course to achieve some goal.

Ability of humans to continuous movement and communication can make them very close or far apart from the others. The similarity means achieving the goal foreseen before. Communication skills of people are especially important for the realization of tourism trips, but even more in attracting new tourisms around and acquiring new knowledge about new environments, and also facilitating the performance of business in tourism.

Communication is closely related to management and business management in tourism. Frequently the process of governance and management in the tourism agency's communications with tourisms is closely linked to achieving the set goals.

For achieving the objectives, the business travel agent needs to establish a good communication fundamentals, which means that it will won new travelers.

We have a huge desire to travel, discover new interesting places and also winning many people and nations, thus gain more confidence in standing clients and the ability to win new, what it gives us opportunity to achieve the desired goal. The methods and ways of gaining new visitors are the subject of study by many tour professionals including sociologists and psychologists. Numerous theorists suggest certain universal characteristics for communication processes no matter where they are going. As a result, now is given more attention to communications in order to attract tourisms to new destinations with constantly different advertisements. All this with good communication relationships gives us opportunity to win new customers to ourself. Even though today's pace of life make us being surrounded by bad things and also to forget the good relations of communication, they should be ignored and forgotten.

To achieve fruition in communications with employees and win new customers, it is good to have a systematic access when you use words to achieve the desired goal and winning new customers.

It is clear that use of well-chosen words can do wonders in the efficiency of communications that is to win and achieve the goal.

For successful and efficient communication in tourism organizations, despite the ultimate responsibility manager, have tourism guides. The managerial function is higher, as a rule, the greater the responsibility for good or bad implementation package holidays. Managers often make mistakes that may have unforeseeable negative consequences in communication with tourisms.

Good or bad results of operations of a travel agency communications are the result of ruling the tourisms and among employees in the agency.

To achieve good results in the operations of a travel agency, goal of managers is to establish good communications at all levels, and thus allows acquisition of mutual trust which is a prerequisite for successful management and governance.

The methods and goals of employee involvement in the implementation of tourism trips and achieving good results can be achieved by establishing good communications, and thus bring the managers to tourisms.

HUMAN RESOURCES IN TOURISM AGENCIES

Management in tourism agencies should be fully directed to the realization of each arrangement and always worry about achieving the goals in the tourism activity and achieve better results. To achieve better results in tourism there is vital need for the establishment of system of values in all spheres of management as a tourism worker, also with tourisms.

People learn to become successful managers and tourism workers through the process of keeping the tourisms which for is necessary a formal and informal education.

Management in tourism is expressed through its behavior as with the employees, much more with the tourisms. Successful travel manager should be able to work in very complex conditions that rank in complex situations and rapid resolving of all complex problems that are almost always present. For this purpose he should have the skills to analyze, establishing priorities and communicating. Tourism manager, operator or guide should be efficient, so he should have appropriate competencies (knowledge, skills and attitudes formed on certain issues and problems), and appropriate behavior with other workers, too.

Management in tourism agencies should seek the best way to use human resources to achieve its goals.

How do managers achieved this goal?

Doing it through the four basic management functions: planning (process of identification and selection of appropriate goals and directions for action), organizing (process for implementation of package holidays, and to meet the wishes and demands of tourisms), leadership (the articulation of a clear vision of managers and encouraging and enabling members of the organization to understand the role they play in achieving the goals in the tourism organization. The use of power, influence, vision, conviction and communication skills is important to coordinate the behavior of individuals and groups and harmonizing their activities) and control (process which travel managers use as a tool for good organizing in achieving goals and take actions to maintain or improve travel arrangements).

The main objective of the management of human resources is efficient and effective accomplishment of tourism arrangements and development organization of tourism through the development and optimal utilization of facilities human capacities. In this context, should be given three sets of objectives that are compatible with this basic goal: economic, social - psychological and organizational.

The management of human resources operates through a systems of human resources together in one coherent way through philosophies, strategies, policies, processes and practices for human resources.

Human Resources Management includes all activities undertaken by managers to attract and retain tourisms and provide timely their wishes and requirements.

ORGANIZATION CULTURE AND CLIMATE IN TOURISM AGENCY

Each tourism agency has own signature culture. It is a combination of tradition and behavior of managers to clients. These results in the ceremonies: practices, rituals and mode of working and behavior. These ceremonies affect individual behavior in order to comply with a good performance or norm, and to determine appropriate behavior in every situation. Culture is a fundamental determinant of the level of effective of the organization.

Organizational culture represents a system of shared values, norms, beliefs or way of thinking and behavior, which is common for people in a tourism agency. According to the organizational culture, tourism agencies are different from one another.

Organizational cultures determine and regulate interpersonal relationships in a tourism agency. According some psychologists, organizational culture in a certain way limits the personal freedom of the tourisms. Organizational culture in a tourism agency compensates formalization. The absence of a functional organizational culture leads to a reduced compliance of tourisms appearance of conflicts, contempt of order, etc. Composed part of organizational culture is organizational climate. Organization climate is a feeling of the organization, that individual and shared perceptions and positions of members of the organization. While the organizational culture has deep roots in the nature of an organization as a result of long-term existence and existence of formal and informal systems, rules, traditions and customs, until then the organizational climate is a a short-term phenomenon created by the existing leadership.

The climate reflects the beliefs of feeling in the tourism agency by the tourisms. This individual perception in terms of what you feel about tourism agency derives from what people think and believe about the activities that are undertaken in tourism agency. These activities influence such individual motivation and the pleasure of visiting some localities and so on. Organization climate is a closely related to leadership and management style of directors-leaders, based on the values, characteristics, qualities, skills and actions and priorities that established leaders. The ethical climate determines the feeling of organization. Then when the activities have an ethical character, and the work meets ethical behavior, behavior or character of the leader is the most important factor which affects the organizational climate.

Organizational culture is a long-term, complex phenomenon. It reflects the shared expectations and their own idea for the organization. At her contains the key values that create or establish a tradition or the way things are carried out in the tourism agency. In the every tourism agency operation are performed in different ways, typical and distinctive about it. Collective vision and common folklore that define the institution are a reflection of organizational culture. Managers or leaders can't easy to create or change the organizational culture, because it is part of tourism agency. It affects the characteristics of organizational climate through its influence on the actions or processes of thinking through the manager. But, all what he does, will affect the climate or environment in the tourism agency.

For building a positive climate in a tourism agency, her director is necessary to have all the characteristics of behavior. But despite the influence of the director, in establishing a climate strongly participate and customers-tourisms with their positions and behaviors.

Developing a positive climate in the tourism agency requires establishing good organizational structural who characterize a number of factors including the current is more pronounced and permanent control of work and greater participation of the customer.

For strengthening on the climate is very important: collegiality, build mutual respect and trust, cooperation, friendship, honesty, openness, communication, sense of humor, flexibility, culture on conduct, behavior, self-control in communication, good will and criticism which as offends, reviews, responsibilities, tolerance, accuracy, ethics, dedication, etc.

HOW TO WIN NEW TOURISM

In business communication there are unwritten rules who must necessarily follow if we want to have happy tourisms.1 We always must be careful. We shouldn't argue with tourism-client, also we must interrupt when he tells his remarks and listen to the end that tries to tell us. The way that would show that we care about him is that he will always answer the question and must tell the client, which will show that you care for him, scroll to answer the question and must tell the client, which will show that you care for him and also one need show honestly and friendly understanding about what it requires of you.

Communication with clients is one in different ways and on different channels. But, directs communication with people is the best way of business communication, provides a personal approach to communication offers an opportunity to show skills in presentation; can perceive the real needs of the user; but you need to know that there can always be susceptible to disturbance.

For the successful communication with the client - a tourism, you need to keep an eye on multiple components starting from behavior and treatment to him until the method and substance of talk. If keep an eye on all the components will come to improve the service, the pleasure will increase, and it will gain the loyalty of customers because strengthen confidence by the client – tourism.

But almost everyday happens to come to misunderstandings in communication with customers and the emergence of many unpleasant situations can be falling all: both client and service provider.

To better the communication with people or how it is said, to establish good interpersonal relationships, it is necessary to understand people and their nature. It means to understand their: needs, interests, beliefs and expectations on the one hand, and their character, their personal traits, attitudes, on the other side.

An understanding of the tourisms - and their clients nature means1, to accept people as they are, don't think that such people are what we think we are, neither that they can be what we would like to be.

The essence of success and quality communication is communicators to feel respected and important. Nobody wants to be: underestimated, ignored and underestimated. About this objective it is necessary to comply with the following things.1 For this reason we must listen to the interlocutor is speaking carefully and watch it straight in the eyes while talking to him. When he speaks we can't stop, and our attention must be filled with serenity and a smile. Good is after to listen, before reply, good be consider, and then to answer, which proving that it he have no intention just to finish the conversation, but good be to explain in parts.

If we find in the situation the interlocutor wait when we talk on the phone, we must culturally apologize, and finally thanks to patience.

It happens often the conversation to take a group of people, where the attention of direction we can give them all equal to, and not just the leader or someone interesting to us.

All people have own views and opinions. But, the art of good communicators is that they know successfully harmonize their thoughts with someone else. They know to be reconcilable or accept the existence and to respect someone else opinion. That is the wisdom of life.

Successful winning of new tourisms is very hard. But if you try to make it, you can expect success. To begin this, first you need to take new action in relation to new interested tourisms in order to enter confidence that his offer is best, satisfying and acceptable the offer, and thus achieve satisfaction.

Most of people have experienced various disappointments of certain travel arrangements and therefore somewhat disappointed. They are in such a situation to feel humiliated and played by the tourism agency.

The strengthening of the good climate and culture within the tourism agency of particular importance to introducing tourisms to organized tours are designed closely meet tourisms. For this purpose it is necessary to survey the need for the tourisms to meet the manager, or the tourism guide for tourisms with the characters for easier implementation of defined objective.

Good management of travel agency for achieving a good result should take care about financially fulfillment of the tourism arrangement showing by the pleasure of tourisms and their interest in the new arrangement. Whether tourisms are satisfied or manager should have previous information about the personal characteristics of tourisms to be able to respond and fulfill their wishes.

For this purpose a questionnaire was developed in the given 6 questions and answers are expressed with grades from 1 to 10.

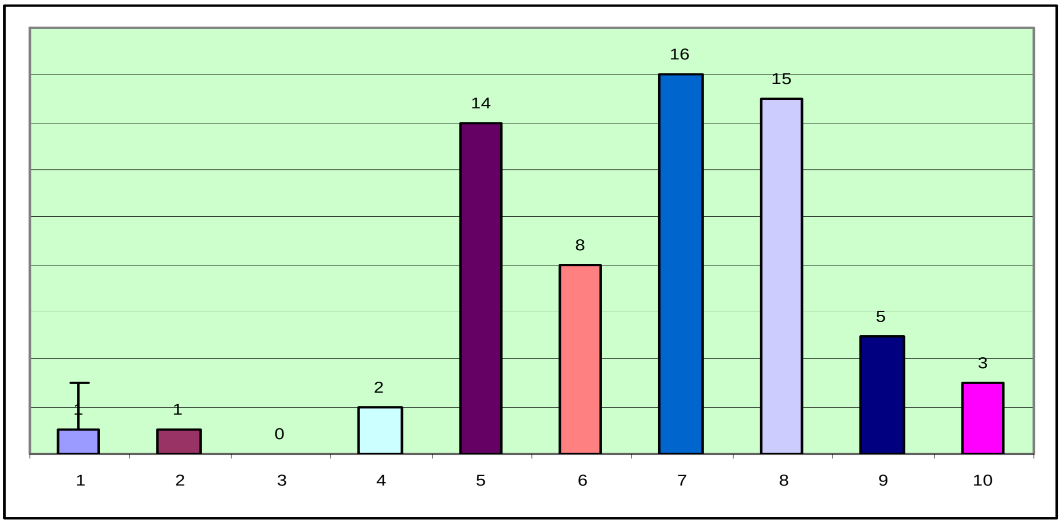
Total 65 respondents surveyed and their answers are processed and presented in Tab. 1

Tab. 1 Questionnaire

Questions	1	2	3	4	5	6	7	8	9	10
How do you rate your ability to persuade others to appreciate your intelligence?	1	1	/	2	13	8	16	15	5	3
How do you rate your ability to persuade others to accept your ideas?	/	/	2	2	13	7	16	13	8	4
How do you rate your ability to avoid the collapse (decay)?	1	/	/	2	6	13	16	16	9	2
How do you rate your ability to deal with people who have a hard character?	/	/	3	2	9	10	13	16	4	8
How do you rate your ability to exit from the constructive delicate situation?	1	1	/	3	10	13	14	13	5	5
How do you rate your ability to get what you want, even when you are wrong?	2	3	3	4	17	10	15	6	1	4

The results of tests performed are processed the standard methods used for that objective, for better comprehension of the given answers are presented graphically.

The respondents posed the first question: How do you rate your ability to persuade others to appreciate your intelligence? Most of respondents 16 and 25% positive with an average score of 7, while 15 respondents or 23% responded with an average score of 8 and a small number 14 or 21% are given grade 5th. For a better understanding of the question and answer given a score is given in the following graph:

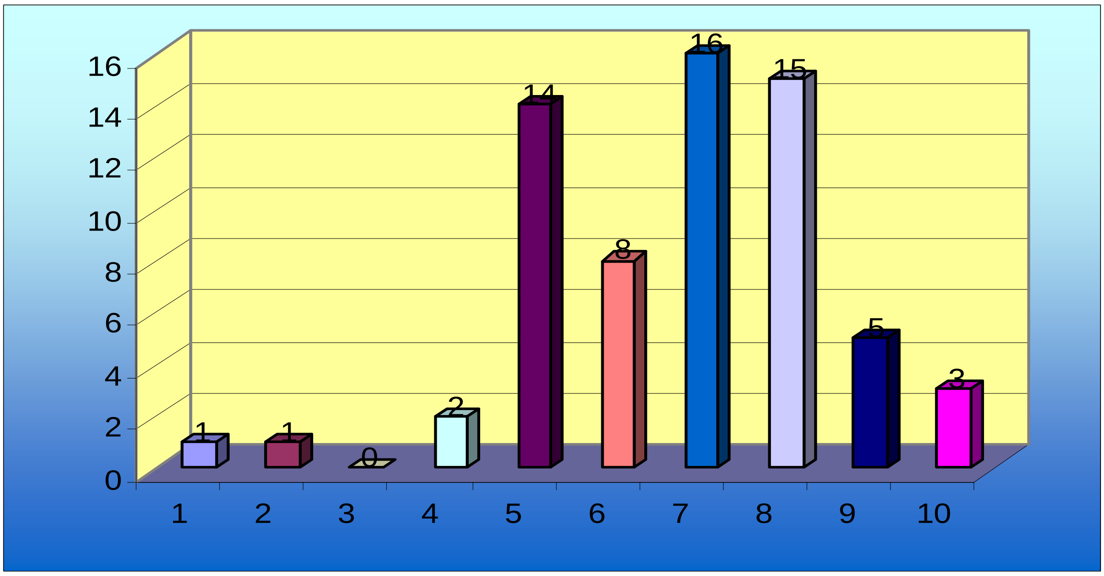


Graphic N °. 1 - How do you rate your ability to persuade others to appreciate your intelligence?

The average score of the first question is 6.7 or rounded assessment of the 7th.

On the question number 2: -How do you rate your ability to persuade others to accept your ideas? Largest number of respondents 16 and 25% answered with a score of 7, while after 14 and 15 respondents or 20% responded with average grades of 5 and 8. while 4 respondents were assessed in grades 1,2 and 4 and also 5 examinees were evaluate with a grade 9 and grade 3 in 10.

The next graphic is the best it can be seen:

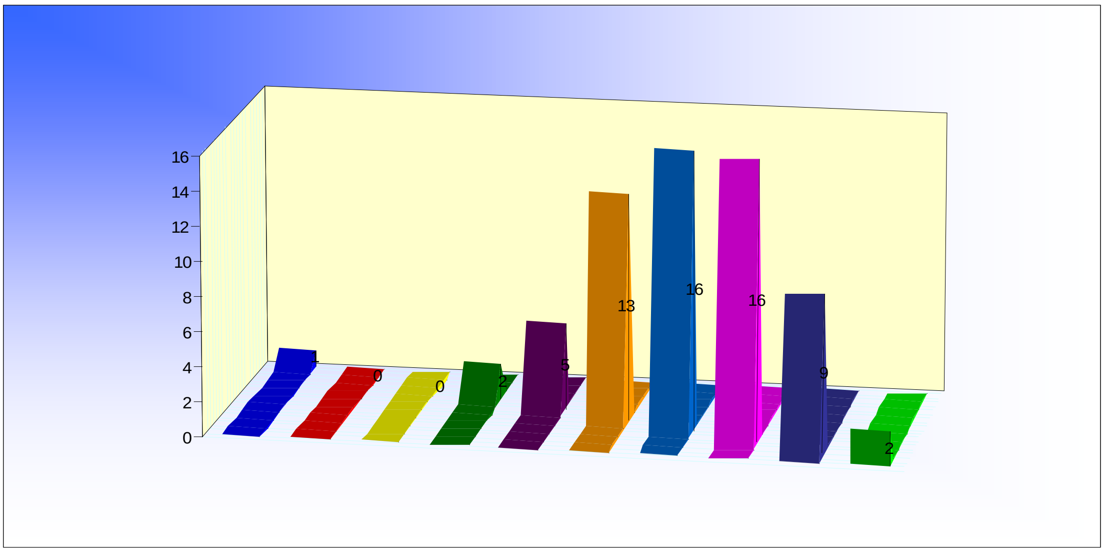


Graphic N °. 2 - How do you rate your ability to persuade others to accept your ideas?

The average score of the second question is 6.9 or about the 7th.

The third question: How do you rate your ability to avoid the collapse (decay)?, Most respondents considered that they were able to save from any accident and they responded as follows: Most of the respondents were 16 or 25 or 50% responded together with grades 7 and 8, 13 or 20% respondents gave each grade 6 and 9 respondents gave each grade 9th.

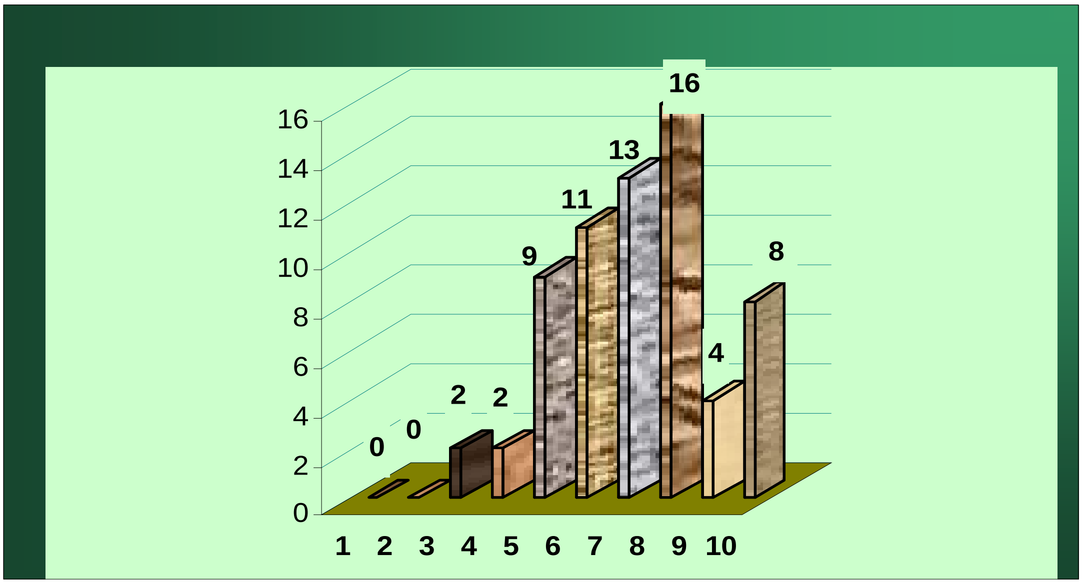
Graphic N °. 3 best shows the ability of people to cope by avoiding failure.



Graphic N °. 3 - How do you rate your ability to avoid the collapse (decay)?,

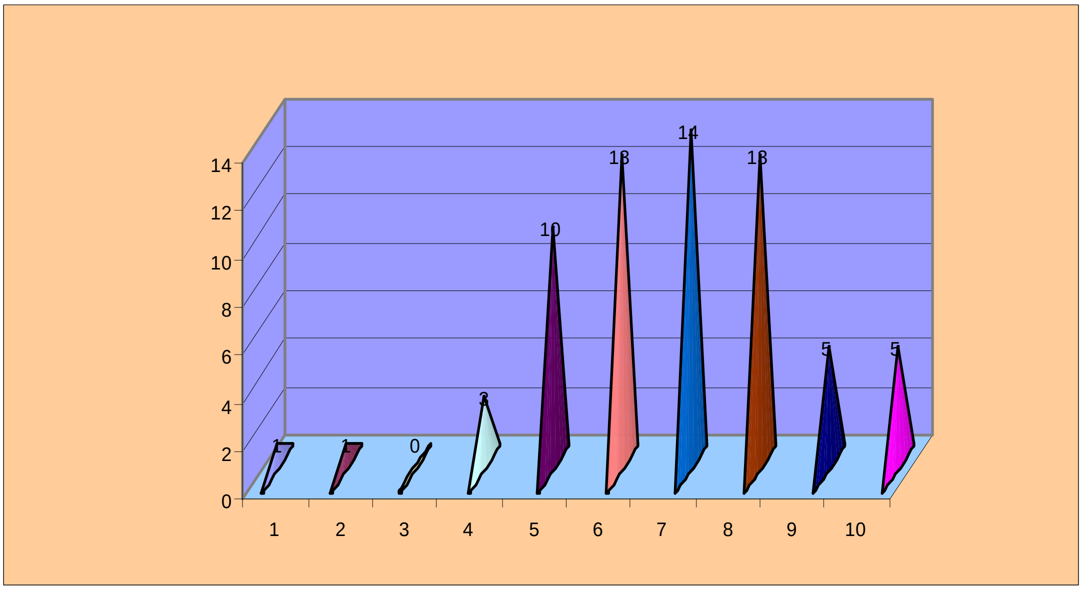
The average score on this question was 7.04.

Question: How do you rate your ability to deal with people who have a hard character?, most of the respondents, 16 and 25% are given grade 8, 13 respondents or 20% are given grade 7, or the average score for this attribute is 7.07. The results of the question as you evaluate your ability to deal with people who have a hard character can best be seen from the graphic N °. 4



Graphic N °. 4 - How do you rate your ability to deal with people who have a hard character?

How do you rate your ability to exit from the constructive delicate situation?- is the fifth question of the scale of attitudes and gave him the respondents the following results: grades 6 and 8 have selected 26 respondents or 40% of respondents ratings 8, 14 examinees or 20% with grade 5 and 10 examinees answered the remaining 5 respondents with grades 9 and 10 and two respondents with grade 1 and 2. The given answers are presented in graphical display N ° 5.

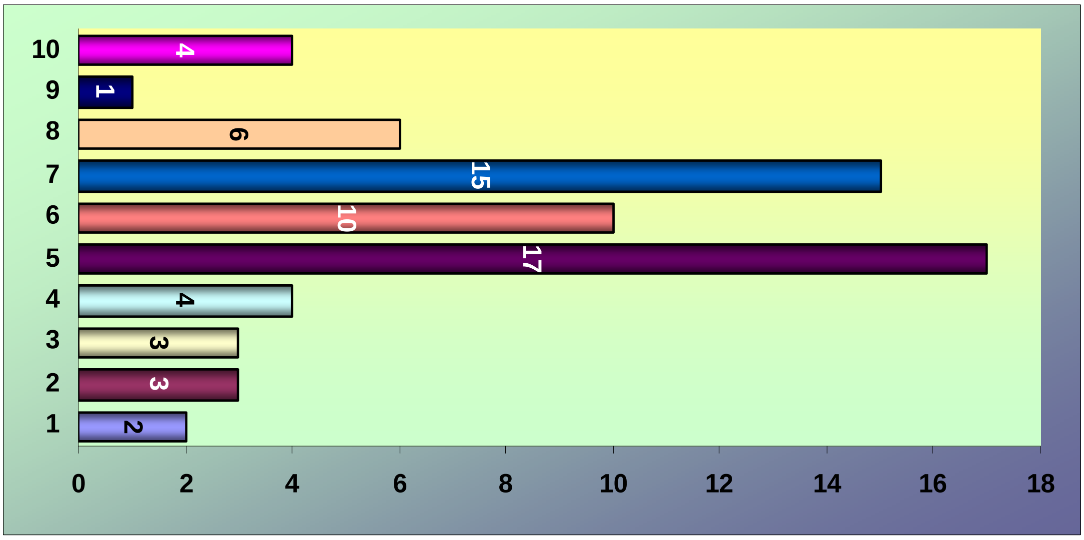


Graphic N °. 5 - How do you rate your ability to exit from the constructive delicate situation?

The average score is 6.8. Completed that assessment is equivalent to the 7th.

On the question: How do you rate your ability to get what you want, even when you are wrong? Most of respondents 17 or 26% are awarded grade 5, grade 6 responded with 10 respondents or in a relative values is 15% with grade 7 are evaluate 15 respondents or 23% with grade 8 are evaluate 6 respondents, with 9 responded 1 subject and 4 respondents are evaluate by an assessment 10th.

The answer from the last query can best be seen from the graphic N °. 6th



Graphic N °. 6 - How do you rate your ability to get what you want, even when you are wrong?

Management for timely and successfully prevent the problems which occur in the realization of tourism arrangements can be easily resolved if we know the characteristics of tourisms. As a result of questions asked and answers provided can easily organize a good tourism arrangement, and thus the tourism agency and tourisms will have mutual benefit. Time of tourism arrangement must be well managed and to do it effectively. The manager - the tour guide on have time to plan and sets priorities for each day in the tourisms in the foreground. The preparation of such a daily list, manager or the tour guide is ready to act on time when needed, without other necessary preparations.

The manager or guide in their everyday working and contact with tourisms, decision making is much better, than the absence thereof. The courage to cut the right moment and to decide, even if it is wrong is one of the most respected skills in tourism manager. Bringing the decision is certainly in consultation with tourisms, but weight and burden of responsibility falls on manager or leader.

Based on the issue of how managers can include employees in tourism organizations to meet the demands of tourisms can bring the following concluding observations, including:

The modern lifestyle requires continuous new knowledge for the near and distant environment that intends people to move constantly from one place to another and it makes an individual or group;

Tourist agencies are constantly trying to organize a good travel arrangements, but it is not always successful and always has complaints by tourisms;

About solving the problems who have travel agencies as an urgent need pushed knowledge of the characteristics of tourisms, and they can best be recognized through the test questions are submitted to the tourisms before the accepting their demands

With the analyzing the questions asked can easily achieve the desired objective, and therefore good completed tourism arrangements.

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IDENTITY-DIVERSITY IN THE IMPLEMENTATION OF STRATEGIES FOR MANAGING CONFLICTS BETWEEN MANAGERIAL AND NON-MANAGERIAL STRUCTURE IN ORGANIZATIONS

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Abstract

A manager, as a leading structure, manages daily and continuously, running and dealing with specific situations in the working environment, in which, among other things, manages organizational conflicts.

They can arise from different ways of personal and organizational planning, the imbalance in linking goals, objectives, strategies or existing resources in the organization. Disagreement can be healthy and productive process, depending on the method of coping.

In addition, management of conflicts is an important part of maintaining good interpersonal relationships, and thus the good working climate. Full harmony is reflected in the working relationship when the organizational environment is healthy, and a common commitment is felt to organizational goals and achievements. Conflicts are a mechanism that creates an opportunity to overcome misunderstandings, understatements, clarifying the different perceptions, aspects and acceptance of diversity of human values.

How the managers and non-managers understand, approach and respect the diversity that surrounds them or how they are afraid of different views, attitudes, needs, values, confrontations – seeing them as a threat to good relations and functioning, and in that context – what are their ways of dealing with conflict situations will depend on productivity in the organization.

Key words: *conflict, strategies, managers, non-managers, analisa*

INTRODUCTION

Management as a contemporary process, which basically relies on the professional and highly professional management and governance institutions, should become an integral part of their organization and market orientation as a condition for the successful execution of the previously set goals. Characteristics of management in this area are: the knowledge of managers, their ability and skill of management and governance in conditions of market economy. Thus, they have a need for building, education and training of competent managerial staff, who will be able to bear the risk of successful operation of the institutions in the field of scientific-researchable work, upbringing, health, permanent education, instruction, high qualifications etc. Today, only those organizations and institutions are economically efficient and have a survival advantage which their operations, governance and management are based on the basis of modern management – who prefers the knowledge, education, information, science, experience, business risk and so on. Indeed, specifically for today's modern conditions is not whether the work organizations need management, but as the fastest to implement and start to work introducing these subjects in a market economy, which tends toward the world.

The function of a director as an individual performs in a labor organization, is a term that person takes when performing certain leading function of a higher management level. The individual is actually a manager while performing this function for the simple reason that he performs some of the daily management functions or plays a management role. It is a legal right, or placing a person in a function of a director of some ruling authority. But the act of asking for a director, the person is not a leader in that environment, and this is confirmed by the fact that a leadership is not a position, but the result of a process. Some directors still remain only at the level of managers and never become leaders even they spent a few seats. The function or role of a director can meet different individuals, different in their style of behavior, with different abilities and skills. Thus, for example, a type of manager I will classify as a “managerial type”, someone else like a “real leader”, someone like a “tyrant” or “dictator”. In order for the director to successfully perform his function - in terms of his behavioral characteristics, it is necessary to possess certain characteristics. However, the basic feature that should have every manager is expertise, which means that he must have, in relation to other employees, more knowledge and skills in the field of activity of the organization in which he is a director. It is required to be successful in staffing human resources of their employment, and in setting “the right” people on “the right” places as well. In the context of the development needs of the organization, requiring the manager to take care of an organized approach to training staff, he has professionally trained staff and continuous care for their professional development. Characteristic of successful managers is that depending on results, they become a symbol of the organization and promoting the same in a larger scale, they build its image. Successful managers have shaped their own distinctive organizational environment and culture with its tradition, with established system of values, beliefs and expectations, with a distinctive way of working, living and behavior of every individual from that organization.

To successfully perform his job, the manager should perform more functions, because employees expect their executive to be successful, rational, pragmatic, practical, efficient, but at the same time to be effective, i.e. superior in the conduct of the organization. He is in daily contact and communication with many people. Whether he is a leader or manager, he among other things, works and communicates with many external internal associates. But in order to work with people there is a need to know good and proper communication, because to be an effective leader means being an effective communicator. Good communication, understanding and resolving organizational conflicts, does not happen naturally. It is a skill that is acquired, taught and it is the result of consciousness, thinking, good will, perseverance and practice. You can expect that a healthy organizational environment will reflect with full harmony in labor relations, as loyalty and commitment to common goals and achievements. With these organizational interactions, it is very easy and simple to manage emerging conflicts in a labor organization, to understand and control their presence and therefore be directed to the occurrence of structural conflicts. Starting from the idea that labor organizations need different, positive, creative knowledge and approaches to understanding and resolving conflicts that actually determine the further direction of this research paper.

Like any other scientific research, this is projected and realized in order to resolve the problem, to resolve a dilemma, to verify some information, to predict or explain the phenomenon of conflict, to discover new facts and arguments that will enrich the existing stock of scientific knowledge. The need for “a new research on an old problem” arose from my work so far and comprehensive knowledge of the issue of conflicts so that the formulation of the subject in question is a logical outcome of previous studied theoretical knowledge of the problem. It was necessary depth study of relevant literature on the problem of managing conflicts and it required extremely complex theoretical and major researchable effort.

What I have studied specifically in this research paper?

The subject of this paper came(proizleze) and it was determined in accordance with the proposed title of the paper “Identity – diversity in the implementation of strategies for managing conflicts between managerial and non-managerial structure in organizations.”

The subject of this study were the managers as exponents of the existing management structure in working organizations, their views, experiences and attitudes regarding conflict management and employees of organizations such as non-managerial structure in function of comparative figure in the survey. Specifically, a structural subject of the research was identifying - scanning of certain conditions and attitudes in the context of existing conflicts in many organizations and managing them, description of the same, and in that context, guidelines for better organizational relations. The appearance of conflict management was treated within the subject in organizations in the country. The problem treated in the paper was (not) appropriate management executives and managers and the way they deal with everyday conflict situations.

Why was the research implemented and what findings were expected to get? The basic idea and purpose of the survey was to obtain a realistic picture of the situation in the field of management, in terms of dealing with conflict management and leadership of non-managerial structure. The survey had three kinds of purposes: scientific, social and practical purpose.

Scientific purpose of the paper was to study the issue of conflict management in different organizations, to identify, scan and description of demonstrative forms of conflicts in the workplace and their role, so the results of the research to contribute to science. One aim was to analyze the situation of conflict management in organizations in terms of managerial staff (and from the aspect of non-managerial staff for comparative purposes) to determine which parts of their everyday work conflicts are most represented, which knowledge and skills to deal with them have the managers and what they miss about it (what is their need), and to propose specific activities in connection with their further professional development that will correlate with the current needs of society and state.

Public purpose of the paper was to summarize, analyze, explicate, synthesize, evaluate and value the opinions, attitudes and managerial and non-managerial confrontations with conflict as an inevitable occurrence in the workplace and takeovers of measures that exceed the destructive conflicts.

The practical aim of the paper came to define the following tasks and activities that stemmed from the realization of social and scientific purposes. The paper got its value and weight by summarizing, analyzing and interpreting the specific results of practical research provided by working organizations in the country. Differences were located in the aspects, desires, needs, interests, attitudes among the involved parties in the conflict situation, possible reactions of the managers and non-managers were scanned in situations of confrontation parties and their ways of coping, resolving and managing conflicts by the managers. One of the practical aims of this paper was on managing conflicts in practice to help managers feel, diagnose the present conflict and to understand, so they can make choice and apply possible alternatives of:

-withdrawing or avoiding before the conflict takes a swing
-forcing (if the circumstances require it)
-failure (when the resolution of the conflict is not a priority)
-bargaining
-facing (communication to resolve before it happened once or will happen) or
-stimulating constructive conflicts.

The survey had a theoretical-empirical character.

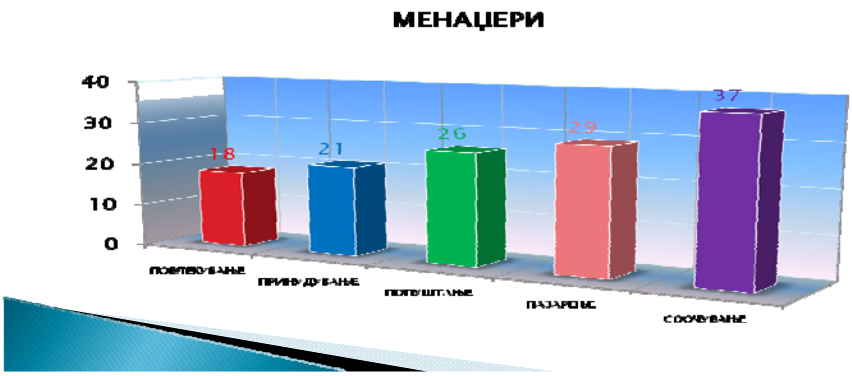
One of the tasks was to collect and process the theoretical and empirical data related to conflicts in different organizations and ways of managing them, to gain knowledge about the extent of the presence of conflicts and to consider ways of dealing with them by managers. Another task was to determine the desire and willingness of managers' directors to deal with organizational conflicts, to implement change in organizations, obtaining reliable indicators of the presence of conflicts and conflict situations within the work environments and the types of approaches and ways with purpose of managing conflicts. In that context, very substantial and significant was the task through data collected and analyzed to obtain specific information on which can be based on further activities of institutions aimed at supporting the development in Macedonia.

It was set a hypothetical framework with hypotheses on several levels for more successful and more consistent study of the subject of this research. The analysis of the impact of directors in managing workplace conflicts was a real basis for confirmation or rejection of designated hypothetical framework. This article will focus on just one part of this research effort, in which segment will be covered the hypothesis:

There is a difference in strategies when dealing with conflicts between managerial and non-managerial structure!

Comparison between managerial and non-managerial structure of the realized poll "Strategies and behaviors in conflict situation" which took place with 21 managers and 115 non-managers, can best be seen through histograms.

Picture 1 - Graphic presentation of strategies and behaviors in the conflict situation (managers)

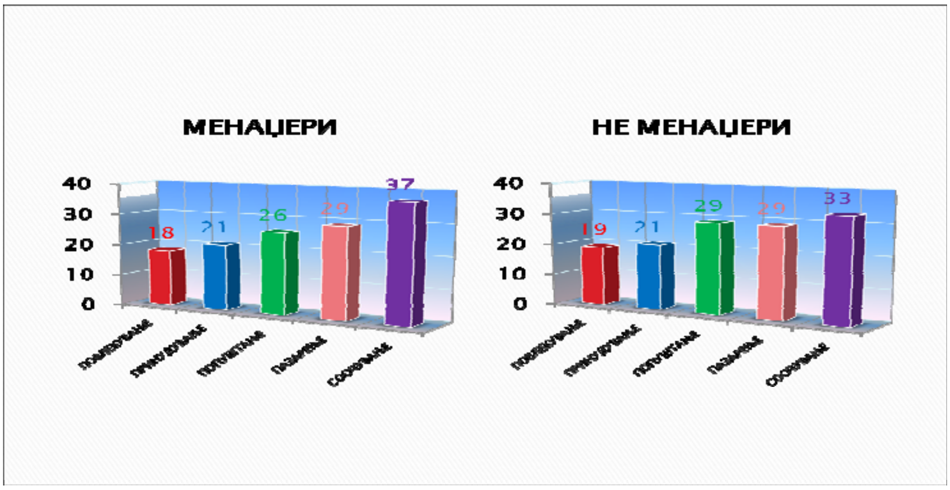


The highest obtained score in <u>the confrontation strategy</u> of five offered types of strategies suggests that the polled managerial structure tends to use more strategy confrontation as a way of dealing with conflicts. Since managers received the most cumulative points on the facing strategy, it means that it is the dominant management strategy and method of response to conflict situations.

Picture 2 - Graphic presentation of strategies and behaviors in the conflict situation (non-managers)

The highest obtained score in <u>the confrontation strategy</u> of five offered types of strategies suggests that the polled non-managerial structure often tends to use the confrontation strategy as a way of dealing with conflicts, as well. It is characteristic that there is equability in using the strategies bargaining and failure, which are represented in equal proportion. Since non-managers received the most cumulative points on the facing strategy, it means that it is also the dominant non-managerial strategy and method to response to conflict situations.

Picture 3 - Comparative histograms of strategies and behaviors in the conflict situation (managers and non-managers)



It can be seen playfulness of different strategies, yet obvious is that of the five offered types of strategies the highest score is obtained in a confrontation strategy, which suggests that the polled managerial structure tends more often to use the confrontation strategy as a way of dealing with and managing conflicts. Managers got the most cumulative points because of the confrontation strategy, and it acknowledged that **the confrontation is the dominant management strategy** and the dominant way of response to conflict situations, what makes it the most competitive strategy for controlling conflicts and conflict situations. But that is not enough confirmation that managers know to manage conflicts professionally that arise in the workplace, because the percentage of applied, the most favorable strategy of confrontation is very small - only 37% of the population claim such a managerial strategy.

The highest score obtained in the confrontation strategy of the offered types of strategies, suggests that the polled non-managerial structure often tends to use **the confrontation strategy** as a way of dealing with conflict as well (where management is controlled with conflict situations that viewed with a hierarchical organizational structure are to deal with conflicts of a different type - associated with other populations). Non-managers got the most cumulative points because of the non-confrontation strategy, it means that it is also the dominant non-managerial strategy and a way of reacting and controlling conflict situations.

In terms of coping strategies and ways of behavior in conflict situation between managerial and non-managerial structure, the established hypothesis is rejected because of the poll, in which 40 questions were included, is confirmed that both surveyed structures use all of the types of strategies and that both are used identically as dominant strategies for dealing with conflicts – the strategies of confrontation.

The strategy *dealing with conflicts* means giving initiative for negotiations, proper communication and creating favorable conditions in order confrontation parties to fully meet their objectives and to maintain the relationship at the highest level, which means joint seeking for a solution, which will meet the common needs and will reduce tensions and negative feelings caused by the conflict. Facing conflict is necessary when the goals and relationships of the organization are extremely important.

Challenge of managerial and non-managerial structure is to choose a resolving strategy, depending on the situation and individuals involved. As I can observe from managerial and non-managerial structure, there is diversity and varied frequency of conflicts in organizations, which vary from one organization to another and ranges from rare to frequent frequency. It's a broad range of conflicts arising from functioning and daily operation. No one is immune to confrontation and conflicts, and there are incredibly many possibilities in daily workable functioning for the development of conflicts within a group (in this case, organizational), development of conflicts between two or more people (employees) and development and self-activation of conflict inside a person. Managers have different methods and willingness to manage and resolve organizational conflicts, ranging from skills for timely diagnosis, communication skills, managerial skills, conflict resolution skills acquired from seminars, trainings and projects, inducing ways of reliance by facts and arguments for the defense of personal views, skills for creating compromise solutions, skills to create a favorable atmosphere for a good conflict resolution, teamwork skills, mediation and arbitration, negotiating skills, coordination skills, skills to create an effective atmosphere for the creation of constructive conflicts according to the needs of the labor organization. Managers say that an important segment is the possession of power to focus on the needs and interests of employees, possessing leadership skills, understanding and resolution of conflicts, oratorical skills, organizational skills, assertiveness, power to create an effective atmosphere for resolving conflicts, skills to construct compromise solutions. In the list of skills for dealing with conflicts are added and personal characteristics of managers such as - patience to deal with conflicts in the organization, honesty, patience for hearing, the ability for empathy, good emotional intelligence, great collaboration, adaptation and so on. The skills possessed by non-managers to deal with current organizational conflicts are moved by having good communication skills, open discussions and negotiations, the hearing of the parties involved in the conflict and observers and making appropriate decision, listening carefully, confrontation, communication skills , upgradable practical acquired skills, practical exercises, honesty and use of arguments, indicating the tactics of the participants in the conflict themselves to come to the realization of the conflict and a solution, dialogue, speech skills, recognizing and pointing out others' mistakes, calming the situation by clarifying the causes and counseling of consequences, active interrogation, concluding agreement and settlement by compromise.

From the experiences of managers and non-managers and their possession of skills to deal with conflicts within the organization, found that both structures have relatively enough experience with problems imposed and they “swim relatively good in these waters”, because many of the employees (and of course managers) passed various other seminars and trainings for resolving and dealing with conflicts in everyday life and in the organization, which is occasionally used in everyday work with the population of employees. But of course the fact is that the low percentage of use of the most competent strategy for the proper management of conflicts, suggests the need for further advancement of the management structures in the area of organizational conflicts.

Managers’ influence in the direction of managing organizational conflicts is often represented as full attention and controlling the situation in the organization, active communication and listening, encouraging, reducing and resolving conflicts, influencing as a mediator, arbitrators and mediators, inventors of alternative solutions. They often make an influence over interview in order to be satisfied the confrontation parties by providing a controlled direction of movement of the conflicts through influential counseling. Managers often make an impact in the context of the conflicts’ theme by organizing and implementing internal training, make an impact in detecting the causes of emerged conflicts, make an influence by their own authority, influence in creating a ground for good cooperation between the parties involved in the conflict. They have their own authority to initiate more frequent organized teamwork by allowing joint team thinking about the possible functional ways of resolving the current conflicts. Managers are influential in finding compromise solutions, timely prevention of conflicts’ culmination, and occasionally stimulating constructive conflicts in order to create creative dynamics in the organization. They make an influence with good preparation in the field of the dynamics of conflicts, with the knowledge in the field of understanding and resolving conflicts, reacting before the conflict occurs and reliability in performance after it occurs, authority and certainty about taking measures in organizational conflicts and knowing how to act properly in specific conflict situations.

Non-managers perceive and reveal the influence of their manager from their own corner in terms of managing organizational conflicts, and in that context they gave some of their experiences. The larger percentage of non-managerial respondents confirmed the significant positive influence of the manager and expressed satisfaction with the solid and reliable knowledge and efforts towards the successful management of organizational conflicts, satisfaction with the positive managerial influence and continued readiness for cooperation and assistance in resolving the conflict created situations.

CONCLUSION

The task of a director as a manager is to create an environment with fewer conflicts, to create a personal sensitivity to the conflict before it happens to be raised - to be able to feel its beginning and course, to be creator of an environment in which the employees will have power in conflict situations, if it possible before they occur to avoid and resolve them before the actual start - and if they are manifested, to be resolved quickly and effectively. The task of director is to timely diagnose conflicts and eliminate promptly by proper communication and mutual understanding. The task of director is to help current existing conflicts to be eliminated properly and positively and with great tolerance and understanding to influence positively on the organizational climate. The task is to increase the tendency of conflicts to be eliminated in the righteous way - at appropriate level, without endangering the harmony and teamwork, conflicts to be resolved by finding common points without having to avoid and ignore them - but the confrontation with them. The task of the directors is to create an environment in which conflicts will be overcome easily and successfully or will be reduced to a minimum, an environment in which conflicts will be resolved in quickly, efficiently and most harmless way and used in order to work.

It is good for managers to be generators of a healthy environment in which confrontation parties will resolve misunderstandings and problematical situations with pleasure, with assertive elimination, to turn the conflicts into an incentive for employees, to diagnose timely, to lead to building good relations that will be in the interest of improving the quality of work. The manager to be a creator of an environment in which conflicts are understood as steps for finding the ideal results, environment in which you can have a sense that you will manage conflicts and have control over them, an environment in which conflicts are resolved quickly, skillfully and without sanctions, environment in which conflicts are minimized and the existing are processed in a constructive way, eliminating in a painless way. The task of managers is to transform conflicts to become a tool in the organizational chain that will go to, and get to higher goals.

It is very important to create a balance in the organization between the interests and the needs of managerial and non-managerial structure, because the organizational power of the staff is large and important organizational potential that is a synthesis of the individual energies of all participants in the working process. It is also indicative the need for flexibility in behavior, and the need to change the way of consideration, behavior, reaction, decision-making, with an active focus in all organizational activities. In this way, favorable opportunities are created for managing with existing and newly created conflicts, and a possibility of controlled conflict. Certainly, one of the most important segments to allow reduction of organizational conflict situations is to understand primarily the organizational interdependence of all employees, to understand the need of effective communication with direct contact and continuous flow of information. Feedback is realized through personal contacts trough which responses are received. It should not be neglected the significance nor the need for installation and appreciation of the regulations and rules of organizational behavior, by reducing the opportunities for misunderstandings and ambiguities, and increases the possibility of stimulating constructive conflicts.

Also, it is important and necessary organizational activities to be synchronized because they are interconnected and aimed at organizational objectives. In that way opportunities are created for resolving conflicts before they become a threat to the organization. Managers cope and learn how to be builders of mutually beneficial relations and relationships and how to effectively resolve conflicts through the coordination of tasks and the daily practice of managing organizational conflict, facing different and new situations. The common goal of the organization and staff is while working together continuously to improve relations, as well as successfully dealing with managerial diversity of needs, desires, willing, and this should lead to unity, realization of set goals and meet the needs of the whole. In a situation where positive values are derived from the conflict, then it improves the integrity of the connection and then it is beneficial to all. So, while the manager builds partnership and establishes groomed, healthy interpersonal organizational relationships and while managing the conflicts, he focuses on the goals, needs, perceptions, potentially shared strengths and possible common aspects, rather than combative, competitive dysfunctional and often unrealistic demands and trends. Things which are set up in this way, allow each party (management and non-management) to learn about itself and the other side and become more aware of their own and others' needs, as well as potentially positive forces that are developed through understanding and resolving conflict and by managing it.

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THE TRAINING AS A FACTOR TO OVERCOME THE MOBBING

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Abstract

In this article the importance of continuous training and training of employees in the Hospitality and tourism economy is present in order to overcome the problem of mobbing more easily. Tourism values in the modern way of life is unavoidable component and the need of continuous monitoring of tourism development appears.

The competitiveness of companies in the modern living and working conditions is determined by several criteria and factors, and some of them are human resources.By investing in human resources quality return is realized which affects the increasing of financial performance and the pleasure to work. You need to constantly upgrade and improve the knowledge and the skills of the employees, which would achieve better conditions and working results.

Key words: manager, human resources, tourism economy and Hospitality; mobbing, continuing education and training, training.

INTRODUCTION

Tourism as a phenomenon, was and always will be an integral part of human life. This contemporary lifestyle tourism values become its inevitable component, because there is need for continuous monitoring of tourism development. Thecompetitiveness of companies in these modern conditions of living and working, is determined by several criteria and factors, and some of them are human resources.

Psychological harassment in the workplace is extremely negative phenomenon in the working areas, causing serious problems to employee organizations and to overall social community, which certainly has not surrounded the Hospitality and tourism economy. The problem of mobbing is a serious and quite widespread and there is a need for joint engagement and raise awareness among employees, primarily on perpetrators and victims of mobbing, for his illegal and harmful to human health and to the overall progress in the country. Mobbing is a worldwide problem, the percentage of employees exposed to mobbing grows more. In order to achieve better conditions and results in work must effort to combat stress and bullying at work.

The goal of any mobbing is to endanger the integrity of a person, its professional, social and personal life. This routine bypasses the few. Communication, continuing education and training of staff are crucial in overcoming the conflicts-of mobbing in the workplace and social socialization.

Mobbing in the tourism economy and Hospitality

Tourism as a phenomenon, was and always will be an integral part of human life. This contemporary lifestyle tourism values become its inevitable component, because there is need for continuous monitoring of tourism development. Rich and poor countries and regions in the world always take this industry as an object of economic analysis and development plans. Countries through tourism packages of the natural beauty and rarity of a country and its cultural and historical monuments, folk customs and gastronomic specialties, are competing in the world that manages to attract more tourisms and thus the inflow of funds that would merge in the state.

The competitiveness of companies in these modern conditions of living and working, is determined by several criteria and factors, and some of them are human resources. By investing in human resources quality reclaim is realized which affects the increasing financial performance. There is a need to constantly upgrade and improve the knowledge and skills of workers that could be achieved quality recovery that will affect the increase in financial performance.

In the every man's life the labor-based work is to ensure its existence and therefore has an exceptional role. People spend at work one third of the day,where every day they are faced with many risks in the environment on their health, but most of the workers are not aware of this situation. Employers develop an awareness that only in normal conditions of working environment can achieve the desired results. According to some analysts mobbing is a specific form of behavior in the workplace, in which one person or group systematically and morally abused and humiliated another person, and the goal is threatening the reputation, honor, dignity and integrity, to the elimination of workplace. That activities take place at least once weekly in six months. In this sense, mobbing is a lot more then conflict in the labor organization, the reason is to identified with aggression in the true sense of the word, and occurs in phases and planning. This phenomenon directly affects in the working environment and productivity of employees in the organization, because it leads to deviant communication, which is characterized by hostility, non ethics, immorality and so on.The phenomenon of mobbing in the workplace brings consequences for the labor organization. Absence from work is increased, employees are becoming less loyal to the organization, reduce productivity and quality of work and quite often are forced to give cancellation.

- Mobbing causes reduction of the work motivation, satisfaction and creativity at work, which directly affects to the quality of work.
- Mobbing leads to reduced productivity and efficiency to the mobber and the victim. Mobbing create a negative working atmosphere in the organization.
- Mobbing lead to frequent absences due to illness victims.
- Mobbing often causes displacement of workers, and changes in working hours. Mobbing affects the image of the organization.
- If the victim has filed a lawsuit against the organization due to mobbing, the firm appear additional financial expenses due to costly litigation.

Organization to be successful should take into account several factors, but most important is to monitor the health of employees, because they carry the well-being. Disease among employees, management usually ascribed to the inability to withstand pressures of business life. Such a policy of management does not lead to progress in the organization. Sick because of poor psychological working environment, are not an incentive of management to organize work in their organizations. The victims of mobbing often go on sick leave, early retirement, which is also a financial burden for the organization and the national budget. To prevent this the large firms in the West have established experts in human resources. They are responsible for the harmonization of human relationships in the firm, and should make workers happier in the workplace. They organize occasional parties, social events, picnics, celebrations, meticulously monitor any changes in interpersonal relations that could lead to changing work atmosphere and disruption of harmony that would distort the process of production and would cause direct material damage to the organization.[78]

[78] Величковска Ј.(2009) , „Мобинг- психички притисок на работно место", Сојуз на синдикати на Македонија, Lamina- Скопје;

In overcoming the problem of mobbing are crucial communications and continuing education and training in connection with the operation and behavior in work environments.

The Management of human resources in tourism organizations

Traditional limitations in hotel, catering and tourism businesses - such as long working hours, low wages, sun stable and seasonal employment, low employment status (positions) did these jobs become unattractive to many.

The immediate and obvious consequence of such a situation are the difficulties in recruiting suitable staff and frequent changes of personnel, which are expensive for the industry. The need for human resource development here is obvious, in order to raise the profile of this industry would increase productivity and ensure employment conducted within the sector. It is necessary to know which employees have the knowledge, skills and attitudes that will be needed in the future. Employees should possess the capacity to develop in the right direction, although they still don't have enough knowledge and experience but can demonstrate their ability, intelligence and motivation to develop them self in that direction. Through the granting of specific difficult tasks, the manager can determine whether an employee has potential or not. Individuals with high potential, a clear vision and new ideas, are desirable to be employed. Employees that indicate future changes and have the ability to organize and build strategy is of great importance for the successful work of the organization. Most employees if they have the same vision and strategy then is easier to unite that strategy and human resources.

Long-term plans are necessary to develop the organization and certainly need the right people. First the organization needs to have a plan for development: what changes will be needed to respond to changes in the environment over time , which structure, management style and culture will be suitable for interacting with prospective clients, to reach new knowledge and how it will keep in the organization and so on. The next level of development is the development of each employee separately and those with great potential in them self to prepare for the forthcoming period to realize its potential. Development Plan is needed which will lead to qualifications required for the future, that should be involved and training and assigning new tasks to each employee separately.

Each organization needs system evaluation for achievement of each employee, thus must know which aspects of the work will be considered as positive and which as negative. The system of assessment should be in accordance with the system for monitoring the work done in a way that is understandable to employees. System of regular feedback from manager to employees and vice versa need to function in any organization. A big help is if you increase the feedback from clients, colleagues and subordinates, which required managers and employees to think and talk over the job. This should improve communication between different departments within the organization. Surprisingly scores that were not mentioned should not have be done for the supervision of an employee.

Employee's achievements should be rewarded. Monetary compensation awards as often happens to be change otherwise. Employees have a desire to be rewarded in another way, by training or otherwise for personal development. It is recommended awards to be given in the form of training, that will make the employees useful for the organization. Training can be performed within the organization and outside it. Manager upon completion of training should ensure to incorporate newly learned knowledge, attitudes and skills in the work of employees and to support and try newly learned knowledge and attitudes.

The training is especially needed for successful operation. In order to do the work well, each employee is required to possess the necessary knowledge, skills and attitudes to perform the work. Stress atmosphere will occur when some of the employees will know how to do their work and others do not have enough work to fill in the time. For this purpose it is necessary planning the staff and planning the work during the year and review the work that should be performed.

Manager for human resources is one that should contribute to the development strategy of the organization. To be successfully complete a task requires the manager to be informed about the internal and external environment, to have ability to analyze and present the information needed to formulate a strategy. The manager should be able to identify weak points in the organization and find a way to deal with them, and to know how to use the strengths of the organization . Employees should be trained for a personal update, to realize their ambitions to develop such talents so they would work with pleasure, which would be approaching the organization plans and to realize them. So the manager should have sufficient power and influence, to know what the organization wants to achieve taking into account the changes that are happening outside. The need for development should be directly shown and presented to the managers and employees. The manager is the one who takes care and coordinate relations between the organization and employees, who predicts the effects of certain measures related to human factors of the organization and the definition of other options.

The manager is still called partner for development of instruments, because the individual level stimulate cooperation with supervisors and employees, ensuring adequate instruments (meetings to summarize the work done, training, individual development plans and reward systems) that affect the staff upgrade accordance with the needs of the organization. The connection between the needs of the organization and employees when they violate the result is an atmosphere which stimulates employees to begin looking for new jobs because they can thrive within organization[79].

Human Resources Manager should be a kind of mentor and trainer to the other managers and assist the managers, to coordinate the needs of the organization with the needs of employees and update their personal development. The manager knows what is allowed and what is possible in the organization, to support a connection to the needs of the organization to individual needs and ambitions for the development and upgrade.This implies that the manager is in relation to organizational development, management development, career and training and can clearly explain the means and objectives, linking the results to the objectives of the organization, and may occur in the role of conciliator when there are disagreements within the organization.

One of the basic principles of management of human resources is a necessity to continually invest in people to develop intellectual capacity sought by the organization and thus would increase the knowledge base and skills.

Corporate organizations are reduced and restructured which means reduction of management. Parallel to this the guidelines provided to employees are decreased which require greater degree of responsibility. Increased use of technology jobs mean new responsibilities for the self employed. Human resources are trained to conveniently fit with the new working methods, which are considered an asset for which you must make an investment, otherwise employees will seek work elsewhere. Management should seek ways to attract and retain employees in the organization. The use of new technology will mean reducing the need for new workers, though a number of routine matters will continue to exist. Information technology will make potential participants more aware of the opportunities it offers. Some organizations in order to keep their employees have introduced new systems for their encouragement. In Europe a major hotel chain has created a special program through which employees earn points for cleanliness, hospitality, accuracy, product quality[80].

The development of technologies imposed the need for continued training in the work

Many employees see no real chance for a career in Hospitality and tourism economy, with the exception of managers who make efforts to retain employees through incentives or promotion. Employees who "pass through the sector", according to the research are most talented because they are sure and can find somewhere better job, while those less secure in them self for fear of becoming unemployed remain in the organization. Young people see the enter in the working world right through this industry, which

[79] С. Саздовска, В. Чичева и В. Димовска, „Менаџмент со човечки ресурси“-Прирачник, Македонски центар за меѓународна соработка“, Борографика-Скопје, 2008, стр.25

[80] http://www.ilo.org/public/english/dialogue/sector/techmeet/tmhct01/tmhct-r.pdf [accessed at 02.02.2011]

brings direct contact with the public and ability to travel. A common practice in the industry is providing food and accommodation that are easier for young people to engage in active life. The combination of these factors make the tourism economy and Hospitality major driving force towards social and professional integration of young people.

The development of new technologies contributed to the general public to inform online easier, and the hospitality sector is forced to extend its sphere of action outside the traditional way of providing only food and accommodation and respond to customer needs. The increased range of customer service imposes the need for upgrading the skills of the working staff, which would motivate those who have good social skills.

Advances in computer technology allows rapid and detailed information about the quality and economic performance, and managers of the hotels are invited to react quickly and to analyze the situation and make appropriate decisions. With a wide range of services they offer now the need of marketing skills is increasing, new jobs are created in the tourism economy and Hospitality, which already exist in other industries. The hotel includes services to meet customer needs for entertainment, sports and games impose the need for specialized staff as well as specialized tourism guides.

The new division of labor and the changing nature of jobs within the tourism economy and Hospitality means employing a different spectrum of employees. Tourism can provide a wide range of skills. By one survey older workers in hotels with three stars, who have never been involved in training, rarely are able to cope with more sophisticated customers, while the younger lacked specific practical skills. The management of these hotels wanted or could not invest in training employees on the grounds that the cost of training will not be recoverable by their work. Tourism organizations in Europe, particularly smaller ones, invest very little in the development of human resources for their education and training. Trend of investment in education, training and development exist within the multinational hotel industry in order to meet the needs of the higher level of service-oriented users. Radisson Hotel Group recognizes that the success of the organization depends on knowledge, skills, abilities, motivation and dedication of its employees, and for this purpose has a well developed internal training system. Emphasis is placed on continuous learning and increase the potential of employees.

The salary is certainly the strongest motive of man to rise from bed and went to work that involves psychological and physical effort. Man is not just materialistic. Most equity organizations are not machines or goods in stock. Most assets that organizations have is a "human potential" and if the organizations in their budgets in advance plan the assets for depreciation of machinery, it is very logical to allocate resources and come to the right way for depreciation of employees[81].

Increasing the number of culturally diverse clients has imposed the need for special training for upgrading skills of employees. ITT "Sheraton" operates with a number of hotels on the Hawaiian islands, where the presence of Japanese customers prompted the need for learning the Japanese language and culture. The result was an increase in the number of Japanese guests in the hotels and courses themselves became sessions to solve problems with employees[82].

Managers of small and medium sized organizations still think they can not allocate funding for formal training and recognized qualifications for employees, and others think that the training will bring greater productivity at work and therefore wages will have to increase. It is generally considered that a large number of operational activities in the tourism and hotel businesses is to learn the job itself, not the formal trainings. The management of organizations always begin with a consideration of the question, "When will you have the financial return on funds invested in training employees?". The return of funds from the training is very difficult to predict. Certainly Mon implementation of the training staff is expected to have some changes in behavior and daily implementation of work commitments. The effect of the completed training is not instantaneous, but after some time changes that occur with the operation are

[81] http://www.ilo.org/public/english/dialogue/sector/techmeet/tmhct01/tmhct-r.pdf [accessed at 02.02.2011]
[82] http://www.ilo.org/public/english/dialogue/sector/techmeet/tmhct01/tmhct-r.pdf [accessed at 02.02.2011]

observed. It is important to identify the real needs of employees for the type of training that they need to improve their job skills, as well as to improve the working capacity.

Effective staff training

Coaching is a form of training in the workplace where the manager works directly with an employee while he learns how to improve work-related skills. Assistance of this training has developed effective working skills of employees who can directly lead to higher profits and better service, and also get many benefits from improved communication which indirectly leads to the achievement of organizational goals. Coaching is needed when the effectiveness of the work is not in line with expected performance. There are two criteria that must be met for use of coaching. First, coaching should be used when there is a need for specific skills associated with the problem and secondly when the problem with skills is simple enough to correct the work.

Manager when making a tour of the organization may notice a few employees who do its work in very ineffective way even at the opposite end of the recommended effective procedures. Again it can be that part of the year when the budget is not enough for department and manager has no time to waste, so he needed an employee who will help him. Often the employees have in mind a new operating procedure that will save money to the organization over several years and the manager is delighted with the idea and wants employees to be responsible for other sectors to use and apply the new idea. Displayed situations often happen to managers and indicate the need that the manager should be a tool for effective learning. Often managers are required to teach employees more effective performing arts. The manager has many responsibilities, but most important of all is to ensure effective performance of his subordinates. There are many ways to improve effectiveness of employees, and that one is coaching.

Sports version of the word "coaching" know the most people. Basic coaching techniques managers use almost every day. The outcome might not be a victory in overtime play, but the effect can be achieved in the offices and departments where staff is trained in exactly the same way. Coaching, in a management sense is a form of training in the workplace where the manager works directly with employees and learn how to improve work-related skills.

Coaching is analogous with the first formal experience in learning how to play basketball. In training the athlete how to shoot free throws, the coach writes every won point and the more he calculates, there are more chances to win. Free throws are a good opportunity to score points. Coach highlight athletes who are good at free throws the shoots have more chance to play and of course to become better players. Then he explains that an athlete must learn specific techniques for shooting free throws. Maybe you went a step further and will set a certain percentage of accuracy as a goal to be met, such as 80%. Coach will continue to explain the process "how to kick free throws" step by step, slowly and heat. Instructions to clarify, the coach will demonstrate how to execute the process of shooting, but now the athlete can see how to do it.When an athlete will have a basic knowledge of shoots of free throws and it is demonstrated by the coach he is at the beginning of his experience. Coach during the training constantly emphasizes what is right and how to do it in a different way. Through training and coaching feedback, athlete eventually learns skills well enough to be able to use alone[83].

Investing in staff training - an eternal dilemma

Tourism economy shows reluctance to give formal recognition of acquired skills, and maybe it wants to prevent mobility. The large turnover of staff in the Hospitality and tourism economy makes it difficult to return on training investment. Investing in training makes employees more valuable and more satisfied with what you get on the job, and this is especially important for those who support the concept of continuous improvement and lifelong learning. It makes sense to invest in employees who need to

[83] http://www.obuki.mk [accessed at 21.06.2010]

develop business through everyday activities. The dilemma that appears is the existence of "danger" tomorrow to leave. Large organizations have dealt that with contracts. But actually signing the agreement achieved the opposite effect, causing pressure to stay a certain period of time. There is no man who wants to work under pressure and it proved to be poor management tactics.

> -"What will happen if you train them all and one day they all leave your company?" -"What will happen if we do not train them,and yet they remain in our company?" - These are the words of one executive director on the risk of investing in training its organization[84].

Training increases the value of employees that they become attractive to the labor market. Seen by non financial motivation of employees, each person is more likely to remain in that organization which enables him to develop his career to build and continually learn. Many famous organizations and a good part of Macedonia decided to be "Organizations who study and invest in the development of human capital[85]. Organizations find it very important to invest in employee development by becoming more effective in their work and on the other hand contribute customers to be satisfied. The benefits that organizations have with the development of employees are:

- increases the value of human capital in the company, which is the main capital in general;
- ensures that competent people from the organization will be prepared and ready to advance to higher positions;
- employees understand the organization and the industry in which they work;
- contributes to effective retention of staff in the organization.

Everyday work of employees may be able to be disturbed by various events that can cause changes in their working ability and quality of work. Developments can have a stimulating effect and influence on improving the quality of work, but also can discourage to exceed the limit of tolerance and lead to consequences of physical and mental health of employees.

Education and training about mobbing through various forms will contribute:

1. In working environments:

   -achieving the business goals of the organization,

   -profit,

   -increase the productivity of the organization,

   -increasing the quality of work,

   -reduce the fluctuation of staff

   -developing knowledge and skills of employees

   -better adaptation of the organization of continuous change.

2. Personally for employees:

   -to be better prepared to successfully organize, plan and implement work

   -To work safer and more precise,

   -promotion of personal skills to deal with mobbing will provide a competitive position for themselves in the organization and thus the labor market,

   -to advance your career

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[84] http://www.pretpriemac.com/2010/06/10/pretpriemac-dilema-obuki/ [accessed at 21.06.2010]

[85] http://seebiz.net.mk/?ItemID=43624C880EBAAA4A9EB9A2957253B914 [accessed at 21.06.2010]

-to expand and deepen their basic knowledge, technical and inter personal skills,

-To be successful in receiving and transmission of knowledge, skills and professional information

-to establish better communication with their colleagues and superiors, to attract their attention and interest for them to contribute to a better working environment, promotion of employment and raise productivity to a higher level in the work[86].

Investing in training and knowledge through training is a big challenge for any organization and its employees. Knowledge is emphasized more nowadays when the quantity of information is more and more accessible.It is much easier to come to information that a few years ago was unthinkable. This is important because you need it quicker to adapt to new times and to understand that investment in knowledge is something that will improve the business of the organization. However there is a dilemma then why do employees go. Someone thinks that the reason for this is weak internal business system or business model. One thing is for sure, no one will go just because the organization has enabled high-quality training. One of the biggest reasons is that organizations do not establish good business relationship with private business or management. Another reason is that employees are not satisfied with the salaries they receive for the job done, and as a third reason may be the working environment in which work and which do not tolerate[87].

CONCLUSION

The complexity of the problem of psychological harassment in the workplace imposes the need for continuing education activities of the employees and management in connection with the operation and behavior in work environments. Educational activities are intended for employees, managers and officers, and effected by educators and trainers who deal with education and training, transfer and dissemination of knowledge and skills in the organization and beyond, as well as experts from various fields of science and practice.

Employees should continuously through educational activities to adapt the changes in the new market economy, so they can participate in developing programs to improve the quality of working life under which involves close cooperation between management and employees.

All this open space and impose the need on the issue of mobbing to pay serious attention and to be considered with all necessary aspects.

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ENTERPRENEURSHIP AND HUMAN RESOURCE MANAGEMENT IN THE TURISM INDUSTRY AND HOSPITALITY

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Abstract:

Tourism is important industry of economy. The tourism development entails a series of other positive changes in one country: growing number of tourism and catering facilities, and expansion of the infrastructure network in the state, positively affecting road, railroad and air traffic.

In the period of tourism season, the airports are overflowing with tourisms. They are coming from all over the world with different culture, mentality, education, etc. It is essential, the personnel who is employed on the airports is reliable to the ability to meet the needs of travel consumers.

Therefore, personnel that is employed at airports, is required to pass through some detailed analysis and tests of competent managers for human resources.

Only a few applicants will be selected and then recruited as staff that will serve customers and produce pleasure for them.

Key words: airports, personnel, management of human resources, selection, recruitment.

INTRODUCTION

Tourism is an integrated, complex activity that involves all areas of the economic and social life.

In the following years, tourism could be one of the most important sectors of the economy. It can have an important role in the process of achieving the broader economic objectives such as creating new employment, employment growth and increase the level of education of the workforce.

The tourism is a people's industry. Tourisms remember mostly the people who take care of their needs.

Well trained and friendly staff is the key to a successful business in a successful tourism destination.

The well trained and motivated staff is reliable and can adapt to the performance of their work. This results to happy and friendly staff that will positively interact with the customers, but also happy tourisms, satisfied by the pleasant and most of all professional attitudes of the staff.

Macedonia has a young and dynamic workforce with traditional hospitality.

Without the humans and their work, nothing would exist and nothing would develop. Although, all the resources in the organization are important, the most important are the human resources. The human behavior is complex and often unpredictable (every human has their own personality). Therefore, managing the human resources is far more complex and more complicated than managing technical, financial and other resources in the enterprise.

Therefore, when selecting employees, it is very important to properly perform the process of recruiting and selecting employees.

TOURISM – CONCEPT AND MEANING

Tourism is travel for recreation, leisure or business purposes.

The World Tourism Organization defines the tourisms as people who "travel to and stay in places outside their usual environment for more than twenty-four hours and not more than one consecutive year for leisure, business and other purposes not related to carrying out a paid activity in the place which is visited". [1]

According to the Tourism Association of England, the definition of tourism would be: "Tourism is a temporary, short-term movement of people to destinations outside the places where they usually live and work and their activities during their stay at each destination. That includes movements of all kinds of purposes."

The United Nations in their "Recommendations on the tourism statistics" from 1994 differ three forms of tourism: domestic tourism - citizens of a certain country travel only in that country, incoming tourism - guests who travel in a certain country, and outgoing tourism, which includes residents traveling to another country.

UN also created different categories of tourism by combining the three basic forms of tourism: internal tourism, which comprises the domestic tourism and the incoming tourism, national tourism, which comprises domestic tourism and outgoing tourism, and international tourism, which is composed of incoming and outgoing tourism.

Tourism is important for many countries, like the United Arab Emirates, Egypt, Greece and Thailand and many island countries, such as Bahamas, Fiji, Maldives and Seychelles, as a result of the great inflow of money from the trading of their goods and services and the possibility of employment in the services related to tourism. These service activities include services of transportation, such as aviation companies, travel by boat and taxi services, accommodation services, which include hotels and resorts, and places of entertainment such as amusement parks, casinos, shopping centers, various areas of music and theater.

THE INFLUENCE OF THE INFRASTRUCTURE AND THE TRANSPORT ON TOURISM

The world economy is becoming a global economy. The global economy means the mass movement of people and goods on a scale like never before.

A clearly expressed trend of increase of the population mobility is noted on the global scale.

Opposite the constant increase of the needs for moving people and goods, are the limited infrastructure and commitment for achieving sustainable development. Hence is the importance of the traffic-transport infrastructure, which should provide efficient, environmentally clean, fast, safe, economically meeting the needs of transportation.

This intensive growth of the transport needs should certainly be followed by education of appropriate professionals who will be able to successfully solve the traffic problems by applying modern and advanced techniques and methods.

The development of the technological and transportation infrastructure, such as jumbo jets, aviation companies with low prices and more accessible airports, enabled many types of tourism to become more accessible.

The access by air is important for the economic development of every country. The improvement of the air transport systems will facilitate the accelerated development of the industry, the international trade and tourism. The road and railway network are equally important for access and distribution in the country.

The poor infrastructure is destroying tourism. The insufficiently good infrastructural facilities have negative impacts on tourism. The investment in the tourism infrastructure contributes to stimulating the development of the tourism which in turn positively affects the improvement of the economy.

MANAGING HUMAN RESOURCES

The successful organizations are not due to only successfully setting a market strategy, product quality, and sustainable competitive advantage etc. In fact, the success involves many things. Successful companies are the ones that consider the human capital as the most important link to their functioning.

The managing of human resources is a strategic managing of the employees who individually or collectively contribute to the achievement of the strategic goals of the organization. The employees in an organization are individuals who have their own mental perspectives and perceptions and their own goals, and each one of them is a person for himself or herself. That is why we can not think of all the staff in an equal way, i.e. attention should be paid to an individual and to a group level, everything in order to focus on achieving the organizational goals.

In order for an organization to implement and achieve the strategic goals, it must put emphasis on the human resources as well, i.e., on the attraction, retention and development of the employees.

Human resources management is a kind of relationship between the organization and the employees. Each organization must become aware of the needs of the employees to understand and evaluate the needs in order to help employees to understand and to feel their work as part of their personal life, and not as a routine they must do.

The care of human resources is crucial for the proper functioning of the organization, because, with proper care, employees can become loyal and they will be willing to give their best in performing work assignments. The main responsibility of human resources care is: to attract new talents into the organization, to foster the career development of the employees, to encourage the motivation among employees in the everyday performance of the duties, to retain employees in the organization and reduce the rate of staff turnover.

In order to achieve these objectives, the organizations must pay attention to training and motivating employees, establishing a good communication system, as well as establishment of certain standards of the behavior patterns, which emphasize the organization's policy and provides an opportunity for finding solutions for the problems occurred.

The managers must realize that they can survive only in the dynamical and competitive environment and to be successful only if they pay attention to the human capital in the organization. In order to realize that recruitment and selection of employees is a very specific requirement where they need to devote energy, time and knowledge primarily as a way to attract and select the right people.

The care for the human capital is a challenge for every organization. Therefore, they should use appropriate tools and techniques that will help the organization to achieve the set strategic objectives.

EMPLOYEES RECRUITMENT

The objective of recruitment is to provide qualified candidates who will successfully perform the work received and will remain in the firm.

It is very important to make the right decisions and recruit the right people because the costs can be very large, and this can lead to negative consequences of the enterprise.

It is very important for the company to determine which recruiting source provides the best recruiting effects.

The recruitment and employment of qualified people is one of the biggest challenges of today's operations. The largest companies seriously consider the recruitment, as seriously as their products services.

It is a process of attracting and providing qualified candidates.

The need of human resources can be provided in two ways: recruitment of new candidates and development of the potential of existing ones.

The process starts by making a decision for filling the empty positions and consideration of the requested needs... When this is met, next is the search of potential candidates that the enterprise needs.

In the program it is necessary to specify the exact number and category of people needed. If an exact number reports the free positions, the enterprise will either recruit all or only a certain number of people and the vacant positions will be left free. If, however, a larger number of people appear, the organization will choose the best and the most suitable methods by applying of tests, interviews, questionnaires etc. The recruitment is a two way process because it involves two parties: the organization that wants employees that are suitable and the candidate who wants be employed in the enterprise.

Each party has the right to choose. The relationship between the offer and the demand has a significant impact. If a country has more demand than offer of work, seldom that someone will reject the offer of work and vice versa.

With the increase of competition, the importance of the strategic approach to recruitment is increased: what type of people the organization recruits, whether the staff is being recruited internally or externally, what type of people the enterprise is looking for, whether individual or team players will be favored, whether the organization needs specialists or generalists, how much is the enterprise prepared to find and secure the qualified candidates, what criterion and instrument will be used in the selection process and so on.

The plan provides an answer to how many people are needed to the organization and of what category, and by recruitment; the plans of the human resources are put into operation.

The internal recruitment is related to the promotion of the employees within the organization, and the external is related to the employment of new people outside the organization. The internal, as well as the external have its advantages, but its disadvantages as well. The promotion of the employees is positive in the organization, but it also means using the traditional methods of work. That can be very expensive. The external recruitment showed that by bringing new employees, new ideas are being created and generally it costs less, for example, to recruit a programmer or an accountant from outside. The disadvantage is that the selection of the new worker can affect the already employed workers. Generally, the organizations combine these two ways of recruiting.

The sources of external recruiting are: advertising, internet, agencies, consultants, etc.

The recruitment may be continual or intensive.

The internal sources include current employees, friends of current employees, former employees and applicants who previously applied for work in that organization. The advantage of the internal source is that the manager can monitor the specified candidate who has the potential and the performances for improvement. Then, by promoting the employees, the organization may further motivate the employees.

The advantages that occur are: greater reliability of the assessment, knowledge of the skills and qualities of the candidates, motivating factor through the offered opportunity for promotion, speed and lower costs for recruitment.

The disadvantages are: smaller offer of qualified candidates and smaller opportunity for selection of talented and above average workers, introversion of the organization to new people, new ideas, which in the long term may affect the further management.

Basic forms of internal recruitment are: internal advertisements, promotion and transfer of employees, recommendations and suggestions from the service of human resources, friends and relatives of the employees, recruiting former employees and former candidates.

Internal advertising:

- Through the bulletin board of the enterprise;
- Through radio station
- Through special bulletins
- By mail (e-mail)
- By phone etc.

The advantages of this type of advertising are: opening the enterprise towards the market, increasing the chances for securing candidates in conditions of greater offer and greater choice, an influx of new people, new potentials and new ideas, absence of the problem of job positions complementing of the elected candidates, such as the case of internal recruitment etc.

The disadvantages include: increased costs of using external recruitment, prolonged time of obtaining suitable candidates, increased risk of making decisions with a choice because of the unfamiliarity and the uncertainty in terms of qualifications, abilities and personality characteristics of the separate candidates.

As it is already stated, the enterprise usually decides on the combined use of internal and external sources of recruitment.

Manners and sources of external recruitment are: external advertising, agency brokerage, educational institutions, direct applications of the interested candidates etc. Other sources and methods of recruitment are: external advertising – the most frequently used method and five key issues are determined: what we want to achieve, who are the people we want to gain, what should the advertisement contain, how the message needs to be presented, at which medium etc.

When the recruitment process is over and when the first group of candidates is provided, the most potential candidates are chosen through the process of selection.

The selection is a process of selecting a certain number of qualified candidates with already predetermined techniques and rules in order to select the ones that are the most convenient for the needs of a particular job. One of the most important areas in human resources managing is the selection of quality, capable, ambitious and prosperous people.

We should consider the selection of human resources as a process of harmonization. By choosing the appropriate candidates, the process does not end, but it is very important for the candidate to fit the new working place because that will affect the extent of the quality of work of the employee. For the company it is very important to have the right people in the right place.

The selection is the process of choosing individuals who have the necessary qualifications to perform a certain type of work in the enterprise. The selection process begins when the manager needs to employ people who need to fulfill a particular environment. In large companies, that is done by a service function that works with employment and in smaller organizations (enterprises) that is being done by the managers themselves.

Participants in the selection process are not only the experts for employment, but also managers who will manage the work and employees who will work with the future employees. The need for selection and its great importance arises from the fact that each person is different (the human behavior is different, complex, unpredictable and a large number of factors have influence: biological, psychological, sociological and many others) and for this reason, the psychologists have an important role as well.

The things are different, but the people are different too. Anyone who is hard working can work. In the process of selection it is being determined who is the most competent to do certain things.

People differ in: interests, abilities, skills, intelligence, characteristics, behavior, etc... All these indicators affect the social and working behavior. However, when selecting, the most important are the differences in the abilities and the personality characteristics because they usually are related to different work behaviors and success at work.

The abilities are psychological characteristics of the people and they constitute the general personal conditions of achieving successful results in a particular area. They are developed on the basis of inheritable potentials, influenced by the environment and the personal activities.

They can be divided into: intellectual, perceptive and psychomotor skills.

The intellectual abilities are mental abilities that do not relate to the potentials of the people to process verbal, numerical and other information and to understand and solve various problems.

Perceptive ability is the ability for rapid and accurate identification of shapes.

Numerical ability is the ability to quickly and easily solve simple computational tasks.

Verbal ability is the ability to easily and quickly understand the speech symbols.

Ability to understand is the ability to solve various problematic situations by logical thinking.

There are several types of intelligences:

- Technical intelligence - the ability for recognizing the mechanical relationships and understanding of mechanical principles and their successful application in solving technical problems;
- Practical intelligence - the ability to solve everyday problems;
- Abstract - solving abstract problems;
- Social or emotional - understanding and controlling the emotions, understanding the behavior of other people, the proper response to a particular situation.

The criteria for selection and references of the candidates have become so significant that they have become standards for selection.

Selection criteria are those standards that are so important that an individual must possess them in order to get a job.

The reference offers information that the candidate is capable to do the work. They can be: academic references, previous employment references, financial, certification that the candidate was not convicted, personal references or recommendations.

The selection process depends on the size of the organization, the nature of the work which will be fulfilled, the number of people who will be selected and the pressure from outside (different regulations etc.). It can be realized during the day or within a longer time period.

The first step is associated with the application of the candidate. They are submitting an application and with application they are giving their documentation certifying that they meet the requirements that the organization demands. The analysis is carried out by selection experts or an employment sector.

Those candidates, who do not meet the least minimum requirements, are refused and do not continue in the further procedure. Those registered candidates who meet the minimum requirements are invited for further interviews and tests or a combination of both.

The candidates that go further are being re-examined (previous work experience, reliability) and the candidates that have weak references can not continue. The candidate with appropriate qualifications goes further and an intensive interview is conducted by experts, managers etc.

Firstly, the candidate that meets all the criteria must pass a medical examination and if his/her physical and medical requirements are satisfactory, he/she may be offered employment.

On the basis of the individual characteristics and behavior of the inspected candidates in the selection process, using different methods and techniques, the successful job of the candidate is forecasted.

Depending on the situation and the nature of work for which the candidate is required, the method and instrument will be chosen.

The selection method and the procedure of collecting relevant data can be conditionally divided into two major groups:

Standard (conventional) and alternative (unconventional) methods,

Standard (conventional) methods are a reply of an advertisement, a biography of the candidate, diploma, psychological tests, interview, test, situational tests and medical examinations.

CONCLUSION

The developed air transport and the developed infrastructure are one of the things that bring prosperity for every country and directly influence the economic development.

Tourism is one of the most important economic branches and its development is conditioned by several factors.

The disposition of a country with good infrastructure for all types of traffic is something with very positive impact on tourism and the hospitality environment. Certainly, when a foreigner arrives on holiday in Macedonia, and if he/she arrives by car, for him/her it is very important the types of roads we possess (in regards to holes, if they are poorly constructed and built with cobles and asphalt).

Those who prefer to travel by plane; they represent a sensitive category of people. The couple of hours waiting at the airports can be exhausting and difficult. So in those moments it is very important when a person is under stress or anxiety, what is its environment.

Is he/she looking at smiling and joyful people around or purely mechanical robots that perform their duties?

The kind and professional staff who are employed at the airports is one of several factors that affect tourism development.

The employment of staff at the airports is very long and detailed procedure for selection and recruitment.

The selection and recruitment of personnel is an important function of every company, and the recruitment process is the first step leading towards creating a competitive advantage and strategic advantage for the organization. The process of recruiting represents a systematic process - from finding candidates to organizing and conducting interviews, which requires intensive investment of resources and time.

The selection is a process in which a selection of a certain number of qualified candidates is made with already determined techniques and rules in order to choose the ones that mostly suit the needs for a particular job.

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THE EMOTIONAL INTELLIGENCE OF A MANAGER IN A MANAGER IN A TOURISM ORGANIZATION – A KEY TO SUCCESSIFUL WORKING AND BIG PROFITS

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Abstract

Each tourism organization can achieve competitiveness and success on the market by employing the right people and organizing its qualified human resources. It is of essence that the skills and competencies of the employees are not suppressed nor subdued but rather allowed to emerge and find expression in the area they are most needed. Every successful manager is responsible for the coordination of the employees and the other resources within the organization, and they achieve this through their emotional intelligence that they develop and improve on daily basis. Such managers have the know-how to respond to and satisfy the requests and demands of the surroundings, the ability to understand people and motivate them to work by fulfilling their wishes.

In the course of its existence, each tourism organization is bound to show ethics in every respect. High profits and successful working are not to be achieved the easier way since this only yields success in the short run, but rather by aspiring to achieving greater results on the long run. It is through hard work and abiding rules, norms and principles of working that each manager, knowing and acknowledging their employees' needs, can rate high on the competition market which inevitably brings higher profit as well. It is through maintaining a solid relationship and good rapport with their employees that a manager can build a brand name to stand as an epitome of their successful working, thus staying ahead of all the others.

Key words: *tourism organization, managers, emotional intelligence, motivation, ethical behaviour, branding the organization*

INTRODUCTION

"Remember, inalterability is non-existent.
You either move upwards, toward success, or downwards, toward failure.
It is entirely up to you"
Hill

Successful working, high profits and branding, the three things that distinguish one tourism organization from the others, is every manager's dream. Hard work does not invariably yield success. More often than not, managers choose the wrong methods and techniques to win the most competitive place on the market, which results in a disastrous failure.

Methods and techniques are mere tools to realize a firm's goals, but it is the human resources that are the mechanism that carries them out. The appropriately selected personnel is half the success and profit of every organization.

Of course, achieving results at every cost promises only a short-term realization that is most often followed by loss of their rank on the list of most successful businesses, and very often leads to a winding-up of the organization.

Respecting the rules of working, the principles and norms of ethical behaviour and working allow for the goals to be realized; thus ensuring constant success over a very long period.

An organization’s success depends to a great extent on the employees’ mutual collaboration. Their coordination and mutual respect and understanding, greatly affect the positive working atmosphere that, in its own turn, creates a feeling of pleasantness and satisfaction during the working day. The feeling of safety and belonging makes the employees willing to put greater effort and to do their tasks irreproachably.

Satisfaction arising from the work place and the friendly interrelations cause the employees to willingly and single-mindedly dedicate themselves to achieving the organization’s goals and to readily aid their realization.

A Manager’s personality

Each tourism organization sets their aims at meeting the needs of their clients. Offering services that are tailored according to the users’ needs makes the organization more appealing and its attractiveness causes for greater market competitiveness. Climbing this rung of the ladder depends greatly on the manager that is at the head of the organization.

Each manager, each leader, possesses special traits and streaks, capabilities and ways of conduct that are typical of them. Their personality, their character, is transferred onto the employees and this has the greatest indirect influence on the organization’s success. A manager’s personality, taken as an entirety of knowledge and skills, is in close relation to their beliefs, their background, as well as their education.

The culture they belong to has a significant effect on their attitudes, prejudices and actions. Their ability to embrace the differences of the others and successfully manage them is what makes them popular with their employees and co-workers.

The manager’s education is in close relation to their intelligence, which is merely the product of their life style and way of working; to which emotional intelligence, of course, relates to.

Emotional Intelligence

Emotional intelligence is an entirety of abilities, skills and competencies. It is a way of recognizing and managing first and foremost one’s own feelings and then the feeling of one’s co-workers as well. The ability to recognize and acknowledge the needs of the others and respond to them accordingly is the greatest success for every manager. By satisfying those needs every employee feels good on the work place, which in its turn makes the employee efforts to achieve better results all the greater.

Emotional intelligence is gained and further developed throughout life. With the managers, it affects their style of managing and coordinating the employees.

A manger’s managing style is in close relation to their intelligence, education, and the surroundings they work in, but most of all, to their emotional intelligence. It plays the greatest role in their decision making.

“The emotional quotient (EQ), as a means of measuring emotional intelligence, determines the level of a person’s capacity to successfully manage their emotions and appropriately respond to the feelings and emotions of their interlocutors.“ (K. Petkovski, 2009, 183)

Many everyday life instances have proved that it is the people whose level of emotional intelligence, who are less resourceful that those whose academic intelligence is on a higher level.

More often than not, the former cannot recognize their interlocutors’ current state, thus responding inappropriately and coming into conflict.

According to Daniel Goleman, a professor at the University of Harvard, USA, emotional intelligence understands “self-awareness, self-control; controlling one’s emotions; motivation; empathy; ‘reading into’ other people’s feelings; possession of socializing skills, such as: ability for teamwork, persuasion skills, listening skills, leadership, and managing people’s relations“.

> *"As opposed to cognitive intelligence, which is innate, emotional intelligence is a flexible skill that can be learnt throughout life." (Bradbury T. and Graves J. (2007, 39)*

Skills to emotional intelligence

There are many skills to emotional intelligence and they can all be grouped in 4 categories:

- Self-awareness,
- Self-governance,
- social awareness and
- inter-human relations (K. Petkovski, 2009, 186)

Self-awareness is one of the emotional intelligence skills that is most difficult to master. Awareness of one's own feelings, the reasons behind them, often cause for their denial. Denying one's own emotions has a negative effect on the surrounding people since it creates a feeling of frustration and unpleasantness which are then directly transferred onto the interlocutors.

Self-governance, on the other hand, is a way of successfully directing our emotions in given situations. The awareness of our reactions to certain events helps us control our emotions and redirect them to a positive end.

The ability to acknowledge and recognize other people's feelings and to experience their emotion the way they do provides us with the third skill to emotional intelligence – social awareness. It is a way of empathy, sympathizing with the other or "putting oneself in someone else's shoes".

Building good inter-human relations is the most important skill that every manager needs to possess.

It is the key to creating a positive working atmosphere. And of course, the good and friendly relations create a feeling with the employees of being welcome and safe. The key to creating good inter-human relations is to rationally and justly deal with conflicts.

It is of essence that a leader knows how to apply the four skills to emotional intelligence, the skills of self-awareness, self-governance, social awareness and inter-human relations.

It is precisely those managers who are capable of implementing all four skills in their personality, and thus in their work style, who surely achieve greater results than the others. It is them who take the organization to a sighnificantly high level, so that very often the competition stays far behind.

Emotionally intelligent managers manage to motivate the others to work in accordance with the organization's set goals and do that by following the ethical rules of working.

Managers whose emotional intelligence is on a high level constantly motivate and encourage the employees to do their best and they tend to create a pleasant working atmosphere. These managers recognize their employees' needs and always try to positively respond to them, of course within the boundaries of appropriateness and still avoid making them feel neglected.

Emotionally intelligent managers are always welcomed with employees. They always tend to include employees in the decision making process thus causing the employees feel important and loyal to the organization.

Motivation of employees

To be a successful manager means to successfully run an organization.

In order for an organization to be successful on the market there has to be mutual support and coordination between the employees.

Managing the human resources is very often the most difficult part of the managers' job.

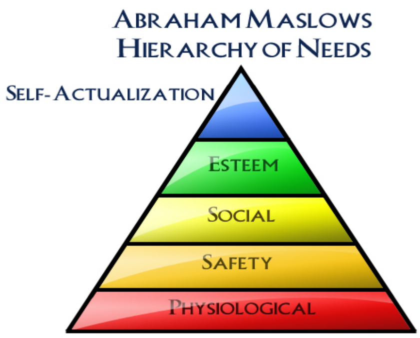
Different personalities and different cultures with the employees call for the need to build great tolerance and understanding that not everyone can have.

Every successful manager needs to learn how to cope with that multicultural blend of employees and their mutual differences so they can avoid having frequent conflicts between them as well as their coming into conflict with the employees.

To achieve harmony in the interrelations and pleasurable work atmosphere managers most often start from Abraham Maslov's theory of hierarchy of needs.

According to it, every human is governed by the urge to satisfy their 5 types of needs.

Starting from the primary, physiological needs, such as the need for food, water, air and the like, through satisfying the need for safety (safety from physical danger, ridding of the fear of losing one's job, assets etc), through the social needs (need for being accepted or establishing connections) that include the need for having friends and belonging to a certain community or group, through the need for respect that causes for personal satisfaction in the form of power, reputation, self-confidence and status to the need for self-accomplishment, i.e., proving one's own abilities and getting acknowledged for them.



This pattern of gradual satisfaction of one's needs helps managers to know their employees better and to recognize their motives, and to learn why they are able to finish certain tasks to schedule whilst they fall behind with other tasks.

Recognizing the employees' needs and desires helps managers to find the right way to satisfy them and thus achieve satisfaction with the employees in which manner, of course, they indirectly make greater accomplishments and higher profits.

Managers who successfully deal with their employees' needs and who elate their positive abilities and competencies, and try to resolve their negative ones eye to eye, away from the eyes of the other employees, are the most popular managers with their employees.

It is in this way that the manager satisfies their motives, praises them in front of the others, at times in the form of an acknowledgment and a other ties in the form of a reward, but does not make a public showcase of their flaws.

When a successful managers cannot respond fully and thoroughly to their employees' needs they resort to satisfying them by using other means and motives, i.e., due to change of circumstances they neglect the first motive but create a new one in its place, the satisfaction of which means that the original motive has become suppressed and the very person has already lost interest in it.

Thus the manager still instils trust, loyalty an sense of safety in their employees and makes them feel important and meaningful not only in their own eyes but in the eyes of the others, as well.

Determining the employees' needs helps the manager to find a way to satisfy them. They need to find the right way to satisfy the different motives governing their employees and co-workers, which is not easy at all.

Achieving harmony and a positive working atmosphere derives mostly as the result of satisfying the employees' needs and motives, and it ensures avoiding potential conflicts.

Nicola Rott (1978), defines motives as "impetus that causes people to act and directs and controls those actions."

Exploring the employee's personality, their temperament and vigour, their attitudes, beliefs, needs and motives that govern them, as well as their capacities, competencies and skills, are the key to selecting the best personnel, and by satisfying the employees' needs and motives, the manager creates the opportunity for more quality working and achieving greater success for the organization on the whole, and at the same time gaining greater personal satisfaction.

The higher the level of emotional intelligence of a manger, the easier it is for this manager to deal with the employees and motivate them. The manager's empathy, sympathizing with the troubles of the others, celebrating the happy moments and offering help in time of need, helps paint a positive picture of them in the eyes of the employees, which, through the feeling of safety and understanding shown on the manager's part, results in respect and feeling of friendliness instead of inferiority.

More often than not, many managers are reluctant to face the different attitudes and opinions of the others fearing conflicts. It is those managers who spend time resolving conflicts and hearing out the opinions of the opposing parties that very often receive positive results upon finding a solution to the problems.

It is quite often the case for the very conflict to turn out to be of constructive nature, i.e., for its resolution to actually help perceive certain things that we may n have been aware of before or bring about new ideas, better than the previous ones, that are to improve on the usual way of doing business.

By analysing their own needs, a manger would be able to locate their frustrations arising from some unsatisfied needs of theirs and would thus avoid shifting the blame onto someone who is not to be held accountable for it. When any of these needs is not satisfied it very often poses an obstacle to satisfying the other needs which in turn causes for frustrations that reflect on the manager's work and their achieving of goals.

A manager should, first and foremost, do a self-analysis, an only then move on to analysing their employees. They need to perceive their employees' needs and to bring them to accord with their own needs and the organization's goals so that they can guarantee success in the long run.

By getting to know ourselves, we discover where we make mistakes, what causes that and how to change things, and all in the light of making higher profits and becoming competitive.

Ethical conduct and working

Every single organization differs from the others in the way of doing business and in the products and services it offers. Each organization has rules, norms and an official culture that should be respected. The differences among the employees derive from the different cultures they belong to and that they take with them to the organization. This culture has a significant impact on the beliefs, attitudes, prejudices, assumptions, and expectations of the people, which in its own nature induces resistance when a new set, different from the ordinary one, is being imposed.

Every employee possesses certain values and beliefs, deriving firstly from the cultural background they come from and then from the surroundings they live and work in. Arriving in a new environment entails a series of disagreements with the general rules it imposes.

The habits, assumptions as well as the prejudices acquired on various bases can cause for one side to clash with an opposing one.

Newly employed people very often find it difficult to adjust themselves to the new environment, the new rules and the way of doing business at the new work place, so the introductory phase is vital.

Every manager, upon hiring a potential candidate, should take into careful consideration their work history and their experience and eliminate all ethical problems.

The notion of ethics entails defining what is good and what is bad, what is desirable and undesirable in a given work or living environment.

It is mostly the ethical code that defines all the rules and norms of conduct that are to be followed and respected and the disrespect of which is subject to sanctions. We all learn the system of values firstly from our parents, then at school and the various educational institutions as well as from the people around us.

It is most often the people we respect that we set as examples of appropriate conduct and so we often emulate their actions thinking they are ethically right and socially acceptable.

On the other hand, although we accept the conduct of the person we find to be ideal we frequently govern ourselves by our subjective opinions and attitudes that we cannot eliminate even if we wanted to.

Upon hiring the potential applicant a manager should free themselves from the most frequent ethical problems that, according to Antony (1996), are expressed in the following ways:

- employment, training and promotion founded on subjectivity;
- allowed discrepancies in salaries, discipline and promotion, all on the grounds of keeping friends with the manager;
- molestation of the opposite sex;
- allowed gender bias when it comes to promotion;
- usage of discipline due to managerial or non-managerial personal defaults;
- unreliable way of working;
- allowed sex discrimination, in determining damages consideration;
- usage of invalid facts in assessing damages;
- entering into agreements with traders and consulting agencies for personal gain;
- allowed gender bias when hiring people.

Every tourism organization needs to have a set of expressed or written rules of ethics for the employees to abide by. The manager needs to respect the rules and standards of ethics that are set in the organization, since it is the manager who is to be taken example for the others, as the manger's disregard of those rules and standards would bring about disrespect of said standards by everyone else in the organization as well.

It is also important that professional ethics be in accordance with the international standards. There are rules that apply in international conditions and they need to be respected so to have a greater guarantee for the desired success.

"The business culture is prerequisite to the successful working of catering organizations and calls for certain norms of professional conduct"(Meletievic, 1997)[11)]:

- respecting the professional ethics code;
- showing professionalism in the communication with others;
- using communication to provide the customers with sense of individuality;
- showing high level of manners and polite conduct (внимателност, politeness..)
- working towards constant improvement of all employees with the purpose of improving the services and the communication;
- creating a good business image.

Working in an environment where business ethics is esteemed allows for the managers to build a reputation of real professionals, of business people who take care of their employees and their needs. Successful managers or managers of the future are the ones who spend enough time on their employees, who are always available and ready for collaboration and help.

They are characterized by good conduct, rational thinking and ability to make right decisions.

Ethical working, i.e., honest working and profiting by employing the knowledge and capacity of the manager and their employees, as well as abiding by legislation is a sure way to success on the long run.

The unethical system of achieving fast and great results, yields high profits on the short run, followed by a collapse of the organization and a ruin of its reputation and prestige it has enjoyed.

The appropriate, good conduct in the business world is determined by a set of written and expressed rules that help us create a certain reputation and level of prestige and through it, create the need for our associates to collaborate with us, make the employees fell good in their work place, and ensure that our clients enjoy our services and products.

Taking constant care of the other people, the interests ad feeling help the manager to appropriately establish their position and conduct with the others, which in its turn ensures the possibility of gaining advantage over the competition.

Honesty, as one of the traits a good manager is to possess, creates a feeling of safety and reliability, so this kind of a manager frequently leaves the image of a trusted man and so many business associates would readily opt for a collaboration with this manager rather than someone else.

The manager's appearance is also of crucial importance as regards the impression they leave on the others, both of themselves as a manger and of the organization they work in. Inappropriate appearance, wrong dress code and inappropriate behaviour can leave the wrong impression of the organization, which in effect can pose an obstacle when it comes to enticing new and prospective associates and clients.

The manager should, primarily, emphasize their positive traits and transfer them onto their employees as a rule that is to be followed on the way to success.

The emotional intelligence I already mentioned helps the manager to express their care towards the others. Business meetings can yield positive results if the possible reactions of both the opposite side and our own are contemplated and anticipated; all in the light of having better command of ourselves and better understanding of the other side.

Respecting the organizational hierarchy and the realization of the decisions made are only one part of the rules of having good interrelations among the employees. Upfront remarks in a dispute need to be directed to before making the decision. It is also important that that decision is respected afterwards.

Respecting the set rules, norms and principles of and in an organization is the root to successful working, achieving satisfaction and a feeling of comfort and safety.

Presenting the employees with certain acknowledgements and wars as well as punishments for (dis)respecting the general rules of the organization makes them feel valued and respected for their work done.

Constant trainings and re-trainings of both the employees and the managers alike entails following the latest trends on the market and becoming more competitive. Keeping constant pace with the latest developments in technology provides for faster adaptation to the changes and finding the right solution to them.

For a manager to run a given organization successfully it is important that they be always duly and promptly informed regarding any changes that have taken place, that they be able to respond to their employees' needs at any given time, and that they be always present at all meetings, and be well prepared for them as well.

A manager should always be ready to respond to their employees' requests.

In case of a problem the manager should try to resolve it as promptly as possible thus showing to the employees that they do have someone who takes care of them and does not neglect them.

The efforts the manager puts for the organization as well as their ability to realize its goals are of crucial importance to beating the competition.

The positive working atmosphere that prevails in the work place, the feeling of belonging and loyalty on the part of the employees, as well as the satisfying of their needs results in satisfaction from work and of course, in putting greater efforts into achieving nigger profits.

The employees manifest their satisfaction through their desire to achieve greater results and by developing a spirit of rivalry so to beat the competition.

Satisfaction affects the employees not only within the organization itself but also outside it.

This positive atmosphere work satisfaction are frequently conveyed in the conversations with their closest, their friends; All that, in turn, creates a positive image of the organization with the people.

Creating a brand name, a name that would distinguish the organization from the others is not an easy task by far. The creating of a brand name requires a lot of hard work and respecting the ethical norms and the employees' needs, all in compliance with the legal regulations stipulated in the jurisdiction in which the organization is doing business.

Frequently, the recognizable brand represents a positive image and acknowledgement of the manager's efforts in realizing the goals.

Therefore, the manager needs to respond to their employees' needs, treat them well, respect the rules of ethics and, through their emotional intelligence which they constantly improve, achieve great results and big profits.

Acquiring a brand name the competition would fall far behind is never easy due to coincidences and conjunctures of events. However, what poses an even greater difficulty is staying on the ascended rung of the success ladder and doing that for a longer period of time, notwithstanding the numerous turbulences on the market.

It is the manager's job to coordinate the human resources with the material and technically-technological ones, and doing so by employing their methods, techniques, skills and competencies and knowledge.

The manager is the actual key to an organization's success, and the employees are the entrance gate that leads t to the light at the end of the tunnel, to the peak of the success, leaving the entire competition far behind and making significant profits.

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HUMAN RESOURCES: A DRIVING FORCE IN THE CATERING INDUSTRY

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Abstract

The catering as an economic activity is characterized by a high share of labor in the process of its work. Human resources are the most important resources in the catering. Catering, as part of the tourism recipes includes a large percentage of work which is carried out in direct contact between the entities of offer and their consumers.

One of the basic characteristics of catering is the existence of many small opportunities for mechanization and automation of the working process. That means that despite the modernization of production and the providing of services in the catering practice the human factor remains a prime factor. The character of the sector requires of catering workers, which are in direct or indirect contact with their guests, to offer catering services. This particularly highlights the importance of the human factor and what most binds catering workers, primarily and above all be people who with their skills, vocational training are primarily with the knowledge and human emotion: love of one another, heartily, with there knowledge and hospitality will prepare and offer complex catering services.

Human resources have the knowledge necessary to perform work activities and enterprise development, they have innovatory performance, they possess intellectual, biological and physiological potential without which you could not run the process of work. The staff of the catering facility consists of all human resources that participate in the work process, including managers.

Managers of human resources provide assistance, counseling, etc. to their employees, regardless of their specialty. It is in this sense that managers happen to forget that they have a role of human resources. Therefore, the purpose of this paper is to highlight the role of HR managers in the catering as a particularly important factor for effectiveness and efficiency of performances. Their function is identified by their significant contribution to the achievement of positive financial result.

Key words: *management, management of human resources, catering service.*

INTRODUCTION

Catering is an economic activity that has as a subject to its activity preparing and selling of food and beverages (in a specific way) and rent rooms ready for spending the night. An integral part of the catering activity is also taking care of leisure of the guests, providing information and organizing storage of articles of value. (Dushan Nejkov: -"Economic and Organizing of the Catering" – Belgrade 1977). The catering as an economic activity is characterized by participation of a high share of labor force in the working process.

Human resources are the main moving force in the catering. The catering, as a part of the tourismic activity, includes a large percentage of work that is carried out as a direct contact between the subjects of offer and their customers. One of the basic characteristics of catering is the existence of very small opportunities for mechanization and automatization of the work process. This means that despite the modernization of the production process and the providing of services, the human factor remains the number one factor in the catering practice.

The nature of the sector requires the catering workers, in direct or indirect contact with their guests, to offer catering services to them. It particularly highlights the importance of the human factor and what most obligates the catering workers: primarily and foremost to be people who with their skill, expertise and primarily with the human feeling – love for one another, friendliness, with knowledge and hospitality, will prepare and offer complex catering services (Vukic 1968). The human recourses have knowledge that is necessary to perform the working activities as well as for enterprise development, they have innovatory performance, possess intellectual, biological and physiological potentials without which the working process can not be done (Nikolic, et. al. 1997).

The staff of the catering facility is comprised by all the human recourses in the working process including the managers. The management of human recourses is set at two levels. The managers give assistance, advice, etc., to their workers, regardless of their specialty. In this sense, it happens so that the managers themselves forget that they also have a role of human resource. The role of the managers of human resources in the catering is very important due to the large participation of workforce. Their function is identified by their significant contribution in achieving a positive financial result.

CARE FOR HUMAN RESOURCES

There are two important reasons for increased care for the human resources in the sector of services.

- The interaction between the catering staff and the guests in the sector of services is critical. Each member of the catering staff, directly or indirectly contributes to the satisfaction of the guests. However, it can be noted here that the human resources that come into a direct contact with the guests have the main role. The needs for better service are increased in the public. More sophisticated clientele requires immaterial components of the catering product. The catering organizations that are able to meet those requirements will have a competitive advantage i.e. they will be superior.
- The costs related to the work force escalate. Namely, the work force that is ready to work in the beginner levels of the catering is declining. Traditionally, the lowest levels of the catering industry are mostly occupied by young people. If we decrease this part of the population, two situations follow: on the one hand, there is an absence of work force while, on the other, there is an increase of expenses that results due to fulfilling of these working positions. In other words, the increased demand and low supply of work force causes escalation of per diems.

The mentioned facts contributed to the increase of the relevance of management of human resources in the services sector. This has resulted with greater demand of the management as well as investing larger amounts of money and efforts in the field of the human resources. Therefore, the focus of interest is on: the capacity planning selection, trainings, salaries, benefits, discipline and execution. Besides the necessary number and the structure, the planning of human resources also includes planning of the progress, education, protection, retraining, problem of excess staff and so on. The planning of human resources is becoming a part of the strategy of enterprise development because: [1]

- The development plan defines the tasks that should be performed;
- The tasks define the organization, operations, number and the structure of human resources;
- Work positions require adequate expertise, knowledge and skills of human resources and all that determines the educational needs of existing and future employees;

- The requirements and needs for educational profiles of human resources in certain enterprises serve as a basis for determining the programs and the system of education which is planned on the level of social communities (Kjamilovic, 1996).

SCOPE AND STRUCTURE OF HUMAN RESOURCES

The scope and structure of human resources in the catering organization depends on the business result (workload), property, organization of the work, working time and its use, etc. In addition, on the size and structure of the human resources, the material rewarding of the labor, the working conditions, the social status and prestige, the opportunity for advancement, etc. also have an impact.

In the long-term planning of the human resources it is necessary to study the work in an organized way. It is in essence called working analysis. By analyzing the human resources, the following elements are defined: [2]

- The necessary number and structure of the personnel;
- The necessary number of managers (management);
- The existing personnel situation;
- Difference (deviation) between the necessary and existing resources.

Then, a procedure of removal of the withdrawal of necessary statement of human resources follows. Through analysis of the obtained data, a basis is gained for description and division of the work. The job description contains information about the duties and responsibilities of the work, the work relations and the general working conditions. The specification of the work underlines the qualifications that are necessary to perform the work and primarily it is used for choice, recruitment and selection of individuals for a specific work position. The working positions on the initial levels could be completed in two ways i.e.:

- by advancement of individuals who already work in the organization,
- by employing new human resources.

There are moral benefits and knowledge in the promotion of existing human resources, while employing new human resources in the higher hierarchical levels causes dissatisfaction among many workers. However, it is sometimes necessary to employ new people directly on a higher level of the hierarchy. On the one hand, this contributes to introduce new ideas on a concrete level and on the other hand, maybe it is the only way out due to lack of appropriately skilled and qualified human resources in the organization (to be able to advance). The catering could be developed only if the existing human resources are enterpreneural and professional people. The professionalism could be acquired through education, while the enterpreneurship and creativity through persistent work. The modern developments in the world and the stronger breakthrough of the civilization and culture with permanent increase of the standard, require a modern management of the catering service. The modern management should respect the specificities of the catering workers.

CHARACTERISTICS OF HUMAN RESOURCES IN THE CATERING

Human resources in the catering have some specificity according to which they differ from human resources in the other activities. According to Professor Ackovski (1997), most important attributes that the catering workers should have, are: [3]

- Relatively higher level of general education;
- Relatively good physical appearance;
- Excellent knowledge of their concrete work and the operating of the catering facility in which they work;

- Speaking one or more foreign languages;
- Relatively higher level of behavioral culture;
- Solid knowledge of the psychology of the guests.

The catering workers which come into direct contact with the guests, should have *higher level of general education and general culture.*

In the catering business, this mainly refers to the work at the reception desk and halls for serving. It is understandable if we know that the catering workers in the course of their work come in direct contact with guests from different parts of the world, from different national settings and different religions, people who have different levels of culture and education, professional interests that vary and so on.

Thus, the knowledge of different areas helps the catering workers to perform their own work as professionally as possible. In nowadays work on tourism and catering, it is necessary that the managers and the other employees also have knowledge about the different cultures due to the large number of intercultural contacts.

In that way, they will be able to understand and respect everyone's ethnic identity. The different cultures could be manifested in different ways and through visible elements: (dress, language, food, gestures, mannerisms, etc.) as well as invisible elements (values, assumptions and perceptions). The language is the most important means of communicating with the people. Taking this in mind, we could say that *speaking foreign languages* is a very important asset for communicating with the guests from different linguistic and cultural areas. *The culture of behavior and communicating ability* are basic elements in the process of catering service. The good mannered, cultured and educated worker establishes good contact with each guest in an easier manner. For example: even the superior prepared foods and dishes in the restaurant service could not be sold "thanks" to the impoliteness, incompetence and the clumsiness of the waiter. The service culture should be present at the reception of the guests, the serving, the everyday communication, until their departure. In any case, one of the most important tasks of the manager in the catering is to build a strong service culture.

The specific conditions in the catering business particularly highlight the role and significance of the beautiful appearance of the staff. *The relatively good-looking staff that is in direct contact with the guests* also contributes for successful communication and they should be adapted to the type of the facility where they work. That means cheerful spirit and pleasant mood. Such workers contribute much to creating a pleasant atmosphere in the catering facility and in that way pleasant mood of the clientele. The final impression is completed by good created business uniforms, tidy hair and hygiene. The working uniform is a nonverbal message to the guests that talks a lot about the personality of the professional worker as well as for the company too. That means that the dress could rise or lower the ratings.

However, in order for all the mentioned attributes to gain importance, it is necessary that the catering workers, first of all *know their specific job and the way of work of the enterprise.* Not only that the professional catering worker attracks the attention of the present guests, but also with his professionalism he rises the rating of the catering enterprise as a whole. For example: the good chef is one of the best advertisements for the catering facility in which he/she works. The catering employees from one department are also obliged to know the working of the other departments that comprised the catering facility as a whole and in that way they will be able to provide the guests with basic information for fulfillment of their needs at any time and any place. Therefore, the preparing and giving a catering service to the guests, requires a completely developed person of each catering worker.

A very important characteristic of the catering worker also knows *the psychology of the guests.* It is necessary to have in mind that the workers; services are consumed by guests of different sex, different age, different character, different social status, etc. Every person belongs to a certain group-category of people. Accordingly, the catering worker should adjust his/hers behavior.

The catering worker should comprehend and understand the needs of the guests and to work towards heir fulfillment and realization within the available possibilities.

On the basis of the above mentioned, it could be remarked that the profession of catering worker is very complicated. Therefore, it is considered that, in the catering service could work only those people that like working with people, that want to help people in the fulfillment of their needs and wishes, people that are positive, that have enthusiasm and high dignity in the work, people that have healthy bodies and stable spirits.

CONCLUSION

This academic paper only represents a continuation in the present engagement in researching the management in general and in particular the management of tourism i.e. the catering service.

The management of tourism and catering represents a high challenge for the tourism practice in the Republic of Macedonia, i.e. especially in the catering work.

The Republic of Macedonia possesses an immense tourismic potential that is not used at all and having in mind the fact that the tourism is still not on the position which belongs to it in the general commercial development of the Republic of Macedonia, the primary task shall be to maximize the efforts for activating of this tourismic potential that we posses on the part of all entities that are directly or indirectly involved in tourism or catering.

There are a significant number of academic works in the area of management that exist in the domestic and particularly in the area of management. Still, this does not mean that all the possibilities are exhausted and that there is no more space for additional academic studies of this kind.

It is my estimation that in our literature there is a high number of works which examine management in general, but that these works are deficient of studies on management in tourism and catering in particular.

Hence, I hope that this academic study shall represent an incentive and a challenge for further deeper and wider examination of these issues in our state.

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HUMAN RESOURCE MANAGEMENT IN TOURISM ORGANIZATION

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Abstract

Human resource management – the management of the people and the staff policies and practice that enable a tourism organization to carry out its work. This affects staff from the moment an individual contacts the organization in response to a job advertisement, to the time they leave the tourism organization. Human resource management is about enabling staff to use their qualities in order to fulfill their role and contribute to the organization's mission and purpose. Good human resource management is essential if tourism organizations want to attract and retain good staff. If people see that an organization values its staff, they are more likely to apply for a job with the organization and more likely to stay once they are recruited. Good human resource management means that a tourism organization reduces risk to its staff and reputation. It can do this by considering issues such as employment law, child protection and health and safety. Good human resource management can also reduce costs for a tourism organization. For example, good recruitment policies and processes mean that organizations can efficiently recruit people who will carry out their jobs effectively. Good systems for performance management mean that tourism organizations can ensure that they are getting the best from their staff.

However, our representation of human resources is too small and should strive to that percentage to increase, because the need for management of human resources is increasing.

Key words: *management, human resources, management, staff (employees), tourism organization.*

Management of human resources in tourism organizations

Management is a universal area that is represented in all business areas, including tourism industry. The relevance of tourism obliged to pay special attention to this field, which is an important part of the economy of tourism-oriented countries. Management in general and management of human resources in particular, get contributes to the success of the company. Therefore, this paper puts emphasis on managers. Every successful company owes its success to the high competence of the human factor that owns it.

Human Resources Management includes all activities undertaken by managers to attract and retain employees and ensure that their work is carried out at high level and contribute to the achievement of organizational goals. Those activities shape the management system for human resources in tourism organization, a system that has five main components: recruitment and selection, training and development, upgrading of work and feedback, compensation and benefits and employee relations.

Components of Human Resources Management

Managers apply the recruitment and selection, the first component of the management system of human resources is to attract and hire new people who have the ability, skills and experience that will help the tourism organization to achieve its goals. For example, Microsoft Corporation aims to remain a major company in the world of computer software. To achieve this goal, Bill Gates realized the importance of hiring only the best designers of the software. When Microsoft employing new software designers, hundreds of strictly high - qualified candidates are interviewed and tested with excellent references and employ only the best. This prudent attend of selection contribute to the competitive advantage of Microsoft.

After recruitment and selection of employees, managers apply the second component, training and development for members of the tourism organization to develop skills and abilities that will enable them to effectively perform their job now and in the future. Training and development is an ongoing process, changes in technology and environment, as well as the goals and strategies of the tourism organization, are often required of members of the tourism organization to learn new techniques and ways of working. At Microsoft, new program designer employees receive job training while working in small teams containing mentors or advisors with experience. New employees learn in first hand from team members the needs of consumers to develop a computer system. The third component, rewarding work and feedback, has two goals in the management of human resources.

First, the rewards in work can give information to managers to make good human resources decisions - decisions about how to train, motivate and reward members of the tourism organization. Thus, the component to reward the work and its feedback is a kind of control system that can be used for managing.

Second, the feedback obtained from the work done by the rewards of the work serves the development of the members of the tourism organization. When managers regularly evaluate the work of their employees, they can give valuable information about their good and bad sides and areas where they need to concentrate. According to the rewards of work, managers share salary to employees, part of the fourth component of managing system of human resources. Rewarding members of the tourism organization, which perfectly performed their work with a pay raise, bonuses and the etc., managers increase the probability that most valuable human resources of the tourism organization are motivated to continue the high level of contribution to the hospitality organization. Though, when the salary is tied to the work done, employees who perform the work well will likely stay in the tourism organization, managers will be able to fill positions with highly talented individuals. Benefits are an important outcome, such as health insurance that employees receive with the membership in an organization. Relations between employees complete the steps that managers take to develop and maintain good working relations with the union that can represent the interests of employees. For example, the component of working relations in the tourism organization can help managers to set reliable working space and fair working practice in their offices and factories. Managers must be sure that all five components are balanced and complement the structure and control systems of the tourism organization. For example, if managers decide to decentralize authority and empower employees, they should invest in training and development to ensure that employees who have lower levels of knowledge and expertise needed to make decisions that top managers would have done in a more centralized structure. Each of the five components of the management of human resources affected the other ones. The type of people who the tourism organization attracts and employs over recruiting and selection, determines:

- Training and development needed - the way it rewards work and - appropriate levels of salary and benefits.

Managers at Microsoft are confident that their organization has a highly - skilled programming designers using:

- recruitment and selection of the best candidates - new employees under the leadership of experienced members of teams to learn how to respond to customer needs when designing programs and systems - rewarding the work of program designers in terms of their individual contribution and their teamwork - establishing a pay developers based on their individual and team work.

The legal environment

Effective management of human resources is a complex endeavor for managers. Therefore, is given an overview of some major issues they face. But before that, you should consider how the legal environment affecting the management of human resources.

Local and state laws and regulations that managers and organizations must apply even more complicate the management of human resources. For example, the U.S. government's commitment for equal employment opportunity has resulted in the development and entry into force of many laws that managers must follow. The goal of equal opportunity for employment is all citizens to have equal opportunity to get employment no matter of gender, age and race, country of origin, color or disability.

The laws for equal employment opportunities and their implementation also made various in legal effective management. Commission for equal employment opportunity is a sector in the Ministry for Justice that implemented the most laws for equal opportunity of employment and work if there is discrimination. In addition, the Commission for equal employment opportunity gives directions to the managers who need to follow them to be sure that they follow the laws for equal employment opportunities.

Recruitment and selection

Recruitment consists of activities in which managers are included for development of qualified candidates for open jobs. The selection is a process that managers determine the important qualifications of applicants and their potential for a good execution of the work for a certain job. Before the recruitment and selection of employees, managers should be involved in two important activities: human resources planning and analysis jobs.

Human Resource Planning

Planning of the human resources consists of a number of activities in which managers are included to predict their current and future needs for human resources. The employees are the current human resources employees in tourism organizations that are needed to provide high quality products and services for consumers. Also, the employees are the future human resources in tourism organizations for achieving the long term goals. Predictions for demand evaluate the qualifications and number of the employees needed by the tourism organization in relation to its goals and strategies. Predictions of offer estimated its availability and qualifications of current employees, now and in the future, and the supply of skilled workers outside the labor market. The assessment of needs of current and future human resource helps managers to determine who should be trying to recruit and select to achieve the organizational goals now and in the future.

As a result of their planning of human resources, managers sometimes decide to use outside suppliers and manufacturers to fill some needs for human resources. Instead of recruiting and selecting employees to produce products and provide services, managers sign contracts with persons who are not members of their organization to produce products or provide services. For example, managers of publishing companies often sign a contract with volunteer editors for new editing manuscripts what they are going to release. Kelly Services is an organization that provides freelance writing on a machine, the clerk and secretarial work for managers who want to use external people to fill some needs for human resources in these areas. Using outsiders are being increasingly used globally. Managers in some U.S. companies for software hire Russian programmers who are very skilled, but cost the company about 10% of what you would usually pay for performing programming work in the tourism organization.

There are at least two reasons why the planning of human resources managers sometimes leads to the use of external suppliers and producers. First, outsourcing can increase the flexibility of managers, especially when precision prediction of needs for human resources is difficult because these needs change over time, and finding qualified workers for a particular area is difficult. Second, outsourcing can sometimes allow managers to use human resources with lower costs. When used outside individuals, the costs may be lower for several reasons:

Tourism organization must provide benefits for workers; managers may conclude contracts only when required to perform some work, and managers must invest in training. Outsourcing can be used for functional activities such as post - sales Services for devices and equipment, legal work and management information systems. Roy Richie, general counsel of Chrysler Corporation, has been using freelance lawyers for writing contracts and to fill some needs for human resources. As he says, "Mathematics works ....and savings can be huge."

But outsourcing has weak points. When some work is carried out by outsiders, managers may lose control over quality of goods and services. Also, individuals who perform certain work for a company may have less knowledge for the practice in the tourism organization, procedures and goals and less engagement to the tourism organization than the regular employees. In addition, unions oppose the use of outsiders as a threat for eliminating the jobs of some of their members.

Analysis of job positions

Analysis of the workplace is the second important activity that managers should take before recruitment and selection. The analysis of job position is the process of determining job assignments, duties and responsibilities that consists the workplace (job description) and the knowledge, skills and abilities needed to perform the job (job specifications). For every job in the tourism organization, you need to make an analysis of job positions. Analysis of job positions can be done in several ways, including monitoring of employees while performed the work or interviewing them. Often, managers rely on questionnaires completed by employees and their managers. The questionnaires contained questions for their skills and abilities necessary for perform work tasks and time required for their execution, responsibilities, supervisory activities, equipment used, the preparation of reports and decisions.

Once managers will complete the planning of human resources and analysis of job positions for all job positions in an organization, they will know the needs of human resources and how the workplaces to fill. They will also know what knowledge, skills and abilities will be required of prospective employees to perform those job positions. Thus, they can start recruiting and selection.

External recruitment

When managers perform external recruitment to fill open job positions, they look outside the organization for people who previously not worked for the tourism organization. There are several ways that managers can recruit foreign individuals (newspaper advertisements, open day for students and career advisers in secondary schools and colleges, career fairs and advertisements on the internet).

Many big organizations send teams to interview students at colleges to find new employees. External recruitment can be done through informal network in a way like an employee informs his friends for open job positions in the company or recommends to the people he knows to fill workplaces. Some organizations use external recruitment employment agencies and sometimes external recruitment takes place simply by visiting the company - the job hunters coming into tourism organization and asked questions for employment opportunities.

With reduction and firing of workers by corporations that happened in past years, you may think that external recruitment would be a relatively easy task for managers. However, often is not in that way because many people are looking for job, but a lot of jobs require skills that those individuals do not possessed. For example, managers at Lincoln Electric, a manufacturer of motors and welding products in Ohio, have problems filling the 200 job positions at the plant, although Lincoln received about 20,000 applications for a period of 18 months. Most applicants do not have the skills required of Lincoln. Managers said that they spent more money on recruiting in recent years to find the right people than they spent in all years of the existence of the company. As it is typical for many companies, managers of Lincoln apply multi - split recruitment approach to create enough candidates. Lincoln preferred press announcements, from open days and career counselors for students and meeting departments for recruitment and church groups. Many other companies are facing the challenges of the external recruitment similar to those of Lincoln.

External recruitment has both good and weak sides for managers. The benefits are access to a large number of potential candidates, taking the opportunity to attract individuals in an organization who have the skills, knowledge and skills necessary to be able tourism organization to achieve its goals and taking the opportunity to bring new people who may have access to fresh problems and up to date with the latest in technology.

These advantages must be measured in relation of weaknesses, including relatively high costs of the external recruitment. External recruitment employees don’t have the knowledge of inner workings of the tourism organization and it may need additional training for those who are recruited internally. Finally, when foreign workers are recruited, there is always uncertainty about whether they will actually be good employees.

Internal recruitment

When recruitment is internal, managers fill the job of permanent employees. Internal recruitment has several advantages. First, internal candidates are already familiar with the tourism organization (including its objectives, structure, culture, rules and norms). Second, managers are already familiar with internal applicants, they have enough information about their skills and abilities and the actual behavior in the workplace. Third, internal recruitment may increase levels of motivation and moral of employees, and employees who receive job for other workers. Those who are looking for a promotion or not ready for advancement can see that there is a chance for their future, or in other words, lateral movement may reduce boredom after a workplace will be completely perfect and is a useful way to learn new skills. Finally, the internal recruitment takes less time and does not cost much.

Why managers rely on external recruitment? The answer is that internal recruitment has its weaknesses, a limited number of candidates and a tendency among these candidates to be interposed in the way of tourism organization. Often, the tourism organization is simply no suitable for internal candidates. Sometimes, even when there are adequate internal candidates and external recruiting managers use to find the best candidate or seek to bring new ideas and approaches in the tourism organization. When organizations have problems and have poor results, most often used external recruitment to bring in fresh talent management approach.

For example, when in the 90s IBM had problems when the board of directors seeking a new director general, than this place to seek candidates among the top managers in the company's board hired Louis Gerstner, outdoor man who had no previous experience in the computer industry.

Managers when trying to recruit qualified candidates, they can sometimes paint too pink pictures for the job for a Tourism Organization. They might be concerned that if dishonest for the good and weaknesses, and will not be able to fill jobs or having less and less well qualified candidates. Manager who is trying to fill the secretarial position, for example, can highlight the high salary and job benefits are offered, not to mention the fact that work is usually the last goal by offering very few opportunities for advancement.

The research highlights that displaying too pink pictures the workplace and the tourism organization is not a wise strategy for employment. Recruitment is probably most effective when managers give potential candidates and honest assessment the good and weaknesses the workplace and tourism organization. This evaluation is called a realistic overview of the workplace. Realistic overview of the workplace can be effective because it reduces the number of new employees who provide cancellation because of their jobs and organizations are faced with unrealistic expectations and help applicants to decide for themselves whether the workplace is good for them.

The performance evaluation and its Feedback

The components of the system for management of human resources, for recruiting, selecting, training and development, serve to demonstrate that the employees have the knowledge and skills necessary to be effective now and in the future. The Evaluation performance and its feedback complement the recruitment, selection, training and development. Evaluation of the performance assessment is the work done on employees and their contribution to for tourism organization. Feedback is the process through which managers with their subordinates to share information for evaluation of performance, give subordinates the opportunity to reflect for your performance, and then they make plans for future. In order to have feedback for performance, you must first make assessment of the performance. It can't be done without having to obtain feedback for performance, but wise managers are careful when giving feedback can affect motivation and performance of the employee.

Evaluation of performance and its feedback contribute the effective management of the human resources in two ways. Evaluation of the performance gives to manager very important information in which are based the decisions for human resources. Decisions to increase the salary, bonuses, promotions and changes in the workplace, it depends on the exact evaluation of the performance. Evaluation of the performance helps managers to determine which workers are candidates for training and development and in what areas. Feedback for performance encourages high levels of motivation and performance of employees. It allows the best workers to know that their efforts are valued and respected, while poor workers know that their work should be improved. Feedback for performance reviews and the good and poor workers for their strong and weak points and ways they can improve their performance in the future.

Whether a manager evaluated performance in terms of characteristics, behaviors or results, evaluated information can be objective or subjective. Objective assessment is based on facts and is often a number - the number of cars sold, number of meals prepared, number of delays, a number of completed audits. Managers often use objective assessment, when results are evaluated, because the results are easier to express in quantity rather than the characteristics or behavior. However, when it is important as workers perform the work, subjective assessment is more appropriate than the evaluation of the results.

Subjective evaluation is based on the perception of managers on the characteristics, behavior or results. As subjective evaluation depends on the perception of managers, there is always a possibility that is not true. For this reason, researchers and managers spent a lot of time and put a great effort to build reliable and valid subjective measures of performance. Some popular subjective measures, such as graphic rating scale rate scale data, scale and observation of behavior. Many managers use objective and subjective assessment. For example, one vendor may be assessed in terms of dollar value of sales (objective) and in terms of quality of service (subjectively).

Managing Human Resources

Human resource management (HRM) is a strategic approach to managing one of the most important resources a company - people who work there and individually and collectively contribute towards achieving the objectives of the company. In terms broadly, the term HRM include: recruit, develop its resources, equipping the people and synchronize its work assignments.

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Taking care for human capital

Successful organizations are not due only to successfully set marketing strategy, product quality; sustainable competitive advantage ... Actually success involves more work. Successful companies are those that the most important thing for its functioning takes into account human capital.

The management of human resources is a strategic managing the employees that individually or collectively contribute towards achieving the strategic goals of the tourism organization. Employees in an organization are individuals that have their own mental representations and perceptions, their own goals. It therefore should be paid attention to individual and group level everything in order to focus on achieving organizational goals.

In order for an organization to implement and achieve strategic goals must put the emphasis on human resources. That is the attraction, retention and development of employees. The management of human resources is a kind of relationship right between the organization and the tourism employees. Each organization must become aware of the needs of employees to understand the needs to help employees to understand, to feel their work as part from his personal life, and not as a routine that has to do.

Taking care of human resources is a crucial thing for the proper functioning of the tourism organization, because with proper care can create loyal employees who will be ready to give their best in performing work assignments. The main responsibility in caring for human resources is:

- To attract new talent in the tourism organization
- To stimulate career development of employees
- To encourage motivation among employees in the daily performance of duties
- To retain employees in the tourism organization and reduce the rate of departures.

To achieve these goals the organizations must pay attention to training and motivating the employees, establishing a good communication system, and establishment of certain standards for the behavior, which emphasize the politics of the tourism organization and provides the possibility of finding a certain solutions for problems caused and at the same time, contributing to employees to be more effective in performing their tasks.

Managers must realize that they can survive in dynamic and competitive environment and to be successful only if they pay attention to human capital in the tourism organization. To realize that recruitment and selection of the employees is very specific requirement where we need to devote energy, time and particular knowledge as a way to attract and select the right people.

Caring for human capital is a challenge for any organization. Therefore, you should use appropriate tools and techniques that will help the tourism organization to achieve the established the strategic objectives.

Alternative ways for finding the personnel

Finding good employees is a constant challenge for owners of small businesses. Traditional methods as newspaper advertisements and recommendations from current employees are sometimes sufficient, but if you've exhausted these conventional channels try the following ways:

Student newspapers

Most schools have a choice of jobs for its graduates in the form of newspapers and bulletin board located on the Internet. If you are looking professional employees, such as an MBA or a technical person, choice from suitable schools can lead you to your candidate. These listings are usually free.

Trade organizations

Some trade groups include advertisements for jobs in communications with their members. This is an inexpensive way to connect with people who understand your industry.

College Professors

Aggressive contractors are known to contact the college professors to get from them the names of successful students who will soon become graduates. This is an intense way of finding good people, but also led to candidates with exceptional skills.

Employment Agencies

Many small firms do not take regard to these agencies because they think that they are too expensive. But Besides the fact that agencies take a percentage from salary of the first applicant, the time you save with the hiring process can be significant. Look to calculate the time it takes for procedure for employment, which is calculated when the price you charge agencies. (D.Torrington, L. Hall, S. Taylor"Human resource management" six-th edition9, 2005) p.11-43)

CONCLUSION

For many small business owners, work with a full range of responsibilities, creation of competitive packages for customers to respect the governmental laws that are constantly changing, it can be really burden. Unlike large businesses, small firms often can't afford to have a special department for human resources who will work on these issues.

One new feature that becomes more modern for small businesses, hire a professional organization that deals with human resources and responsibilities around them. These firms are essentially employment services, offering additional features without big overheads. They usually offer a range of services for human resources, including contributions, respect of government laws, management responsibilities, administration of wages and employment, management recruitment, training and development.

In order to provide these services, PEO (professional employment organization) must sign a contract with the companies and their employees. This relationship allows the PEO to share many of responsibilities and risks firms. PEO assumes administration of the company and management personnel, and released the owner of the company to concentrate on production to improve the company. (American Express® OPEN Small Business Network)

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KNOWLEDGE MANAGEMENT AS A DETERMINING FACTOR FOR EFFICIENT AND EFFECTIVE OPERATIONS IN CORPORATIONS

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Abstract

Preferred sign of this millennium is a dynamic development and the domination of digital technology that paradigm shift regarding the importance of intellectual capital in companies in terms of improving competitiveness and profitability.

Visionary perspective in future will be able to survive only those companies who know and able to manage knowledge and to realize that focusing on training and developing human potential resources is vital for competitive positioning of companies.

Information and knowledge are competing concepts, and are correlated with intellectual capital, knowledge capital, corporate knowledge and learning, value added and human resources.

Knowledge management uses aspect's management of change, benchmarking and talent management.

In terms of management of these terms and phrases are descriptors of the economic values and paradigms under which competitive advantage is based on individual and corporate knowledge.

Key words: *management, corporate, intellectual capital, knowledge, information*

INTRODUCTION

The current competitive conditions of the developed economies of the world market are becoming dominant, which creates difficulties in the existence of the companies. Realizing that it is not enough the company to be mediocre in its competitiveness actualizes the need to create strategies for designing new products and services that would attract attention and interest of consumers. In this context, the most prestigious companies in the world , invest several billion dollars annually on research and innovation. They innovate not only products and services, but also manufacturing processes and goals.

To exist in the turbulent environment, the companies must constantly change and adapt to the intensively variable environment. If the company wants to be the best and make high profits, must act proactively, which means to provides events, to be ready to respond and adapt to the changing needs of the environment. It means being a step ahead of the competition.

A prerequisite for successful operation of companies is: assessment of the existing external conditions on time, and effective assessment of the opportunities that exist in terms of effective change management for its positioning in terms of competitive advantage.

Mark of this millennium is the dynamic development and dominance of the digital technology that moved the paradigm shift regarding the importance of intellectual capital in the company, to improve competitiveness and profitability. Visionary in the future will be able to survive only those companies who know and are able to manage knowledge and to realize that focusing on training and development of potential human resources is vital for competitive positioning of the company. There comes the conclusion that the information and the knowledge are prestigious in the 21st century terms, and are correlated with intellectual capital, knowledge capital, corporate knowledge and learning, value added and human resources. From the aspect of of management, these terms and phrases are descriptors of the economic values and competitive advantage is based on individual and organized knowledge. In the future only those companies whose management will be focused on the acquisition of skills for knowledge management and investing in training and professional and career development of employees.

KNOWLEDGE MANAGEMENT

Semantic value of the phrase knowledge management

From the semantic aspect, knowledge management is detonated as a collective knowledge that integrates the experience based knowledge, acquired skills, the existing data and information. It includes internal knowledge and knowledge which is selectively collected from external sources in order to improve the quality of operations and the profitability of the company.

The management of knowledge does not only mean collecting information and their input in a computer database or a web page. Effective knowledge management enables the individuals at all levels of the organization access to information they need to perform tasks, giving contribution to the achievement of the organizational goals.

Knowledge management can be described as the most effective use of intellectual capital in the process of performing some work. It includes the unification of the knowledge of relevant employees for the purpose of sharing, reasoning and common action, which means creating new intellectual strategies that would become an instinctive segment of the daily operations. The management of knowledge is associated with organizations that study. According to David Garwin that kind of organization is trained for creation, collection and transfer of knowledge and modifying its behavior in order to get to knowledge and vision. All companies use knowledge management in a specific way.

Knowledge management is a strategic application of the collective knowledge of the company and the ”know how” to create profit and increase the impact on the market. The value of knowledge (ideas, concepts, know how) is created by a computer collection, storage, classification and targeting of the corporate knowledge. The sophisticated technology enables an examination of corporate awareness for creating new products that are the product of knowledge. If the knowledge is used in an intelligent and strategic way, it brings profit to the company.

The management of knowledge integrates three basic activities of knowledge:

- Generating knowledge includes all activities which transfer the new knowledge of individual, group or corporate level. It includes activities such as creating, gathering, synthesis, fusion and adaptation.
- Codification of knowledge which means presenting the knowledge that allows the individual the company a continuous use.
- Transferring knowledge, means transferring the knowledge from one place to another and its absorption.

Generation, codification and Transfer of knowledge is constantly repeated so that management does not generate those activities. The power of knowledge management is that it allows the corporation to improve the productivity of all activities and enable the creation of added value of team and individual levels. The purpose of knowledge management is to improve corporate efficiency by improving intellectual competencies. From the semantic point of view it means to make things work, to work doing the right things, doing the right things I a right way, reducing repetition of work and elimination of work that can automate. The purpose of the organization based on knowledge includes cognitive learning, regeneration and sustainability.

Correlation of internal and external factors in knowledge management

Arian Ward made a categorization of internal and external factors that make knowledge management. With that he defined the basis of organizational knowledge. The management of knowledge can be so simple as to have a list of recognized experts or to communicate with one of them to find the best solution. Knowledge management is the ability to get information on each employee the organization in a very short time, will allow him to make the best decision, whether it is market conditions, quality of products or services, the manufacturing process, the planned activities competitors or other information important to the success of the company. Knowledge management allows this kind of gathering data that will enable them to come to quality information. Knowledge management should be observed as an independent management strategy which should replace the reengingenering, the quality and the teamwork. It offers the organization and other tools to improve opportunities by offering the employees access to important information. If we use sophisticated information tools, the process becomes much more dynamic. Computers and the Internet enables the exchange and guidance of knowledge in a way not possible in a system based on the hard copy version. Powerful search engines allow a global search for data when we are looking for information.

The practice of the tools of knowledge management is a complex process, which requires possession of excellent competencies of the managers and the employees (search for relevant values of knowledge, sorting and targeting, analysis of knowledge in order to achieve maximum effects, response on time) for effective and efficient managing the knowledge. Possessing the ability to analyze and strategic action is the link between knowledge management and profits.

Knowledge management uses the aspects's of the management of change, benchmarkinga, talent management. The concept of "brainstorming" organizes and collects the individuals to solve a problem, so that through discussion and rapid exchange of ideas will come to a number of solutions, and some of hem will certainly be quality. With the management of knowledge individuals can make a quality contribution, even if it is not their primary task in the group. Also where reengineering seeks to correct a process, or to restructure the group to develop an effective team, knowledge management will help before, during and after Reconstruction is made.

Critical functions of knowledge management in the context of corporate memory

Corporate memory is a set of interrelated activities of a group that is aimed to achieving certain objectives related to decisions, processes, behaviors, policies and procedures that are independent of the individuals who allow these activities. Management of corporate memory must be a systematic method for introducing tools for knowledge management in an organization. It includes methods for effectively thinking, quick learning and efficient exchange of individual knowledge, so that the organization will function as an organisam.

The management of corporate memory must be permanent method for introducing innovative atalki that will be applied in the management of knowledge in the corporation. It is an integral system of methods for effective thinking and learning and effective knowledge sharing. In the context of this, the objective is the effective thinking processes to become an integral part of the functioning of the corporation. It initiates the need for creating a budget for project management of the corporate memory, design of individual methods that employees can apply in the process of accumulation of knowledge about the reengineering of products or services, defining the strategic role of knowledge management, creation of channels for leading the knowledge management between corporation and customer service.

MANAGEMENT OF INTELLECTUAL CAPITAL

The primary activity of the work that requires knowledge is creation, collection or application of knowledge. It is performed by profesionals or technical professionals with high level of skills and eksperteza. Work processes which require knowledge include research, advertising, education, professional services such as accounting, consulting, and management processes such as strategy and planning. The increasing of the number of employees with knowledge alters the ratio of concentration of power in the organization and creates new creative tensions and responsibilities between managers and employees.

Employees with skills no longer work just to pay, neither to them can affect traditionally attractive financial packages. The priorities of loyalty to the organization are also changed. First there is the personal development, then the professional loyalty, and even at the end loyalty to the manager. In this context Ghoshal i Bartcett propose replacing the traditional employment contract with a new, so-called moral agreement. With this agreement each employee is committed and take responsibility for giving their best performance in the job. In that change managers take actions that give employees the freedom to choose work, not to create feeling that the employees should be happy to have (found) a job. It also provides opportunity for continuous learning and training, that would increase their opportunities to find employment outside the company. At the same time create simultaneous internal environment that not only allows employees to use their skills to improve the competitive advantage of the company, but motivate them to stay in the company, despite the open opportunity to go to another. Moral agreement emphasizes that the knowledge and decision-making depends not only on top management, but must be shared with employees. Employees must constantly educate themselves, create strategies for their personal development and for the development of the corporation. The new responsibilities arise from the unwritten moral contract. Employees need to behave like entrepreneurs who influence the decision-making.

Managing Intellectual Capital

Intellectual capital management is one of the most important elements of the corporation and allows achieving success. Intellectual management process consists of the following phases:

- Recruiting the best staff
- Focus on intensive professional and career development of the staff
- Permanent increase of the professional challenge
- Assessing the quality of work

Intellectual capital management as a management function is a set of activities related to knowledge management, creating a map of management reserves, filling and selection of staff, constantly improving the competence for the purpose of professional development and career building. The goal of effective management of the staff is providing quality and achieving the goals in the process of corporate management. Continuous improvement of quality of performance is correlated with coaching as a management tool that provides a quality problem-solving, decision-making quality, improving the performance of employees.

With the modern concept of intellectual capital management, were achieved output solutions towards more efficient working effects, higher prductvity, readiness of the corporation for flexibility and adaptability for the variable environment, stable and permanent growth of the corporation, maximum utilization of knowledge and creativity of employees, long-term consideration of the needs of human resources, efficient and effective decision making for human resources, improve employee motivation to work and development corporation.

CONCLUSION

Knowledge management aims to improve effectiveness and efficiency of companies through the application of transformational style of management which allows the employees at all levels, by useing their competencies to get to the real information, which will lead to realization of the corporate purposes. Actually it's the most effective use of intellectual capital.

Continuous improvement of the quality of the operations and profitability of the companies depends on the investment in professional and career development of the intellectual capital. It should be a priority in the strategic and global policy of the corporations. The knowledge that employees possess and the proper knowledge management are fundamental in achieving the competitive advantage of a company. Although globally, the computer technology moderates the profile of the new millennium, yet the intellectual potential in the companies generates quality changes whose implementation requires a multidimensional and multidisciplinary approach to the management process.

The design of jobs is unimaginable without the use of information technology that provides access to information that employees transform into knowledge. To possess the right information at the right time,alloes the individual or the corporation to act proactively and react to changes on time. In this context, for appropriate use of information by the employees, the company should create strategies that will apply in the process of knowledge managing.

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RESTAURANT MANAGEMENT

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Abstract

Catering key for the development of tourism

Modern restaurant operations also the teamwork in the restaurant cannot be imagined without the application of the overall management process. In hospitality and tourism first and basic thing is working with people. For them is common comfort care and welfare of guests. The guest for them is king on the throne. To succeed in this industry, primarily employees should know how to work with people. The manager is the one who should teach the employees that for them the guests are most important.

This paper ***RESTAURANT MANAGEMENT*** *will allow the acquisition of knowledge which is necessary to do this kind of job.*

Key words: *Restaurant and hospitality, human resource in restaurant operation, marketing in restaurant, restaurant services, financial aspect in restaurant, control in restaurant operations.*

HOSPITALITY, TOURISM AND RESTAURANTS

In the division of overall economic activities tourism and hospitality are located in the third group of activities, which are basically characterized by materials production. So hospitality and tourism are in the third group, in which they depend of the existence in the area of services and accommodation services, food, beverages, created and offered in a specific way. The overall third sector, the possibility to exploit the technical progress, particularly tourism and hospitality, is limited and any development of tourism in the country, increases the number of employees in this industry, which has positively effects in times of economic crisis where unemployment is high. However, hospitality does not mean just selling food and drinks, and rental rooms. That means preparing them to various ways and quality serving the guest in the catering facility. Accommodation services are also serviced in a special way, with possible associated services for the entertainment of guests, providing information of valuable objects, etc.. ''Life is service. Promoted one that allows people and something more, something better service'' - It was the business philosophy of Ellswonorth Statller, one of the people who created and established global hotel industry. The work of hospitality within the tourism is emerging as an important category of tourist consumption called & quot; invisible exports & quot;. The effects of such exports are very beneficial in view of the known advantages that are featured in its functioning. Hospitality is called a business founder. This actually refers to its positive aspects, the creation of an expanded space for economic activity is in close correlation to other activities. It is known that within the hospitality tourism can be one of the primary starter of economy in one country or area.

The role of hospitality and restaurant in the formation of tourist product is a whole complex that is in constant builder of knowledge and innovate. Tourism products undoubtedly presents a creation of orginal characterized by high complex and percent of complementary, which can never completely anticipate define and control. The tourism product can not be imagined without the presence of catering services.

Hospitality and restaurant product is characterized by specific features that make the imaginary potential customers, until the moment of consumption. These are the characteristics of impalpable, inconsistency and inability to commit.

- *Impalpable character. Consumer does not know that coming to percept, before you start using it. The tourist does not know what exactly will be offered and served in the catering facility until it arrives and does not fit in it.*
- *Characteristics of impartiality. Unlike the physical product who exists independently of the presence of his choice. The visit to a hotel and the value of consumption of the service is inseparable from the object. This requires the inability to replace him.*
- Characteristics of instability. The quality of catering products depend on who provides, where and when.
- Feature inability to store, there is an inability catering product to be stored. Unused bed unused meal catering facilities can not be preserved for the future.

The main activity consists in restaurants catering prodashbata product and food and beverages:

The most basic types of restaurants are as follows:

- Classic restaurants,
- Restaurants by minuvachki type;
- Boarding house restaurants;
- Dietary restaurants;
- vegetarian restaurants;
- Dairy-restaurants;
- National-restaurants;
- Hunting-restaurants
- Fish restaurants;
- Grill restaurants;
- Coffee - Restaurants;
- Tavern.

There are some other types of restaurants in highly developed countries, but all the main restaurants is serving food and drink depending on their specialization.

CONCEPT IN RESTAURANT

Before you decide to open a restaurant you should first provide a study of work and feasibility. Actually feasibility study represents a market research. The market is a place where the supply and demand meet, and space for large concurent between suppliers and customers. Feasibility study include the following features: a feature of the market area, a project to evaluate the field concurrent analysis, analysis of demand, benefits and disadvantages, evaluation of performance, study the service, determining the market and so on.

An important part is determining of the target market, restaurant whose product is sell, that requires detailed study of interest about the product, growing economic power of the population and other details that need to be studied. The basic thing in this work is the thing that no matter there are professional workforce in the restaurant or not, the most important is competition and the customers needs. The concept of the restaurant is actually the image of the restaurant and actually comes from market research. The concept of the market looks like this:

1 Quality;

2 Menu,

3 Price;

4 Atmosphere and ambience;

5 Management;

6 Clean environment;

7 Location;

8 Production of food and drinks;

9 Services.

Promotional activities for communication is also very important part in restaurant operations. Without the presence of marketing can not even imagine a modern restaurant operation. Therefore constantly need to perform certain promotions, to maintain good communication with the public, restaurant supply distribution, monitoring public opinion, positive publikcii, distribution of sales, sales promotion marketing with some ideas of great important is personal sales restutants work, quality of services, introduction of ISO high quality standard for its application.

All these things just mentioned are specifically developed, and presents inseparable segment of successful restaurant operations.

OPERATIONS MANAGEMENT IN RESTURANT

"Management is defined as the universal process of effective and efficient performance of work by other people and engaging resources to achieve pre-defined goals of the company"

Management as a process is carried out through five finns: planning, organizing, coordinating, motivating and controlling.

Planning process for restaurant work includes the determination of some dream policies that they are primarily on profitability and costs in the restaurant. There are two basic types of planning: long-term or strategic, tactical or short term.

Long-term strategic planning is the process of determining the main goals of the organization and policies and strategies necessary to achieve those goals. Strategic plans are made for five years, while short of a year or less than one year.

Short-term plan is a plan of one work, a high percentage of contents detales, works and tasks. Based on these plans are taking concrete actions to different organizational units in the firm.

Organization

There are three levels in managament restaurant structure in this category:

- Top management: this kind of management is responsible for setting the objectives of the company. Ultra Management is the part of management who cares about the policies of the whole enterprise, maintains external relationships with other pretpijatieto companies, travel agencies, government, local governments and others.
- Middle management group is responsible for implementing the policy interpretation of the company for successful operation of the BSA or a certain sector. Middle management is always correlated with top management oversight of who gets in front of them and referees for their work.
- Management of lower level monitors execution of the plan, policies and procedures established by middle and top management. They are responsible for the workers and the production, provision of technical assistance and motivating employees.

Human resources are an important part of restrant operations, so caring for them should always be at a high level. Needs and their training to be able to handle the rapid new time flows in developing of the restaurant.

Motivating

Motivating the workears is a process of encouraging and maintaining a certain behavior in order to accomplish the goals set in advance. Motivation is linked to inspiring employees to work, ''because I want it, not because he said to''.

Control is the last segment of the management but it's the most important thing. Management control in restorant operations is to detect and move all things that may occur the restaurant operations and do not result in some drawbacks that can be inflexible contributions for its operations.

Restaurant Service

Services in catering represent Sun materials value of the product. The services have a major impact on shaping the experience and perception of consumers from the use of restaurant product. Quality service means meeting the expectations and needs of consumers. Quality service is a very important factor for long-term creation of a unique offer, reputation building and creation of permanent customers.

Restaurant services spekt the consumer benefits that must always be provided, the behavior is always a high level by the staff, attention to each guest individually, every detail and every problem that will occur. To improve service accurate and timely service, suggestive selling, and any suggestion by consumers will be reviewed. Cultural services and their highly organizational culture. Developing a strategy of service.

All these criteria need to be on a very high level, so the offer can be complete and always be on high level.

FINANCIAL ASPECTS OF RESTAURANT OPERATIONS

Today's economic conditions are more and impose on economic operators to apply a certain amount of budget control.

The formation of the budget process is the expression of quantitative terms, usually money, the planned activities of the organization for a given period of time.

The budget actually represents a reflection of the politics of an organization and determines the operation for a period of time. Usually fixed period is for one year but the budget can be adopted and in smaller intervals. Budgetary control refers to the method of control. In fact, a manager is tasked with specific responsibility for different outcomes of the budget set. For the preparation of the budget, there are competent managers of our higher level. In this process they cooperate and consult with managers from several departments, this enables a higher degree of reliability in performance and a real insight into the power of goals, problems, opportunities and weaknesses of the organization.

In there work restaurants can be apply several types of budgets. But the core budgets are the money and operating budgets.

Operating budget related to the daily income and expenses and include sales, cost of sales, maintenance, etc..

The budget funds are those that relate to assets and liabilities of the organization for example: equipment, real estate, cash.

These two budgets are mostly linked in a big budget called a budget. The main budget for funds for a period of time showing assets and liabilities at the beginning and end of the period.

The process of preparing simpler forms can be shown through six phases:

1. Determination of net profits in terms of assets are invested and the risks that exist.
2. Preparation of the budget of the sale. This specifies the volume of sales which is necessary to

achieve the desired net profit,

3. Preparation of basic administrative and budget. This refers to the cost of management, marketing, insurance and so on.
4. Making a budget for capital expenditures. Example purchase of new kitchen equipment or other costs arising from this renovation.
5. Preparation of the budget of cash. This is considered the most important budget includes funds previously set the attachment of the cash outflow of cash, cash balance and the time interval for how that budget is filled.
6. Preparation of the budget. These budgets are prepared for circulation, prfitot and losses and the state of Means.
7. Costs are also subject to processing for managers in restaurant operations. According first form, natural kind they can be: costs of permanent ownership, costs of current ownership and labor costs.
8. Regarding the possibility of calculating the cost per unit of product or service, hospitality occur:

9 Direct costs that can directly be determined for each unit of product or service based on normative standards or some other basis.

10 Indirect costs are those costs that can not be directly calculated and they are calculated based on collective methods selected to be transferred to the wearer.

Depending on the response of the costs of the scope of work the volume of production differ variables and fixed costs:

Fixed costs are those costs that remain unchanged in fat regardless of the degree of change in manufacturing and services, even when catering company does not work.

Fixed costs can be divided into fixed absolutely and relatively fixed troshci. Absolutely fixed are those that remain unchanged regardless of the size and engagement capabilities.

Relatively fixed can change with the degree of anagazhiranost capacity. Example of these costs are wages of seasonal workers, maintenance costs ...

Variables or variable costs change with volume of production, the growth or decline, depending on the change in the amount of Production,

Profit represents the difference between total revenues and total expenditures. This is actually the profit before tax or gross profits. After taxation, the payment of taxes, contributions and other duties of the profits are coming to the net profit

Price-fixing in the price of some methods used

11 There are several methods for determining the price as follows:

12 Honey Cost Plus

13 Methods of supply and demand,

14 Method of monitoring market leaders.

Calculations

The term calculations mean calculating the cost of certain types of services that occur while creating a uchinocite.

CONTROL OPERATIONS IN RESTORANTS

Control aspect from management point of viewed actually means how well is done what is planning to do. All manager control is to provide information which are required for making adequate decisions. Control closes the circle of management function with determining whether the organization has achieved goals.

The objectives of the control of food and beverages

In large restaurants, the control is more detailed and precise. The system of control is implemented through concord certain activities such as: analysis of revenue, establishing and maintaining standards, determining the cost, prevention of losses, providing information for managers.

Sales mix

Sales mix represents the sales of each menu component for a specified period. This report enables managers to implement sales of menu components and to follow the daily sales of menu components.

Control of revenue - in this control to follow the factors that have direct impact on the revenues of the restaurant such as the offer, the total volume of sales of food and drink sales mix .... This requires establishing a good system for monitoring control.

Control is performed the collection, raw materials, beverages and any other factors that participate in restaurants operations. With regular control will remain the deficiencies arising in the operation.

CONCLUSION

The development of globalization, the specificity of the tastes of the tourist guest-growing competition, economic crises contribute catering to constantly involve and be updated with many new ones that dictate specificnite modern trends and needs of the guests. Claudius stems and this paper which deals with contemporary problems of Hospitality, the new management and marketing processes that become part of restaurant operations. It worked out the specifics in restaurant operations, then was given review by management as an important restaurant inseparable part of the operation, is emphasized and the importance of human resources in restaurant operations. Then it is processed and finance aspect budgeting, profits represents the ultimate reward for hard work and inevitably control restaurant work that will show deficiencies arising in the operation.

Much time is spent in analyzing contemporary guest tourists with its requirements and many other things that affect in the new time of restaurant operations.

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MANAGERIAL ECONOMICS IN TOURISM

MEZZO ECONOMICS ANALITYCAL APPROACH AS THE PROPULSIVE PART OF MANAGERIAL ECONOMICS IN TOURISM

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Abstract

Mezzo Economics covers the area between the Micro and Macro Economics and the organizational approach of the economics of the integral economic communities, which are made of microeconomic entities. Mezzo Economics represents an organizational loop between the Macro economic system and Micro Economics.

Tourism industry is a typical represent of Mezzo Economics.

Mezzo Economics Analytical Approach represents a compositional and methodological approach that make constitution of the basic and derived segments of economics in general and special statistical methodology but its specifics consists on the level that make generalization of generated calculative indicators (in Tourism).

Marginal analysis are incorporated changes of the value of the choice of the level of small (infinitesimal) amounts in order to consider whether the functions of the aim is possible to be increased (in case of maximalization) or decreasing (in case of minimalization) in which the manager continues with upgraded adjustments in the variable choice until the moment when there is no possibility for further enhancing.

Key words: *Mezzo Economics, Managerial Economics, Marginal Analysis, Tourism Cluster, Calculative indicators*.

INTRODUCTION

Mezzo Economics covers the area between micro and macroeconomics, which the organizational approach of economics of the integrated economic communities, which are composed of microeconomic entities. It is an organizational loop between the economy (macroeconomic system) of national economies and the economy of the individual producer, as microeconomics. The purpose of mezzo economics is achieving the economic concepts of producer-individual and achieving the goals of social reproduction.

Mezzo economics is characterized by:

- balancing and decreasing of contradictions between the national macroeconomics and microeconomics and the producer-individual;
- management and behavior according to their own (mezzo economics) principles;
- applying their own methods according to mezzo economics;
- implementation and achievement through their own organizational forms, consistent with the principles and methods of their own actions and social conditions of work.
- In mezzo economics it express the tendencies and processes in macroeconomics, which are in accordance with economic laws, as well as activities and tendencies of macroeconomics of individual business entities, which in turn have subjective characteristics related to the

characteristics of each specific business entity. minating the negative impacts of these elements of facilities of each entity in mezzo economics shall be applied to:

- economic principles of reproduction, and
- application of organizational principles in establishing and functioning of mezzo economics.

Justification of the application of economic principles of reproduction lies in achieving the goals of reproduction at the level of the real economic maximum. This principle is realized as a desire to achieve maximum results with minimal investment. By applying the organizational principles of reproduction provides adequate regulation and organization of the available potential, and organization of procedures and attitudes of individual entity. The need for organizing the implementation of the economic principles of reproduction is determined by the transition of the objective conditions of reproduction, as well as efforts to eliminate the adverse influence of subjective factors arising from the character and personality of the individual entities in mezzo economics.

The organization methods of work, on each entity separately, represent a third characteristic of mezzo economics. They imply a stronger or less strong feature of the social conditions of production, depending on whether the socio-economic system based on directions of planning, or is more or less exposed to the action of economic laws.

The organization methods are influenced by business politics regarding the application of basic economic and organizational principles of reproduction. If the axis of business politics based on the principle of economy of time, all the organization methods of actions will be directed to it, or to shorten the time required to perform specific tasks in the process. If priority is given to the economic principle of use of rational resources engaged, all the more necessary adjustment to this principle. On the organization methods of actions also have an impact and changes that occur in scientific and technological advances that allow the application of new methods in terms of shortening the time to create, and increase the productive potential of economic entities in specified mezzo economics. Depending on the applied principles and methods, as well as socio-economic conditions of organization, there are several forms of mezzo economics organization, in all economic and non-economic spheres.

Clearly, the mezzo economics forms are organizational forms tied to the economic (and non-economics) branches, groups, clusters, chambers, cartels, through which jointly determine the membership of each participating entity, and the possibility of its comparison with others in mezzo economics, given the fact that different mezzo economies have different economic and non-economic treatment in the macroeconomic system on a national and international scale. The mezzo economics analytical approach represents a compositional and methodological approach that make constitution of the basic and derived segments of the economy in general and special statistical methodology, but its distinctiveness consists in the level that makes generalization of the generated calculative indicators. This level absorbs the systemization of tests and statistical indicators, the level of individual microeconomic indicators of non-business and business entities, to the level of mezzo economics (clusters, groups, commerce, cartels, economic areas), or the organizational forms of the integrated economy of the economic communities.

This approach allows segregation settings of contemporary cognitive propulsion, that numbers and elaborates in continuance, which covers the statistical analysis problematic using appropriate methods of detection of quantitative characteristics and quantitative laws of behavior, the interdependence and development of tendencies of transition aspects in order to predict, research and direct.

Heteroskedastics in the function of propulsion

Heteroskedastics represents one of the assumptions that define the classical linear regression model or requesting variances of the disorders of interdependence that are equal. If this condition is not fulfilled, it is said that disorders are heteroskedastic.

Heteroskedastics requires to be expected in the case of simultaneous sections, for example when observing the dependence of the consumer of a product or service from the revenue per household in a given year.

If heteroskedastics exists, in the case of applying the method of the least squares, their results would not have been more effective, then, we would have incorrect intervals of the parameter confidence and the value of a statistical test would not be accurately calculated.

These are the reasons why the model with heteroskedastic disorders provides to the model of homoskedastic disorders, or having the same variance. When the variances of disorders would be known, it is not the case in transitional periods, homoskedastics would always be possible, but given that this rarely happens, it is implied in each case the starting point of a certain appropriate condition for their movement. An example of such a movement is seen if the variances grow with the growth of a transition from explainable variables, or to follow the movement of dependent variables. If it comes to larger observed sample, they can also be evaluated or tested.

Statistical hypothesis testing is the testing of hypotheses using randomly selected samples. Statistical tests can be divided into parametric and nonparametric.

Parametric tests represent testing the hypothesis of parameters of the sum (arithmetic mean, rank, relative frequency, variance) based on the parameters of the sample, whose distribution is known. Knowing the distribution of the parameters of the sample provided, with an advance given of variance, with a certain distance which contains the examined parameter of the basic sum, if the tested hypothesis is correct. The boundaries of this sum represent an upper and lower threshold of significance. In cases where the calculated value of the parameter of the sample is located within these borders, sees no reason to reject the given hypothesis and that, with some probability, to be adopted as correct.

If the value of the parameter is less than the lower, or higher than the upper threshold of significance, this deviation can be either just a consequence of fluctuation of the sample, which is theoretically unlikely, or both the fluctuation of the sample and the fact that the hypothesis is not correct, because the established hypothesis is rejected as unproven with a certain risk.

The parametric tests are especially widely used in agricultural, industrial and medical-biological research on different methods of efficient production or treatments. Typically, the hypothesis is assumed that there is no difference between two or more tested methods. This hypothesis is called the zero hypotheses.

The non-parametric tests fall in the recent advancements of statistical theory. They are applied when scheduling the parameters of the samples are unknown and are more economical than parametric tests, because it is often used when the conditions are met for application of parametric tests.

Variability of business profits

Business profits can be measured in money or as a percentage of sales, and the economic concept of the normal profit rate is calculated through the achieved rate of return of the shareholders' equity.(ROE – return on stockholder's equity).

Some of the variations in the rate of return indicate the degree of the risk which necessary should be to compensate investors in case a business is much more at risk than another. In the medicine industry, for example, new discoveries of effective therapies for serious illnesses are usually a good move in the long run.

The profit rates show the differences in economic profits caused by incorrect business decisions, which ultimately means that the investors receive indicators generated negative results from investments. The current accounting practice fails to include the expenses of advertising, research and development as investments with long-term effects.

Because advertising, research and investments such as investments are calculated, are treated as spent and not withdrawn during their actuality, but the stated value of profits can cause to be withhold from making investment decisions of some companies.

By all means, even after settling the risk and modifications pre calculating, the accounting errors, the rates of return on equity on the stockholders' equity reflect valid economic profits. The considered variations in business profits clearly indicate that some companies realize a good majority of economic profit or have insignificant economic losses within a certain period. In order to better understand the real differences in the realized profits of firms, it is necessary to consider the profit variations and the reasons why there are differences in the amount of economic profits in the activity of the business market.

Mezzo economics (frictions) explains the different profits or above average profits derived by a company as a result of unexpected positive changes in demand for labor, i.e. the expenses of labor in the market. They are based on the thesis that markets are sometimes uneven because of unforeseen changes in the demand or offer. The economic crises and shocks that occur in national economies and the global economy create uneven conditions that lead to greater profitability or losses for certain firms, in terms of the normal average profits. For example, the increased use of plastic or aluminum in the automotive industry can lead to the decrease of profits in the production of metal sheets, due to the unpredictable drop in demand for sheet metal sheets. In transitional conditions, if insuperable barriers are not created to invest in a certain area, the investments will move to or from the most profitable institutions, the rates of return on investment will be reduced to normal. In periods of adjustment, profits can be above or below normal because the friction factors hinder rapid adjustments to new market conditions. The thesis that some companies with high barriers are protected to enter the market by the competition that generates profits realized in increased turnover, the needs of the dramatically increased investments, patents, protectionism at the time of import of some companies to build monopoly positions that allows to achieve extra profits in certain periods. Monopoly profits can be achieved as a result of fortunate circumstances, working in the right industry at the real time, or because of uncompetitive behavior. Unlike other extra profits, monopoly profits are irregular.The innovative economic profits imply extra profits that are realized as a result of successful inventiveness or modernization. Similar to the frictions or uneven mezzo economics profits, the profits that are a product line of innovations are susceptible, for shorter or longer period of time for achievement of the competition.

Compensable economic profits include extra profits of satisfaction of the needs of customers, or who have obtained the level of business efficiency in relation to others. For the firms operating within an average level of efficiency in mezzo economics (economic branches), it is normal to expect them to achieve the average profit rates, i.e. companies that operate in an above-average level will have above average profit rates. Inefficient firms realize unsatisfactory or under average profit rates. The compensable aspect, a portion of the achieved above-average economic profits achieved as a result of commitment and initiative of managers (and / or shareholders) is treated as a compensatory award for their work.

The explanation of achieving a compensatory profit lies in the fact that, although there are a great number of ideas for improving existing or introducing new options in terms of achieving sales of the revenue for the company, only successfully implemented for those who perform the most successful and most effective managers, which, among other things, further motivated by the possibility of receiving one part of the profit in this way, as compensation (bonus) for their dedication and pragmatism.

The Macedonian tourism mezzo economics till now have not been able to be a major economic factor, although it has propulsive leadership position in the world.

Indicators in the mezzo economics area-tourism in the Republic of Macedonia

• Participation in revenues from tourism in GDP	6.8%
• Number of employees	6.3%

The projected annual growth rate of the participation of tourism in GDP of 2007-2016 equaled 5.3%, while the projected increase in the number of employees is 2.4%.

According to the analysis and reports related to the estimation of Tourism mezzo economics area by the EU it is estimated that in the last 3 years the Republic of Macedonia is on the 83rd spot (out of 124), with an average estimation of 3.8 points (a scale from 1-7) according to competitive ability in the world, where it is determined by:

	Spot	Estimation
1. Legal-political framework	114	3.3
• Political rules and regulations • Regulation in the field of ecology • Safety and security • Health and hygiene • Priority of tourism strategies		
2. Tourism mezzo economics business environment and infrastructure	82	3.0
• Airport infrastructure • Road infrastructure • Tourism infrastructure • Information and communication infrastructure • price competitiveness of the tourism area		
3. Tourism personnel, cultural and natural resources	44	5.1
• Human Resources -Training -Availability of skilled work force -Health conditions of workforce • Perception of the significance of tourism • Natural and Cultural Resources		

The development component of profits in managerial economics in transition

All of the above mentioned segmentation describes the economic profits obtained in several ways in several economic ambiences. In transitional periods, more conditions can change. An example, of the highly efficient producer can earn above average profits in terms of the theory of compensable profits, but during the eventual strike of employees of the competitor (shock condition) the quoted profits you can increase profits even from the frictional profits.

The economic profits play a crucial role in the economy. Extra profits imply an important signal that production of a firm or industry should be increased. Expansion of the existing firms or the entry of new competitors often happens very rapidly in periods of achieving high profits. Achieving extra profits signal expansion and investments, while below average profits can serve as a punishment for the stagnation and inefficiency in the operation. The profits play a role in motivation towards innovation, and to increase production, efficiency and allocation of necessary investments from one branch to another economic branch. If they come to the decision that requires an increase in the objective function, the problem of optimization implies a problem of maximization. Alternatively, if the objective function should be decreased, the problem of optimization is called the problem of minimization.

As a general rule, when the objective function measures the profits, the decision makers seek to maximize profits and solve the problem of maximization. When the objective function measures the expenses, the decision makers seek expense reduction, and solve the problem of minimization. The value of the objective function is determined by the level of one or more alternatives such as variable selection. The decision maker controls the value of the objective function by choosing a new activity or variable selection. Variable selection in problems of optimization in a certain period of time varies discontinuous (with interruptions), and in another time period varies continuously (continuous). The rules of optimization differ insignificantly in discontinuous and continuous cases. As previously made categorization for the problem of maximization and the problem of minimization and categorization is made in accordance with decision that would be made by decision makers, for value of choice in changing the objective function, the restricted or unrestricted set of values. The unrestricted optimization problems arise when decision makers can choose any level of activity which they like in order to maximize the objective function. Problems of the restricted maximization and unrestricted minimization use a simple solution, which applies to all the problems of restricted optimization, i.e., although there are a myriad of possible solutions of minimization and maximization, all of optimization problems can be solved by a simple analytical technique called “marginal analysis”. Marginal analysis include variations in the value of level choice with small (infinite) amounts to see if the objective function can be further increased (in case of maximization problems) or decrease (in case of minimization problems), and the manager continues with increased adjustment of variable selection until the moment when there is no possibility for further improvement.

The most important reason for using marginal analysis in the function of decision-making is that economists take into account the marginal analysis as a central principle of organization of mezzo economics theory. Marginal analysis, focuses mainly on variations in the total revenue and total expenses, provide simple and complete explanation of the trends that cause variation in net profits. If we understand exactly what causes net profit to increase, allowing determination of the concepts for further decision-making when the activity should increase, decrease, or maintain the current level. The use of marginal analysis for making optimal management decisions there is no need to take into account the irrelevant information on fixed expenses, lost expenses or average expenses in the process of decision making, it is obvious that decision-makers using the marginal analysis can achieve the level of optimal activity.

Definitely, understanding the role and importance of the profit in the operation of business behavior is of crucial significance of the relations between the firm, mezzo economics and overall the social environment, as a objective function, which measures the result of the decision makers (managers), whether it represents a decrease or increase in certain situations and results.

We value that mezzo economics analytical approach, raises and accelerates the recovery of managerial economics in transition and post transition periods, as effective theoretical-methodological improvement of conjuncture and the separately offered programmed solutions in the function of the utilization of developing component of the business entities in the tourism mezzo economic area, as well as the entire system of macroeconomic planning.

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STANDARD COSTS OF A HOTEL COMPANY

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Abstract:

Standard costs are used as an objective measure of occurrence of actual costs in the hotel business. Control of actual costs based on standard costs has an effect on the economical use of funds and work in the hotel. The aim of control of actual costs is to prevent their unwanted growth and rationalize them. Quality standard cost is based on an objective approach and realistic assessments of conditions in which the costs incurred at the hotel. Determined as the amount of consumption per unit of output multiplied by a single price. In this way, the standard costs are different from planned cost or normal. Standard costs have an important role in the system of budgeting, control and decision making hotel management company. Because of the detail required by standardizing costs and standard costs is met only in the most successful hotel companies and chains.

Key words: *standard costs of hotel companies, the standard power consumptions, the standard price, standard calculation of direct and overhead costs.*

INTRODUCTION

Within the process of the hotel management, standard costs are the key instrument for control of the actual and forecasting of the future costs. Following of pre-defined standard costs, comparing to inadequately estimated or unreliably planned costs, is considered as one of the advantages of a modern hotel business. The implementation of the standard costs increases the service quality and provides the uniform services in the hotel chains worldwide.

Standard costs simplify accounting procedures in the hotel. One of the positive features of the standard costs is that they can be recorded/booked in advance. After completing the process of production, it's possible to compare actual and standard costs and record eventual deviations.

From the point of internal costs calculation, the standardization is important in all cost categories. Furthermore, the internal accounting per standard costs, provides uniform implementation of the methodological procedure, which allows the mutual comparison of the costs in the same conditions of hotel business.

DEFINITION, TYPES AND IMPORTANCE OF STANDARD COSTS OF A HOTEL COMPANY

Standard costs can be defined as „monetary value of the consumption of the elements of the work process, which should occur in the future, where they were developed through careful preliminary analysis of influencing factors that affect the quantity and structure of the standard costs" (Budde 1993, 90). Besides this definition, the accounting literature mentions the standard costs, which can be briefly described as "an element of price calculation of the output" (Peršić i Janković 2006, 202).

By this way, the meaning of the standard costs is scoped to quantitative standards of the used materials, time, services, etc. Thus, standard costs are the result of multiplying of the standard quantity and the standard price.

Standard costs can be classified based on different criteria in several groups. The types of standard costs significant for the specific business of a hotel company are shown as below.

First of all, when it comes to the types of the standard costs of a hotel company, they should be divided into individual and group standards. Individual standards are used to control employee costs for particular functional position within the hotel. Group standards apply to certain activities within the production or business functions at the hotel. The standards are developed in details, down to level of product unit, typed letter, phone call, etc.

Standard costs can be considered depending on the desired level of the efficiency as: the ideal standards of the efficiency, standards of successful (current) cost efficiency and standards of the average (basic) economics. Out of these subgroups current standards are considered as the most realistic and most often used. They are based on current business conditions, and the goal that the hotel company strives for.

In the process of standardization and determination of the standard costs of a hotel company, it is necessary to know the characteristics of particular types of standards. For internal cost calculation, it is important to distinguish the standards by the type of the item (product, services) of standardization on: (Peršić i Janković 2006, 202)

- quantitative and
- monetary/financial.

Quantitative standards are basic standards. Quantitative standards express the standards of materials, supplies, products, services, time, quality, technological procedures, working conditions, personnel and so on. Quantified standards multiplied by the related standard price (a monetary measure of the unit) give the common denominator of value of standard costs. This represents the financial (monetary) standards of the material origin, for example: the standard costs of materials, standard costs of salaries, standard overhead costs. Besides, there are financial standards of the nonmaterial origin. They do not have a basis presented in quantitative standards. For example, these are treasury standards, standards of creditor-debtor relations and so on. For this paper, with respect to the subject, the important are financial standards of the material origin.

Standard costs play a significant role in determining the selling price of the product or service. In fact, the standard costs are the basis for determining of the sales price, where it should be greater than the amount of the standard costs.

It is often to misinterpret the standard costs as planned or predicted costs of a hotel company. The main feature that provides differentiation of the standard costs is that they are based on the expert cost calculation for each activity within the hotel, center of their arising, etc. Most of the costs of a hotel company are usually based on analysis of data from the past. In contrast to this, standard costing of a hotel company determines the amount of costs that should arise if the predicted costs realize in the future.

THE CALCULATION OF STANDARD COSTS OF A HOTEL COMPANY

One of the most famous theorist of standard costing, K. Kafer highlights that the unit of the output (product, service) is the basis for the calculation of the standard costs (Kafer 1964, 87).

Standard costs, as an accounting category, observed within internal calculation, in the cost systems can be covered in two ways, as:

- Total cost calculation
- Partial cost calculation.

Depending on the type of calculation, the method of determining deviations is imposed.

The implementation of the standard costs in a calculation of the total actual costs gives more precise calculations, increasing the value of information for the management. In fact, the calculation of the total actual costs has been developed by connecting the rules of the behavior of direct and indirect costs in correlation with the standard costs. This gives a calculation of the total (overall) standard costs of a hotel company. By including the standard costs in an internal calculation, the control is provided based on real measurements. This provides an objective assessment of the efficiency of the internal work processes within the hotel. Introduction of standard costs in the calculation of the total costs is the most comprehensive and most advanced form of the cost calculation in the hotel business. With respect to the time consumption, this is an expensive process that requires stable operating conditions in order to give the successful results.

Apart from the calculation above, the introduction of the standard costs in a hotel company originally refers to the calculation of the partial costs. In fact, the calculation of the partial costs is easier because it only considers the standardization of direct costs (materials and salaries). It is much easier and faster to standardize direct than indirect (general) costs of a hotel company. However, the cost effectiveness of extra costs due to the introduction of the standard costs, is evaluated in the long term. In this case, the implementation of the calculation of the total standard costs rationalizes the future costs of a hotel company. This justifies the implementation of the standard costs.

Efforts to reach the established standard create the assumptions for the rational use of the assets and points to the underutilized capacity of the hotel. The occurrence of the actual costs bigger than the standard costs of a hotel company indicates the unnecessary costs. These extra costs, related to repeated operations, final re-processing and repairs, represent the costs of poor quality (Kosar i Rašeta 2005, 84). Therefore, the aim is to increase business result of a hotel company by decreasing the costs. By using standard costs, the best results are achieved by reaching the operational plans and budget of a hotel.

Each hotel company approaches implementation of its own internal standards, to have determined: (Peršić i Janković 2006, 199)

- Standards consumption (amount of usage) of a work process elements
- Standard prices and
- Standards outputs.

The standards of consumption of the elements of the work process include the standards of consumption of food and beverage in the hotel. Standards of the consumption of food and beverage are the basis for all the plans related to the realization and providing of services. Determining of normative consumption of food and beverage is necessary for development of:

(source: www.vus.hr/Nastavni%20materijali/Tehnologija%20hrane/Normativ-st.PDF)

- Purchase plan of material production,
- Costs plan of material consumption,
- Selling prices of food and beverage,
- Turnover plan and realization (in quantity and time) and
- Analytical indicators of doing business as a basis for decision making.

In addition, these are some of the prices that are taken as the standard prices in the internal accounting. The standard price of internal cost accounting can be: (Kafer 1964, 98)

- Average price for the particular period,
- Average price achieved during a period of several months,
- Average price of a particular period (or a period of several months), corrected by coefficient of expectations and incentives,

- Market prices at the time when the standard prices are being defined,
- Market prices at the time when the standard prices are being set, corrected by coefficient of expectations and incentives,
- Price that reflects the future normal market conditions,
- Price corrected every six months depending on market changes,
- Price that stimulate the economy of the procurement, production and service, and others.

In determining the standard costs it is necessary to first dispose with standard consumptions and standard prices. The standard consumptions are obtained by precise measuring, weighing, monitoring and analyzing of current business processes and past events. The standard price is obtained by expert assessment of the value, on which can be based a realistic standard outputs. The results are the standard costs, which indicate the level of the costs that should be achieved, in expected business conditions. On an example of a hotel company, that is referring on the costs under certain degree of capacity utilization in the future period.

As already mentioned, standard costs are primarily the element of the total price calculation of the output. They are based on quantitative standards of the used materials, time, services, etc. Standard direct costs are considered to be the right standard costs because they can be precisely related to the specific unit of the output. This justifies the calculation of standard costs by the appropriate cost bearer.

The possibilities for cost standardization of certain assets parts of a hotel company are different. The process of standardization depends on the lifetime (fixed or current asset) and of the ways of transferring value of the assets to a new product or service.

Standardization of the consumption of fixed assets of a hotel company is limited, because in the most parts it does not change with changing the degree of capacity utilization. Standardization of the use of fixed assets consumption, in this case, will depend on investment decisions, investment in new equipment, etc. For example: rental costs, capital maintenance, depreciation can not be standardized per unit of output. During the construction of a hotel building their level (amount) is fixed in advance. The level of a standard consumption of fixed assets can not be influenced on a short term.

In contrast to that, the current asset gives the possibility for standardization of outputs and thus the standard costs as well. The current asset includes the material (production and additional), small inventory, packaging, goods, etc. Most of the current assets will be directly included in the structure of the output, while a smaller portion of current asset facilitates providing the outputs and contributes performing the business process in a hotel.

The calculation of standard material costs of a hotel company

Goal of further observations are the standard material costs of a hotel company. It is necessary, per unit of the output, to set standards of consumption and related standard prices per output. Besides the initial calculation of standard costs, specific characteristics of a hotel company should be considered, as well as characteristics of materials of making products and services, technological process and calculation method of the outputs. Also, it is necessary to take care of the quality of purchased materials, purchase prices of the same, material handling, technology process and so on.

In determining the standard costs of materials in the hotel industry, the attention is given to the implementation of standards in the department of food and beverage. In this department standards in quantity, quality, environmental, safety standards...must be followed. The empirical standards are essential for the estimation of assess the gross and net amount of material consumption, waste recognition, and clearly defining structure, setting, quantity, caloric value of the offered food and meals. The person responsible for preparing and providing meals and drinks knows in advance the normative for the consumption of food and beverage.

The following example shows how to perform a calculation of standard direct costs of the materials.

Table 1: Calculation of the standard direct production costs of material in a restaurant

	The standard unit of measure
Normative of material	0,27kg
Normal shrinkage and shredding	0,02kg
Permitted wastes	0,01kg
Standard amount of material for production ofone portion (fish I category)	**0,30kg**
Invoice price	8,30€
Transport, duty, loading, unloading	0,80€
Storage costs	0,10€
Quantity discount	(-)0,20€
Standard price of material of production (fish I category)	**9,00€**
Standard costs of material (fish I category)	**0,30kg x 9,00€ = 2,70€ per unit of output**

Source: Prepared by the author, Garrison and Noreen 1997, 419-420.

Establishing the norms of consumption of primary material in process of preparation and offering the food is required by the Law. These normative are based on standard recipes. Custom recipes are used as a basis for determining the standard costs of a direct material. Besides, it is used for calculation and control of real consumption, which is the basis of rational business.

The calculation of standard labor costs of a hotel company

Direct costs, for which can be determined the standard costs per unit of output, include also standard labor costs. In determining the standard labor costs, the implications of the labor market and human resources policy of a hotel company are to be taken into account. In accordance with that, the standards of time spent along with the standard work price will be evaluated. Each working position requires special identification of procedures of performing certain tasks in an unit of time. On the labor price will influence the degree of employee's responsibility for the current and fixed assets, their position on the hierarchy of decision-making and so on. Most objective time standards will determine the team of experts, using the measurement methods, in order to evaluate the working contributions of individuals and group of employees.

The standard direct labor cost is obtained by multiplying the amount of work spent per time unit and standard labor price.

The following example shows how to perform a calculation of the standard costs of direct labor.

Table 2: Calculation of standard direct labor costs in a restaurant

	The standard unit of time
Normative of labor per meal - net	1,9h
Allowed breaks in work for the needs of employees	0,2h
The time required for cleaning and preparation	0,3
Time spent for meal wastes	0,1h
Standard amount of direct labor	**2,5h**

Labor costs per collective agreement	1,10€
Taxes and contributions (50% of the agreed price)	0,55€
Stimulating fee (25% of the the agreed price)	0,275€
Standard price labor	**1,925€**
Standard direct labor costs of meal preparation	**2,5h x 1,925€ = 4,8€ per unit of output**

Source: Prepared by the author, Garrison and Noreen 1997, 421.

Standard consumption of labor is based on the average qualification of the employee in a hotel, the average labor skills, the average training in the work, with an average intensity of labor. If the process of standardization detect irregularities it is necessary to correct them. As it can be concluded from the given example, the salaries of the employees are identified as the standard costs of the labor. Therefore, salaries are obtained from the calculation of standard labor consumption per unit of time and related standard price of the labor.

In determining the standard costs of labor, it is possible to determine only the standard costs of direct labor. This refers to employees whose work can be directly measured per unit of output. In contrast to this, it is not possible to allocate general costs per unit of output.

The calculation of standard overhead costs of a hotel company

Standards of overhead costs are expressed as a percentage or value of the selected base. Selected base can be spent hours of the facilities in the hotel, working hours of the employees, hours of the computer operations, utilization of accommodation capacity and so on. Standard overhead costs can considered as indirect costs.

Establishing a standard rate of overhead costs is made considering the highest degree of correlation of certain overhead costs and the selected base. That means that the group of overhead costs is most impacted by the selected base. Relative expression of correlation of overhead costs and the selected base in the future is transferred from the co-dependencies in the past.

The following example shows a standard amount of overhead costs.

Table 3. Calculation of standard overhead costs in the restaurant

Average hours of labor spent per meal	2,5h
Total overhead (indirect) costs per hour	0,40€
The standard ratio of overhead costs in relation to unit of the output	**2,5h x 0,40€ = 1€ per meal**

Source: Prepared by the author, Garrison and Noreen 1997, 421-422.

Negative characteristics of determining the overhead standard costs is that the relative irregularity of overhead costs and the selected base from the past can not be corrected in the future. Also, if there is a significant change in the degree of capacity utilization, the base will not serve as a realistic base for the calculation of the overhead costs in the future. This emphasizes that the standard rates of overhead costs are the most insecure estimation of calculations per total standard costs. Ratio of the overhead costs and the selected base does not provide the degree of objectivity that is emphasized in determining the standard costs of material and the standard direct labor costs.

DEVIATIONS FROM THE STANDARD COSTS OF A HOTEL COMPANY

In calculating the costs of a hotel company based on standard costs, deviations are possible to occur. Potential deviations are concluded even from the definition of the standard costs, according to which the standard costs are described as the estimated costs which are determined for the purpose of calculating per cost bearer, whether they are calculated directly or in relation with the selected base (Dvorak 1978, 56).

Deviations occur compared to the standard costs, which are determined based on the standard consumptions and the standard prices predicted for the normal operating conditions in the future.

The existence of standard costs facilitates examining the source of deviation of costs, and responsible for the appearance of extra actual costs in the hotel. Therefore, in calculating the total standard costs, deviations are the control measure of the actual costs and the criteria for a realistic evaluation of the output within the internal calculation. Depending on the type of standard costs deviation can occur as: (Garrison and Noreen 1997, 423-446).

- Deviations in the quantity (of costs),
- Deviations in the price and
- Deviations from the level of the utilization.

The management of hotel company is most interested in deviation of the actual costs comparing to the standard direct costs, for which there are pre-defined quantitative standards for the quantity and the standard price.

CONCLUSION

Standard costing of a hotel company determines the volume of costs which should occur if predicted costs realize in the future. Besides the level of the standard costs, by introducing the standards in cost accounting of a hotel company, an insight into the structure of standard costs is provided. Determination of standard costs is based on precise calculations of consumption of the elements of the work process at the hotel. Standard costs as a result of the standard consumption and the standard price, can be calculated according to the full and partial costs. As noted above, the calculation of the total costs requires more time and money because it includes both, direct and indirect costs of a hotel company.

It can be said that the procedure of costs standardization at the same time simplifies the planning and control by those who are responsible at the hotel, but also requires very detailed reporting. The advantages can be converted at risk if the process of standardization is not implemented properly, in accordance with current business conditions of a hotel company. The goal is, by implementing the standard costs, to determine the level of the selling price of all products and services. Standard costs, in this case, are the basis for calculating the selling price and getting the final results of a hotel company. Apart from using standard costs in the internal calculation, their significance, from wide perspective, is reflected through applying the international standards in the hotel industry.

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THE INFLUENCE OF TOURISM TO THE ECONOMY DEVELOPMENT IN REPUBLIC OF MACEDONIA

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Abstract

Developing tourism means one of the top jobs for creating of the Ministry of economy which is working under the Government in Republic of Macedonia. The main plan is representing growing up standards of the tourism offer, bigger valorization and promotion of Macedonian touristim possibilities. All before activities like: bigger industrial politic, supplying and following of product markets, getting better of energy efficiency, multilateral and bilateral partnership with EU and WTO, the business law, are mutual process.

The tourism in the developed countries is the one which contributed for their fast developing time, and also is the one which needing to represent the moving of the developing and only it can make Macedonia better place for living. Like part of the group tertiary activities, its main plan need for employing of the working capable population. In this way, is represented part of the influence of the tourism, directly and indirectly.

Key words: *Tourism, Developing, Offer, Influence, Economy*

INTRODUCTION

The tourism is a complex phenomenon absorbing numerous needs of the modern age people and of the organized societies, in general, such as: the sociologic, the historic, the cultural, the philosophical, the economic, and the political needs, as well the need for information. Hence, the origins of the tourism are connected to the development of the civic societies. The capital funds in the tourism, following the success of the bourgeois revolutions throughout the world and the liberalization of the national economies, discovered new opportunities for creating profit by engaging the social layers that were not able “to move” before and to create touristic destinations, thus they were not able to take their cut of the profit in this and in other connected economic activities (transportation, hotel services, construction industry, cultural needs, etc.). The ability of the complexity called tourism to absorb work force was considered as an economic force capable to influence other parts of the economies of the developed countries. However, as a result of this ability and along with the practical “on-field” solutions and the development of the scientific aspect many scientists try to give their theoretical contribution for the development of the tourism management. They are trying to give a general definition of the tourism as an applied science. Here are some of the most popular definitions on tourism:

VISION AND PERSPECTIVES OF TOURISM

Hunziker and Krapf defined the tourism in 1941 as travelling people Hunziker and Krapf, in 1941, defined tourism as ***"the sum of the phenomena and relationships arising from the travel and stay of non-residents, insofar as they do not lead to permanent residence and are not connected with any earning activity."*** In 1976 Tourism Society of England defined it as ***"Tourism is the temporary, short-term movement of people to destination outside the places where they normally live and work and their activities during the stay at each destination. It includes movements for all purposes."*** In 1981 International Association of Scientific Experts in Tourism defined Tourism in terms of particular activities selected by choice and undertaken outside the home environment.

In modern living conditions the tourism has enormous impact on the economic balances of the countries rich with natural resources suitable for development of the touristic bid. United Arab Emirates, Egypt, Greece, and Thailand, as well as many island countries (like Bahamas, Fiji, Maldives, and Seychelles) are examples for the dominant position of the tourism in the economic results on the economies of countries where as a result of the huge influx of money from trading with goods and services from the tourism-connected industries there is new job opportunities in these industries.

This type of service industries comprises transport services (by plane, ship, and taxi companies), accommodation services (hotels and resorts), and entertainment (theme parks, casinos, shopping malls, music halls and theaters). The tourism industry, due to the great opportunities, switched from the promotion of entering tourism to promote the cross-border tourism cause of the increased competition for entering tourists. Some national policy creators changed their priority in promotion of cross-border tourism in order to help the local economy. Examples for such campaigns are: ***"Taste America"*** in USA, ***"Sincerely Asia"*** in Malaysia, ***"Go Canada"*** in Canada, ***"Peru – Live the legend"*** in Peru, ***"Super Philippines"*** in Philippines, ***"Specially Singapore"*** in Singapore, ***"100% Pure New Zealand"*** in New Zealand, ***"Wonderful Thailand''*** in Thailand, ***"Incredible India"*** in India, and the ***"Discrete Charm"*** in Vietnam.

The awareness of the power of tourism in Macedonia grows on daily basis despite the lack of clear defined and legally and operatively supported national strategy from the government. There are some attempts to regulate some segments and to set the foundations of the tourism development program but so far they are incomplete. However the serious global social problems are significant factor for the slow development in this area. We think that the tourism can make great influence on all economic and cultural activities that have to find their interest in the general touristic bid. The attempts made by the Association of tourist workers will be in vain if despite the legislation (to be provided by the Government) the banking-investing branch does not discover the opportunities to make profit offered by the tourism.

INTERNATIONAL EXPERIENCES

Tourism development has its historic dimension and we already mentioned that it occurred when the civic societies took the stage and with their fast economic growth based on the interest for profit. The economic strengthening of the middle social layer created a need for discovering new spaces and cultures, the curiosity used by the capital funds to increase the profit. All additional industries linked to the basic tourism, simultaneously with its development, create a phenomenon that turns into an industry with great importance for the modern man and the modern economies. Today in these conditions the general globalization of the world economy describes the tourism as very important being a connective tissue for this process.

The modern tourism has exceeded this romantic period turning now into a need of the economically powerful middle layer of the developed countries, which are the biggest consumer of the touristic bid. That way the function of the globalization of global tourism is effectuated as part of the globalization process on global level. The investments exceeded the limits of the national economies long time ago.

We also have to point that tourism as a whole can have negative impact on the environment and the economy in general. The threats on the beaches, on popular landmarks, holy places, and resorts are quite probable. The numerous tourists attracted to New York City (33 million tourists annually) are a huge economic potential but it is also potential danger for the city losing its identity that fits into the mixture of the needs and the cultures of the tourists.

As consequences of the 2008 economic crisis the international arrivals significantly decreased in June 2008. The growth for the period 2007 to 2008 was just 3.7% for the first eight months of the 2008. The Asian and the Pacific markets were heavily hit. The Europe stagnated and America was better by decreasing their expansion rate but keeping the 6% increase for the January to August 2008 period. For that same period of time the Middle East kept the fast development thus reaching 17% increase comparing to the same period of time for the 2007. This decrease in demands in the international tourism affected the air transportation business with negative increase in September 2008 and 3.3% increase in passenger traffic for that same month. The hotel industry also reported decline since room rental continued to decrease. The global economic situation dramatically worsened during September and October due to the global financial crisis. It was expected to further slow the growth of the international tourism by the end of 2008 and this trend in decline for demands was forecasted for 2009 since the recession already hit most of the biggest countries-consumers so the long travels were expected to take the heaviest blow. However, some destinations made incline during these hard economic times attracting visitors with low living cost, pleasing immigration laws that creating opportunities for the tourists to stay for a longer period of time.

Our analysis also has to work with the "tourist destination" phenomenon. The basic issue is how come some specific regions, economic potentials, and cultures, have that urge "to look beyond the hill". This is the bare essence of the modern-age "Homo Sapiens" and his need to satisfy his curiosity as well the need for relaxation from the regular duties at work and at home and to meet new people, to learn about new countries and cultures. The tourism of the last decades when talking the international movement and the movement on the tourist market in some countries and regions take mass character.

For the development of any give economic branch in modern living conditions it is requested to use the communicational tools available to any worker in the tourist business that tends toward the industrial aspect of this industry. The global informatics complex gives a man a chance to use it and to define his/her simple need for travel. The opportunities for a quick, efficient, and safe transportation that use the high-tech means of transportation put the world outside within a several hour time-span. Hence the ***"breakfast at home, but lunch or dinner on the other side of the globe"*** is quite realistic picture in the everyday touristic praxis. The improved services system offered to every tourist meats his/her every need and request. The size of every local touristic system lays in the bid that reflects the characteristics of the local life in every detail. The tourist by default is prepared to accept all local characteristics – from food to culture – since he does not have them at home. That driving force is the motif for the touristic analytics to be kept in mind when preparing an analysis and looking for the real feedback. It is the same when looking for proper solutions both for specific regions and for the national aspects of this phenomenon.

MACEDONIA AND THE TOURISM POTENTIALS

Knowing the tourist potential of the Republic of Macedonia the tourism has to be one of the factors for the revival of the economy and to increase the national income of the country. The most economically developed countries of the world are also the most touristic developed countries with highest number of visitors. It is the tourism that contributed to their development. The tourism itself should be the driving force for the development and only tourism can make Macedonia a better place to live. The tourism belongs to the group of tertiary industries. Its tertiary characteristics have need for employment of work-active people. Hence the tourism has direct and indirect influence. The direct impact is expressed by increasing both the tourist turnover and the consumption, since for meeting the demands of both domestic and foreign tourists, there is need for bigger work force in the businesses of the tourist industry, as well as direct engagement of the private households in the tourist regions to provide food services, accommodation and to meet other demands of the tourists. The development of the tourism in the Republic of Macedonia will significantly influence the revival of the economic activities and will improve the living standard of the population. The development of the rural, mountain, health, and ecotourism in the Republic of Macedonia and the country has a large potential, will provide revival of the rural parts of Macedonia with chance to absorb newly employed persons and to stop the village-to-city migration. The tourism should be in every vein of the social and cultural life of a tourist place and its surroundings. Basically, it is a heterogeneous economic activity, so being a complex system it comprises many subsystems thus defining the complexity of the very product of this activity, the tourist product. This product is specific since it provides some beauty and access to the cultural heritage. The tourism is factor for employment of active population. The Republic of Macedonia has the touristic potential to get on the Top 20 most attractive tourist destinations in the world. It is true we are landlocked but we have magnificent mountains, beautiful lakes, spas and unspoiled natural beauties and rarities. The archeological sites, ancient and unique artifacts give Macedonia an important place on the map of world cultural and historical heritage.

The Republic of Macedonia has unique medieval churches, monasteries, mosques and frescoes. Their beauty, uniqueness and specificity are rare in the world. According to the records of the National restoration center and the Museum of Macedonia there are 9,876 locations and buildings: 4,260 archeological sites, 1762 churches and monasteries with more than 150,000 square meters of frescoes, more than 26,000 icons and 420 iconostases, baldachins, bishops thrones (made in woodcarving), 1,213 buildings of the old rural and town architecture, 47 towers, fortresses and bridges, 1,026 monuments, 126 buildings of the Islamic architecture, 24 bazaars, 32 commercial buildings and many other buildings. The museums and the galleries in their collection have more than 500,000 exhibits. The libraries have collections with more than 4,400 manuscripts and 11,411,200 old printed books. I have to stress that numerous artifacts were taken from Macedonia during the past wars and now they are part of the exhibitions in the neighboring and other European countries. Macedonia is the cradle of the literacy for the Slavic people and almost half of the European population uses this alphabet. Some US scientists claim they have discovered that Ohrid is the oldest town in Europe. The spas in the Republic of Macedonia are among the spas with biggest medical effect in Europe and they also present a great tourist bid. The rural tourism is a very popular and attractive brand among the tourists in the world. The Republic of Macedonia has big resources with traditional local structure that have to be adjusted to the contemporary needs of the modern guest. There are beautiful villages, tradition, national dishes, rural architecture and many other items interesting for the tourist in search for such places. The Republic of Macedonia has to offer to the tourists from abroad: wine tourism, mountaineering, mount-biking, cave tourism, hunting tourism. The tourism represents a significant part of the future of the Republic of Macedonia and its potentials might be a factor in the economic revival.

ECONOMIC TRENDS OF TOURISM

The mode a country work in the process of creation of the economic choice is named economy or economic system. That means that the economy of a country is the mode a nation reaches its decisions for using its resources to produce and distribute products and services. In a market economy the consumers decide for themselves which product to buy, but they also decide which product they will keep for further production. Hence in conditions like that, the people with free, non-used, funds can afford to buy more products and services. For the people to persistently posses funds they have to work and to invest in businesses. The tourism both directly and indirectly globally create and support 204 million jobs and that is more than 10% of the world work force. The forecast is that number will go beyond 11% due to the responsibility for the domestic wholesale products. It is clear that the tourism is the main force in the global economy. It is a branch with global significance and importance. This was pointed by Mr. Bill Clinton, than US president, at the Conference on Tourism held in 1995. Tourism also affects from the political viewpoint since it occurs as a factor for preserving the world peace, to increase the political prestige of a country in the international relations, etc. When analyzing the economic importance and the role of the tourism we have to keep in mind the specific area in the country (the specific region and the specific tourist place). To define the economic importance of the tourism it is important to consider the effect of various factor groups: tourist activities, accessibility, touristic bid, and the improvement policy. The consumption of the tourists in the places they visit is in the basics of the economic meaning of the tourism. The money the tourists made in the places of their permanent residence is spent in the places the tourist places. This consumption results with specific economic effects on the economy both in the country and the region the tourists come from and on the countries and regions they visit. The division to direct and indirect influences is very logical and it should be accepted like that. From the economy effects aspect we can make a conclusion that the tourism have to be treated as a field of interdependent, complementary and complex activity of the numerous functions, hence the poly-functional characteristic of the phenomenon. This might be considered as a ground for further strengthening of the theoretical opinions and creation of the specific methodology for their practical application. The Republic of Macedonia will have to accept all these elements as results of the global processes, experiences and meditations, and to focus in a serious investment activity that will finally define the position of this industry in the economic trends in the country.

The legislation is also of great importance for the regular development of the tourism. The Republic of Macedonia partially covers this segment as a tendency for success and achievement of results. Positive example: the Parliament of the Republic of Macedonia on its session held on October 13, 2008 passed the Law on proclaiming the Skopje Old Bazaar as a cultural heritage of special importance ("Official Gazette of the Republic of Macedonia" number 130/08). This law defines the key issues on the practical aspects on preserving the Skopje Old Bazaar as a monument complex. The law identifies the property considering especially its name, category, borders and contact zones, as well the preservation regime, the management with the preserved property, etc. The Skopje Old Bazaar, as it is today was established during the XV to XX century on parts of older urban structure. According to its typological characteristics it is defined as a complex bazaar of medieval oriental type. The bazaar comprises numerous profane and sacral monumental buildings. This is the biggest bazaar of this type in the Republic of Macedonia. For its values and importance this bazaar was protected as a cultural monument by decision of the Institute for preservation of cultural monuments. Due to the criteria (documentation, age, versatility, integrality, impression, and uniqueness) met by the bazaar it is put in the category of monuments of special significance, subcategory – great significance. The law defines a preservation regime in order to prevent activities that cause or that may cause damages, destruction or degradation on the monument as a whole and therefore provides conditions for permanent preservation of the historical, artistic, architectural, urban, ambient, ethnological, sociological, and other scientific and cultural values as well the authenticity, uniqueness, versatility, integrity, age and other characteristics of the bazaar. According to the law, the Government of the Republic of Macedonia, in order to provide coordinated realization of joint initiatives, actions and preservation projects, usage and revitalization of the Skopje old bazaar, had established the National council for revitalization of the Skopje old bazaar (as a coordinating and consulting body to the Government) comprising of a president and 10 members. The high degree of coordination and improvement of the management capacities for the Skopje old bazaar is essential due to the importance of the Skopje old bazaar as a whole as well due to its values and potentials. Prior management of this cultural good, performed by various subjects, showed a lot of failures especially on the issue of revitalization and development strategy. Such poor management without any integral and complex analyses of the problems and thus lack of proper solutions contributed in economic and cultural extinguishing of the Skopje old bazaar. That was the reason the law created the revitalization council for the Skopje old bazaar to enrich and to improve the complex life of the Skopje old bazaar. This revitalization process will be a long and continuant one. It will take at least five years of program restructuring and joint management just to bring the bazaar in a condition of self-sustainable functioning entity. The Program as a strategic document containing the guidelines for the revitalization of the Skopje old bazaar is a solid tool for taking systematic and long-term solutions on all levels for preservation and revitalization of the bazaar, its sustainable development and bringing the bazaar to a degree of economic and cultural activity. The great versatility of participants proposed by the Program shall provide conditions for various opportunities and sources for funding. The provided financial potential for any give phase of the revitalization program, according to the before-mentioned principle of coproduction, will consider engagement of people, institutions, businesses and the entire community of the bazaar. Starting point for the Program is the actual situation with a very low level of treatment on the physical values of the area of the bazaar, as well with even lower level of knowledge on the economic, cultural, and other aspects of potentials of the bazaar. Thus the Program has to design methods for raising the awareness of the citizens. They will have to help in establishing a reliable relations toward the area both concerning the preservation and stimulating high-quality architectural activities when interpolating in the old tissue, in services management, in the quality of the products (such as gastronomy, tourism, design, animation, culture, etc.). The education has to focus on the potential economic resource of the bazaar as a cultural heritage.

The contemporary approaches in preservation of the cultural heritage as an integrated and active protection open new opportunities for activity – toward incorporating the cultural heritage in the touristic bid. That means that the heritage protection is not considered only as tool for physical protection to transfer it to the future but as a tool for loosening its value that will further down be used to accomplish interaction between the heritage and the people.

The cultural tourism represents a *signum temporis* for the present time. It is a special branch of the tourism and one of the basic driving forces of the economic sustainable development. The good and efficient management with the bazaar as a cultural heritage should bring multilateral effects, and it should serve as an example for other tourist potential in the country.

The effects should be observed through:

- economic gain for the local population leading toward increased awareness and care for the heritage;
- economic gain for the tourist managers and businesses;
- new jobs;
- helping the visitors to discover and learn about new cultural values and specifics of Skopje and the Republic of Macedonia.

Considering the fact that the cultural tourism in the Republic of Macedonia is in its early stages important to design a set of criteria and measures to be used and applied by the subjects in developing this type of tourism. These criteria and measures should provide preservation of the values of all touristic and cultural monuments on one hand and meeting the touristic needs on the other hand. For that purpose important is the existence of a management plant containing the following segments:

a) Priority area and development projects

b) Institutional structure to support the cultural tourism

c) Infrastructural and service improvements

d) Role of the community

e) Development and education of human resources

f) Development of the cultural and natural places and routes

g) Marketing for attracting local, regional, and international tourists

h) Tourist equipment and services

i) Development of small touristic and service businesses

j) Financial projections

We are talking of already well tested international experiences. We are talking for example of a tourist agency connected to: businesses that provide transportation to cultural points of interest and destinations; to restaurants owners, to owners of accommodation facilities, etc. The partnership association, among the other things shall propose and effectuate promotional material (brochures, guidebooks for events such as fairs, food festivals, music, medieval traditions, as well as calendars for annual and seasonal events, etc.).

Subjects: Private Sector

Financial support: own funds, support by donations made by businesses (that will enjoy tax deduction in accordance to the legal framework), participation in the annual competitions announced by the Ministry of culture, programs of the Ministry of economics, etc. There is a need for the Tourist information center located on site with easy access and clearly visible, close to the facilities. The Center should manage services for the tourists and for all the other types of consumers of the bid. Basic functions: tourist guides, mediators for cultural heritage, published material and sale of books, brochures, etc. The Center should provide information and services for the visiting tourists of all cultural-historic points in Skopje and in the Republic of Macedonia (monasteries, natural rarity,,,). Subjects: Local or private sector (Tourist union of Skopje, TIC).

Finance: Own funds and local sector

MANAGEMENT OF TOURISM

This type of marketing concept can be considered as a result of the scientific approach in the field of organization of work and the experience of the tourist workers obtained through their research of the tourist market, of the promotion as part of the tourist policy, of the organization of the accommodation and other capacities on the domestic market, of the effective measures to eliminate the weak-points when organizing and providing services to foreign tourists thus getting to proper solutions. When talking about the economic aspect it is very important to study the human needs since they are part of the general cultural needs, and for some levels of the economy they are essential. The Republic of Macedonia has the touristic potential to get on the Top 20 most attractive tourist destinations in the world.

The Ohrid Summer Festival, Struga Poetry Evenings, Carnival in Vevchani, Krushevo – Ethno city, and the presentation of the Republic of Macedonia on TV channels such as CNN and Traveller, and among the British tour-operators are the most successful tourist subjects. Parts of these events, said Mr. Fatmir Besimi, Minister of economics, already are brands and tradition in the Republic of Macedonia. By developing the tourism we not only obtain economic results but we also promote the values of a country. ***"In the future we will manage to attract large number of foreign tourists that will leave our country carrying great impressions. That will supplement not only to the development of the tourism but to improve the general picture on the Republic of Macedonia as a state"***.

The tourism is an important economic part for the development of the economy of a country. Its share in the total GDP is 8% and there are almost 20,000 people working in this industry. The total gross revenue of this branch is US$220,000,000.00 of which US$80,000,000.00 come directly from tourism. The Republic of Macedonia was an attractive destination for foreign tourist even during the economic crisis. The total number of foreign tourists was increased by 9.7%. ***"Macedonia never before did so much for promotion and support of the tourism. However, we still have many things to do to improve the infrastructure. Thus far, the tourism in the Republic of Macedonia was in the margins but in the last years the state gives more to develop it."***, says Mr. Zoran Strezovski, manager of the Agency for support and development of the tourism, The Ministry of economics is in the final stage in implementing the National strategy for development of the tourism, and the program for subventions for domestic and foreign tour-operators to bring foreign tourists to the Republic of Macedonia starts in 2010. At the same time, there is an announcement for some other activities that have to contribute in developing the tourism and therefore to the growth of the national economy. The Ministry will actively participate in improving the situation in the tourism and putting in order all the tourist and cultural sites in the state. The focus will be on the promotion of the tourist sites since there are many things that Republic of Macedonia can show to the world. In the field of tourism there are changes made in the Law on tourist activities, the Law on promotion of the already existing Agency for tourism passed the Parliament. The strategy for tourism prepared in cooperation with the UNDP and the World Tourist Organization is expected to pass in the Parliament the next 2011 year. The Republic of Macedonia has great advantage in its cultural and natural resources so it will promote the alternative types of tourism that already are a trend in the world. Joint projects in the tourism will be developed in cooperation with other countries. The accent will be on improving the business climate and the competitiveness, on changes in laws on one-stop system and on companies, thus improving the business climate through simplifying the system for starting and stopping a business.

CONCLUSIONS

1. The Republic of Macedonia has vast touristic potentials that might be a serious bid on the global tourist market if prepared through a comparative approach.
2. Needed is a national strategy that will not be just a formal paper but realistic platform to gather all tourist associations and individuals looking in it to find their interest for profit.
3. The banking / investment sector also has to look for its interests and will support the development of the industry by providing reasonable investment policy.
4. Special place in the complex has to be given to the cultural tourism that posses all potential and comparative advantages to become the base to all other tourist activities

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Project plan extracts of the Government of Republic of Macedonia 2008 - 2011

TOURISM DURING RECESSIONS: THREATS AND OPPORTUNITIES

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Abstract

A Global Economic Recession is a cyclical event that usually happens after bursting of an economic bubble, and it manifests through general slowdown of economic activity worldwide. With the existing globalization trend, major recessions are more likely to spread out globally due to the global supply chain, relief of trade barriers, deregulation and free flow of capital.

The recession has profound impact on tourism as an industry. People are less prone to spend money on leisure activities and they spend less while on vacation or holiday. Business partners impose more rigid payment terms, seeking to improve their own cash flows. Nevertheless, with the rules of the game changing and the competition being put under pressure, an enterprise can exploit these circumstances, consolidate itself and capture market, emerging post-recession as a true market leader. This article analyzes the impact of the global recession on tourism and the management measures that can turnaround the business and put it on a champion position.

Key words: *Global economics recession, economic activity, globalization, management, market leader*

INTRODUCTION

The Global Economy is a complex macroeconomic system which grows increasingly so with the process of globalization and the stretch of the global value chains. National economies nowadays are fully immersed into a common playground through trade, foreign direct investment, capital flows, migration, technology and political relations. In the past, local circumstances such as war, famine, repressive government and the elements were the major causes for economic contraction, traditionally represented through the GDP (Gross Domestic Product) index. Nowadays, due to the process of globalization, local crises are often contained by the broader economic system – distressed economies can rely on a number of globally established mechanisms to break through the crises fast and continue their growth: UN relief programs, International Monetary Fund, the World Bank, global insurance institutions etc. However, this situation makes global economic crises much more dangerous. The malevolent elements that would certainly cause a local crises are much more easily spread out globally, by which the local crises is delayed, accumulating into cross-national, cross-industry economic bubbles which generate a much more dangerous global crisis with a domino effect of bursts. Such crises re much more likely to lead into extended periods of time when overall economic activity is stifled, leading to a recession and potentially a depression.

Global Tourism Industry

Tourism exists from the ancient times, with the need of the people to visit religious sites (pilgrimage) and wonderful structures built by the most advanced civilizations of their time. Following the Industrial Revolution, tourism became a mainstream activity of people to travel to near and distant sites for leisure purposes. This has been immensely assisted by the mass availability of effective means of travel, such as the modern air, naval, railroad and highway travel infrastructure. Presently, Travel & Tourism accounts for a remarkable 9,2% of global GDP, 4,8% of world exports and involves 9,2% of total global investment[1]. Even more, it is an industry which is predicted a strong growth in the future, given the overall raise of living standards and the rise of the emerging BRIC economies. The following figure presents a stunning growth of international tourist arrivals globally, one of the key indicators showing the state of global tourism. Since the 1950's, it shows huge and consistent growth, from 25 million to just under one billion today, forecasted to reach above 1,6 billion international arrivals per year in 2020.

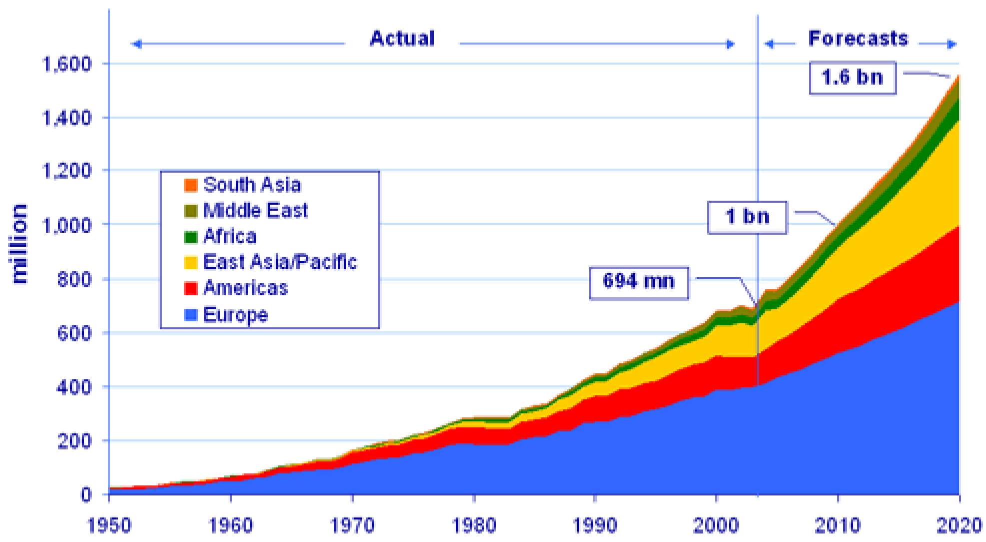

Figure 1: Historical and forecasted number of international arrivals per year[2]

Dependency of Tourism on Economic Growth

As an activity which directly correlates to the quality of life and disposable income of the general population, it is very severely impacted with the drop of the national and global economic standard. When the economy grows, more disposable income is available and more people can afford it. As opposed, in times of recession, people become wary of spending their disposable incomes, seeking more cost effective alternatives or skip on tourist activities altogether. This is particularly sensitive at emerging economies, since disposable incomes are much lower than in developed countries.

This can be observed at figure 2, where global GDP growth is compared to international tourist arrivals, which depicts international tourism activity:

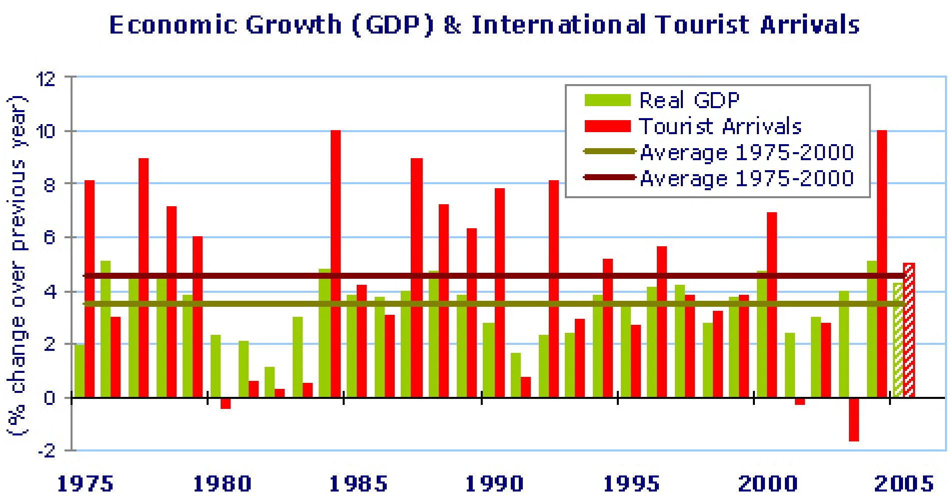

Figure 2: Global GDP and International Tourist Arrivals[3]

[1] World Economic Forum: The Travel & Tourism Competitiveness Report 2011
[2] World Tourism Organisation
[3] World Tourism Organisation

The following figure presents the past two decades with the personal spending on travel & tourism versus the economic growth. It is noticeable that events at the brink of the millennium, including the bursting the .com bubble, 9/11 aftermath and the global SARS scare have resulted in reduction in travel & tourism spending, particularly in North America. Nevertheless, it is also noticeable that spending in emerging economies in Asia and the rest of the world is consistently growing.

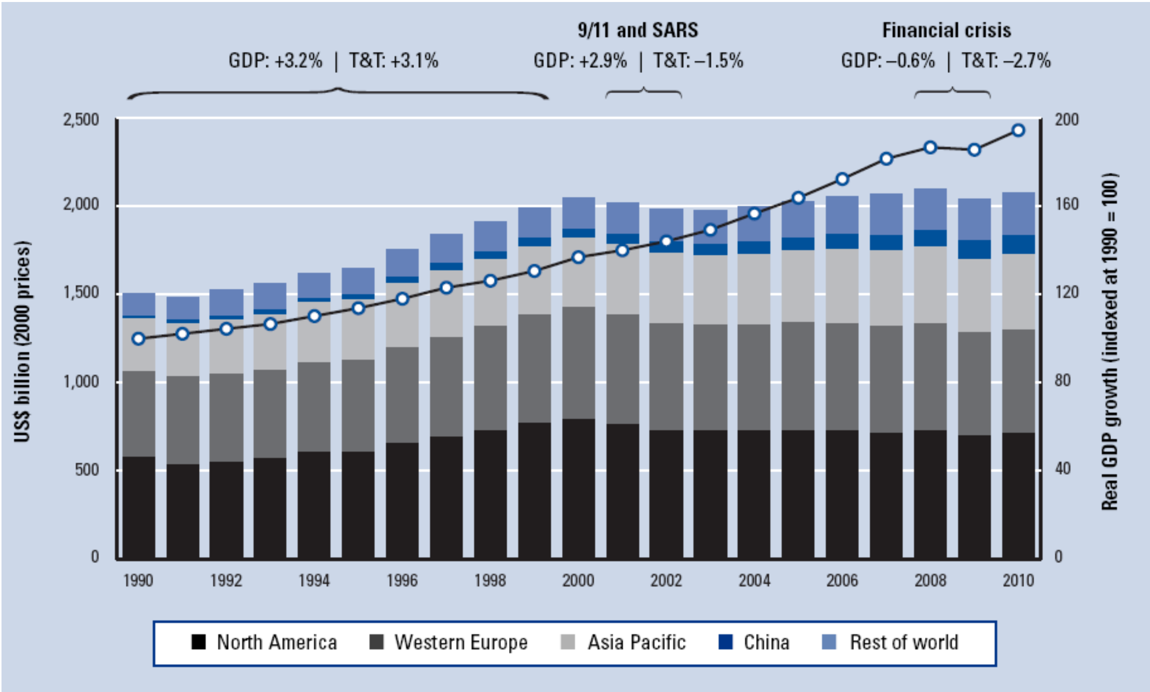

Figure 3: Personal spending on Travel & Tourism vs. global GDP[4]

Growing the business in times of recession

Business in general favors the agile and adapting. In every situation there are threats, but also opportunities. During distressed conditions, smart market players have the opportunity to capture market share from the rigid and inflexible competitors, while market entrants have opportunities for market penetration, as well as building entirely new markets for the changing customer tastes.

The following figure presents an overlook of the major global players in the tourism industry in 2009, with an indication of growth or decline through change in international arrivals and overall international tourism receipts. It is noticeable that the winners of the crises, the economies which were able to attract most of the shifting customers, are well established international destinations which are lower cost, especially when compared to Western European countries and the USA which were in the front of the crises. Turkey is one of the major and most distinctive winners, with an excellent infrastructure, low cost flights and an “all-inclusive” affordable offering. However, it is very important to point out winners that do not typically fall into this group, such as Bulgaria and Hungary, which were able to stand out and leverage the crises to position much better as major tourist destinations.

[4] WEF: Travel & Tourism Competitiveness Report 2011

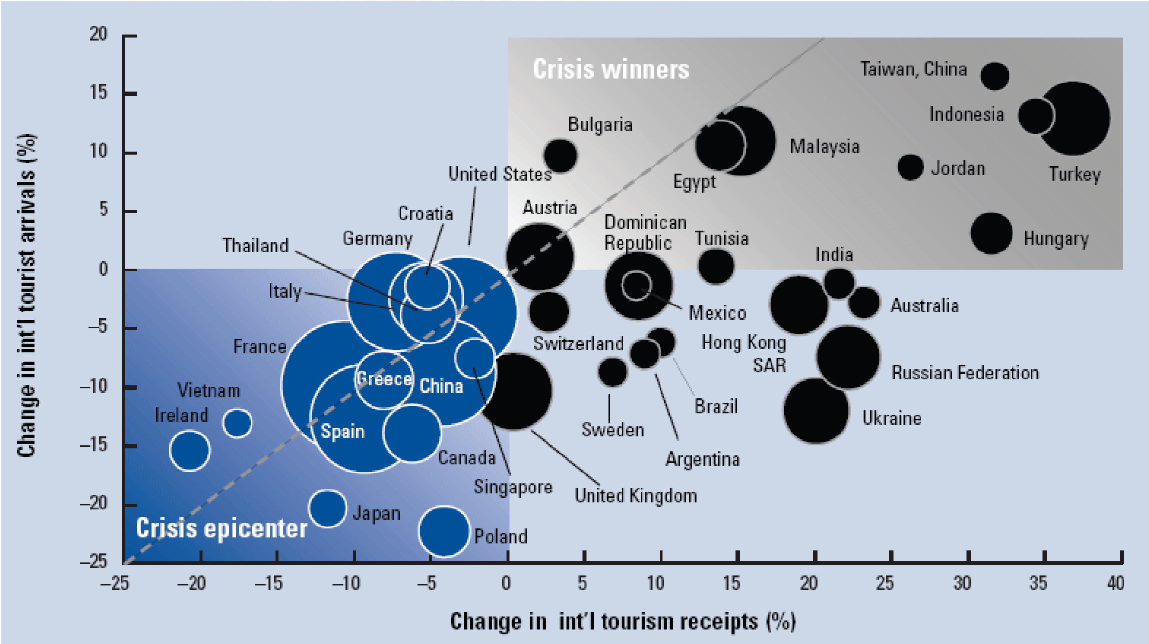

Figure 4: Impact of the economic crisis on major tourism destinations[5]

Enrich the offering for domestic tourism

One of the very expected effects of the recession on tourism is switch of attention to domestic tourism, due to more affordable cost and convenience. This is particularly noticeable in the western hemisphere where classical annual holidays abroad are replaced by more frequent, shorter trips enabled by low-cost air travel and better work-life arrangements[6]. Domestic travel keeps a huge share in total travel spending in big economies, such as Germany, Scandinavia, United Kingdom and the United States, and is a major opportunity during the downturn.

However, if domestic touristic establishments treat the visitors within the standard offering, the increase in attendance will switch back as soon as the economy recovers. Also, with a "business as usual" philosophy, they lose a lot of the potential visitors which, having decided not to travel abroad, decide to stay at home and skip tourism for the time.

Therefore, domestic establishments in the recession need to identify and prepare new offerings, ones that will remain distinctive and appealing even after the temporary economic downturn wares off. That involves promoting entirely new aspects of touristic activities: hiking, wildlife watching, sport tourism, fishing, hunting, camping, ethnic & culture tours, weekend outings etc. Having acquired specific followers during these times when customers would be willing to experiment with alternatives, these establishments become leaders of new tourist markets they have created.

Reach out to BRIC

As presented in Figure 3, emerging economies are major drivers of growth in the global tourism industry. Having this in mind, this is the perfect time for destination managers and tour operators to prepare special offerings and adapt existing ones to the tastes of the tourists from countries such as China, India, Brasil, Russia and other emerging giants. It includes localization of content, promotional material and destinations itself to the specific language and culture, as well as lobbying for better regulation and reducing travel barriers to enabling better access.

[5] WEF: Travel & Tourism Competitiveness Report 2011
[6] WEF: Travel & Tourism Competitiveness Report 2011

Boost up promotional activities

Promoting your business, your country or particular tourist destinations have never been so convenient and affordable. Technology growth and connectivity everywhere, anytime makes the potential that the customers with learn all about their next vacation at their fingertips. That emphasizes the need of having an inviting, pleasant and informational web site, which increasingly becomes the primary point of engagement between the business and the customer. Social networks have opened up whole new chapters of digital marketing, which provides unprecedented speed and convenience of spreading information, opinions, rumors etc. Through personalization, it also allows much better identification of the customer group and targeted communications catering to their particular tastes and preferences.

As the customers become increasingly price sensitive, tourist enterprises of all kinds feel the pressure to lower prices to maintain the planned capacity. Many businesses, particularly at the higher end, see this as a long term threat and undermining of their established brand and value proposition. Promotional discounts usually create a temporary effect and cause a drop in demand after the discount has finished. Nevertheless, a very convenient solution has been available since recently. There is now a range of online enterprises, led by groupon.com, that provide discounts based on a group threshold. It usually involves a sharp discount on a valuable package, however only if a certain minimum quantity of people signs up for it. This is an ideal case for fulfilling planned capacity, as your customers turn into your active promoters in their own networks.

Conclusions

Global economic performance is directly related with the tourism industry, and various periods of growth and recession will follow in a never ending cycle. Within the current globalised landscape, major recessions are more likely to spread out globally due to the global supply chain, relief of trade barriers, deregulation and free flow of capital. However, tourism is an industry which besides being directly related to it, is one of the industries which are most resilient through their ability to react fast and reinvent itself to adapt to the new conditions. The major factors in adapting to such conditions are the capture of the domestic tourism segment and opening out new domestic offerings, reaching out to the emerging economies less hit by the recession and boosting promotional activities in a smart way through all channels, but particularly digital marketing. With the rules of the game changing and the competition being put under pressure, a smart and visionary enterprise can leverage these factors, exploit the circumstances, consolidate itself and capture market, emerging post-recession as a true market leader.

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CURRENT ECONOMIC CRISES AND CHALLENGES FOR INVESTMENTS IN MACEDONIAN ECONOMY

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Abstract:

Current economic crises ask prudent and strong actions from the governments in order to prevent hard consequences that challenge their national economic systems.

This paper analyses in broad terms the changing investment needs and challenges for the Government of the Republic of Macedonia as well as business sector in terms of economic crises, and wider implementation of additional investment arrangements like PPP and PFI, especially in tourism where lack of massive investments was identified as a problem for development of this sector. This study outlines both - the role of private finance and PPP and important contribution they can make and opportunities for further Governmental interventions and action.

Key words: *economic crises, challenges for investments, national economic systems, development of economy, intervention and action*

INTRODUCTION

World face great challenges in terms of economic crises. At the same time, governments create budgets in order to reply to the strategic challenges facing the economy, making massive intervention in finance and real sector of economy.

Beside this new war against crises, governments have to provide public services and rate of economic rise promised to the people during their election champagne. It is also necessary highlighting the importance of infrastructure in delivering not only public services that meet people's needs and expectations, but also economic prosperity and growth.

This paper analyses in broad terms the changing investment needs and challenges for the Government of the Republic of Macedonia in terms of economic crises; sets out a range of approaches that have been developed to address complex procurement issues; outlines the role of private finance and the important contribution it can make; illustrates the key principles and drivers of value for money that public sector procurers need to use to evaluate a broad range of procurement approaches; and sets out how the Government is developing a more risk-based, systematic approach to the scrutiny of major projects, while providing support to them and further enhancing the skills of the public sector.

This study outlines the Government's approach both in order to assist public sector procurers and to act as a basis for further dialogue between the public and private sector on how the Government can best meet its investment needs and help drive value for money solutions in complex procurement.

However, because of economic crises, many governments already announce budget cuts. This study will highlight part of debate about role of investments in tourism as a great stimulus and doubts and concerns about it.

NEW ROLE AND ORGANIZATION OF PUBLIC SERVICES

The basic task or ambition of each government is to provide high quality of public services that can respond to people's need. Governments develop new strategies in order to transform public services and to provide value for money.

World face great challenge in terms of economic crises. In the same time, governments create budgets in order to reply to the strategic challenges facing the economy, highlighting the importance of infrastructure in delivering not only public services that meet people's needs and expectations, but also economic prosperity and growth.

Governments are trying to secure value for money in its procurement of significant assets, infrastructure and long-term service provision. In doing so, it recognizes the continually evolving needs of the public sector, and the changing approaches to complex procurement that have been developed over the past 15 years, and that will continue to develop. Governments have obligation always to consider possibilities of using PPP (Private-Public Partnership) as well as Private Finance Initiative (PFI) when plan procurement or capital budgeting. It outlines a framework for infrastructure procurement that is designed to drive value for money across the full range of procurement approaches and ensure the effective scrutiny of key projects, while continuing to improve public sector procurement and commercial skills. Through this, governments have to build the techniques and processes for PFI and apply them across a wider procurement spectrum.

Considering ideas and practices about full implementation of PPP and PFI as a strategic decision and vision of the Government of the Republic of Macedonia, it is hard to say that Government move step forward from declarative ideas for their implementation. It dues on hard public perception that such arrangements are causes for frauds, corruption and still communist legacy that somebody can make profit using public assets. However, it is crucial, especially in terms when budget constraints are obvious and expected that Government have to implement PPP and PFI in order to finance and fulfill planned capital investments. There is no alternative, especially when becomes obvious that FDI will miss.

Starting from basic trade off in economy, risk-return, Government has to provide fair return for investors risk and it can attract not only domestic but also foreign investors.

THE INFRASTRUCTURE CHALLENGE- INFRASTRUCTURE PROCUREMENT: DELIVERING LONG-TERM VALUE

The Government has an objective to deliver high-quality public services. To achieve this, sustained increases in investment and new approaches are needed to meet the new challenges especially in terms of crises. Strong and dependable public services also lay the foundations for a flexible and productive economy.

This chapter briefly analyses Government's investment plans to deliver public services, in terms of the direction (sectors) of the Government's investment plans for the future and how the Government intends to reform its framework for the most complex procurement projects to harness the full range of procurement approaches and drive value for money.

The environment in which public services operate has been transformed by far-reaching social, economic and technological developments over the past decade. Changing demographics and patterns of work and life, the impact of globalization, new technologies such as the internet and other developments, including in relation to the environment, are creating new and rising demands on public services and substantial changes in public attitudes and expectations.

Budget of the Republic of Macedonia 2010 sets out the strategic challenges facing the economy and confirms the importance of infrastructure investment in driving economic prosperity and growth. The Government also needs to meet new environmental and educational challenges. This requires further progress and investment in associated assets and supporting infrastructure. Government action to meet these challenges includes:

- Education – capital investment in building and maintained of schools. Government started from 2008/2009 with two new important programs - for compulsory high school and establishment of new public universities in order to increase level of education in the country.
- Health – hospital building program and improvement of the quality of health care.
- Skopje 2014 – capital investments in new buildings and monuments in the centre of Skopje. The basic idea is to stimulate economy development (direct and indirect effects).
- Housing – investment program as a long-term commitment to increase the availability of social housing
- Waste Management – the Government is increasing investment in more sustainable waste management options as an addition to, and roughly matches, investment by local authorities themselves.

Good procurement is central to the start of the asset life cycle and it is crucial that procuring authorities use a whole-life costing approach rather than the cheapest or easiest option. Major infrastructure projects require detailed and careful planning and it is important that a robust, value for money assessment be made when choosing the procurement option.

There is no doubt about proper identification of the need to invest in above mentioned crucial sectors, but also Government need to have a more strategic approach to asset management, driving better value for money and encouraging efficient management of the government's existing asset base. This includes:

- with the agreement of the Treasury, departments being able to reinvest proceeds from the sale of surplus fixed assets in capital investment in addition to their existing capital budget;
- departments producing asset management strategies to set out their plans for actively managing their existing assets and to provide the strategic context for future investments;
- retention by departments of proceeds from more efficient use of assets arising from engagement in the Wider Markets Initiative;
- initiative to deliver increased efficiencies in the management of the Government's property assets, especially through PPP; and
- the National Asset Register to help ensure that Government retains only those assets required for public service delivery.

Budget constraints as well as inappropriate and unsatisfactory use of public owned assets raised the question of PPP as additional opportunity to realize planned capital investments. PPPs are arrangements typified by joint working between the public and private sectors. In their broadest sense they can cover all types of collaboration across the private-public sector interface involving collaborative working together and risk sharing to deliver policies, services and infrastructure. PPP exhibits the following key features:[7]

- a joint working arrangement between the public and private sector, which may be by contract or through a joint venture company, to deliver infrastructure assets and usually, but not always, the ongoing maintenance and operation of the infrastructure assets and the delivery of associated services;
- risks are allocated between the parties based on which party is best placed to manage and bear the risk. Typically design, construction and operational risks are expected to be borne by the

[7] *Infrastructure Procurement: Delivering Long Term Value*, HM Treasury, March 12, 2008, page 18

private sector; other risks which are shared are allocated in the way that best incentives both parties to manage the risks;

- generally a PPP is a long-term (25-30 years) arrangement between the parties but can be shorter term, for example where ongoing maintenance of the infrastructure assets and associated services are excluded;
- where ongoing operation and maintenance of the infrastructure assets and delivery of associated services are included, the public sector may pay the private sector for all or part of the use of the infrastructure over the life of the arrangement;
- payment to the private sector is structured in such a way as to ensure the private sector is incentives to deliver the required services or obligations under the arrangement;
- payments are usually made by the authority but can be made by the end user, for example for the use of a toll road;
- the public sector is seeking to access private sector management and expertise to drive value for money; and
- the project is often financed either in part or in whole through private finance.

Government has to proceed with continued assessments of the ownership and management of the governments corporate and financial assets, these initiatives have also ensured good progress against the asset disposals target.

BETTER ASSET MANAGEMENT, PFI AND ITS PLACE IN PUBLIC EXPENDITURE

The vast majority of investment in the Macedonia’s public services has been, and will continue to be, procured through conventional means. However, other innovative procurement approaches, and PFI in particular, has to be used to deliver some of the government’s most complex and significant public sector infrastructure projects and programs. It becomes more and more necessary especially in terms when Government faces with budget constraints and limited resources for capital investment to start with PFI. PFI is an arrangement whereby the public sector contracts to purchase services, usually derived from an investment in assets, from the private sector on a long-term basis, often between 15 to 30 years.

It is necessary for Government to stimulate innovative procurement approaches that may in some circumstances provide better value for money for the public sector in addressing the complex infrastructure investment challenges ahead. It does, however, also announce a number of specific measures. To improve the procurement process, applicable to any delivery model, for large, complex infrastructure projects and programs, the Government (Treasury) has to:[8]

- issue guidance on conducting tenders for complex projects under Competitive Dialogue procedures;
- issue guidance on project maturity – the state of development infrastructure investment plans should have before the public sector formally engages with potential private sector contractors;
- move to a risk-based approach to scrutiny, with scrutiny taking place earlier in the procurement cycle and with increasing focus on the delivery model and the procurement process; and
- continue to support a wide-ranging program aimed at enhancing public sector procurement and intelligent client skills.

Government hast to make clear guidance on joint ventures, to consider changes in credit terms through banking institutions where Government is part of ownership, has to issue guidance on specific PFI

[8] *Infrastructure Procurement: Delivering Long Term Value*, HM Treasury, March 12, 2008, page 11

financing issues (related to refinancing, primary equity returns, underpinned debt and public sector capital contributions).

INVESTMENT IN TOURISM AS "STIMULUS"

The current world economic crisis torn economy policy planners worldwide between two seemingly contradictory urges: reducing non-productive expenditure to help restrain spending, and increasing capital expenditures to help restrain growing global instability. The proper choice of propulsive sectors for investments raises as key element in government planning process.

It is quite a challenge to cut budgets of other sectors now, but it is question without alternative. Only sectors that can reinforce and stimulate other industries can do it. There is no is no-doubt that tourism is such type of industry for the Republic of Macedonia, especially due to the natural and climate conditions. It is strong comparative advantage for national economy, for development all types of tourist activities and comprehensive offer for national and especially foreign tourist. Due to the different level and cycle of crises, attraction of foreign tourists is imperative for Macedonia.

But the question for Government is why or where to cut, or if there is a possibility to create new investments using alternative finance arrangements. There are still public owned tourist capacities in Macedonia, like hotels and other tourist facilities, but also great opportunities can be located at lake shores, public land on important tourist spots (mountains, spas, religious facilities etc.). This is opportunity for the Government to offer PPP or PFI in order to attract private investments and to stimulate construction activities. Such a division of investment possibilities can free additional budget assets for investment in infrastructure, necessary for dynamic development of tourist offer. This is also need to avoid free rider problems in investments and to offer positive externalities for tourist development. The question of scope and the need for massive public and private investments in tourism has to be raised through public and academic debate.

The bullish economic climate in national economy and neighboring countries, provided all the excuses and resources to both politicians and tourist professionals. But now, with the economic crisis they are forced to take a hard look at future of use of scare resources and to intensify investments in tourism. The crisis in the Republic of Macedonia became deep economic recession, so it is clear that changes are needed to be made. Many expected immediate budget cuts in response to the decline in national income, but also many argued for increased government spending as a way to offset the sharp decline in consumer outlays and business investment.

Economies with the most developed tourist industries are ones that can use their budget expenditures for moving and stimulating the whole economy. But it is obvious that such measures can only bring benefits to countries that implement them. Governmental economic team made waves last year when they declared their support for a fiscal stimulus bill to combat the recession. However, their program Skopje 2014 raised a lot of questions and doubts and it is hard to justify all of the planned construction activities. There is no doubt that significant part of that increase in overall government outlays has to be done. Our position right now is that the idea of tourism stimulus has to be born.

This idea has it's bases in propulsive character of tourism activities, concerning the possibility for downsize the rate of unemployment in the country, and to attract prospective private consumption and spending from abroad. It will help make the economy well again.

There is no big difference who will invest and how, all financial arrangements are acceptable, our economy desperately need more tourist investments in the stimulus package.

Foreign and domestic investors need guarantees for higher rates of return through direct or indirect government measures, at least equal measures offered in other countries with campaigns for attraction of FDI. The tourism industry has to receive its own special stimulus package - news of the grants or subventions available from the budget in 2010. It has to be part of economic package and it sure that it can not be less effective compared with current economic programs.

But why less effective, what are the arguments against using investment in tourism as an economy stimulus? What are the facts that crucified the idea of using investments in tourism as a way out of world economic crisis?

There is no doubt that governmental production stimulus can lift the country out of the recession. Tourism is industry with propulsive character. The Republic of Macedonia has comparative advantages for tourism development. There are also arguments opposite of this statement (no sea shore, bed transportation facilities, poor airports, small and low ranking hotels…etc.).

On the other hand, our economy has almost same low preconditions for development of other industries (beside agriculture).

It is also very important to allocate budget expenditures and private investment in sectors that can bring benefit to the economy in short terms. It is a must-to-know effects of exact investment allocation in order to anticipate short and long term impact on the economy.

In other words, the stimulus packages need to contain some spending for infrastructure – new construction, building repairs, roads, energy capacities. However, investments in tourism have near-time simulative effect on the economy.

But on the other side, economists have also weighed in on why "war for jobs" as a way out of recession or depression has entered the world of mythology. Macedonia needs an analysis from the academics to find, for every one million dollars invested in tourism, how many jobs are created. By contrast, the same million invested in health care would create 12,883 jobs, and in education, 17,687 jobs.

Reallocation and rationalization of budget expenditures is what the Republic of Macedonia has to do now. The Republic of Macedonia, as a small country with still fragile economy has no many alternatives for use of scare resources. That's why investment in tourism is question without alternative. Economy is precedent for the people, so part of the budget for tourism development has to be raised and become a question for next budget rebalance.

CONCLUSION

Responding to global economic crises requires governments to have innovative approaches in solving current issues, sometimes to make tough decisions and to apply them in order to realize what is decided and planned. Global changes arises the need for changes not only for the private, but also for the public sector of the economies. Problems need to be solved with synchronized action between governments and their agencies on one side and private sector on the other side. It is obvious now, two years after appearance of crisis, that both sectors need coordinated actions. It is also obvious that current allocation of public expenditures can not solve the recession in Macedonia. So why not to take advantage of that connection and use it in a way that brings benefit to the whole economy?

Recession means less or even no FDI, less budget revenues and more cuts of budget expenditures and this is where Governments face a problem. They must find a way to compensate what is lost and to stimulate economic growth through industries that can reinforce economic development. A way of doing this, is through Private-Public Partnership and Private Finance Initiative and these innovative approaches are ensuring better assets management and good procurement. There is also need to identify industries that need stimulus and can produce more effects on short and near term and possible solution is tourism. Still, what will prove to be the best solution is something that first needs to be done.

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TOURISM AS A BASIS FOR DEVELOPMENT OF THE ECONOMY OF SERBIA

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Abstract:

The place and role of tourism in economic development of Serbia is an important question that deserves special attention and it represents the main subject of this paper. The paper will present data that point out to current condition and degree of development of this activity in the country. The paper will result in the synthesis of theory and statistical data that will show the position of tourism in relation to other activities; based on the analysis of the given data, there will be an attempt to prove that tourism is more important than is now believed. Also, a number of strategic activities will be suggested, with the goal of including tourism in wider economic currents, and, by that, point out its influence on macroeconomic segments, above all employment.

The main goal of the paper is to show that tourism can significantly contribute to faster economic recovery of Serbia, and for that reason its development should be well planned, rather than random, which points to the necessity to design an appropriate strategy for development of the economy.

Key words: *tourism, economy, development, employment, Serbia*

INTRODUCTION

Tourism is recognized in the world as a special branch of economy, its financial effect being the crucial reason. Nowadays, the term tourism industry is used, in order to point out economic significance of this activity. In 2010, tourism brought 1.500 billion US dollars, and, according to WTO estimates, it is believed that by 2020 the world will earn over 2.000 billion US dollars from tourism. This sector employed 238 million people in 2009, and it has to be emphasized that this is at the same time an activity that generates 9.9% of the world gross domestic product. If we look at Serbia's economic development, tourism is a sector of economy through which Serbia faces and communicates with the world most directly, of course in economic, social, cultural and political way. However, in 1990s there were quite unfavorable conditions for development of foreign tourism in Serbia, in the first place due to unstable political and economic situation and wars in the region. Many countries that based their comparative advantages on ownership of certain natural resources are becoming more and more aware of the limitations of these resources and are preparing for the time when these resources will not be present in the amount that can guarantee a high degree of economic prosperity. Already, those countries are investing large means into employment of as many highly educated employees as possible, because in the near future creativity and knowledge of human resources will be the basis for successful economic development. Movement of macroeconomic aggregates and financial potential, as well as relatively high number of the unemployed with unfavorable qualification structure reflect a prominently stagnant condition and point to the necessity for restructuring of the economy and its elevation to a higher level of reproductive ability. Serbia is entering a new socio-economic and market system of great competition and constant changes, as well as one of economic and social insecurity. Increase in employment is a synthetic strategic and developmental goal considering that the employment level is the synonym for the level of economic development, standard of living and social security. Apart from high number of the unemployed (and unemployment will increase from the contingent of new workers from population growth, with the existing qualification structure of the employed), that can be fertile ground for radicalization of unwanted social movements. Through development of tourism activities, large unemployment will be significantly amortized. Based on empirical research, coefficient of the employed in relation to the number of beds is around 2.5.

The paper deals with current issues in the world, which are the place and role of tourism in economic development. The paper will, in a concise way, try to approach the issue, actually define key phases and factors that create an issue, and the goal is to point out to enormous importance of this activity in general development of the society and suggest some correctional measures to move this activity to a higher degree in economic development of Serbia. The emphasis is on the importance and role of tourism in employment of human capital.

LITERATURE REVIEW

In all phases of its development, tourism was and will remain a function of general social and economic development. Economic and non-economic functions of tourism make its dual nature, but it has to be emphasized that these two sides of tourism can never be opposed as positive and negative. The contents of non-economic functions are made of satisfying tourism needs of people, focusing tourism on motives that stem out of those needs, and are in the base of tourism consumption as its initiators, routers and regulators (Bowen, 1991). However, in the right ratio with transformation of tourism from newfangled phenomenon to its dynamic development, the number of economic functions grew; their main qualities are: economic activation of human resources, conversion effects, economic development of receptive areas, intensification of economic development of emissive areas, adjustment of commodity and cash flows and balancing of the market, inductive effects, stabilization of balance of payments, as well as improvement of international economic exchange (Wood, 2004). In the following period, all problems that accumulated over years became obvious, and they created a very unfavorable constellation for development of economy as a whole. Serbia then started having problems with its undefined place and role on the world tourism market. However, the reasons for worsening of Serbia's position on international tourism market should not be sought in the movement of international tourism consumption (Romelić et al, 2001). Namely, it is certain that strengthening or weakening of that position depends, in the first place, on the development dynamics of tourism offer (by that we mean complete tourism offer), its quality level and competitiveness on the tourism market (Petrović, 2002). As a complex economic activity, development of tourism is conditioned by development of other branches of economy that compose the elements of its importance. Dynamics, scope and structure of tourism economy impose a rhythm on the whole tertiary economy, which it has to follow; at the same time, tourism influences the development and growth of tertiary sector. Tourism is means of rational exploitation of available working force (has the power of direct engagement and indirect activation of human resources). In other words, this activity is a sector inseparable from other branches of economy, so, in that way, it affects the problem of unemployment in the economic system of emissive and receptive zones. The reasons for stagnation, i.e. great lag in tourism turnover growth and average foreign currency income per overnight stay of foreign tourists should be sought in a very unfavorable structure of tourism offer, in shortcomings in quality and contents of the existing tourism offer, inadequate assortment, quality, scope and structure of consumer goods that do not encourage the increase of foreign tourist consumption (Oppermann, 1997). A special aspect that has great macro- and microeconomic meaning is the function of tourism as an invisible exporter. Almost third of the food items that are exported in a traditional way have been exported through tourism (Hall, 2007). At the same time, invisible export through tourism has two to three times more affordable prices than trade, and is also enabled with lower product standards as well. Intensifying of arrivals and consumption in the gross domestic product was interrupted in the 1980s, with worsening of economic and political conditions (Gajić, 2009).

In 2009, priority of investment into tourism activity was suggested, which includes construction of information systems, increase in the number of employees, improvement of all types of tourism, as well as promotional activities which are currently being financed solely through sojourn taxes. The interest for the offer abroad shows that tourism in Serbia is expanding, so, in 2008, about 80 brochures were published in foreign press, and Serbia, as a desirable tourism destination, was in even 30 world brochures. Further tourism development depends the most on investments into development of tourism offer (Blagojević, 2008). Tourism development strategy includes a complex of coordinating development projections for a predetermined time period, which lead to fulfillment of basic goals of economic and social development. Clearly defined development concept increases the knowledge of possibilities, brings future closer and motivates the much needed development effort, as well as makes the process of developmental decision making more democratic.

SHORT ANALYSIS OF TOURISM DEVELOPMENT INDICATORS IN SERBIA

Tourist turnover is the most reliable indicator of current situation and exploitation of conditions and factors of tourism development, and, on the other hand, determination of types of tourist movements that come out of tourism potentials. Data on the number of tourists and overnight stays (table 1) especially foreign, point to the fact that not all potentials and resources of the country have been exploited enough.

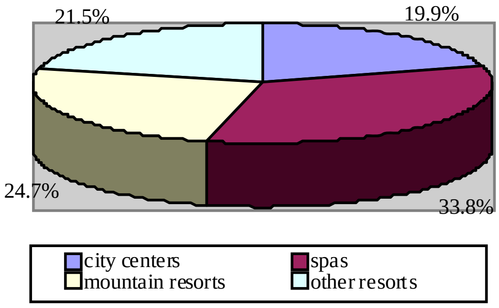
Based on statistical data from table 1 a prominent regional unevenness of tourism development in certain regions of Serbia can be seen. Regional constellation of Serbia is marked by many varieties and very heterogeneous degree of economic development of narrow areas. Regional disproportions are a consequence of natural and historic conditions for development, degree of use of natural resources, economic structure, distribution and development of production forces. Significant differences in achieved degree of economic development of certain regions are not only socially unacceptable, but are also becoming an obstacle for general development, so more attention is being focused on achieving a more balanced regional development, as a condition for optimal development of not only certain areas, but also Serbia as a whole as well.

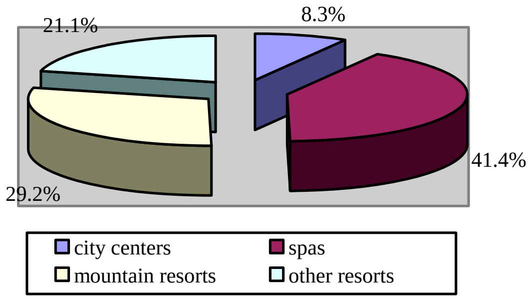
Table 1 Tourist turnover, as well as overnight stays in Serbia for the period of 2003 - 2009 (thousands).

Year	Total	Central Serbia	Vojvodina	Total	Central Serbia	Vojvodina
		arrivals			overnight stays	
2003	1998	1752	246	6685	5999	686
2006	2006	1739	267	6592	5869	723
2009	2019	1729	290	6762	6000	762
Domestic tourists						
2003	1659	1462	197	5893	5318	575
2006	1537	1348	189	5577	5019	558
2009	1373	1182	191	5293	4573	540
Foreign tourists						
2003	339	290	49	792	681	111
2006	469	391	78	1015	850	165
2009	646	547	99	1469	1247	222

(Source: Statistical Yearbook of the Republic of Serbia, Statistical Office of the Republic of Serbia).

Serbia has, considering natural conditions, basically poorly explored possibilities for tourism development, while it represents an offer of high natural quality that is competitive to a large number of European countries.





Graph 1 Achieved tourist turnover according to destination / graph 2 domestic tourists

Unevenness of regional tourism development in Serbia is also illustrated with data in graphs 1 and 2 It can be seen that spa centers are most visited (33.8%), and then mountain resorts (24.7%) where, of course, those are seasonal tourist movements. The largest percentages are domestic tourists, and their participation can be seen from the data in graph 2. Quantitative and qualitative development of certain regions can be realized only as a part of general development of economy and society as a whole. Degree of concentration of accommodation capacities in certain narrow territories is already such that quality development is possible in the first place by enrichment of the tourism offer contents and increase of tourism consumption, and less by spatial expansion of construction. Possibilities are numerous and underexplored, and use of those very possibilities should be encouraged by different measures of planned active policy of regional development, with the goal of achieving a more balanced regional development of tourism.

TOURISM INFLUENCE ON SOME IMPORTANT MACROECONOMIC SEGMENTS

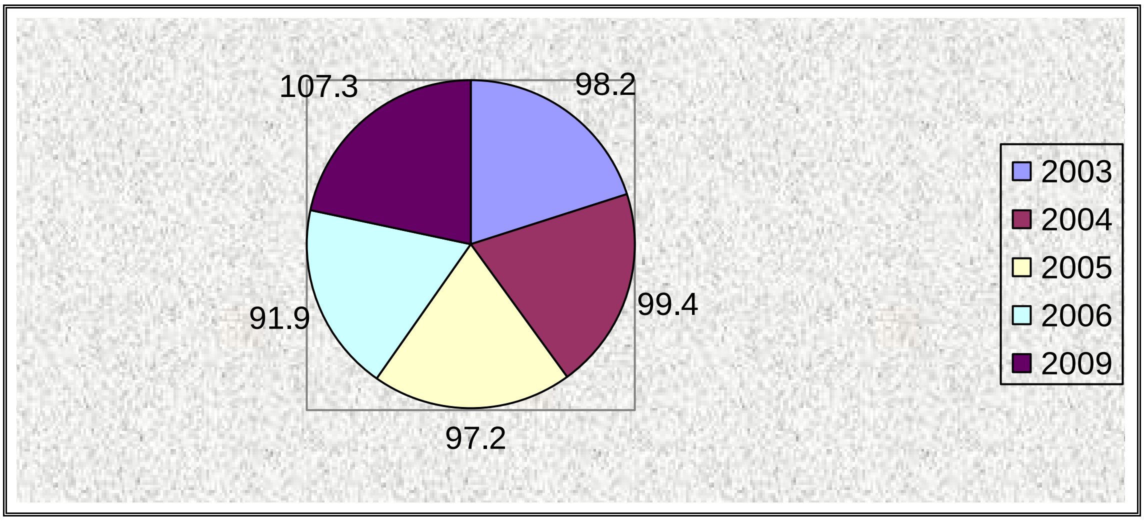
Some theoreticians point out important characteristic of tourism, which is that tourism, is viewed as an activity with dual nature. It has to be emphasized that it is based on the weaker determinant of its development (surplus of free time), and the other characteristic is unilateral directionality of its effect on human individuals, and, through them, only in the conditions of tourism transformation into a mass phenomenon, it is transferred by induction to social community of a concrete destination as a whole. Its effect in the area of culture, politics, education and other parts of social superstructure is not directly visible, it is not felt, and, unlike economic, it cannot be quantified, although primary functions were and still are of non-economic character (Barry, 2004). It is a known fact that economic functions of tourism are very important from the point of view of economic development, but they are directly conditioned by and dependant on non-economic functions. Human urges that initiate tourist movements are, in their core, non-economic, conditioning activating of activities that personify economic functional segment of tourism. Multiplicative function of tourism in the area of economy comes down to movement of means of tourism consumption in various branches of economy with influence on its pulsation and development that continues after the phase where the means of tourism consumption have already performed its basic circulation (from the place of their creation to the place of their consumption). It is a continuous process, initiation of new or increase of existing economic activities in the function of tourism (elements of economic component of tourism economy) through revenue flow from ‘hand to hand’ of economic subjects, just like between economy and non-economy (Bakić, 1997).

Table 2 Modern structure of tourism consumption (main phases and important items of tourism consumption)

Introductory consumption in emissive area	Inter-consumption in transit area	Main consumption in the receptive place
Purchase of tourist equipment: expendable (photo material, seasonal footwear, clothes); permanent (camping, caravanning and sport equipment, etc.)	Accommodation costs	Board expenses:complete or partial, depending on the size of consumption segment; accommodation expenses; food expenses; other board expenses
Purchase of tourist package	Food costs	Non-board expenses:excursion; souvenir; entertainment ; rental of sports and other equipment; purchase of liquor, food, goods and other products;
Purchase of transportation documents	Souvenir purchase	
Costs of vehicle, passenger, equipment insurance	Other transit expenses	
Purchase of spare parts, fuel and traffic equipment		

Tourism significantly contributes to diminishing global disturbances of national economy. Stabilizing effects of tourism are determined by goals: contribution to achieving and maintaining employment rate, decrease of regional disproportions in economic development, exploitation of positive tendencies in the movement of tourist demand and tourism consumption, etc. Tourism never appears as an independent activity, so it is not possible to define tourism economy as an individual and independent unit. Tourism, isolated and left to its own resources cannot nearly achieve the positive effects and influences that it could have in an organized and economically motivated connection with other economy. Its significant propulsive and integrative character, as well as its role of a multiplicator and accelerator of global economic flows have been minimized in Serbia, even though that is a big mistake, because in that very area tourism can give great contribution to the whole economic development. In modern conditions of extremely complicated economic situation, tourism, especially foreign, is counted as an important and long-term stabilization factor of all economic flows of a country. When we talk about creating revenue within tourism economy, it should be pointed out that, due to permanently unfavorable economic position, which is conditioned by administration, as well as due to price policy, which is limited by market competition, this economic activity does not have favorable long-term perspectives. Particular obstacle for development of this activity is inability to connect with other activities on the basis of labor and means association, which should be an important potential factor of long-term improvement of financial position. Starting with the fact that tourism is a part of an existing system where a country, through its organs, regulates all socio-economic relationships and, by that, expropriates autonomous rights, alienates revenue and monopolizes disposition of labor surplus, it is clear that widening of material base of labor is not based on growing accumulative and reproductive ability of organizations of joint labor. Tourism is an activity that is not essentially of productive character, but it comes as a very important factor of creation of domestic product and national income. Tourism provides this important function through turnover of foreign tourists, through which, with the help of foreign currency tourism consumption, there is direct overflow of foreign accumulation into tourist destinations and economy of countries that offer corresponding services. That is the essential advantage of foreign tourism over domestic, which redistributes monetary means within borders of a country.

Graph 3 Tourism and catering share in value structure of gross domestic product from 2003. to 2009.



(Source: Statistical Yearbook of the Republic of Serbia, Statistical Office of the Republic of Serbia).

Tourism as a special segment of final consumption is important, as a market, for a large number of products and services. However, in the case of disturbed reproduction flows, it loses a significant part of its importance, as do other types of consumption. Therefore, in the current situation, its function as an export sector is much more prominent, due to its high net efficiency of foreign currency; it enables a more successful way out to international market for other sectors (Gajić, 2009). The decision for more intense tourism development in development strategy of Serbia came, above all, as an expression of economic necessity for more intense inclusion of Serbian economy in international division of labor, starting there from permanent export orientation. Encouraged by numerous stimulative measures of economic policy, tourism, especially foreign, started developing more intensely, achieving higher growth rates of physical turnover and consumption, especially of foreign currency cashflow. There are other interests for tourism development, such is widening of possibilities to market products and services, need for a more balanced regional development, need for development of domestic tourism, as well as widening of employment possibilities, which should by no means be integrated with the abovementioned interest in export through tourism, but their effect, viewed separately, is too weak in given conditions to solve key developmental questions of this sector as a whole. At the same time, with the use of joint means and adequate credit policy, a significant part of the solution has to be found to strengthen the economic position of activities that base their business on providing tourist services, since those are mostly labor-intense activities.

According to its subject and character of work, tourism is in the group of activities that enable, on a permanent basis, direct engagement of working population from all social, age and sex groups, as well as different levels of education. This circumstance should be viewed in the light of deciding role of live labor in fulfilling different needs of tourists, as well as the fact that in the sector of tourist services, like in other tertiary activities, possibility of replacing live labor with modern technologies is relatively limited. On one hand, it decreases the unemployment problem of young and educated generations, as well as stimulates employment of parts of working contingent that are freed of activities in other branches of economy, which actually represents socio-economic effect of tourist movements. Tourism employees earn income based on their work, and in that way become subjects of demand and consumers capable to obtain material goods that satisfy their needs; this points to economic effects of this sector (Deighton, 1984). When it comes to Serbia, it has to be noted that there is a prominent discord between the number of working population and realistically available number of work positions in economy, which increases the percentage of the unemployed. It is believed that this problem can be solved by stimulation of working population employment in tertiary sector. Nowadays in the world over 150 million people work as providers of tourist services, from which about 10 million are in Europe, as the most powerful receptive market (Goodwin, 2007). When we add all the people who participate in other activities, completely or partially, in providing all kinds of tourist services and by that earn personal income, as well as the ones that are in so-called homemade business and also earn a living by providing accommodation and catering services, to the number of employees in the areas of tourism, hotel management and catering, only then we can have an insight in total effects of tourism development on employment of population. Of course, we cannot omit the fact that seasonal workers in tourism, as well as in other activities that are induced by tourism often have to be added to the number of employees. Discontinuity in employment brings negative effects, because workers' incomes are seasonally defined. The biggest fall could be felt during the 1990s, due to already mentioned troubles that the country and former republic found themselves in. Engagement in tourism in Serbia is lower or has an unsatisfactory position, so there is no impression that tourism is primary branch, even though tourism is declaratively mentioned in developmental documents. There are also important differences in the number of employees in hotel management and tourism, where it is, of course, obvious which branch employs more population.

Table 3 Number of employees by type of activity 2009.

Sector	Total number of employees	Average gross earnings	Average net earnings	Indexes of monthly gross earnings	
				nominal	real
Agriculture, forestry	623223	38421	27582	104.3	96.0
fishery	2094	27147	19589	94.2	86.7
mining	26814	61226	43650	110.0	101.3
Processing ind.	451281	35166	25539	105.5	97.1
Production of electrical en.	46958	62227	44239	107.5	99.0
construction	136779	37897	27175	103.3	95.1
trade	371847	32746	23757	118.7	109.3
Tourism	73173	24895	18176	123.9	114.1
traffic	149496	51350	36880	108.3	99.7
Financial intermediation	54804	94568	67899	109.8	101.1
Real estate	91858	46840	33851	110.8	102.0
Government management	128792	55363	39494	102.0	93.9
Education	153162	49958	35666	103.8	95.6
Health	175156	50444	36030	104.7	98.4
Communal services	123110	42267	30335	108.2	99.6
Total	2616437	44147	31733	108.8	

(Source: Statistical Yearbook of the Republic of Serbia, Statistical Office of the Republic of Serbia).

CONCLUSION

Starting from experiences and present tourism development, as well as evaluations of some important elements of that development, it can be determined with great certainty that tourism (domestic and foreign) developed strongly, not only as an economic activity, but that it also had certain implications on total economic currents. A large part of those implications had undoubtful positive reflections on movements in national economy (balance of payments, employment, more uniform regional development), and negative implications that existed (insufficiently efficient investments, low productivity of production factors, endangering of natural resources and ecological balance) could not significantly affect development and stability of the total economy of the country. The abovementioned positive and negative implications happened in conditions of extensive, spontaneous, insufficiently planned and inadequate tourism development. In the 1990s, tourism developed more or less on the verge of all movements of economy, from which it mostly received negative general impulses (inflation, restrictions, etc.). Such conditions were a consequence of absence of not only an appropriate consistent and long-term policy of tourism development, but also of such policy that would incorporate tourism development in clearly defined goals of general socio-economic development of the country. Dynamic tourism development, encouraged by such a strong social motive, such is increase of export abilities of a country, for the most part blurred the needs for development that are created through effects of other social motives, such are needs for growth of domestic tourism, more uniform regional development, solutions for employment problem, etc. After the decision about a more intense development of tourism in Serbia, the arsenal of incentives was uniformly directed exclusively towards construction of catering accommodation facilities, while neglecting all other equally important contents. Due to the lack of that offer, the total tourist economy was characterized as impoverished on international tourism market, which significantly weakens its position in competitive fight. Also, expensive and irrational construction of tourist and catering facilities is not a rare occurrence; additionally, they are, as a rule, burdened by construction costs of expensive infrastructural facilities as well. Smaller effects of investments in tourism are the consequence of the fact that an appropriate production structure, which would not only follow the movements of demand and requests of tourism market, but also encourage growth, demand and increase of average, as well as total consumption, by wealth of offer and services, was not created or directed simultaneously with development of tourism and increase of tourist demand. Potential of tourism market, otherwise very interesting due to the scope of consumption that characterizes it, has been largely unexploited due to lack of a number of products and services that are usually offered in other tourist countries in the scope and whose consumption could and can increase total effects of investments in tourism development twofold. In those conditions, high expenses of construction of tourism facilities, increased by additional expenses for infrastructure, with inadequate financing conditions, as well as price fluctuations of auxiliary goods and services included in tourism consumption, acted in the direction of gradual erosion of material and personnel substance of tourism economy. Some of the suggested measures for improvement of tourism development of Serbia can be viewed in several following points: as a primary task, it is necessary to view the place and influence of tourism as a complex in creation of reasons and causes of global economic disturbances, as well as on the search for appropriate solutions; it is necessary to determine long-term causes for the unfavorable situation, and view the possibilities for their removal; to view basic characteristics of present development and current condition of tourism economy of Serbia, with emphasis on its orientation on international market; to critically consider conditions under which tourism economy has been developing; to evaluate stabilization role of tourism in settlement of economic problems; to determine unused possibilities of tourism that will contribute to stabilization; to define goals, basic solutions and measures with which tourism could more strongly contribute to stabilization and accelerate its effects; that evaluations and suggestions associated with tourism development have to be based on important specific quality of tourism business, which stems out from the fact that it is a complex activity. That fact is especially manifested in the character of tourism market product, which is complex: from the output viewpoint, i.e. final product, with which tourism appears on the market, that product consists from a number of individual services (economic, non-economic), but which have to act on the market as a single and complex service. From the input viewpoint in creation of each of the individual services, which requires participation of a large number of manufacturers of goods and services, without which a quality market product cannot be created.

Stabilization goals are directed not only towards further economic growth, but also towards the quality of that growth. Such development cannot rely only on new investments and employment, but it pays more attention to productivity of production factors and efficiency of business, as well as economic relations with foreign countries. Qualitative changes are not possible without changes in the sources of economic growth. Tourism development, besides its contribution to accelerated economic development, also enables qualitative changes in other sectors.

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THE INTERNATIONAL MONETARY FOND AS A CREATOR OF THE GLOBAL FINANCIAL SYSTEM

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Abstract

IMF and World Bank were created after the Second World War as a result of monetary and fiscal Conference of the United Nations (UN) in the Bretton Wood, New Hampshire in July 1944. This conference was part of the efforts to finance the construction of Europe which was destroyed in the Second World War, and to protect the world from further economic depressions. The decision that was reached at Breton Wood was influenced by the global economic depression which had affected the world in the yearly thierties.That was the biggest crisis that with with the capitalism confronted. The unemployment grew with tremendous speed and for a short time period almost one quarter quarter of the U.S. working-age population was unemployed. English economist John Maynard Keynes claimed that the cause of economic recession is insufficient demand.

Key words: *International Monetary Fond, World Bank, regulation, economic recesion*

INTRODUCTION

In this section of the paper the IMF and World Bank are in the focus because these two institutions were the center of the main economic issues in the past two decades, including financial crises and the transition of former communist countries to market economies. IMF and World Bank were created after the Second World War as a result of monetary and fiscal Conference of the United Nations (UN) in Breton wood, New Hampshire in July 1944. This conference was part of the efforts to finance the construction of Europe that was destroyed in the Second World War, and to protect the world from further economic depressions. What was decided at Breton wood was influenced by the global economic depression which had affected the world in the early – 30`s. It was the biggest crisis that confront capitalism. Unemployment grew with tremendous speed for a short time nearly a quarter of U.S. working - age population was unemployed. English economist John Maynard Keynes, who would later be a major participant in the Breton wood in the formation of the IMF and World Bank, gave a simple explanation of this phenomenon. Keynes argued that the cause of economic recession is insufficient demand and that the state may, through its economic policy, stimulate the demand. In cases where monetary policy is ineffective, the state can rely on fiscal policy, i.e. either raise taxes or cut spending. The IMF was set up with the money of taxpayers across the globe. The full Name of the World Bank-“International Bank for Reconstruction and Development” shows its original purpose. Complex task of ensuring global economic stability was presented to the IMF. It was obligated to prevent another global economic depression. It was supposed to do that by international pressure on those countries that do not contribute to the realization of plans for maintenance of total global demand. It was planned IMF occasionally to grant loans in order to improve liquidity to countries facing economic trouble to prevent them from lifting the demand with their own funds. In its original conception, the IMF was conceived on the notion that the market often is not perfect, resulting with increased employment. World Bank and IMF were formed on the belief that there is a need for collective action at global level to maintain economic stability. Control over the operations of the IMF is enabled through a specific voting system, which is made according to economic power in several countries. By the time of its establishment until now, the IMF experienced significant changes. Formed under the belief that the market is often imperfect, that there is a need for international pressure on countries to have a more expansionary economic policies-such as to increase spending to reduce taxes and interest rates to stimulate economy.

MAIN PART

CREATOR OF THE IMF AS GLOBAL FINANCIAL SYSTEM AND TOURISM

ROLE AND FUNCTIONS OF THE IMF

IMF in the early 80`s, where the main objective was poverty reduction, began to approve loans for structural adjustment, i.e. only if the country had previously fulfilled the conditions required by the IMF. The fall of the Berlin Wall provided a new arena of action for the IMF. When crises have become bigger and when funds become insufficient to the IMF, the World Bank was called as well. It was supposed to provide money to support the country, but only under the previous guidelines of programs of the IMF. The IMF was expected to restrict the activities related to state budget deficits, monetary policy, inflation, trade deficit, the state debts, while the World Bank is oriented towards structural issues, i.e. how the state spends money, financial institutions, labor market , trade policy. However, the IMF usually had the answers to all questions and they were mostly the same for all countries. Half a century after the establishment of the IMF, it becomes clear that the IMF failed to accomplish its mission-to secure financial assistance for countries facing economic problems.

The programs of the IMF insisted that fast liberalization of capital markets and financial markets contributed to global economic instability. Once the country enters in crisis, IMF programs not only failed to stabilize the situation, but in many cases worsen things, especially the poor countries. IMF failed to accomplish its primary mission-establishment of a global economic stability, as it was unsuccessful in his new mission, to manage the transition of former countries to a market economy. Keynes's orientation of the IMF, which emphasized the Imperfection of the market and the state's role in creating new jobs, was replaced by the motto of a free economy 80 years, part of the new "Washington consensus" between the IMF, the World Bank and the U.S. Federal Reserve. It meant "correct" policy towards developing countries, which was radically a different approach to economic development and stabilization. Much of the ideas within this consensus were developed in response to the events that occurred in Latin America, where governments allowed budgetary spending to get out of control, and poor monetary policy led to an increase in the rate of inflation.[9]

Adam Smith was much more aware of the limitations of the market, including threats that come from imperfect competition, than those now considered to be his followers. Smith was also more aware of social and political context in which all economies need to function. Social cohesion is very important for normal functioning of an economy. But as social cohesion may affect economic performance is possible and the reverse situation, economic situation or to create social unrest. The state should have a role that can recognize the limitations and failures of the market, but which can see that the government and market can work together with the precise roles of both partners, depending on the level of economic and political development of the country.[10]

In the past thirty years, the economy has focused on the role of financial institutions, information, global competition. These new views have contributed to changing views about market efficiency and market economy, but also change the ways of an appropriate response to economic crises. IMF and World Bank overlooked these new insights and their impact on economic policies, just as they were neglected experiences of East Asia, which followed the policies of the Washington consensus and had higher economic growth compared with other regions in the world. Failure to learn the lessons of modern

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[9] Kozuharov, S. ; *Medzunaroden biznis*, 2008., 2009.

[10] Stiglic Joseph, E.; *Globalization and its discontents*, W. W. Norton & Company; April 2003

economic science have left these institutions to cope with economic crises that appeared unready to promote economic growth in the world. For those who believe in free markets, liberalization of capital markets was desirable and evidence that it contributes to economic growth was not required. Evidence that liberalization creates instability was anticipated and was treated as a cost adjustment, or as part of the pain that must be survived as part of the transition to a market economy.

REFORM OF IMF AND GLOBAL FINANCIAL SYSTEM

There are some things in common when it comes to reform of all international economic institutions, despite the fact that each institution faces special problems. Starting with the IMF as the institution to highlight specific problems that are more or less present in other economic institutions. How can an organization with such a skilled and highly paid government bureaucrats make so many mistakes? The suggestion is that some of their problems stem from differences between the goals for which the IMF was originally established to promote economic stability and newly purposes, such liberalization of capital markets, which increasingly served the interests of the financial community, rather than the global economy.[11]

These differences contributed to the intellectual inconsistency, which were more differences than of academic interest. Economic science is often replaced by ideology, which always had clear directions and policies that must be followed. One of the fundamental differences between ideology and science is that science recognizes and acknowledges limitations of knowledge.

IMF never wants to discuss the uncertainty associated with the recommended policies, but always strives to project the image that they're perfect. Such placement of things and this way of thinking makes impossible to learn from past mistakes. How can the IMF learn from the mistakes of the past, when they did not even recognize them? The IMF refused to admit the mistakes of crises in East Asia, recognizing that restrictive fiscal policy spur economic crisis and the strategy for restructuring the financial systems in Indonesia led to a banking crisis. Economic science explain why and in what conditions the market is functioning well, and when it isn't. An explanation was got, why the market may lead to less production of certain products or to excessive supply of other products. Most dramatic failures of periodic market are the downturns, recessions and depressions that leave thousands of workers jobless, environmental pollution, asimetric information. Governments can and must play a significant role in reducing these market failures, but also in ensuring social justice. Market processes can often leave many people without income. While there is sharp debate in the U.S. and other countries around the precise role the state should have, there is broad consensus about the fact that the state has a role to society and the economy to function more efficiently and more humane. There are strong disagreements about economic and social policies. Some of them are related to the core values.

IMF has exactly a role in the flow of international aid. The Fund is tasked to review the macroeconomic situation in the country if it should get help and to see whether the country can live with their own money. The IMF is particularly interested in inflation. Countries whose governments spend more than they can collect tax and foreign assistance are often faced with inflation, particularly if the deficit in the budget to cover the printing of new money. Of course the good macroeconomic policy has other aspects.

The term macro refers to the aggregate indicators like economic growth, unemployment, inflation. Earth, according to the logic of IMF should have low inflation and no economic growth and is facing high unemployment. Many economists would appreciate that that country is desperately poor macroeconomic framework. For most economists inflation is not an end in itself but an instrument for achieving the ultimate goal.

[11] Kozuharov, S.; *Osnovi na ekonomija*, 2009.

RELATIONSHIP BETWEEN IMF AND DEVELOPING COUNTRIES AND DEVELOPMENT STRATEGIES

While developed countries are pushing to open markets in developing countries, their markets continue to be closed for textiles, agricultural and other products coming from developing countries. Other changes that would be desirable are to force the IMF in their programs to include the impact of poverty and unemployment. States should know the consequences of what the IMF recommended. If, for example, the increase in poverty is greater than predicted, the program should be rejected. You have publicly questioned whether there are systematic errors in models of the IMF.

Although the new directives were not always quite clear, and intellectual foundations not very strong, the World Bank began to take seriously the criticisms that was directed toward her. The reforms include changes in three areas: economic development, World Bank assistance is given and the relations between the Bank and developing countries. In a review of its activity, the World Bank began to analyze countries that have achieved successful economic development. Some of the lessons that emerged from this review were the same as the World Bank had long recognized: the importance of living within a budget tightening, education and macroeconomic stability. But some new themes emerged as well. Success comes not only with the promotion of primary education, but by placing strong technological bases, which include more advanced training. Support for trade and greater openness of markets is important, but if the increased trade open up more jobs, not if increased imports creates a reduction of jobs.[12]

It is clear that international financial institutions can not be held responsible for this transformation, but they can play a significant role. At a minimum, they should not pose obstacles to successful transformations. The way these international financial institutions provide financial assistance may accurately represent an obstacle to successful transformation. Conditionality for aid didn’t help in creating better policies, rapid economic growth and better results. Countries who think that reforms are imposed, do not feel included, nor are they committed to reform. Their role and serious commitment is crucial to successful reforms occur. What is worst, conditionality undermines the democratic process. There is public recognition, even in part of IMF conditionality that went too far, that huge number of conditions actually prevents developing countries to focus on real priorities. Some believe that conditionality should be replaced with selectivity, i.e. to assist countries to prove they are committed to development, allowing themselves to choose their own strategies for development. The assistance being set selectively can be a lot bigger effect, such as promoting growth and reducing poverty. Developing countries need financial aid to be granted in a way that will help their development. And certainly need more help. Corrected for inflation, real development aid is shrinking, even more if considered as a percentage of revenue of the country. When the IMF established the international money, the issue was allowed to create special rights for traction, as one type of these special drawing rights can help to sustain the global economy while at the same time to help the poorest countries. More recently attention has focused on writing off debts. Without writing off debts many developing countries simply could not be developed. Much of their revenue from exports goes to repayment of loans to developing countries.

IMF protect the interests of foreign creditors

When analyzing the policies of the IMF, one can conclude that their emphasis is increasingly placed on payments to foreign creditors, rather than using the national economies. The fact that lack of consistency led to a multiplication of problems is not surprising. The question is why there is a lack of consistency? Why the IMF continues to be persistent for some issues and when it is pointed and determined that they lead to problems. Part of the explanation is that the problems that the IMF has an obligation to resolve are complicated and complex. IMF economists are practical people who are trying to make difficult decisions in a short time. But I think there is one crucial reason. IMF is persistent not only to achieve the initial goals of the Fund, to provide global stability and financial resources to countries facing recession.

[12] Kozuharov, S.; Strategiski menadzment, 2010.

But the IMF also represents the interests of the financial community. This means that the IMF often has goals that are conflicting with each other. The tension is even greater, because this conflict can be revealed in public. If the new role of the IMF is publicly recognized, that would certainly weaken the support of the Fund. The new role of the Fund should be “packed” and seems consistent with his original role. The ideology of free market is the curtain behind which you can freely run the new role of the Fund. Changing the mandate and objectives of the IMF, although it seems quiet, is actually very dramatic.

From the institution which serves the global economic interests, the IMF has developed into an institution that serves the global financial interests. The liberalization of capital markets may not contribute to the stabilization of the global economy, but certainly contributed to the opening of vast new markets for Wall Street. The IMF has never publicly changed its term, nor ever has put the interests of the financial community over the interest of stability of the global economy or aid to poor countries which should be provided. Because it can not talk about the real reasons for this change. Maybe there is a gap between what they say and the real motivations for what they do. The behavior of the IMF clearly shows that the problems are approached by ideology and interests of the financial community. IMF or better said much of executives and economists, believed that the liberalization of capital markets will lead to faster economic growth in developing countries.

The IMF has never wanted to hurt poor countries and believed that the policies they advocate will help them. IMF may not have been an institution that cared for the collection of loans of the Group of Seven industrialized countries G-7, but obviously worked hard, though not always successful, creditors of the G-7 to be paid. Billions of dollars that the IMF provided in the form of loans used for short-term maintenance of the exchange rates of unsustainable level, a period in which foreign creditors and the rich can pull their money out of the country under the most favorable conditions, i.e. through open capital markets, that the IMF insists on. Billions of dollars that the IMF grants to States in the form of loans, are often used to pay foreign creditors, even when those debts are private.

IMF AND FINANCIAL MARKETS

IMF takes into account the corporate and financial problems that are actually caused by its stabilization policies, including high interest rates. If many companies fail to repay taken loans, it can happen that the banks suffer collapse. Even the collapse of one large bank can have devastating consequences. Financial institutions are the ones who determine the creditworthiness of companies. This information is very specific, can not simply be made public, they are always hidden in the files of the bank. When a bank fails, most of the information on the creditworthiness of its customers is destroyed and re-collection of that information is very expensive. Even in many developed countries, usually small or medium enterprise can get a loan of up to two or three banks.

When a bank goes out of business, many of her clients have difficulty finding another bank which will provide loans to bridge the daily liquidity. In developing countries, where funding sources are still limited, if a bank fails, the firm that financed the bank will be very difficult to find another source of funding, especially during recession. The fear of this vicious circle prompted governments worldwide to strengthen their financial systems by cautious and transparent regulation.

LOW INFLATION AND BAD PRICE OF LOANS IN THE AGENDA FOR THE IMF

Financial institutions may be satisfied with low rates of inflation, but workers and poor people are not happy with low economic growth and high unemployment. From all the wrong policies of the IMF, most are poor. Reforms in one sector without reforms in other sectors can only cause deterioration of the situation in the economy. The ideology ignores these things. The ideology says to go as quickly as possible to a market economy. Economic theory and history show how it can be disastrous.

There are more fundamental criticism of the IMF and the Washington consensus. It is important to see not only what is on the agenda of the IMF, but what is not as well. Stabilization is on the agenda, the opening of new jobs is not. Taxation and its effects are on the agenda, the reform of the land is not. There is money to provide banks and creditors, but no money to improve education and health services to workers laid off from work as a result of wrong macroeconomic programs of the IMF. Many of the items that are not contained in the Washington consensus can lead to higher growth and greater equality. For example, agrarian reform which was made in a proper and legal way would enable those without work, not only to obtain land, but access to credit, as well as knowledge of new types of seeds and techniques for processing of land, which will lead to higher productivity growth.

Excessive focus on IMF inflation resulting in high interest rates and high exchange rates creates unemployment, but not economic growth. Financial institutions may be satisfied with low rates of inflation, but workers and poor people are not happy with low economic growth and high unemployment. All side effects of the Washington consensus can not be predicted, but the present aspect can be clarified. Trade liberalization accompanied by high interest rates is almost a sure recipe for layoffs and rising unemployment. The liberalization of financial markets without appropriate structure for regulation is also a reliable recipe for economic instability and may lead to higher, not lower interest rates.

Of all these wrong policies, most are poor. If the IMF in its development programs underestimates poverty and neglect, which means also underestimate the long-term political and social costs of policies that destroy the middle class, and to enrich a small number of people at the top. The middle class is traditionally composed of people who always push for law enforcement to improve public education and the creation of social protection. They are the basic elements of a healthy economy and the erosion of the middle class inevitably leads to erosion of support for these important reforms. While the IMF underestimated and ignored the costs of his programs simultaneously overestimate the benefits. Unemployment can be taken as an example. According to the IMF and others who think that demand is always equal to supply, unemployment is the result of obstacles that prevent the free functioning of the market.

While modern economic theories based on the existence of information asymmetry in the market, explain why in the high competitive markets as well there may be high unemployment. If the IMF has a very optimistic position on the market and it's functioning perfectly, his view of government is too pessimistic and should be careful when making decisions.

FINAL PART

From a public institution set up to resolve the market imperfections, the IMF has grown into an institution that stands for pure market economy without any government intervention. Not so successful efforts of the IMF during the 80s and 90s have raised questions about the position of the Fund for globalization, or how the IMF sees the goals of globalization and strives towards their realization, as part of its role and mission. IMF successfully perform the duties assigned to it, which means the establishment of global stability and helping countries in transition to achieve the required stability at the same time followed by growth.

Until recently it was discussed whether the IMF should deal with poverty, which in the past was the responsibility of the World Bank. There was a particular coherence in the idea of intellectual father of the IMF, Keynes, the concept of the Fund and its role. Keynes perceives a lack of market, which suggests that markets should not be left to themselves, but that they must be regulated. That problem could be solved by collective effort. He was concerned that the markets themselves may create long-term unemployment. He proved why it is necessary to require global collective intervention. Because the actions of individual states hurt the actions of other states. Imports of certain countries hurt the exports of others. Contingents and quotas on imports of certain countries intimidated economies of other countries.

There was yet another market failure, which was worried that the situation of a serious recession may occur that the monetary policy is no longer effective. It may come to a situation in which some countries will not be able to borrow in order to finance the growth of spending or to compensate for the shortening of the taxes necessary to stimulate the economy.

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FINANCIAL SYSTEM AND CRISES IN THE GLOBAL ECONOMY

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Abstract:

The crisis to be easily understood, we should understand that the functions of the financial system change, the functions of the country change, too, revolution happens in the concept that means market. These conceptual changes are in the roots of the crisis, but they are not either investment in some risky instruments.

The role of the banks, until the early twenties from the last century, was to allocate the fund of the companies. The role of the financial markets was to tell the value of the securities, by means of contradiction between the bid and the demand. After that, it started to change and more and more companies started to ensure fund through the stock exchange, instead of the banks. The function of allocation of the fund was transferred from the banks to the stock exchanges.

Key words: *crisis, global financial system, financial market;*

INTRODUCTION

The capitalist system has proved amazingly vital, despite the recent crises. Lately, capitalism is facing problems, not as large as in 1917., when several shots in revolutionary St. Petersburg marked the creation of a form contrary to the capitalism that ended a decade ago (except Cuba and North Korea). The problems are not like those of 1929., when the stock market crash on Wall Street led to a global great depression. In 2008., for the first time in two decades, the total global market wealth (i.e. all assets traded on financial markets, such as stocks and bonds), last year fell by 4%. Thus the study shows "Boston Consulting Group". The number of households with a minimum of $ 250,000 market wealth has fallen from 39 million to 37 million. Judging by the flow of international trade and capital, and by level of integration of markets, economies and the world 100 years ago were almost as globalized. Globalization has had its maximum on the eve of the First World War and even again in the last decade reached that level. Between the First and Second World War, globalization (expressed by the mobility of capital) rapidly began to go in the opposite direction.

Unexpected bankruptcy of "Enron", the Texas conglomerate was a global player in energy and finance has led to disappointment. That prompted concerns about the integrity of corporate America as well as models of capitalism, based on Wall Street.

MAIN PART

FINANCIAL SYSTEM AND CRISES IN THE GLOBAL ECONOMY AND TOURISM

CHALLENGES OF THE BANKING SYSTEM

Are banks really that adept at diversification risk as they think they are? Will those who buck the risks be able to cope with it? The shift from a system based on banks to a market oriented system creates new dangers. Diversification does not grant the right of creditors to be reckless in their decisions. In recent years, banks made several disastrous decisions on lending. The most obvious example is the hundreds billions of dollars they borrowed to telecommunication companies during the expansion of technology businesses, and generosity shown to Enron and Argentina. One reason for this excessive generosity is that commercial banks are trying to get companies for investment banking mandates. In this business traditionally dominated investment banks like “Morgan Stanley” and “Goldman Sachs”. The registration of the issuance of securities, or consulting the annexation and acquisition, are far more profitable than lending. Because banks were offering free credits to encourage companies to entrust the investment banking deals. Judging by the anxiety of the investment banks, it seems that such a move was successful. However, problems with the commercial securities, and a few big losses on loans granted to clients of investment banks, cast a different light on this strategy.

COMPETITION IN THE FINANCIAL SECTOR GROWTH

The forces that have encouraged growth and diversification of financial firms have now increased the level of competition in the sector. In most financial services, the combination of intensified competition, greater transparency and the introduction of electronic systems are to reduce fees. For example, an institutional brokerage commissions annualy decline by about 5%. The last two years crash the enrollment of primary emissions and reduce the number of acquisitions and integrations. Derivatives allow users to reduce risk while trying to take bigger risks. This dual role makes it difficult to estimate whether their influence is beneficial or harmful. Lawyers for both variants are numerous. What is certain is that financial firms, especially on Wall Street and London City, want derivatives. They hired a whole army of mathematicians and physicists to work as “financial engineers” in the creation of complex new products, that need to disperse risk throughout the financial system. The market for these products is rapidly increasing. Credit derivatives have already reached the nominal value of nearly 1 trillion dollars. And five years ago were only $ 100 billion. In 2005.

increased to 3 trillion dollars. The nominal value of derivatives traded over the counter now exceeds 100 trillion dollars. These five dealers (including “Pi-Jay Morgan” and “Citigroup”) cover only 60%. Derivatives and other assets of financial engineering are useful for better risk management. However, these appliances can be used to increase the risk and threaten a greater chance to reach it. Emanuel Derman of “Goldman Sachs” described that most of the work of the financial engineer is “high-tech version in order to estimate the unknown value of fruit salad from the well-known price of fruit, or, conversely, estimating the unknown value of the fruit from the well-known price of the fruit salad”. Financial engineer may undertake risk through bond and splitting a series of smaller risks. For example, that inflation will reduce its real value or that the debt will be repaid on time. These small risks can then be assessed and sold through derivatives. Thus the bond holder retains only those risks that he wants to bear. But this is not easy, especially when it involves assets whose risk exposure is so far away in the future, and traded so rarely that there is no good market standard for pricing. For example, Enron sold many of these derivatives, just accounting the profit from them, even though there was a huge dilemma about their profitability in the long run.[13]

Some insurance companies are already starting to take some risks that the banking system and the traditional market intermediaries avoid. “Swiss Re” and “Mjunik Re” have approximately 10% of the market for credit derivatives. Insurance companies became big buyers of securities covered by assets. However, hardly any counter-investors, particularly in insurance, are so sophisticated and well informed as Buffett. Most insurance companies have a reputation of “peasants into the world of finance”. Tim Fristoun of consulting firm “Siberi Insurance capital” considered that most insurance companies, investment management and risk are on the level that banks have exceeded 10-15 years ago.

Now that the investment climate has worsened, insurers are looking for new high-(i.e. high) investments that banks provide through financial engineering.[14] But some analysts fear that when the true risks of

[13] Kozuharov S., *Medzunaroden biznis*, 2008.
[14] Kozuharov S., *Medzunaroden biznis*, 2009.

these investments will become apparent, problems will arise as well. In the report on financial stability from December 2001, the “Bank of England” paid the entire chapter on the transfer of the risk between banking and insurance sectors. They were referred to as “challenges for market participants and authorities - in monitoring the distribution of risk in the economy. The differences in regulation, accounting and taxation must not change the behavior in an undesirable manner.”

There is a danger that this risk may ultimately go back in the banking system. Most of the transfers of risk may be an accounting trick, designed to avoid regulatory capital requirements, without actually reduce risk. And if insurance companies are not able to respond to obligations and fail, banks may find themselves “on dry”.

Most of the risk can end up in the hands of less sophisticated investors. Including some of the individuals who now takes aim at financial services firms. Nobody knows how these individuals will react when they learn that no one has informed them of taking risks, or how it will affect the economy as a whole. Consolidation in the banking sector may increase the riskiness of the financial system in other ways as well.

Avinash Persaud of bank State Street talks about the more frequent “liquidity black holes”. Investors who want to sell, especially in large quantities, suddenly realize that they may do that at a lower price than the one that the brokers determine for small quantities. This often happens to some of the markets which are generally considered highly liquid (such as currency markets), or the smaller markets like those for the debts of emerging markets. The quantities of trading on currency markets declined rapidly. The reason for the appearance of these black holes, Persaud explained, is that liquidity is a function not only of market size, but of the different opinions of those who trade on it, too. The more we disagree, there will be less liquidity. Several factors reduced the differences in opinions, he argued.

Technology has enabled information to spread quickly, reducing the possibility of disputes arising from differences in the level of information. The consolidation reduced the number of major market participants. In 1995., 20 banks in the United States were covering 75% of foreign exchange transactions. By 2001., the number was reduced to 13. Moreover, large firms are increasingly using similar internal systems for risk management. These systems respond to changes in markets and lead to similar reactions of those who use them. As a result of that, the few large companies that dominate the business are increasingly moving as herd. That reduces the diversity of opinion, and thus liquidity, according to Persaud. Some banking regulators say the danger is not serious. According to them, the basic risks taken by financial institutions are very different, even if their systems for risk management are similar. But everybody agree that less liquid markets are more inclined to financial crises. Is there a way to increase diversity of opinion? One possibility are the institutional investors with different time horizons.

Large private partnerships for investment banking, such as “Salomon and Goldman Sachs”, previously accepted alternative steps. But, once listed on the Stock Exchange they are too concerned about short-term volatility in earnings to take such risks. Among the obvious candidates for their place are hedge funds, which are free to invest contrary to the dominant market power. There are the insurance companies and pension funds as well. They have very long-term liabilities, and no need for systems of risk management based on the reactions of the market. The company has many obligations due after a long time, and a wide range of yields, large amounts of liquid assets and shareholders willing to accept the volatility of yields that may arise from taking a relatively risky decisions. That “allows us to take risks which are far greater than the appetites of our major competitors,” said Buffett.

NEW REGULATION OF THE GLOBAL FINANCIAL SISTEM

Due to political dilemmas, the idea of a single global regulator of the financial system now is not on the agenda. Who regulates “Citigroup”, the largest and the most diversification financial institution in the world? This company operates in 100 countries and deals with almost all financial products that exist. Is it good? It seems that most of the dynamics of global finance in the last three decades is attributable to lower regulation of capital movements, especially from one country to another, and ways of using it. Basically, the money is free to go wherever a business opportunity appears. The freedom of capital to go where it had the highest yield, is an indicator of excessive regulation. Generally, competition has forced countries to improve their regulation to become more attractive to mobile capital. However, some (such as Malaysia) are still opposed to this and continue to control the entry and exit of capital from the country. It must be emphasized that in neither country the regulation is abolished. Behind every great market stands a good regulation - whether done by Government agency or organized by market participants. Internationally mobile capital usually rewarded regulation for protecting investors and minimizing privileges for market insiders. This resulted with a convergence of regulation around each common international standard. But this process is not completed. Competition among regulators brings certain advantages. There is already a freer flow of information between different national regulators. Multinational institutions like the International Monetary Fund, Bank for International Settlements and the Financial Stability Forum have an important role. However the most important bilateral communication is the one between national regulators. The global financial system is not even close to the required transparency. One reason is that there is no consensus about what should be regulated.

Over the past 20 years the great credit expansion was the cause of banking crises in many countries, like Japan, the countries of Latin America and East Asia. The experiences of these countries show that in the period of credit expansion have seen GDP growth. Even in terms of having a stable system of bank supervision bankruptcies can not be prevented when the government guarantees cover losses of the bank, political support for troubled banks from the government, lack of clear laws governing the conduct of politics and power to troubled banks, lack of criteria for publication of the bankruptcy of a bank. Very often, bank books do not give real, true and timely information by which the regulatory bodies need to assess the solvency of the bank. Banks are sometimes inclined to hide or reduce their losses. This tendency becomes even more pronounced with the deteriorating financial condition of the bank. For example, the experiences of Spanish supervisory bodies indicate that in conditions when credit losses were an average level, bank statements were shown twice lower in comparison with the amount of losses shown in supervisory reports. On the other hand, estimates of the auditors were twice higher than the losses reported in supervisory reports. It is difficult to accurately evaluate the quality of loan portfolio of the bank. In some countries banks in their reports are not reported as problematic loans granted to public enterprises, although they have problems with payment. In many developing countries and transitional countries, a significant portion of loans to banks approved of related individuals (shareholders, managers or directors of the bank who have a stake in the bank). That complicates the assessment of the solvency of the bank, which should be made by the auditors and supervisory bodies.[15]

In countries where banks and companies do not apply international accounting standards and do not use international auditing principles, there is a very distorted view of the financial condition of the bank. Thus, the level of risk for certain loans granted to related persons or companies is estimated at a very low level. The assessment of the solvency of the bank's more complicated and in conditions of high inflation when the information and figures shown in bank statements are not properly corrected. The level of expertise and skills of employees in supervisory agencies and bodies and technical equipment of these bodies is very important. Even in developed countries, bank inspections are necessary, i.e. only the financial statements of banks can be trusted. It is more than necessary in countries with inadequate or non-harmonized way of reporting. Developing countries and transition countries are usually faced with a lack of sufficiently trained and professional staff that is capable of controlling and testing the solvency of banks.

FINANCIAL BUBBLE AS REALITY

Global postwar rise in stock prices is due to two trends that do not guarantee its continuation in future. First, there was a long period of relative peace and prosperity. Second, the securities owners substantially

[15] Kozuharov S., *Medzunaroden biznis*, 2009.

diversify their portfolios. Because they saw their shares for less risky, and therefore more valuable. The chairman of the Federal Reserve permits to create a potentially disastrous financial bubble of soap, according to British economists Andrew Smiters and Steven Wright. They argue that Greenspan, who in December 1996. criticized the financial markets due to their irrational optimism, should increase interest rates to reduce the optimism to a fairer level, and with it the share price. Greenspan did nothing. Stock prices continued to soar. People thought they were richer than they really were. Because they were spending more and saving less than they needed. Companies whose stock prices rose, took more loans.

CENTRAL BANK AND STABILITY OF THE BANKING SYSTEM

If time does not solve the problems in the banking system, they can very easily break down the macroeconomic stability that is the priority of each central bank. Measures of the Central Bank to maintain the stability of the banking system are implemented through monetary management interest rates, liquidity of credit institutions and the exchange rate of national currency. Typically, central banks have a major role in the establishment and functioning of credit and payment system, functioning as a national clearing centers and approving short-term loans to commercial banks. In many countries central banks made direct supervision of compliance with banking rules by lending institutions. In countries where supervision is beyond the competence of central banks (supervision can be concentrated within the finance ministry, agency or independent deposit insurance agency), the central banks participate with all instruments in the banking regulation. An important factor that determines the condition of the banking system is liquidity and solvency of the central bank. In some countries the poor performance of the central bank may be the cause of banking crises. Central banks are responsible for maintaining the stability of national currency, in the long term is a very important factor for the stability of the banking system. At the same time, the sudden shift from monetary expansion to monetary restriction in the framework of the programs for macroeconomic stabilization, causes disorder in credit institutions. Such changes can cause problems with liquidity, and even massive insolvency of banks. Negative impacts of shock methods on the banking system are very likely when banks are weak organizational and financial, but also in terms of weak bank regulation and supervision.[16]

The same effect is achieved in an environment of rapid and excessive liberalization of the banking system or in terms of privatization and recapitalization of the banking system. This particularly applies to liberalization during adverse economic conditions caused by internal and external factors that may cause additional problems and disorders. This comparison is made by the experts of the “World Bank” for Reconstruction and Development. From the macroeconomic point of view or perspective from a height, Indonesia, was part of the Asian economic miracle, there was a long period of economic growth, macroeconomic stability, a stable monetary and fiscal policy, a significant inflow of foreign direct investment, certain structural problems, including problems in the banking sector. From the microeconomic point of view or perspective in terms of commercial banks could be concluded that the granting of loans was performed without the risk estimates, but based on different relationships and connections, the amounts of investments and reserves were not related to risk assessments, monitoring missing the weak economic sectors used foreign sources of funding which created the illusion of cheap credit, returns and profits of the banks do not correspond with the actual state of affairs.

FINAL PART

In the last twenty years, the world economy faces significant transformations. Reduce state interference in the economy, liberalization of financial markets, privatization of state assets, developing new information technology. All these changes affect the formation of new rules and globalization of financial markets. Since the early 80`s U.S., the largest creditor in the world, faced with huge deficits in the state budget and current account. But the U.S. economy managed to draw enormously large amounts of foreign

[16] Claassen E.M: International and European Monetary Systems, Praeger, New York.

direct investment and thus to finance deficits. Germany also face major economic distortions and huge budget deficits with large costs merger with East Germany, but managed to maintain macroeconomic stability. These two examples show that while macroeconomic stability has been disrupted, macroeconomic shocks were not strong enough to destabilize the financial sector. The conclusion is that the economies of developed countries, especially their financial systems are more mature and stronger, apart from developing or transition economies. These countries are able to overcome the problems, mainly because they have developed liquid capital markets. The liberalization of foreign trade and deregulation of the banking sector in developed and developing countries, globalization of financial markets, market reform in transition economies often result in an increase in macroeconomic instability, increasing deficits in foreign trade balance and balance of payments and impact on quality and efficiency of the banking system. The opening of national economies enhance the impact of external shocks on the operation of banking systems.

Countries in the Asian region suffered a similar experience. In 1997., after Thailand refused to tie its national currency to the dollar, the Philippines, Malaysia and Indonesia are faced with huge trade deficits. Devaluation of currencies has slowed down development of real sector and caused dubious in the financial sector. Since foreign investors only grant loans in dollars to ensure the risk of currency devaluation made the servicing of external depts very difficult. With that economies are becoming very sensitive to increases in interest rates. It only exacerbates problems in the banking sector. Traditionally, banking crises occurring during the economic recession and the inability of companies to repay their bank loans. How the economic crisis will affect the banking system depends on several factors. But of greater importance is the condition of the banking system before the economic crisis. Of great importance is whether the bank is liquid or not, that amount is covered by its commitments, the quality of the loan portfolio. Great credit expansion in periods of revival of the economy in the later period may be the reason for the banking crisis. Credit expansion can cause distortion of the quality of the bank's loan portfolio and increase the risk placements. Increased lending activity makes it difficult to work and the regulatory authorities that have responsibility to monitor the quality of the loan portfolio of the bank.

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MACEDONIAN STOCK EXCHANGE: DEVELOPMENT OF INVESTMENT BANKING AS OPPORTUNITY FOR LARGER INVESTMENTS IN NATIONAL ECONOMY

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Abstract:

Institutional concentration of financial aggregates as well their market allocation through stock exchange is one of the basic conditions for efficient and fast economic growth.

Full implementation of above mentioned functions also means appropriate place for investment banking, and their activities on primary capital market. This can be opportunity for larger investments in national economy and tourism.

Key words: *national economy, development of investment, investments banking, national economy, financial agregates, tourism*

INTRODUCTION

Institutional concentration of market aggregates as well as their market allocation through stock-exchange is basic precondition for faster growth of financial markets and their internationalization. This is essential in order to achieve efficient and rapid growth of national economy.

It is absolute fundamental for financial markets to be efficient, not only to function fast, but also to work with low fees. Therefore, key element is need of permanent improvement of stock markets, especially decreasing their administrative procedure, through the process of implementation of comprehensive electronic trading systems and use of highly sophisticated communication systems.

If there is no economic interest to implement above mentioned roles of stock market, it becomes absolute clear that there is also no place for development of investment banking, whose main responsibility as well crucial difference from brokerage houses are activities on primary capital market.

CURRENT STATES OF MACEDONIAN STOCK MARKET LOOKING FROM THE POSITION AND ROLE OF INVESTMENT BANKING

Creation and development of Macedonian Stock Exchange basically happened as a need to provide successful transition and process of privatization of state ownership in Macedonian economy as well as the need of national economy to have efficient and stable financial market. Beside transition, creation of Macedonian Stock Exchange (MSE) de facto means change of former system and development of national economy on market principles - as market economy. Macedonian capital market offers Macedonian companies possibility to get and raise funds not only in economic borders of national economy, but also from international financial sources. MSE functioned more all less well in last 11-12 years as secondary market.

However, the crucial question is importance of Macedonian Stock Exchange and its role as primary market. Some questions raises like does Macedonian companies recognize stock market as opportunity to generate equity or they just have perception about MSE as secondary and even speculative market?

The detailed analyses of current states of Macedonian stock market can offer relevant answers on above mentioned questions.

Macedonian Stock Exchange was euphoric and bullish in 2007 and caused extremely and irrational high growth of MBI index. However, looking from now, this is the matter of past. Expert and academic community in the country made forecasting that 2008 will be year of stabilization. Financial crises caused pull effect and foreign portfolio investors escape from the capital market, as well as interest of domestic investors for securities trading decreased.

Beside the fact that fundamentals and potentials of Macedonian companies are favorable, (they announced positive financial results in 2008 and 2009), and in spite of the fact that negative information concerning joining NATO Alliance happened - the level of trading remained relatively high until September 2008, global economic crises and recession became heavy burden for low and small market on MSE.

There is no doubt that MSE is now in a mature stage of its development as capital market, but also, it is a fact that in 2007 speculative capital enter the market and caused the high and unrealistic rise of stock prices . All forecasting predicted stabilization of the market in 2008 and cleaning of speculative capital, so in start depreciation of the value of MBI index was not percept negatively.

Sharp decrease and drop of the market can be explained as a result of local political and economic factors that influence Macedonian economy, but today, it is obvious that crucial influence on regional markets has global financial crises. In such terms, even solid quality of financial results of Macedonian companies have no influence on serious investors in securities.

On the other side, it is an old story about initial public offerings – IPO as opportunity for companies and for increasing the supply side of the stock market in the country.

Stock market is efficient allocator of financial resources not only within the borders of national economy, but also globally, providing market based transformation of the ownership and capital in the companies. Institutional concentration of market aggregates as well as their market allocation through stock-exchange is basic precondition for growth of financial markets and their internationalization and for efficient and rapid growth of national economy.[17]

It is crucial for financial markets to be efficient, not only to function fast, but also with low level of fees. Therefore, key element is need of permanent improvement of stock markets as well as decreasing administrative procedure, through the process of implementation of comprehensive electronic trading systems and use of highly sophisticated communication systems.

If there is no economic interest for implementation of above mentioned functions of stock market, it become obvious that there is no place for investment banking which main role is activity on primary market.

-Why this is no attractive for Macedonian companies?

The basic goal of Macedonian companies has to be development and growth, not sale to foreign investor. Many company owners think about future of their business on two ways. The first one is how to sell their business to foreign strategic investor and to enjoy the rest of the life. The second one and more difficult is how to improve their business. This is a great challenge. When current owners start to think about expanding of their business on domestic or foreign markets, it is a time for new stock issues. If there is only wish to sell own company, there is no bride future for the Stock Exchange.

[17] Glen Arnold, Corporate Finance, McGrow-Hill, London, 2008

New stock issue through Initial Public Offering – IPO became one of the most popular instruments for raising new cash funds for companies in three Baltic countries, Estonia, Lithuania and Latvia. So, within two years, as a result of massive popularization of this instrument, eight Estonian companies succeeded to raise 308 million eur - capital for new investments.

In terms of bearish market, as it is current state of Macedonian capital market, as well as after phase of increasing the price (interest rates) of debt instruments for domestic companies, there is no doubt that investment banking is possible solution for improvement of Macedonian economy.

The above mentioned Baltic states are affordable for comparison with the Republic of Macedonia, due to the fact that they passed similar events (transition) and experiences and they have comparable scope and structure as Macedonian economy. Baltic experience can be used as guidance and idea for Balkan managers, in using IPO.

Macedonian Stock Exchange has experience with only one IPO, and stock analysts has a great reserve about the way how it was managed and realized. Starting from Baltic states experiences we can derived conclusions for companies as well as for the whole capital market in Macedonia in order to have more IPO on Macedonian Stock Exchange.

It is our personnel opinion that most important pre-condition is that companies ought to have ambition to grow and to increase the scope of their activities. If they are determined in this course of action it will be logically for them to look out from the domestic market and to start with penetration on foreign markets. However, in order to succeed to achieve respected market share on foreign markets it is crucial to improve the quality and increase the offer of their products or services. It means that they have to be ready for competition on foreign markets, starting from neighboring countries. If they succeed in it, they will raise their earnings and profit. However they will need additional financial funds for expanding their operations. This will be also trigger for activities on primary capital market and IPO.

The second important element necessary for implementation and development of activities on primary market is regulation, especially for IPO. SEC has to make improvements on regulation and make whole process simple. Our suggestion for SEC of the Republic of Macedonia is to follow the example of European directive for IPO prospects. It does not mean to copy/paste whole model, but at least it has to be similar. It also mean that SEC has to declare whole process and documentation necessary for IPO. This will mean uniform regulation close to EU criteria and possibility for Macedonian companies to create IPO also on stock exchanges abroad.

This is our crucial position and recommendation. There is no need that IPO for Macedonian companies has to be made only on Macedonian Stock Exchange. However, it is first to standardize process and organize campaign to introduce companies and academia with it. Then, it will be much easier to create more IPO. When people understand process, there are also bigger chances to make it popular and to attract companies to use it as alternative way for fund raising. This is also the way to change psychological dilemma concerning the idea for the future for Macedonian companies (sell or grow) and expanding the business.

This is possible only throw export oriented operations and this is a big challenge. If managers are determined to do it, we can expect more IPO and new quotes on stock exchange.

Estonia popularized process for IPO of new stock issues and this is a key. Local and regional investment banks are interested for development of this process. However, companies have to be more transparent and to offer more financial reports as well as other additional information about their business, especially their strategies.

IPO IN TOURIST INDUSTRY

There is no need for additional explanations about propulsive effects as well as influence of tourism on economy development. Concerning the current situation and deep economic crises in Macedonia it is crucial to look on foreign markets. Tourist industry will create additional spending from foreign tourist. However, Macedonian tourist industry has to increase the quality and to make their offer more attractive.

Macedonian hotels and other tourist companies desperately need fresh capital but also better management, know-how and finally new markets. New (foreign) share holders are preferable. The process how to implement it is through IPO of new stock issues. This will increase the equity of tourist companies and will lead to possible change of management structure. This is the key, how Macedonia and tourist industry can avoid and stay in group of local looser and join the group of global winners.

All stakeholders (Government, regulators, companies, investment banks etc.) have to join their efforts in order to have success. This is difficult process but have to start as soon as possible. SEC and Macedonian Stock Exchange have to lead this process. They will have great support from banks, brokerage companies, investment funds. They desperately need new instruments for trading. Companies need additional capital and new markets. It means that interest exists, and process can start. Concerning the way how things functioned in Macedonia, it will be better to offer foreign institutions to lead this process. This is no only matter of their experience and knowledge, it is more matter of Macedonian perception that foreign expertise is more valuable. However, Macedonian economy need new stimulus. Tourist industry for sure can play such a role.

CONCLUSION

Investment banks serves as financial intermediary and facilitate issue of new securities on capital markets. Their main roles are transaction on primary market through designing securities that are attractive for investors. Financial intermediary create new financial products. They provide economy of scale in analyses of credit ability of potential borrowers, in processing and collection of debts as well as diversification of risks.

Investment banking is not only important for companies – micro aspect, but also for development of national economy. There is no doubt that vitality of one national economy depends on transfer of funds and economy can not achieve full level of employment and productivity.

It means that through new IPO they can facilitate development and growth of companies as well ownership and management transformation, necessary for increasing the scope and quality of products and services that companies can offer on domestic and foreign markets.

The Republic of Macedonia needs change of regulation and uniform practice for IPO in accordance with EU directives as well as free new stock issue not only on MSE but also on stock-exchanges abroad. This will increase FDI in Macedonian economy, especially in tourist industry. It will be possible solution for raising equity capital necessary for tourist companies in order to reach world standards in this business.

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QUALITY MANAGEMENT IN THE HOTEL INDUSTRY

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Abstract

From year to year the tourism turnover in Macedonia is falling and the visit is drastically decreased ("ISO 9000 standards to Total Quality Management – a", 1998 and "Quality-basis for business promotion", 2004). On the other hand, it is known that part of the economic Macedonian priorities is complied with the European Union standards. Therefore, the priority for the achieved results of good catering business results is the tourism. In addition it can be mentioned that the quality request is becoming a part of every day life and it is the main driving force of many companies. At the same time it has encouraging effect in the effort making for achieving and overcoming the competitive markets.

Key words: *tourism, quality, management, model, total*

INTRODUCTION

Standards are unified basis for achieving products and services whose quality will be comparable on the domestic as well as on the international market. They are necessary for managing the complex systems and providing quality products and services therefore presenting instrument for full economic and industrial integration.

On the current level of the society development, standards present written document with set of precise and explicitly listed definitions, technical specification, criteria, measures, rules and characteristics which give full description for the materials, products, services, processes and systems.

The basic hypothesis is that with the introduction and application of higher standardized and prescribed national standards for quality and systematic stimulation of the entities for introducing and application of the international standards for quality-ISO and the TQM concept in the work, real conditions will be created for development of tourism.

Standards applied in the hospitality

Prescribed standards for the mandatory quality, according to each category, are introduced in each part of the work of the hotel. The application of the standards is made every day through standardized operational procedures which clearly and documented are addressed to each employee.

The standards for prescribed quality are elaborated in a rulebook for categorization, compared with high standards (as prescribed quality by the system for total quality) express relation in the domain of construction, space, equipping and arranging the premises intended for guests, for the working processes and employees, but only partially for the other standards like the standards of labor, communication and ecological standards.

The introduction and achieving of system of total quality in the hospitality and obtaining certificate for quality ISO 9000 understands prescribing standards for all employees and standards for all activities.

ISO standards

The following standards are in the set of ISO 9000 – 2000 standards, quality management system:

- ISO 9001 – quality management system-specifies the requests of the quality management system which can be used for internal use in the organization or for certification or for contracting. It is directed toward effectiveness of the quality management system in the fulfillment of the requests of the user. Furthermore, this standard is related to the standard 14001(standards for environment protection) but only in a sense of the compatibility of both standards from the aspect of general benefit for all.
- ISO 9001 – doesn't contain the specifications of the other special standards, but is compatible for them at the designing of every kind of configuration of the quality management system, which makes it a foundation stone of the quality.
- ISO 9004 – quality management systems-instructions for improvement of performances, alleviates the application of ISO 9001. It can not be basis for certificate or contracting.
- ISO 14001 – specification and instructions for environment protection
- ISO 17000 – safety system, EIC 300, etc.

Term and meaning of the total quality management

The total quality management (TQM) is a system for promotion, effectiveness and efficiency of the work and includes all employees and all activities from simplest things to highest level of promotion.[18]

In contemporary conditions of doing business in catering, in situation when the competition is ruthless and the market demands are growing bigger every day, the need is apparent for quality techniques of management. In that kind of conditions the quality becomes factor for survival on the market, competitiveness and profitability. If one wants constant improvement of the total quality then it requests management with everything that significantly influences on the work i.e. total quality management. The basic idea of this system is that the quality is not produced but the quality is managed. Quality management in hospitality is complex because it needs provision of not only high level of quality of accommodation and food but also the services. That is complex for the hotels but at the same time it is a challenge, as well as with what kind of work organization the expected results should be achieved like: profit, satisfied employees, satisfied partners and societal community and most of all satisfied guest, user of the catering services. The system for total quality management understands quality of all levels of the working process, expressed in the strategic plans of the organization.

Stipulating, prescribing and achieving the quality of expectations and wishes of the buyers illustrate the slogan "we fulfill your wishes upfront".

The needs, expectations and wishes of the buyers should be envisaged –the quality is based on the prevention, and less on the control. The former inspection is replaced with the systematically organized control, and decisions are based on facts, documents and checked information. Between the planning and control the most important is the achieving of quality. Exactly in that phase the sense can be seen of the total quality management. Efforts are made to disable the appearance of mistake instead to correct the already made mistake.

When one talks about the quality from the aspect of ISO norms that means quality of: products, services, business process and business system.

TQM in the hospitality contains all parts of business activity:

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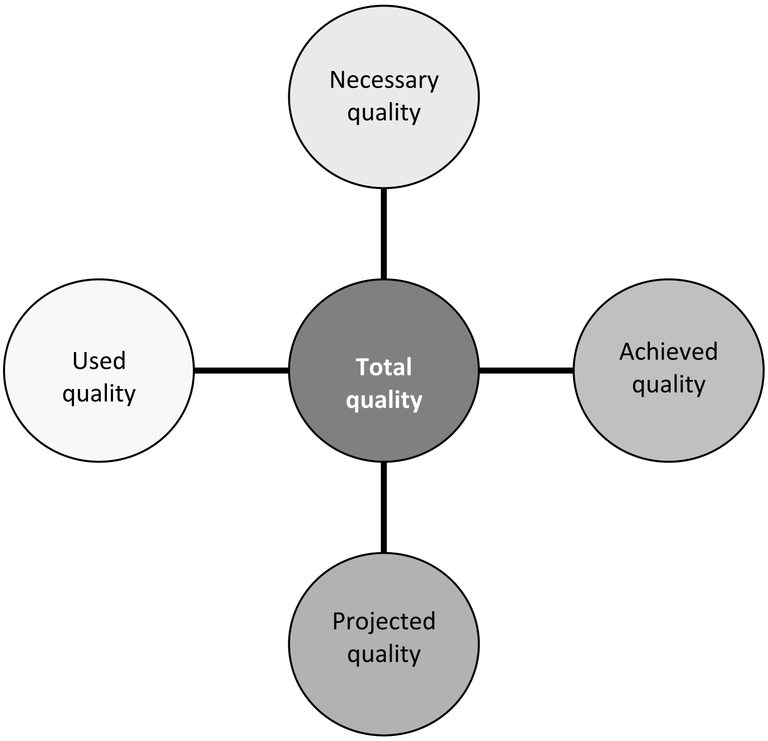
[18] Avelini Hojlevac, 2002. Quality Management in tourism and hotel industry, Facutly for tourism and hotel management, Opatija

- ✓ Standards in the construction of hotel facilities
- ✓ Standards of equipment for promoting hotel rooms and other premises in the hotels
- ✓ Standards of the working processes in the hotels (procurement, production, service, sale)
- ✓ Standards of quality of catering products and services
- ✓ Standards of communication and business ethics
- ✓ Standards of hotel information system
- ✓ Staff standards (labor standards)
- ✓ Standards of hotel terminology and symbols
- ✓ Standards for hotel management
- ✓ Ecological standards
- ✓ Standards for safety and health protection[19]

The interaction of the line guest-hotel staff has the central place in the concept of TQM, and the starting basis of all activities is the definition of the term quality.



Item 1 Total quality of products and services[20]

Goals and advantages of TQM

The basic goal of TQM in the hospitality is to have lower prices guaranteeing constant quality of products and services which will satisfy the needs of the users-guests.

One of the goals of quality management is constant improvement of the services, and the quality of services should be experienced and felt by the guests as well as the employees. The creation of lasting

[19] Avelini Hojlevac, 2002. Quality Management in tourism and hotel industry, Facutly for tourism and hotel management, Opatija

[20] Kosar, LJ., Rasate,S, 2005, Challenges of quality, High hospitality school, Belgrade

experience of the quality is possible only with consequential orientation of the management towards the mentioned two dimensions, quality of experience and quality of the working processes.

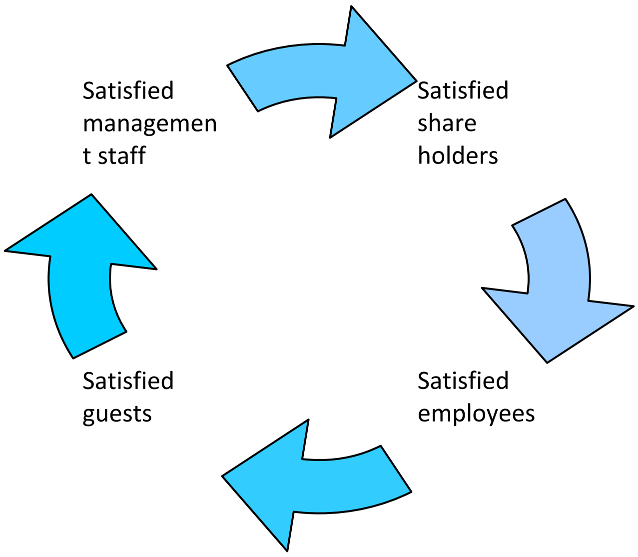
The goals of managing the full quality can be seen in the advantages achieved by it:[21]

- The quality of the products and services is increased.
- The pleasure of the buyers is increased and their trust is maintained
- The competitive ability and the market strength of the organization is strengthen
- The working costs are decreased, and the productivity and profitability of the work is increased
- The pleasure is increased with all employees, and the quality management is increased
- The reputation and the value of the organization is increased

Therefore the usefulness of the introduction of the quality system is increasing profit of the organization, decreasing the working costs, increasing the level of product and service quality, removing the barriers for work on the domestic and world market, possibility for increasing the market prices on the domestic and world market on the basis of quality, increase of the price of the business system at the change of ownership, decreasing the price of products and services as a result of the decrease of the quality costs, fulfillment of the market demands (users), increase of the competitive ability of the business system etc.

Basic principles of TQM

Management with the full quality as system is crucial tool for success in the hands of the owners. But at the same time it is the most complex system of management from the aspect of management staff. In order to successfully function, the management staff should show its function in systematized manner.



Item 2 PDCA cycle of satisfying the interested parties[22]

TQM promotes application of principles of quality for integration of all functions and processes of the organization with ultimate goal to achieve satisfaction of buyers i.e. users, with constant improvement. The system of total quality management is characterized with complete documentation, and the decisions

[21] Avelini Hojlevac, 2002. Quality Management in tourism and hotel industry, Facutly for tourism and hotel management, Opatija

[22] Kosar, LJ., Rasate,S, 2005. Challenges of quality, High hospitality school, Belgrade

are based on facts. At the same time it is obvious and successful only if it has all the elements and the same are fully synchronized, not one element should be missing.

This concept is consists the fact that there are extreme/internal buyers/users and of course in the row of activities of the realization of the final product/service each carries its share of the responsibility for quality which is achieved at the end. The maximum “the buyer is the king” here is comprehensive so it refers to all the employees no matter of the hierarchical level or the part of the working process. Thereat it is understood that the top management of the organization supports and stimulates this kind of system.

TQM shouldn’t be understood as some kind of determined state or some kind of stabile state but as a manner of work (direction) which stipulates and promotes different adjustments and constant improvements, creating the projected quality, in movement.

The development of the quality management system continues and his final goal is getting the work closer to the extent of excellence (Business Excellence).

Infrastructure of TQM

The appropriate conditions for work which provide achieving of compliance with the demands of the products and services (created according to the demands and needs of the users on the market) in hotel organization can be named as infrastructure. It should be defined, provided and maintained. In the hotel organization the infrastructure can be precisely seen from spatial aspect (construction facility and environment) and from process aspect (functionality)-equipment (spatial material conditions).

From spatial aspect: hotel facilities, yard environment of the facility, accesses and communication roads, parking spaces, equipped space for accommodation and rooms for the hotel guests, according to standard of category.

From aspect of process equipment: equipment for technical and hygiene maintenance, equipment for preparation, cooking and serving food, PCs and software for management with the hotel work etc. And also the support services like transport or communication services-telephone, telefax and internet communication.

The space in which the employees work, move and stay while working is called a working environment. That space completely coincides with the space where the guests are accommodated. That kind of special quality in the hotel organization implies need of high ability and knowledge of the architects, in order to solve the corridors of the employees in a way that will provide them to be maximum functional and minimum visible in the process of their work.

CONCLUSION

Compared to the other economic branches, in the tourism sector the service is not sold from one single provider but package of services from different factors on the market. The quality of each separate part of this package has significant meaning for the total quality of the products and services that tourists experience.

The quality of the hotel product as market category presents key presumption for survival of each hotel facility and the tourism in the country as a whole, on the dynamic, turbulent and highly competitive tourism market, and for valorization of the tourism potentials of the country like: natural beauties, climate advantages, tradition, hospitality etc.

For better usage of the potentials for tourism development in Republic of Macedonia, harmonized development of all factors is needed at which the hospitality has significant place as the biggest representative of the tourism offer of the country.

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THE TOURISM CLUSTERS IN BULGARIA – PROBLEMS AND PERSPECTIVES

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Abstract

Developments in the formation and functioning of the Bulgarian clusters are in its initial phase. Strongly supported by the state these business units increased rapidly in number. However, such issues arise as: "How clusters should be actually working in our economy?", "In which sectors should be exercised influence in the direction of support clusters?" "Really bunches of companies are suitable model a competitive economy?", etc. The answers to these and other issues related to cluster will be received in the future. The fact is that in world practice, such entities are carried out, realized and will likely give very good economic and social outcomes, leading included enterprises and regions in which they operate, to economic prosperity. This paper presents results by a project, a continuation of several previous studies concerning clusters on one side and tourism on the other. It comes to meet the scientific "intersection" of two research teams – those from the Departments of Industrial Business and Entrepreneurship and Commercial Business. Data collected by the project indicate many diverse processes in the field of clustering in the most attractive economic sectors in Bulgaria - tourism. They promise "interesting times" for those in clusters and for the policy-makers. The focus is on problems and perspectives of Bulgarian tourism clusters.

***Key words**:* *cluster, network, synergy, tourism, destination, competition*

INTRODUCTION

The economic nature of tourism supposes the bases of this industry to be build on the attractiveness of tourist resources and usage of targeted policy to be sustainable source of income in the recipient country. Economic results of this business within the world shows impressive numbers: according to the World Tourism Organization the share of tourism in the global exchange of goods and services is approximately 6% and in the narrow scope (services only) it takes 29 % of such exchanges. As a result of such major presence the borders of tourism industry expand and becomes more difficult be given their concrete geographic and product definitions. Within these borders wide variety of companies, individuals and organizations associated with primary and secondary tourism supply chains operates. The complexity of the interactions between the various stakeholders within destination or distribution chain is multiply because of the conditions in the global marketplace. One possible way of response to the global competition is the evaluation and effective application of the business opportunities locally. In this respect during recent years an increasing international role to networks, alliances and clusters is marked to support competitive advantages in tourism and counteract to the global and local forces. The main objective of this paper is to analyze developments on the formation and functioning of tourism clusters in Bulgaria and on this basis to draw out the opportunities and threats facing them in the short, medium and long term. The survey targets are potential tourist and functional clusters in Bulgaria, the subject - issues, challenges and opportunities of them. The period of the survey is June 2009 - October 2010. The sources of information include: official data from the travel records, statistics, published in Bulgarian and foreign research in the field of tourism; available economic information for businesses within the cluster. The specific data is collected by surveys, cases, interviews. As additional option for gathering more information was used and the method of expert opinion. The funding for this study is under the Project 23/2009, supported by The Scientific Institute at the Tsenov Academy of Economics – Svishtov, supervised by Assoc. Prof. Mariana Bojinova, PhD.

THE BEGINNING OF CLUSTER APPROACH IMPLEMENTATION

As a starting point to introduce the cluster approach in Bulgaria we can accept the actions of government, NGOs and business structures, taken after the decision of the Council for Economic Development Council of Ministers in the spring of 2004. In accordance with them to facilitate the processes of formation and cluster development as priority sectors were identified chemical industry, energy, textiles, information and communication technologies (ICT) and tourism.

The key activities to the introduction of the cluster approach were the started government project in July 2005 entitled: "Introduction of Cluster Approach and Establishment of a pilot cluster model"[1]. Its purpose is "to improve the competitiveness of the relevant sectors of the Bulgarian economy, using the advantages of the cluster model". On the base of the project logic design as the most promising sectors were defined including tourism. As a result - two clusters – finalists were supported: one industrial (manufacturing of furniture: Troyan region) and one tourism cluster (West Rhodopes) were selected to assist and serve as a good practice example for other potential and existing clusters in the country. As a result of this first cluster project initiative two important documents have been made - one strategic, namely the National Cluster Development Strategy and one practical – The Guide to Clusters' management. In the course of project activities implementation have been produced maps of universities, incubators and support organizations that would be valuable participants in any future endeavors. Thus have been identified the organizations to support the introduction of the cluster approach in the Bulgarian economy [2]: government institutions at national level, local government structures, local governments, national and local NGOs, research centers, incubators and technology parks.

With Bulgaria's acceptance in the EU, the development of National Cluster Development Strategy and approbation of the cluster approach in a number of national major strategic documents the work of state institutions in this respect have not been concluded. Just the other way about - a continuation of the first government project (under the PHARE program) is made in order to continue the realization of initial ambitious targets. The project is named "The Initiatives for Cluster Development" - phase II and started in late 2007 – finished in February 2009 with the support by the PHARE program. Its common goal is increasing the competitiveness and innovation in SMEs as a basis for sustainable and balanced development of the economy" [3], which is specified in project goal: "to support the growth of existing clusters of Bulgarian enterprises or those in the embryonic stage of development to improve their competitiveness". In March 2008 grants through it got 10 clusters and the total value of this support is EUR 1000715.26 Euros. Only one of the clusters supported was tourism cluster in Varna with a project budget of 160070 Euro, of which grants were 80035Euro.

Besides the financial support of the 10 clusters the project has implemented such activities as: identification and initial screening of more than 20 new agglomerations; conducting 17-days and 2-days trainings for capacity building of the potential and functional clusters; 6 regional workshops; organizing and conducting weekends for leaders of clusters that win grants; prepared another 3 guides and manuals for Bulgarian clusters; exchange of experience with a visit to the Netherlands; updating some of the parameters of the National Cluster Strategy; preparation of measures to support by the Operational

Programs together with Ministry of Economy and National Agency for SME support. The final recommendations from the project to the state experts by the Ministry and National Agency, and entrepreneurs interested in the development of clusters have been made in the following directions: establishment of a National Cluster Coordinator to coordinate work between agencies and to monitor the implementation National cluster strategy; funding opportunities by OP especially for clusters; correct "clustering" and clusters to be stimulated also by other measures of OP; implementation of a gradual transition over the next five years to the technologically advanced hybrid clusters (i.e. clusters, bringing together industry with agro-clusters and other such combinations).

In conclusion, the national dimensions of policy to promote development of business clusters are well spelled out at the strategic level. It is noteworthy that the National cluster strategy must be linked to the most with those strategies an Innovative and SME, but did not find the necessary support from them since the last two document clusters are developed too superficial or copied elements of the strategy-related industries. It is therefore logical, as the cluster strategy for more than five years has not formally adopted, it shall be transferred to the strategies for innovation and SMEs by updating the past. Thus will "institutionalize" itself a cluster strategy and it will take a rightful place. A very important moment for the actual achievement of good results of the clusters is the availability of service, agency or a national coordinator to provide the necessary methodological support of these business units. More than 5 years after writing the ambitious cluster strategy such state structure is not created. This is a step back from its stated willingness to apply the cluster approach for development of Bulgarian economy.

THE BULGARIAN TOURISM CLUSTERS - SURVEY RESULTS

The presented in the paper problem areas and prospects for tourism clusters in Bulgaria are obtained on the base of data gathered from a study of six such units in 2010, through a structured questionnaire comprising 63 questions divided into 7 sections. Studied clusters are located throughout the country and are constructed of both localized and thematic basis.

Brief presentation of tourism clusters

Rhodope - BG Tourism Cluster is established in 2005, but operates under the provisions of NGO's Law from the next year. Its functions are performed by the Rhodope Regional Tourist Association through deliberate change in its constitution of 2006. This business structure is established as a short-term coalition, assisted by the first "financial cluster wave" to serve as a model in tourism industry. Smolyan tourist cluster unites 37 enterprises with total number of employees around 800. It is dominated by micro, small and medium enterprises and its composition does not consist of large enterprises. These are tourism businesses to residents located in and around Smolyan and its neighboring cities. Five years after its creation, the cluster has no special servicing unit, but has a governing body and constitution. Membership is organized on the principle of "sense of community" - without paying dues. Particularly worrying is the self-determination of the stage of cluster development - embryonic and idle.

The tourism cluster in Varna [4] has not been officially registered until the project activities were on process. It is based on long-term relationships between round 130 travel agencies in the region. Although there is still no constitution and governing body, the organizers of this cluster have realized the importance of the service unit. The role of such is carried out by Varna Chamber of Tourism together and Business Agency - Varna. They coordinate efforts for the further development of cluster initiatives and activities. Organization membership is similar to previous cluster - relies on a sense of community. This formation is of more than 130 heterogeneous horizontal travel related companies with a total staff of over 2000 people. There are united small and medium-sized enterprises owned by residents. Enterprises in the cluster are located in Varna and neighboring towns. According to experts in the cluster the stage of development of the structure is mature with stagnation indicators.

The Balkania tourism cluster [5] as well as the previous cluster is not registered officially. Indeed, the global practice is controversial in that regard as prevailing view that the institutionalization of the cluster is not always a guarantee for its future success. On the contrary - many formalized "clusters" showed modest results in time precisely because the existing framework in which to operate. The sphere of activity of the "Balkania" is advertising and marketing of tourism products offered. The bases of this cluster uniting 30 hotels, 6 companies and a wine cellar with total about 1500 employees are the long-term good relationship between them. It still has no constitution, governing body and service units - only a contact person. Businesses in the clsuter are mainly small and medium-sized and property of residents in economic activity in related sectors horizontally. Located in the Trojan and its neighboring cities. The stage of development according to the expert person is mature and growing.

Tourism clusters in Plovdiv (Ways of Orpheus, Dionysus and the Way of ancient Thracian road) are the "older" Bulgarian clusters - their record during the first cluster wave in 2006. The initial intentions of the initiative committee were to form nine clusters, since this is the maximum capacity based on the locations of ancient wine, monuments, wineries, etc. The field of activity of these clusters is quite diverse: reconciliation and putting the business fundamentals of the vital cultural wealth with the livelihood of people and creating new, modern and interesting one, establishing infrastructure and architecture for destinations that will be registered in the European Union and the global travel agencies, creating jobs and revitalizing the economy in the Plovdiv region, restructuring of agriculture and food industry, development of viticulture and wine, fruit and canning industry, cultivation of essential crops and production pink and other essential oils and others.; development of energy farming. Associations are registered under the Obligations and Contracts Law with a specific purpose furthered by subsequent registration according the Law for NGOs. The cluster management is implemented by the governing body with a statute; a service unit for the three formations is to be built. The long-term relations are the base of the work of these cluster structures. Although no membership fee, they support themselves by owning property of trademarks and know-how and receiving royalties for their use. Totally: in the three clusters are merged between 200 and 300 hotels, restaurants, wineries and more; the number of employees - over 3000. Enterprises are mainly small and medium owned by the residents located in Plovdiv and its neighboring areas. Covers several horizontally and vertically connected industries. These are clusters in the embryonic stage, but with strong ambitions, which puts them in the list of developing cluster groupings of this type.

Key issues and perspectives of the Bulgarian tourism clusters

Direction: Activities, innovation and innovativeness

The activities of one of the first clusters created in Bulgaria, Tourism Rhodope – BG, at the end of 2010, are mainly in the area of strategy: formulation of a vision for development, destination management, providing additional tourist services, implementation of sales and marketing management. The implementation of these activities is carried out by the Managing Cluster Committee, supported by the contact person. Upon completion of the project in 2005-2006, which is in the field of marketing, subsequent projects are not undertaken. In the near future are not identified project initiatives, despite stated intentions to make proposals in the field of organization development and supply of product and marketing. Activities that appear to be supporting the cluster members are advices in the field of management and marketing. The work of the cluster, if any, in the last year has not been distributed among members. In the short term, within the next year, there are some targets for implementation of the cluster.

Smolyan cluster describes itself as user of already set up innovation rather than a generator or adaptator. According them the innovative capacity of firms in the cluster is moderate. Innovations that are exchanged in the cluster are mostly new and improved products. The competitive position of firms within the cluster is about average. Particularly worrying is the state and prospects of R&D in the cluster, such is not done and or planned soon. There is no interaction with innovative structures such as incubators, centers for technology transfer, etc. Information between companies in terms of innovations in the industry is shared by workshops or through internet. At least twice a year are organized meetings with research units, in particular the cluster maintains good relationships with the University of Plovdiv. The contacts with the university provide information on innovations in tourism, as well as updated information from this field of science and practice.

Activities, which have been declared to develop by Varna cluster, are related to the formulation of development strategy in the medium and long term. An interesting point is that the implementation of activities in the cluster is on the principle of Chaotic - no defined system and is the originator of an action develops it in the future. Information about cluster activity is by a few months. At the time of completion of the project cluster has completed a project in the field of management of human resources and marketing. In the short term another project initiative is indicated that concerns the organization of supply of tourism product. To support the members of Varna tourist cluster it has been provided advice and consultation on management and ecological problems and towards new marketing and sales solutions.

Regarding technological activities in leading companies the Varna cluster concluded that companies are more users, not creators of such developments. They claim that innovative capacity of firms in the structure is moderate, and their competitive positions are at average level. Innovations that are exchanged in the cluster concern mainly the management and organization of work, and the sale and distribution of products of the cluster. Research is important for the development of this cluster and those involved are individuals and units of universities. Support for scientific studies is looked through donor programs. Some of the businesses within this tourist cluster are engaged in Technology Park. Businesses intensively exchange information among themselves in relation to developments in the industry through dedicated meetings, forums, and daily e-mail. They organize at least monthly meetings with researchers from the University of Economics and the College of Tourism in Varna. They receive support from them in the form of participation in various projects with research and practical application.

Key activities in the Balkania tourism cluster are towards the realization of basic and providing support travel services. Furthermore, there are performed marketing and strategic activities (development and implementation of development strategy). In the cluster there is no clearly delineated system for activities realization. Enterprises are informed for them through e-mails. Trojan tourism cluster has already realized a project with a marketing focus, but will set new initiatives again. Short-term strategy is built to work on the cluster. Like the previous two clusters and the "Balkania" considers itself a consumer and not the creator of innovation in tourism. Innovative capacity of firms is to moderate and exchanged of innovations are new or improved management methods and systems and significant changes in product offerings. Competitive position of the cluster is good - they are leaders in the field. Worryingly, that within the cluster R&D is not carried out, there are not individual researchers, departments or universities, no cooperation with innovative structures.

Tourism clusters in Plovdiv - the way of Orpheus, Dionysus and the Way of ancient Thracian road declare extremely diverse activities performed in these structures: formulation of development strategy destination management, in combining elements of a common product, carrying out basic travel services, providing support travel services, marketing and sales management, logistics management, and others - create conditions and development of alternative agriculture and other industries. With their implementation The Managing Committee of the cluster and the cluster unit are engaged as well as certain persons by companies and the contact person of the cluster. Information between the cluster participants runs continuously by emails and Internet. The cluster activities are enriched by three proposals in the stage of implementation. They are in the organization of the product design, management, and implementation of advanced solutions for overall business, marketing and ecology. The strategy of the cluster is constructed and it is the most detailed of its kind - long term. Activities to be implemented in support of the cluster members are primarily as tips and advice on issues in management, environmental and regulatory issues and financial advice.

As all studied here clusters Plovdiv tourism clusters are not an exception to the technological activities of leading companies - they also indicate that consumers are more rarely adaptators of innovations.

Innovative capacity is moderate, innovations that are exchanged are new or significantly changed relationships with other companies, new or significantly changed sales methods and distribution and significant changes in product offerings. The competitive positions of firms in the cluster are good - they consider themselves leaders in the country. Research in these clusters is a priority - it is implemented in partnership with technical and professional associations. Exchange between enterprises in the direction of data, news and other information relating to their business information through the Internet and is at least 2-3 months. Clusters actively work and consult with experts from the Center for Technology Transfer, University of Plovdiv, Agro-university - Plovdiv University of Food Technologies - Plovdiv.

Direction: Partnership and benefits of clustering

Partnership is at the core of the cluster concept. Participants in cluster develop cooperative and competitive relationships: between firms (providers, consumers and competitors), meso-institutions (local administrations and local government and NGOs; macro-institutions (macro-economic strategies and policies) and socio-cultural structures.

Table 1
Main cluster partners at local level

Partners	1	2	3	4
Representatives of the local administration	√	√	√	√
Local business associations	√	√		√
Scientists		√		√
Scientific units		√		
NGOs	√	√		
Financial organizations				
Insurance companies		√		
Local schools in the area of cluster activities		√	√	

Legend: 1 - Rhodope - BG Tourism Cluster; 2 - Varna tourism cluster; 3 - The Balkania tourism cluster; 4 - Tourism clusters in Plovdiv

Regarding the support of the cluster activities at regional level there are significant differences in respondents' answers (see Table. 2).

Table 2
Cluster activities support at regional level

Kind of support	1	2	3	4
The support of clusters is embedded in the regional strategy papers	√			
Support is been given for some oft he activities made	√		√	
Very limited support, partial		√		
Received support is not substantial				√

Legend: 1 - Rhodope - BG Tourism Cluster; 2 - Varna tourism cluster; 3 - The Balkania tourism cluster; 4 - Tourism clusters in Plovdiv

We can conclude that supporting clusters at the regional level has its specificity for different regions and clusters. For some of the regional authorities, the existence of a cluster is a part of their strategic plans (Varna), for others - not a priority. Overall it is clear however that this support is episodic, in certain initiatives and insufficient.

With regard to the state institutions support at national level, such is provided to established clusters and in particular those which are looked for. Some of the experts mention the former State Tourism Agency as a body to assist the tourism clusters at macro-level. This support was an organizational and financial. For clusters that are in embryonic stage of development the situation is different. The communication between them and government consists in giving information to another delay in the "cluster development activities" through Operation Program, as well as explanations.

The opinion of all respondents in connection with the exchange of information between tourism clusters is that it would have a positive effect. Relatively reserved is the opinion of one of the respondents who considered that the impact of this information exchange will be negligible. Initiators for the creation of tourism clusters by public authorities have in almost all of studied clusters. An exception is the Varna tourist cluster, where promoters are only NGOs - Varna Chamber of Tourism and Business Agency of Varna. The partnership with those institutions is continuing at the moment still.

Theoretical parameters and conceptual models about the impact of tourism clusters on the development of tourist destinations and business opportunities have been based on the creation and consumption of an improved and attractive tourist product of the partners in them. Assessment concerning use the cluster capabilities to obtain benefits are as follows:

Table 3

Usage of common opportunities within the cluster

Cluster / **Benefits**	Rhodope - BG Tourism Cluster	Varna tourism cluster	The Balkania tourism cluster
Improvement of HR usage	Yes	Yes	Yes
Scientific developments	No	Yes	No
Advertisement and promotion of the products and services	Yes	Yes	Yes
Attracting investments	No	Yes	Yes

Data from the survey on the economic benefits, implemented by the cluster participating businesses has shown heterogeneity on this indicator. For Balkania tourist cluster they are expressed in the creation of higher value tourism products; to Rhodope – BG cluster - improved competitiveness and for Varna tourism cluster - better economic performance of enterprises, expansion in the demand of enterprises and economies of scale. On the other hand, wanted and desired are not only the economic but also social benefits. For "Balkania" Troyan very important are support smaller businesses from the cluster; increasing the employment in the region is pointed by the Rhodope - BG, Smolyan and for Varna tourist cluster – implementation of training needs of businesses.

Ranking in order of importance of benefits for businesses in the cluster is shown in Table 4.

Table 4
Most important advantages for the cluster enterprises

Benefits for enterprises in the cluster	1	2	3	4
Accelerated entering of innovation				√
Best practices introduction		√		√
Better and quicker access to expert services				
Higher quality of the services offered	√		√	
Enlarged investment of the enterprises				
Managing with the competitors	√	√		
Better information exchange leading to more innovation, imitations and improvements in the enterprises	√			
Formation of a local supply chain				√
Improved links between firms competing		√		
Collective vision, planning, impact in solving problem situations	√	√		√
Enhanced inter-company cooperation			√	√
Formation of networks				√
Technology Transfer and Innovation				
Informal exchange of knowledge		√	√	

Legend: 1 - Rhodope - BG Tourism Cluster; 2 - Varna tourism cluster; 3 - The Balkania tourism cluster;

Tourism clusters in Plovdiv

The most of the studies clusters declare that benefits for businesses are: common vision, planning, impact of problem solving situations; utilization of best practices, higher quality services, dealing with competition, enhanced inter-company cooperation and informal exchange of knowledge. As unused opportunities for clusters can be pointed out such as access to specialist services; investment activity of enterprises and technology transfer and innovation. The specific character in the functioning of each cluster emerges and in determining the competitive advantage that sets each. For Rhodope BG, Smolyan is effective marketing; for Varna Tourist cluster - meaningful correlation value - money. The main competitive advantage for "Balkania", Troyan is the enhanced inter-company cooperation.

INSTEAD OF CONCLUSION …

The development prospects of the three tourist clusters made by their experts are optimistic.

First. Increasing sales of tourist products offered by enterprises in the three clusters.

Second. Increasing number of enterprises within the cluster, except Rhodope cluster in which the forecast is their members to be reduced.

Third. Increasing the number of employees in enterprises - members of the cluster, except Rhodope cluster.

Fourth. Improving innovation of enterprises of the three clusters.

Fifth. Increasing the competitiveness of enterprises in the cluster, accompanied by "cleaning" of the market uncompetitive enterprises.

Threats prognoses relate to the negative impact of global economic crisis and problems with infrastructure and rebuilding of hotels.

In conclusion it may be pointed out that tourism clusters create the environment for tourist activities on the basis of cooperation between participants in the cluster to achieve common goals. Harmonization of actions and efforts lead to synergy and increase the competitiveness of the tourist destination. On 16.07.2010, the Ministry of Economy and Energy - Managing Authority of Operational Program "Development and Competitiveness of Bulgarian Economy 2007 – 2013" and National Agency for Small and Medium Enterprises announced an open call for proposals, meeting specific quality requirements, without a time limit for applying for Support for cluster development in Bulgaria. The total amount of the grant is more than 15 million Euros. More clusters will be soon supported …

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AMERICAN TOURISTS' PERCEPTIONS OF TOURIST GUIDES IN BELGRADE

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Abstract

Although it is not one of the popular city tourism destinations of Europe, the Serbian capital, Belgrade, is visited by a substantial number of foreign tourists. Most of them are independent travelers, predominantly youth, backpackers and businessmen, but there are also those who come within tourist groups. However, organized tourist arrivals are still pretty irregular, with the exception of the Danube river cruises which make call on Belgrade. Every year, from March to October, around 550 river ships sail into the port of Belgrade. These tour groups, mostly German or American, stay in the city for maximum twelve hours and, as a rule, have an organized city tour with a local guide. This paper analyzes the perception of and satisfaction with the guided sightseeing tour of Belgrade among the U.S. participants. The sample for the quantitative study was taken from the population of customers within one of the largest tour and cruise operators in the United States. The survey was carried out during the summer of 2008 and 2009.

Keywords: *city tours, tour guiding, Danube cruises, Belgrade*

INTRODUCTION

The beginnings of domicile tourist guiding in ex-Yugoslavia are associated with Dubrovnik (today: Croatia), where local authorities adopted a regulation, *The Code for the Tourist Guiding in the City*, prior to WWII, by which the conditions for obtaining a certificate in tourist guiding were proscribed, i.e. tourist licence.[23] In the postwar socialist Yugoslavia, tourist guiding was regulated by law in each republic. The first law on tourist guiding in Serbia was adopted in 1957.

In the past period over 1000 persons in Serbia have obtained the tourist guide licence. However, the actual number of active guides today is not always possible to detect precisely. The peculiar problem is the fact that in Serbia, which is largely a travel generating region, a number of persons with the tourist guide licence actually work as escort of organized tours abroad.

Tourist guides in Belgrade provide sightseeing services as well as half-day or whole-day tours, primarily to the passengers of the Danube river cruises, mostly in English, German, French and Italian language as well as Serbian to the groups from Slovenia. The services are also provided in some other language (for instance Greek, Bulgarian, Polish etc.) to *ad hoc* tourist groups, and there are specialized *driver-guides* who mostly work with independent visitors. Although travel agencies mostly engage local guides, some of them also offer their services to potential tourists through their official website or other tourist sites.

The term "guided tour" in this paper entails the so-called daily tour, and not a multiday package tour. The characteristic example of the „microtour" (Schmidt, 1979) in the conditions of urban tourism is the sightseeing of certain local sites or attractions in the city, on foot or by an appropriate vehicle. Nevertheless, the inevitable part and parcel of such a tour is the tourist guide's service. Accordingly, the notion "guided tour" reflects the way of how tourist guiding operates and represents its "product". Apart from a city sightseeing, other types of tours are also offered at a destination, such as life-seeing, nature-based, special interest, By-Night, shopping etc. (Rabotić, 2010).

[23] *http://www.vodici-dubrovnik.hr/povijest.php*

This research is focused on the standard Belgrade sightseeing organized for the tourist group by a domicile travel agency (so-called ground operator) which is hired by a foreign tour operator.

LITERATURE OVERVIEW

Tourist guide services are usually treated as supporting or ancillary in tourism (Foster, 1985:95). Although it is one of the oldest human activities, tourist guiding is still "unknown", depreciated and undervalued profession, which is why Pond named its subjects (1983:47) as "orphans of the industry".

In the academic literature on this topic, there are many works whose authors tried to elucidate the role of tourist guides from different perspectives (Schmidt, 1979; Holloway, 1981; Pearce, 1984; Cohen, 1985; Katz, 1985; Pond, 1993; Fine & Speer, 1985; McDonnell, 2000; Bras, 2000; Dahles, 2002; Salazar, 2005, Jensen, 2010; Rabotić, 2011). The researchers mostly acknowledge that the role is complex and multifaceted. In the analysis of published studies, Zhang & Chow (2004) detected more than 16 separate roles ascribed to guides by various authors, whereas Black & Weiler (2005) marked ten. Nevertheless, Quiroga (1990) believes that the role of tourist guide is neither precisely determined nor clearly described in literature, although the practice shows that the multifaceted role is in question.

A series of papers have been published on the customer perception and satisfaction within guided tours, with a special emphasis on the guide's or escort's (tour leader) performance (Whipple & Thach, 1988; Quiroga, 1990; Geva & Goldman, 1991; Dun Ross & Iso-Ahola, 1991; Mossberg, 1995; Black, Ham & Weiler, 2001; Wang, Hsieh, & Huan, 2000; Zhang & Chow, 2004; Bowie & Chang, 2005). In the study which Hughes completed in 1994 (Black, in: Pastorelli, 2003), tourists evaluated the guide on the basis of provided information, relation with the group and organizational skills. As for the information, it was concluded that satisfaction is at the highest level when the commentary linked the previous tourist experience of group members, interests and knowledge with the features of the area which is interpreted, defined as a "conceptual link" by Pearce (1984). In McDonnell's research (2001), foreign tourists - visitors of Sidney guided tours evaluated the contents of local guides' commentaries as well as the information delivered. On the one hand, tourists' evaluation differed substantially in terms of information on local sites and history, and shopping and recreation, on the other. In evaluating the information quality on "current events" guides were given generally low marks. It is indicative that Australian tourists (justly assumed to be better informed in this sense) as the entire sample, perceived their guide's commentary as insufficient. Hsu's research (2000) on the perception of elderly visitors on US coach tours proves that an "interesting" tour guide is the crucial factor for being satisfied with a tour. Such a guide makes tourist experience more enjoyable for the audience, having the vital role in creating a friendly atmosphere among companions. The results of Dun Ross & Iso-Ahola's study (1991) also proved that social interaction represents a significant motivation for choosing the group tour, which means that customers are not only satisfied with presenting and interpreting attractions, but also expectant about facilitated group interaction. In the study on cruise passengers (Ham; Wailer, 2005), it was noticed that tourists thought of a quality on-site guide as the one who is passionate, disseminating information in an engaging way, giving insight into local phenomena, making information relevant for tourists by presenting them clearly and appealingly. In one of the rare research on tourist satisfaction with local guides' services, Zhang and Chow (2004) applied IP (Importance-Performance) analysis and noticed that Chinese tourists in Hong Kong consider all of the 20 offered quality guides' attributes important or extremely important. The most important ones are being "Punctual", "Able to solve problems" and "Knowledge of destination", whereas the highest marks guides received for the following attributes: "Inform safety regulations", "Briefing visitors on daily itinerary" and "Polite."

Whipple and Thach (1988) point out that there are open issues related to tourist guiding and satisfaction, such as: whether a single experience is relevant or multidimensional nature of experience, and whether customers should be satisfied with all, some or selected aspects of the tour. Moreover, the mentioned authors think that the high-quality service can limit the level of possible dissatisfaction with the destination if it is not particularly attractive.

METHODOLOGY

Looking into the attitudes of foreign tourists on the domicile tourist guides' service meant applying survey methodology. It is a customer-oriented survey whose task is to determine "customers' behaviour in consuming products or services" (Vukonić; Čavlek, 2001:20), or create a full impression on customers' perception and experiences. Given the fact that the organized tourist influx in Belgrade is still unstable, it was possible to get in contact only with the tourists arriving within the international river cruises.

The questionnaire was drawn up according to the tourist satisfaction research on local tours that McDonnell (2001) used. Compared to the Australian questionnaire, the question about the contents of the guide's commentary was modified in accordance with the local circumstances, and two other questions were added: the surveyor was interested in tourists' main concern about locally guided tours as well as tourist opinion of the most important role of the tourist guide.

The sample was taken from the population of American tourists – the clients of the tour operator *Grand Circle Travel*. The company seated in Boston is known in the American market for its "old age" orientation. The survey was arranged with a Belgrade travel agency being a *ground operator* of GCT company. The travel agent had previously informed the tour operator on the subject, aim and survey methodology. It was agreed to survey three groups of tourists with the identical cruise itinerary ("Eastern Europe and the Black Sea") visiting Belgrade on May 6th, 16th and 24th, 2009. Each had the same three-hour sightseeing city tour visiting "Josip Broz Tito" Memorial Centre (today: The Museum of Yugoslav History), St. Sava Temple and the Belgrade Fortress at Kalemegdan, the three most popular city attractions.

There were 153 passengers in the first group and 135 in the second as well as the third group. All groups had licenced guides: four for the first group and three for each of the remaining two groups. Before the tour began, the aim of the survey was first explained to the guides, and then to the tour leaders (PD, *Program directors*) disembarking the boat with tourists. The PDs were told that the survey is not connected with their service and they were asked to distribute questionnaires in the bus and inform tourists over the microphone about the research. For the convenience, the surveyed were given the opportunity to fill in the questionnaire upon their return on the ship. The completed questionnaires were collected the same afternoon and submitted to the surveyor through the local travel agent. Out of the total number (423), 176 completed questionnaires were submitted, i.e. 40.2%. Given the population of respondents and nature of research, this sample can be considered as relevant. Most of the cruise visitors were spouses who filled in one questionnaire together. Besides, there were customers (although not entirely dissatisfied with the service) who saw the survey as tedious, especially on vacation. The fewest number of completed questionnaires (27.3%) was in the second tour: due to the hot weather, which is why the group escort decided to start earlier and, being in a hurry of departure, probably did not informed tourists about the research in more detail.

In order to process data, the techniques of descriptive statistics were applied. Also, it was examined how relevant is the difference in arithmetic means. A one-way analysis of variance (ANOVA) tested the significance of difference between arithmetic means (of dependent variables) and subcategories, each of the independent variables (F coefficient). Also, regression and correlation analysis was applied in order to establish the existence and nature of correlation between certain variables. In this paper, the correlation was established by Pearson's correlation coefficient**.** The survey data were processed by statistical software SPSS (*Statistical Package for the Social Sciences*) version 13.0.

Men accounted for 43%, and women for 57% of the sample. The vast majority of the surveyed (92%) is in the category of persons older than 60 (61+), which is logical, given the tour operator's orientation. In terms of educational level, surprising and evidently improbable data were collected: somewhat more than

70% of tourists argue to have obtained a graduate or postgraduate education. It is particularly unusual that almost half of the surveyed (47,6%) said to have obtained a postgraduate degree (master or PhD). Undoubtedly, respondents artificially overstated their educational status, which was also noticed in the Australian study done by McDonnell (2001).[24] Although all the respondents were Americans, most of them put down data referring to the state of permanent residence: 23% is from the US West, 19% from the American South, 9% from the Midwest and 15% from the US Northeast.[25]

FINDINGS AND DISCUSSION

The answer to the first question should relate to the main tourist concern about the local tour at a destination, i.e. which aspect is especially important in opting for the tour. Two dominant tourist concerns are "Program and itinerary" (49%) and "Presentation of the tour guide" (38%). Other aspects of the tour, stated as possible answers ("Walking and accessibility", "Price", and "Weather conditions") account for the much smaller percentage, whereas no one chose "Quality of transportation".

Table 1.
Main Tourist Concern about the Local Tour

	Frequency (N = 170)	% of respondents
Program and itinerary	86	49.4
Presentation of the tour guide	66	37.9
Walking and accessibility	12	6.9
Other	5	2.9
Price	4	2.3
Weather conditions	1	0.6

With the reference to these data, it is natural that 90% of tourists believe the main role of tour guide is to be an information-giver (Table 2). The result corresponds to the general image on the role of domicile tourist guides at a destination. In percentage terms, the small number of respondents (only few), think the main role is to be "Culture 'broker' and mediator" (2%) or "Leader and organizer" (2%). The respondents could circle only one of the offered answers, which might have affected their opting for the "standard" and well-known role. However, such a choice is not directed against denying the importance of other roles, especially since they are interrelated in practice: from the foreign tourist's point of view, giving information is not the same as listing mere facts, but adapting them to the interest and cultural origin of customers.

Table 2.
Main Role of Domicile Tourist Guide

	Frequency (N = 170)	% of respondents
Information-giver and 'educator'	153	90.0
Interpreter and translator	1	0.6
Culture 'broker' and mediator	4	2.4
Leader and organizer	4	2.4
Escort and caretaker of visitors	4	2.4
Ambassador, PR and 'protector' of the destination	4	2.4

[24] In that research, 65% of all respondents (different nationalities) allegedly took a university or postgraduate education, whereas among Americans and Canadians there were even 75% of those who said to have taken a postgraduate degree (Ibid., 5-6).
[25] Grouping was done according to: *http://en.wikipedia.org/wiki/File:Census_Regions_and_Divisions.PNG* (05/2009).

As for the estimation of local tour quality they were involved in, respondents could give marks on a 1-10 rating scale. Almost 70% of respondents think the tour quality exceeded their expectations, being more than satisfactory, around 30% satisfactory and only 3% unsatisfactory. The mean rating was no less than 8.8 (SD=1.6)[26], which can be interpreted as an excellent result.

It is indicative that apart from good evaluation, some had a need to add comments ("excellent", "good history lesson", "thank you for the stories and anecdotes", "appreciate sense of humor" etc..), confirming their deep satisfaction. A very small number of tourists evaluated the tour quality as low. Interestingly, those questionnaires also contained justified reasons for dissatisfaction ("the guide rushed", "the guide crossed the street without waiting for me to walk with him", "microphone occasionally stopped"). Thus, the research confirmed that tourist satisfaction with a guided tour, even a brief one, is influenced by certain practical aspects (pace, microphone, toilet facilities), also noticed by Dunn Ross i Iso-Ahola (1991).

Data processing also served to establish if the mean rating of the tour quality differs among the surveyed of different demographic features. It was confirmed that there was only a statistically significant difference in respondents' residence (USA regions). This difference is statistically significant at 0.05, meaning that it could be argued with 95% certainty that the differences detected in this sample really exist with the population of American passengers on river cruises. It is well noticed that the marks given by respondents from US South and Northeast are higher than the ones from respondents living in the US West and Midwest. The difference in evaluation is not possible to explain, but it is most probably linked with the customers' features from certain regions ("southern mentality" and manners). The lowest marks were given by respondents who only mentioned USA as their residence (8.3). The fact they did not mention the state they lived in might imply they did not care much about completing the questionnaire. It might have been the expression of "conceited" attitudes of the few, which could affect the tour rating. Their marks were statistically much lower than the ones given by those who as their residence mentioned US South or Northeast. Detecting statistical significance in difference of mean rating was presented by univariate analysis of variance (ANOVA).

As for the evaluation of tour quality, it was examined which of the variables mostly affected rating. One can conclude that tourists gave higher marks for the tour quality if it had been easier for them to understand the guide and information presented, if they were satisfied with information and when, after the tour, they were confident about exploring the city on their own. These three variables well predicted the evaluation of the tour quality with significance level of 0.01 (99% certainty).

Apart from assessing the tour quality, respondents also evaluated the tourist guide's effect on tourist experience. Almost all of the respondents estimated that the guide's influence had been a positive one: up to 70% think that it was extremely positive, and 30% positive. For only 2% of respondents the tourist guide's influence was negative. The mean rating of 4.6 implies that the influence was very positive. Interestingly, fewer negative marks were given to tour guides than to the very tour.

Previously, it had been pointed out that the easiness with which tourists comprehended presented information well affected the evaluation of the tour quality: 80% of respondents estimated that it had been easy for them to understand the guide's talk. The mean rating is 4.8, indicating that guides were good at languages, speaking at an appropriate pace, clearly and articulately, avoiding too many technical or academic terms, toponyms and other local names.

More than a half of the American tourists responded that they are pretty confident (17% extremely confident and 40% confident) when asked *"How confident are you in your ability to explore the city after completing the tour?".* One third of the respondents felt neither confident nor unconfident and the mean rating of confidence was 3.6. These data could imply that guides were not very successful in delivering information on the orientation in space. Still, in this case, these must be the result of the respondents' age (elderly people generally feel insecure in a new environment), and personal mental picture on Belgrade as a "complicated" Balkan city.

[26] SD, Standard deviation

In respondents' answers to the question *"How effective were the tour guide's attempts to encourage your interaction with local people and the local environment? ",* guides received the lowest mean rating: 3.5. More than 40% of respondents gave neutral mark, i.e. they evaluated their guide as neither efficient nor inefficient. Guides were characterized as extremely successful mediators in making interaction by 13% of the tourists, and by 3% as unsuccessful. The high percentage of respondents who opted for the neutral answer indicate that they were not particularly interested in making contact with the local environment, especially on transit routes, when the stay is short. In this case, more important is the percentage of respondents giving high marks, which means that guides encouraged guest-host interaction. However, six respondents, who were dissatisfied (3.6%) with this aspect, might have expected such encouragement without getting it or they thought that no one could persuade them to make contact with the local environment.

The data on tourist satisfaction with the particular types of received information (Table 3) show that the guide's commentary, even on a short tour, should be diversified. This research proves that visitors are interested in everyday life at a destination and local community tradition apart from history and attractions. When the stay is brief, the local tour is the only contact with a destination (on a round trip and cruise), so it is natural that tourists want to receive as diverse information as possible. As in the similar research, respondents were most pleased with information on certain places during sightseeing (included in the itinerary), as well as the history presentation.[27] Besides the information on shopping options and possible free time activities, other types of information got mean rating of 4.0 or more.

Obviously, the guides also included information on contemporary life, current events and local etiquette into their presentation.Tourist satisfaction with the information upon visiting attractions is influenced by the specific features of a walking tour affecting tourist guide methodology (the art of guiding) and tourist experience: direct contact with visitors, domination of visual information, keeping attention more easily, the use of interpretative means (plan, model), possible guide-tourist interaction etc. However, the walking tour can give reasons for dissatisfaction, either because of pace or visitors' not being able to hear the guide well within a large group.

Table 3.
Tourist satisfaction with specific types of information in the Guide's Commentary

	Exceeded expec-tations (5)	Above satisfac-tory (4)	Satis-factory (3)	Less than satisfac-tory (2)	Below expec-tation (1)	Mean rating	SD
	%	%	%	%	%		
Special sites (eg. the Fortress)	51.4	38.7	9.2	0.6	0.0	4.4	0.7
History	43.4	46.3	9.7	0.6	0.0	4.3	0.7
Geography (eg. pattern of city development)	37.3	45.6	16.6	0.6	0.0	4.2	0.7
Landmarks (eg. National Theatre)	38.5	42.9	18.0	0.6	0.0	4.2	0.8
Contemporary life and current events	36.5	41.2	18.8	2.4	1.2	4.1	0.9
Serbian customs and local rules	34.1	39.6	22.0	3.0	1.2	4.0	0.9
Shopping and free time activity	28.2	31.3	26.7	8.4	5.3	3.7	1.1

[27] In the Australian research (McDonnell, 2001:7) there was also a clear difference between the marks respondents gave for the information on special places, history and orientation and the ones referring to shopping. McDonnell assumes that information on the local sites help tourists understand Australian culture, whereas the shopping information is probably seen as imposed upon them, in the interest of the tour organizer to make them spend money buying undesired goods or services.

Interestingly, the level of satisfaction with the information on “Special sites“ statistically varies much with regards to the tour date. These differences in mean satisfaction with such information are statistically important and have significance level of 0.01). Thus, mean satisfaction with the information on special sites was the highest on the tour of May, 16th (4.7), and the lowest on May, 6th (4.3). It could also be explained by conditions in which this information is presented, i.e. the influence of various external factors stated above.

Data processing gave results which show that total tourist satisfaction with the received information (commentary), based on calculating the mean satisfaction in relation to all seven types of information. With this in mind, the mean satisfaction is then 4.2, i.e. the information quality was somewhat above the respondents' expectation. Interestingly, the results obtained are statistically much different in terms of mean rating depending on the respondents' residence. As in the case of evaluating tour quality, the respondents who stated to live in the US South and Northeast gave higher marks as well, i.e. they were more satisfied with the received information than their companions who stated US West or Midwest as their residence, or simply – USA.

In order to determine what type of information largely affected total satisfaction with the information in the guide's commentary, the linear regression analysis was applied revealing that it was the information about contemporary life and current events, Serbian customs and local etiquette as well as shopping and free time activities which deeply influence the total tourist satisfaction with the received information. Given the fact that such types of information are poorly assesed by the respondents, it should be necessary for guides to pay more attention to these aspects.

Through bivariate correlation analysis it has been concluded that there is statistically significant correlation between dependent variables, such as “information satisfaction“, “ information comprehension“ and “tour quality evaluation“. All acquired correlation coefficients are positive, implying that higher marks in one variable indicate the increase in marks of the second variable. Pearson's correlation coefficient between the tour quality assessment and information satisfaction is 0.56, which proves modest positive association (significance level of 0.01). Pearson's correlation coefficient between the tour quality evaluation and information comprehension level is 0.42, also indicating the modest positive association between these two variables (significance level of 0.01). Pearson's correlation coefficient between information understanding and satisfaction is 0.51, which means that these two variables are also in modest positive association (significance level of 0.01). Intercorrelation coefficients of satisfaction with certain types of information show statistically significant correlation between the marks (at the significance level of 0.01). Intercorrelation coefficients range from 0.5 to 0.8.

CONCLUSION

The research of the American tourists' stances on the domicile tourist guiding gave positive results: tourists are satisfied both with the local tour (city sightseeing) and the selected tourist guides. High mean rating for the tour (8.8 on the 1-10 scale) shows that, being very important for customers, two aspects (“Program and itinerary“ and “Presentation of the tour guide“) received high marks. Such results should be associated with the adequate concept of itinerary as well as the good practice of the local agency to continuously engage professional and experienced tourist guides. Unlike other agencies which also provide services to the cruise organizers in Belgrade, the policy of relying on a limited number of renowned guides evidently gives positive results.

Tourist guides were evaluated as extremely meritorious for tourist experience (4.6 on the 1 - 5 scale). Certain dependent variables connected with the tourist guides' performance particularly affected the tour quality assessment: “the easiness of information comprehension“ (mean rating: 4.8) and “confidence about being able to explore the city on your own after the tour“ (mean rating: 3.6). The latter mean rating for the guide's performance as a pathfinder shows that more than 42.1% of respondents gave a neutral or lower mark.Having in mind that American tourists generally tend to give flattering marks and positive comments, guides should naturally pay more attention to topographic and orientation information, especially since the familiarization with the destination area is one of the presupposed reasons for enticing tourists to choose local tours.

It is indicative that tour guides got a lower rating for “being efficient in encouraging host-guest interaction“ which, as explained in the discussion, does not mean they did not invest their effort.

Satisfaction with the information provided by the guide's commentary is confirmed by respondents' high marks for almost all types of information, particularly “special sites“ they saw on a tour (mean rating: 4.4), and “history“ information (4.3). Excellent rating in the second case is undoubtedly the result of the good presentation about communist Yugoslavia upon visiting the Memorial Centre “Josip Broz Tito“, as an interesting topic for elderly American tourists. The types of information the guides did not received mean rating above 4.0, referred to the “Serbian customs and local rules“ as well as “shopping and free-time activities.” The fact is that for many tourists shopping at a destination represents one of the most appealing and attractive activities as well as a sort of leisure, i.e. tourist experience, which is why the commentary should contain information on the options of the appropriate purchase of souvenirs and the like.

The empirical research had its limitations, mostly due to the population this sample was taken from: namely, only American tourists were surveyed – clientele of a tour operator, i.e.cruise organizer. Regrettably, it was impossible to conduct a survey on a sample representing more diversified – local tour inbound visitors. The author has tried to obtain approval for surveying clients of tour operators whose local tours are organized by another Belgrade travel agency, but with no success. The small number of tourist guides whose services were the subject of research could also be considered as a limitation. Since experienced professionals are in question, the results related to their performance do not reflect a real picture on domicile guides at large.

Despite the limitations, obtained results could primarily serve as recommendation for active professional guides, organizers of city tours and excursions in Belgrade as well as those who should be involved in training of new candidates for this specific tourism activity in the future.

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TOURISM AS INVISIBLE IMPORT AND EXPORT

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Abstract:

Tourism is one of the most widespread and the most dynamic development sectors of economic exterior activities. Tourism with good reason is considered like a branch that in the best manner can provide a particular offer and economic evaluation of the domestic tourism product, which is composed of the elements of tradition and culture, the natural heritage and the constructed material culture, as well as services and manufacturing components of the local tourist offer.

Today, it is a fast growing industry by increasing the spectrum of knowledge and high added value, contributing to social progress, growth of gross domestic product, employment and investments.

For the development of tourism it's particularly important to increase the number of foreign tourists which increase the direct foreign exchange inflow that generally helps in the entire economic development of the country. The prospective development of tourism in the Republic of Macedonia should be concentrate on utilization of the tourist potential that has and will be aimed to establish a tourism product that will be competitive on the international market.

Keywords: *inflow of foreign funds, development of program for attracting FDI, increasing impact of tourism, created tourist identity, international tourism, invisible income, sustainable tourism balance.*

INTRODUCTION

Tourism is presented like a complex socio-economic and spatial phenomenon and the most dynamic social and economic appearance. Like any other phenomenon, has its own characteristics and features which it distinguishes from other appearances. The economic functions of the modern tourism are related with the satisfaction of the needs of the tourists. Tourists in this case occur as consumers and in the satisfaction of their needs are included numerous activities, physical and legal persons.

Tourism has become part of modern living. Particular attention is given to those countries that have significant natural and cultural-historical monuments of interest to many tourists. Introduced as a phenomenon, tourism as a branch of the economy in the rich and also in the poor countries and regions in the world, is constantly subject to economic analysis and development plans.

In recent times tourism is characterized by general mobility and movement of population. Regardless of the reasons tourists who travel and stay outside their country, spend a certain amount of money to satisfied the many diverse needs. Benefits of these foreign funds, that tourists spend in the country where they have stayed, have almost all economic and non-economic branches and various other activities. Belong to the part of imports, the invisible part, which is of particular importance because it increases the total imports and GDP of the country. Namely, when tourists pay the hotel bills, they practically cover the cost of hotel-keepers made in other sectors of production and services, which tourism has a positive impact on the overall economy of the country where tourists stayed and spent foreign funds. The inflow of foreign funds is actually foreign direct investment for our economic development, invisible entered into our budget.

Also, tourists spend the money and out of the hotel,such as trade, traffic, various other types of services, visits to historical monuments, entertainment, sports, recreation and other related tourist activities.

Tourism as an economic activity is an economic phenomenon with strongly expressed impact where it occurs and perform its basic function, acceptance and accommodation, while simultaneously satisfying the many diverse needs and desires of the tourists.

With its influence in the economy, directly or indirectly, encourages and includes more industries and activities in the total tourist offer. This applies to the hospitality whose inclusion is complete, then, trade, transport, telecommunications infrastructure, agriculture, construction, food production, health, culture through cultural and historical monuments, gastronomy, handcraft and other industries.

Also, through the tourist offer in tourism is realized also revenue of immaterial values related to various information, natural beauty, climate, hidrography, customs, tradition, folklore, various parties, recreational activities and more.

For all these reasons, all countries in the world dedicate special attention to domestic tourism. It is basic and the main carrier of the total tourist development and the results achieved in this area and of the arrival of a larger number of foreign tourists and achieve a greater foreign exchange earnings, which is of great importance for increasing the economic development of Macedonia.

Seen in terms of economic criterion, the role of tourism in modern economic systems is undoubtedly very large and significant. In depending on which state how much attention and interest was dedicated, there tourism is treated and respected as one of the most perspective and profitable industries. Republic of Macedonia itself is a tourist destination, it contains values that create real need to valorize the natural and cultural resources, defining necessary infrastructure, accommodation, economic resources and educational level of the population that participates in the tourism economy. Until now it has created identity tourism, tourist recognition, which has a further role of guide in placing on the domestic and foreign market with an increasing number of contents which is very important for attracting an increasing number of tourists.

A newer and more modern type of tourism our country is striving to introduce into the overall tourism offer, and that is the rural tourism. It is an important component of integral development, revitalization of the villages as well as a missing component in encouraging development of local markets for agricultural and non-agricultural activities, thereby increasing the GDP of our country. With the development of rural tourism is achieved expansion of the basis for development of tourism and increase revenues from this activity, expanding the circle of the tourist offer, the development of underdeveloped areas through their involvement in the tourism offer etc.

Macedonia has the natural resources which are disseminated through its entire territory. There are lakes, mountains suitable for winter tourism, national parks, and hot springs of mineral waters, cultural monuments and others. All these features create conditions for tourism development. Besides current interest for foreign direct investment in winter tourism, initiatives are seen to invest funds and in the spa and rural tourism.

THE IMPACT OF TOURISM ON THE EXPORT ACTIVITIES

Tourism together with other types of services have a significant impact on total exports of services in international scale. Given the fact that Macedonia is a country with relatively limited export capacity and strong import dependence however, with the offered tourist attraction tourism could be an important export activity. For this reason the realized incomes may be an important source of foreign funds currency needed to improve the economic development and the balance of payments of the country.

Tourism is not on top of activities that generate foreign exchange earnings, but if in future is dedicated more attention would be developed into a major export segments of our country. Tourist foreign currencies present net foreign currency, while other export activities have a higher import content of tourism. Only the foodstuff industry and the agriculture can compete with the tourism exchange their carrying effect. Other export industries have significantly higher import content, which means that for achieving the exports of their products should provide significant import reproducing materials. Export through tourism in some food products have achieved higher prices than in the classical export. In tourism there are retail prices, while in the case of the classic exports there are wholesale prices. For goods being exported through tourism won't need to pay transport costs, insurance, customs etc.. because the tourist alone replaces consumption and production.

Through tourism can be exported and products of lesser quality that can not apply the standards of quality and global market competition. In tourism recovery is performed immediately, while exports of goods recovery period is longer. All these facts represent tourism as an invisible export. Also tourism has effects of stabilization on the exports.

Exports of raw materials and products with a lower level of processing is unstable and thus the inflow of foreign currency is unstable. Consequently the price of raw materials is determined by the price on world markets and is a subject of negotiations and a variety of conditions. So, tourism is a common solution because allows for easier inclusion in international trade and tourism services are treated as commodities with a high degree of processing. [28]

In the development of tourism can successfully engage and small enterprises. They take an especially important place in the tourism business. They even can better respond to the demands of the tourists. Mostly work with famous clients and during their stay constantly are in contact with them.

Attracting tourists has become big business. International tourism is one of the important resources for input of funds, foreign exchange and employment. Worldwide, tourism is an industry that is the most widespread and fastest growing industry. Because of these facts, the world increasingly seek to develop promotional campaigns and some with a view to increasing interest in what the state offers of the tourism plan.

In the last decades have changed the demands of tourists. There is a tendency that shows us that prefer short trips but often and in different places throughout the year. Also another very interesting fact is that tourism has already started going to internationalize, which is of particular relevance to the national economies of the countries. It shows the interest to travel around the world and not just in the surrounding countries. International tourism plays a major role in the balance of payments. Foreign tourists are the export in the country that receive them as guests and tourists on the national output, represent the opposite, the imports. Such activities are defined as indirect, in fact it is an example of invisible imports and exports, which for the state is of particular importance.

Because of the international nature that tourism has, there is a process of spillover of foreign funds from countries senders to the receptive countries. At the same time, foreign assets which are imported without the export of goods, is importing the tourist – consumer, which consumes the goods and services in the visited place, and he pais in foreign currency. That kind of export has some advantages, such as sales of goods and services to retail, and because some of them aren't attractive and don't have the required export qualities, so with processing or working in other tourism organizations are sold more expensive than the foreign market.

In the price of tourism services also are included restores for using natural beauty and amenities that can't be spend and transferred such as sun, sea, and thermo mineral springs, snow, cultural and historical monuments and landmarks, etc.. The impact of tourism in such situations is very important because foreign tourists are forced to spend additional funds which directly increase foreign exchange inflows in the country. On national level revenue value of invisible exports and imports carried out by the tourism activities flows into the balance of payments of the country.

[28] Ukovic S. Ekonomika Turizma, Deseto izmenjeno I dopunjeno izdanje:Savremena administracija Beograd 1995

Enough actual fact is that tourism is one of the most important parts of invisible incomes. Tourism balance is one part of the balance of payments of a country, so can be defined in an active (the cost of foreign tourists made in our country) and a passive part (the cost of Macedonian tourists abroad). But of course to maintain this tourism balance is need good marketing activities in the sector of tourism, especially in terms of attracting more tourists and certainly encouraging domestic tourists that there are many places in our country who can visit. Sure it should be followed the trend, tastes and demands of the potential tourists, so in that way we are going to have something to show them and how to welcome in our country different for them, or just with some finesses and some of their features at least one part of their stay to not feel as fully foreigners.

Provision of foreign currency through tourism and the impact of tourism on the country's external liquidity, very long time are considered the main benefits of tourism development. For many countries the provision of convertible currencies is vital, and tourism is an important source of foreign funds to finance the development. The importance of tourism in terms of providing foreign currencies and balance of foreign trade, when it comes to developed countries in some way is being relative.

Many countries have stimulative standards to attract foreign tourists, or to limit the travel of their citizens abroad in order to support their balance of payments or to preserve the value of its currency. Creating a recognizable image of receptive tourist country in which the foreign tourist turnover from year to year will continuously grow, and parallel with it and exchange income, tourism can greatly affect the balance of payments, and for the underdeveloped countries and the countries that are in development as the Republic of Macedonia, is very important economic function of tourism. In essence, with a rise in foreign exchange inflows from tourism in the next period of development of the Republic of Macedonia is expecting this sector to improve the balance of payments.

Tourism may be affected the structure of the gross domestic product by the final two segments of tourist consumption, the current tourism consumption and the tourism investments. Tourist spending directly stimulates production in the tourism sector, while indirectly affects the gross domestic product thus stimulates the development of material production intended for tourism economy. Through tourism investment, tourism contributes to the stimulation of economic activities whose direct or indirect effects are involved in the formation of gross domestic product.

The value of tourism to GDP and the economy of the Republic of Macedonia great importance. For this the foreign visitors play a big role, especially those residing in registered accommodations. Realized foreign currency effects of these tourists are the main factor in the success of working in tourism and

instrument for increasing the value and contribution of tourism to economic development.

Table 1. Contribute to the tourism sector to GDP, in millions denars

Year	2001	2002	2003	2004	2005	2006
Gross domestic product	233 841	243 970	251 486	265 257	286 619	310 915
Hotels and restaurants	3 410	4 088	4 653	4 172	4 280	4 753
Foreign exchange inflow from tourism	1 053	1 584	2 301	2 915	3 406	4 157
Structure						
Gross domestic product	100,00	100,00	100,00	100,00	100,00	100,00
Hotels and restaurants in % of the GDP	1,46	1,68	1,85	1,57	1,49	1,53
Foreign exchange inflow in % of the GDP	0,45	0,65	0,91	1,10	1,12	1,34

Source: State Statistical Office of Republic of Macedonia, Statistical Yearbook of the Republic of 2005 and 2008, the National Bank of Macedonia (Central Bank).

In the period from 2001 to 2006 the growth of the tourism sector is growing, but it is impossible to calculate the total participation and benefits of tourism activities in the national gross domestic product because it is calculated only the stay in hotels and restaurants, and other travel products and services are calculated in the other categories of national gross domestic product. If in the future continues this trend of increasing the number of nights spent by foreign tourists and thus increase the share of their foreign exchange earnings in the state, this economic activity in the share of gross domestic product should take more dominated place.

Also have influence and the public revenues from tourism. Basically, any economic activity stands out one part of their revenues for the public sector, such as income taxes, value added tax, contributions to health and pension insurance etc.. These revenues are a function of key variables. While tourism is characterized in that the tourists are coming from other regions and countries and their consumption represents an increased tax base for governments.[29]

There are other duties for tourism that are introduced as fiscal charges imposed for services, special fees, such as airport, residence in the country still call and travel fees. And these are part of measures to increase public revenues in the short term, but are justified only when are returning to the sector in order to promote the tourist offer.

Also many developing countries and so our have lack of capital to be able to develop tourism. Needed foreign direct investments, which are the most complex form of international corporate investments. They always reflect the long-term interest, influence and control by foreign investors on the operations at home and always involve a series of elements essential to overcome the technological, organizational, business and marketing gaps. It is necessary to develop a quality strategy to attract foreign companies and individuals who would invest in the development of our tourism sector.

The development of tourism encourages the development of other industries that are need to the tourists to offer services and goods, often produced at the place of consumption. So tourism particularly encourages the development of hospitality, transport, trade, handcraft and so on.

The financial funds from tourist spending are circulating within the economy and make transactions before they disappear in the form of imports of goods and services. This is called the multiplicative effect of tourism on the economy. The influence of the multiplier effect of tourism on the economy is bigger in highly developed countries, so in those countries is bigger and the impact of tourism. Until the tourism because of its multiplier influence positively affects the economic development effects and the overall economy, the more growth and development of the economy will effect the growth of the tourism multiplier.

PERSPECTIVES IN TOURISM

Required long-term policy for planning and developing of tourism because it is very complex socio-economic and spatial occurrence, the total generator development. The dynamic of tourism development depends of the intensity of growth of tourism operations expressed through the physical and financial indicators.

However, one of the disadvantages of the tourism operations in the development is its uneven temporal and spatial concentration that adversely reflects on the successful operation of the accommodation and hospitality facilities throughout the year and also acts on reducing the use of transport, trade and other services .

So in the future, this problem needs to be resolved through the valorization of tourist potentials of the country. The quantity of the tourist trade and the effect of the economic function of tourism, which

[29] Vellas F. and Becherel L.: International tourism, Macmilla Press, London,1995

mostly reflects the income through spillover effects. The effects of foreign exchange inflows mainly reflect the balance of payments of the Republic of Macedonia, where the high current account deficit of balance of payments can be reduced with an active tourism balance of payments which comparing with the other services that have a positive overall net rate. Besides this, tourism in the best way manifests and its spatial-development feature, because it occurs as a factor for the development of underdeveloped areas in the country. Because of this activity in the future it is necessary to pay more attention in terms of increasing its growth, because according to developmental opportunities has been declared as a generator of the overall development of the Republic of Macedonia.

CONCLUSION

Tourism is one of the world's most dynamic social processes, a global phenomenon and one of the promoters of economic development. Tourism has directly and indirectly influences the overall economic and social development.

The development is a consequence of the economic process, manifested by the growth of numerous categories of economic and structural changes. Tourism development occurs in conditions of higher levels of economic development. Economic and tourism development should provide a harmonized and balanced development of all elements of the tourism and economic system by the rational use of all development resources. Tourism is one of the main components of the large spectrum of development initiatives within the economy.

Taking into account the global trends, Republic of Macedonia has a real chances to step up the development of the tourism sector with greater engagement of the evaluation of the comparative values. Republic of Macedonia in the development, despite of the favorable communication opportunities has used minimum values of its geographical position.

The basis for the development of tourism in this country are complexity, heterogeneity and presence of natural features, geographical location, cultural and historical past. Macedonia has a favorable natural predispositions and satisfactory quality of the natural environment that have a crucial developmental importance in terms of tourism. On its territory are found significant cultural and historical heritage which dates from prehistory to the present. It is characteristic curiosity, because a world scale is rare in such a small territory to meet quantity and quality of significant debris from nearly all eras.

In Macedonia there is a modest amount of investment in the tourism sector. Modest investment activity is unable to provide modernization of the tourism sector to the developing challenges in the immediate dynamic environment. That means the need for foreign investment. Increased participation of foreign capital in the tourism sector contributes to improving the overall performances of the sector. The efficiency of tourism investments generally exceed the expectations. It is necessary to emphasize that significant qualitative shifts assume significant development investments. Therefore the acceleration of the total investment activity in the sector is of particular importance for the promotion of the tourism development in the country.

The functions of tourism as an economic and social phenomenon are many, and to determine the impacts of tourism should be established and the dynamic of the tourism turnover throught a certain time interval because the effect of the economic function of tourism is mostly reflected by the fluid on the income of a one area to another or from one country to another, that is realized by the tourist visitors. Republic of Macedonia, which is basically a tourist receptive country, the spillover of income is of very great importance, because it comes to extra consumption that without it, is impossible to realize the tourist trade.

In the future, in order to increase foreign exchange earnings are necessary specific measures aimed at the greater engagement in the presentation of aggressive tourism product in foreign markets and intensifying the development of imports of foreign tourists which create the invisible exports in the country and on the other side the decrease the exports of domestic tourists.

In essence, foreign exchange revenues from the development of foreign tourism are important for the development of national economy of the state, but despite of foreign tourism is need also and develop domestic tourism, because ignoring the domestic tourism and reducing the travel spending by domestic tourists, negatively reflects the operation of the tourism sector.

Trends for the future development of the tourism related in terms of which the movements of tourists and high concentration of the tourism demand in certain parts of the world such as the shores of warm seas, exotic islands etc.. , in the coming period will be forwarded to the mountain areas, lakes, national parks, areas with clean air. Therefore the prospective development of tourism in the Republic of Macedonia should concentrate on exploiting the tourist potential that possess and which will form the base for the tourism product that will be competitive on the international market.

State, local government and all competent institutions that manage the tourism sector must promote the economic environment and investments in this sector, to create conditions for more fully utilizing existing capacity, presenting the country as a tourist destination on the international market and to encourage the development of foreign and domestic tourism.

The realization of these assumptions would increase and the generative role of tourism in the country's development and thus tourism would be ranked in one of the most important sectors that is dimensioning the overall development of the country.

For the Republic of Macedonia as a small and open economy, the tendency of growth of foreign exchange inflow of foreign tourists in the coming period will be present and these trends indicate the increased influence of this sector in the integral development of the country.

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THE IMPACT OF THE NEW LAW FOR SUPERVISION OF THE INSURANCE COMPANIES THE IMPROVE THE FUNCTIONING WITHIN THE ECONOMIC SYSTEM

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Abstract

Perceived inconsistencies and ambiguities related to the current legislation in the insurance industry show their negative reminiscences in the overall financial system of the Republic of Macedonia. After a relatively lengthy harmonization with the international and domestic practice and theoretical - methodological texture and variability, the new "Law for supervision of the insurance companies to improve the functioning within the economic system" was brought. In addition, we enclose our view on the actualised and elaborated and current positions and responsibilities in service of larger and more efficient placement and exposure of the operations of insurance companies to the Agency for Supervision of Insurance and other business and non-business community.

Key words: *insurance, aconomic system, supervision, legislation, broker, regulation*

Insurance market in the Republic of Macedonia in the fourth quarter of 2010

In the fourth quarter of 2010 of the insurance market in the Republic of Macedonia there were 13 insurance companies operating, the same number of market participants as in 2009 respectively, after which 11 companies perform work on non-life insurance, and 2 perform work on life insurance. In this period number of insurance brokerage companies increased for 1 new company (Makoil BROKER), with a total of 14 companies, while the number of companies representing a 6, as in the first half of 2010. In the domain of the bylaws, are 3 published bylaws, as follows:

1. Rulebook on conditions for acquiring and testing of professional preparation required to perform insurance brokerage activities (Official Gazette of RM no. 102/2010);
2. Rulebook on conditions for acquiring and testing of professional preparation required for carrying out advocacy WP insurance (Official Gazette of RM no. 102/2010), and
3. Rules on the chart of accounts for insurance and reinsurance ("Official Gazette of RM no. 148/2010).

According to data provided by insurance companies with regular reporting to the Agency for Insurance Supervision (ASO) in accordance with Article 104 of the Law on Insurance Supervision ("Official Gazette of RM no. 27/02, 84/02, 98 / 02, 33/04, 88/05, 79/07, 8 / 08, 88/08, 56/09 and 67/10), ending with the fourth quarter of 2010 was achieved gross written premium (hereinafter " BPP) from 4.7 billion denars (EUR 76.33 million) which represents an increase from 6.9% in terms of BPP earned in the same period during 2009. The positive trend is present in both insurance groups, with the section on non-life insurance is accomplished BPP in the amount of 4.47 billion (Q3 2009: 4.2 billion denars), or 95.10% of total BPP of the insurance sector , an increase of 6% compared to same period last year. Regarding life insurance, which represents 4.90% of total BPP in the insurance sector, e BPP realized in the amount of 230.42 million (Q3 2009: 195.35 million) which represents increase of 18%. At the end of the fourth quarter, the domain of market concentration, the number of companies that pass the threshold of participation over 10% of the total BPP is 4, compared with 3 companies from the same period last year, and in terms of the first semester, no significant changes were made. In addition, the share of the market leaders is the following: Vardar Osiguruvanje with 22.1% (H1 2010: 21,27%, Q3 2009: 23.24%), QBE with 13.4% (H1 2010: 13,54%, Q3 2009: 15 , 58%), Sava Tabak with 11.7% (H1 2010: 11.85%, Q3 2009: 13.52%) and Eurolink with 10.9% (H1 2010: 12.07%, Q32009: 9,20%). Within the various classes Insurance is not noticeable deviations in terms of overall structure of the BPP, by and far the most important category is compulsory insurance auto liability insurance (AO) with 48,13% (Q3 2009: 47.8%), voluntary insurance of passenger vehicles (Hull) with 12,64% (Q3 2009: 13.82%), property insurance with 17,71% (Q3 2009: 16.49%) and accident insurance with 9.65%. (Q3 2009: 10.26%). In these categories has been seen significant change of the BPP from compulsory insurance in the amount of 2.26 billion with growth of 8% (Q3 2009: 2.1 billion denars), as well as property insurance in the amount of 833 million with an increase of 15% (Q3 2009: 530.8 million). Also at the end of the fourth quarter of 2010 the number of insurance was 842,316, an increase of 9% over the same period in 2009. The total number of contracts in the group of non-life insurance amounted to 818.179 (Q3 2009: 751,555) representing an increase of 9% over the same period in 2009. Accordingly, the trends of the movement of BPP in the area of non-life insurance, realized 405.472 deals for auto liability insurance an increase of 9% (Q3 2009: 359,605), 39,865 deals on property insurance increased by 4,36% (Q3 2009: 38,200) and almost no changes in contracts for voluntary insurance of passenger (Hull) with a total of 35.532 (Q3 2009: 35,631). In the area of life assurance, the number of contracts amounted to 24,137 representing an increase of 15% (Q3 2009: 21,002) compared to the same period in 2009.

The new Regulation on the format and content of the layout and detailed content of the annual report on the operations of insurance companies and reinsurance and annexes to these reports are form and content of the layout and detailed content of the annual report of insurance companies and reinsurance for purposes of reporting to the Agency for Supervision of Insurance regulates and Guidelines for completing the financial reporting and insurance brokerage companies and associations representing the insurance. Annual report of insurance companies includes:

1.1 Financial Statements and

1.2 Report operations.

The annual report required to be signed by all members of the managing body of the insurance.

The financial statements of the insurance consist of the following reports:

1.1. Balance Sheet (Statement of financial position)

1.2. Income Statement (Statement of comprehensive income)

1.3. Statement of cash flows

1.4. Statement of changes in equity and

1.5. Notes to the financial statements in accordance with the provisions of IFRS

Performance report of an insurance undertaking should include a description of the general economic environment in operating the company, the business policy of the company, analysis of company operations, financial position, financial condition, description of the basic risks that the company is exposed to, equity and shareholders of the company, development company, subsidiaries / affiliates of the company, the activities of subsidiaries / branches abroad, basic data on group insurance (if the company is part of the group), corporate governance, organizational structure and network structure of the business of the company. In describing the general economic environment, the insurance company should state the main factors that have direct or indirect impact on business of the company. In cases where the insurance company made a significant volume of its activities to foreign markets, it is necessary to describe the most significant economic trends in these countries and their impact on the activities of the company. In terms of business policy and objectives of the company, the insurance company to explain the long-term goals of its business policy and pointed out the planned activities to meet the Agency for Insurance Supervision. In planning these activities the company should pay particular attention to measures to manage risk. Insurance company must explain the extent to which prediction is realized for the financial year.

The analysis of the operations of the company - the insurance company is required to give a detailed description of the work on certain classes of insurance.

The financial result - the insurance company needs to show revenue and expenditure for the business year in certain classes of insurance.

Financial situation - the insurance company should disclose the structure of assets and liabilities in the balance sheet categories of assets or liabilities and to explain the changes of each item compared with the previous business year.

The description of the underlying risks that the company is exposed, the insurance company should explain the market, credit, operational and risk of illiquidity and possibly other risks facing if they are relevant for the evaluation of assets and liabilities of the company, its financial condition and results. The description of the company is obligated to include measures and activities to manage all the above risks. Share capital and shareholders of the company's insurance company should disclose the names of major shareholders, their shares owned and the total number of issued shares. The report should include a description of previous and future development of the company and its activities in the research and development. Report on operations of the company include insurance and other relevant data for its operations such as data about the business of the company network, activities of the subsidiaries of the company in overseas ventures of the company, the activities of the insurance undertaking in research and development, number of employees and their qualification structure, IT support and other data that are considered important for accurate and reliable presentation. It includes data on the relationship of the company with its parent company. Which insurance company is ruling the company within the insurance group should present basic information on group insurance and to identify groups of companies involved in the . The data for companies in the insurance group should include name of company, type of activity, owned shares in the company, a share in voting rights, the nominal value of shares at the end of the business, and corporate governance structure and legal status and headquarters company insurance, the date of incorporation, an indication of changes in internal policies during the financial year and if such changes occur, a copy of their updated internal regulations, as well as name, address and date of appointment of authorized auditors.

Changes in the list of classes of insurance an insurance company is responsible for, along with the date of issuance of permit for each class of insurance and date of when the insurance company has started operations in each class of insurance.

Changes in the list of insurance contracts that the insurance company has signed over the year, including the commercial name of each type of contract and his class of insurance. Insurance company is obliged to submit to the Agency unrevised annual report (unrevised annual financial statements and annual report) in the first three months of the year for the past year and a revised annual report (audited annual financial statements with the changes of ZSO) before June 1 the current year for the previous year.

These are the concerted and equalized positioning and modifications which in our opinion are more compact and allow simpler and adequate management of this (especially crucial) mezzo economic area within the economic policy of our country.

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MANAGERIAL ECONOMICS AND TOURISM

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Abstract

Development of economy, in a country is an engine that moves individual industries, and contribute to directly affect him.

Tourism is very important for economy. As influential tourism is as other factors affect it. The real situation in the country depends on managing the economy.

The economy management directly affects tourism.

Stock is one of the most influential world institutions with immense importance.

Stock is an important segment for world stability and its stability is associated with world events.

The numbers of factors or effects that influence the stock market positively or negatively are high. If it disturbs the balance in society it disturbs the harmony of the stock market.

Asymmetric effects can take the full credit for disruption of that balance and it has influence of tourism.

The question is: -What is management doing, to preserve, or maintain that balance?

Key words: *economic development, management, exchange, asymmetric effects.*

INTRODUCTION

Every economy consists of a number of economic branches.

Every economic branch separately, has influence on the economic development of that country.

Firstly, let us explain the meaning of the terms economic development and economic growth, which occurs as a result of the economic development.

Then, the significance of the tourism as an important economic branch will be shortly explained.

Successful management of the economy is also one of the key elements for good tourism development.

The impact of the stock market on the world economies, as well as the factors that have influence will be briefly explained.

In the end, we'll see what the managers, responsible for this problematic, are undertaking in order to improve the situation of the tourism and the economy in general.

DEFINING THE TERM ECONOMIC GROWTH

The economic growth represents an increase of the economic wealth of a certain region or country. It can also be defined as the totality of all efforts undertaken by one country in order to increase the economic growth, that is, the economic life of the citizens of a certain country.

The economic growth represents the increase of the overall volume of production of goods and services from a certain economic branch. The economic growth can also be defined as the increase of the capital power or the revenue assets of a country or region.

MANAGING THE TURISM

One of the most important economic branches that comprise a country's economy is the tourism.

In these recent decades, tourism has seen tremendous growth and tends to become one of the fastest growing economic sectors in the world.

The contribution of the tourism to the economic welfare of receptive touristy countries depends on the quality and revenue of the touristy offer.

The quality of the revenue and the touristy offer are a major task of those responsible for managing the economy.

The term managing means direction with the purpose of maximally rational allocation of resources. Proper usage, purpose, that is, proper redistribution of the resources is a very important issue.

The secret of good managing is not only attainment of revenue but also enabling the attained revenues to yield new revenues.

In every economy there is a superb management team that plans, coordinates, organizes and accomplishes the work. There is need to find financial sources from which the state budget would be charged.

The state budget gains revenue from multiple sources. In addition, we would list few of them.

The taxes imposed in the area of tourism, represent an important economic category at local and national level. The tourist taxes can provide funds for: infrastructure development, improving the health care for the population, increasing the level of education, teaching and training the employees in the area of tourism, tourism destination marketing of the domestic and the international market, building various public facilities, and even helping the programs to alleviate poverty, undertaken by the governments of the receptive touristy countries.

The height of the tourist taxes should be at a level that, on one hand, will enable the touristy industry to accomplish reasonable profits and revenue necessary for investments in the area of tourism, as well as an increase of the general welfare of the citizens, but on the other hand, preserving the competitive advantage of the touristy country with international extent.

Qualified as a phenomenon of the contemporary life, the tourism as an economic branch at both rich and poor countries and regions in the world is constantly subject to economic analyses and development plans. There is almost no corner of the globe, where some travel package for an offer is being prepared, and which includes the natural beauties, rarities, historical monuments, folklore, folk customs, gastronomic specialties…

All this is an unprecedented contest between the countries, the tour operators, about which one of them and how much attention and tourists they will attract to their sea or lake beaches, mountains, capitals, smaller cities, rural and environmental areas, cultural and historical monuments and so on.

In recent times, the tourism is characterized by general mobility and movement of the population. Regardless of the motives, the tourists who travel and reside out of their country spend a certain amount of money to satisfy many diverse needs.

Almost all economic and non-economic branches and various other activities have benefits of these foreign assets that tourists spend in the country where they were staying.

In fact, when tourists are paying hotel bills, they practically pay the expenses of hoteliers made in other sectors of production and services, and that way the tourism has a positive impact on the overall economy of the country where the tourists were staying and spending foreign assets.

The tourists spend the foreign currencies outside the hotel as well, in trade, traffic, various other types of services, visits to cultural-historical monuments, entertainment, sport and recreation and the like.

The tourism as an economic activity represents an economic phenomenon with a strongly expressed impact where it occurs and performs its basic function - acceptance and accommodation, while simultaneously satisfying the many diverse needs and desires of the tourists.

With its multiplicative influence in the process of economy, directly or indirectly, it encourages and includes many economic branches and activities in the total touristy offer.

If the tourism is developed properly and professionally, at world level, it can employ a bigger percentage of people, compared to the other economic branches.

ASYMMETRIC EFFECTS ON THE STOCK MARKET

There are a number of factors affecting tourism (positive or negative).

Apart from the managerial team managing the economy or the sector of tourism, there are also some other factors that directly affect this economic branch.

If the number of factors that have positive impact is big, then the tourism is developing and its development challenges other branches to develop too. This development contributes to create a positive climate in the economy which positively affects the stock market.

The stock market is a special, institutionally organized market, which operates under strictly defined rules of trading and criteria that need to be met by the stocks in order to be introduced for sale in it.

The stock market today is a perfect market in a sort of way, where trade is done with standardized goods. Today, the modern world can not be imagined without the stock markets. Depending on the type of stock market of long-term stocks, in practice there are different approaches in their organization and the methods of forming the organs of their management.

The stock market is a very important institution. It is an important factor for the world stability, but also, its stability is associated with the world developments. There are a number of factors or so-called effects that positively or negatively affect the stock market. If the balance in the society is disrupted, then the harmony of the stock market is also disrupted.

Further on, the asymmetric effects of the stock market and their impact will be shortly elaborated.

In general, the term asymmetry indicates deviation of the occurrence from the normal standards set by previous examinations or activities. If the asymmetry is an occurrence, then the asymmetric effects are the causes of this occurrence. Specifically, in our particular case, we are especially interested in the effects that cause asymmetry in the stock market globally, and in the Macedonian Stock Exchange in particular.

We would like to identify the asymmetric effects on the stock market with the negative effects that cause damage to the social and economic development.

One of the asymmetric effects with devastating power is the Economic crisis.

The economic crisis that has grown into financial in general, is one of the most significant effects.

The financial crisis of 2007 to the present is a financial crisis caused by the reduction of the liquidity in the banking system in the United States. It resulted in the collapse of many financial institutions, helping the banks by the national governments and falls of the stock markets worldwide. In many places, the real estate market suffered too, resulting in a lot of emigrations, foreclosures and extended vacations. Many economists believe that it is the worst financial crisis after the Great Depression of the 1930s. It caused the decline of crucial businesses, reduction of the consumption power calculated in trillions of U.S. dollars, a significant decline in economic activity and the governments had to take important steps. Many measures of varying difficulty were proposed by the experts.

The collapse of the global market with houses, which reached its top in the U.S. in 2006, caused a drastic fall of the value of stocks related to real estate, damaging the financial institutions worldwide. The questions regarding the solvency of banks, the inability to issue credits and the distrust of investors had impact on the global stock markets, where stocks had great declines during the end of 2008 and the beginning of 2009. The economies in the world slowed down in this period as the credit conditions tightened, and the international trade declined.

The critics claim that the agencies for credit rating and the investors failed to accurately assess the risk in the financial transactions related to mortgages, and the governments did not set up their regulatory practices on the financial markets of the 21st century. The governments and the central banks have responded with no precedent with fiscal stimulating, expansion of the monetary policy and financial help of the institutions.

"During periods of restriction of the production and the constant tendency to increase the demand, it is normal for the price of the crude oil to grow constantly.

What complicates the situation is that in the following years, the oil production is expected to reach its peak, after which each year it will be less produced.

What was noticed is that the rise of the price of copper appeared at the same time as the rise of oil prices. The copper was traded for about 2.500 dollars per ton from 1990 to 1999, when it dropped to about 1.600 dollars. The low price lasted until 2004 when the price of copper jumped to 7.040 dollars per ton in 2008. In February 2010, the copper was traded for 6.500 dollars per ton and the price was gradually falling.

The sales of nickel had experienced a boom in the late 1990s, at that time the price of nickel imploded of about 51.000 dollars/36.700 pounds per metric ton in May 2007 to about 11.550 dollars/8.300 pounds per metric ton in January 2009. The prices began to recover in January 2010, but most of the Australian nickel mines had gone bankrupt by then. As the prices for high quality ore of nickel soleplate recovered in 2010, the Australian mining industry started to recover as well.

The foreign institutional investors have a huge impact on the domestic capital market, and the impact of the investment funds is insignificant. The foreigners were also influential when the stock prices were rising, when they rushed the stocks of our companies, but also when the stock prices were falling and the market collapsed. On the other hand, the investment funds, due to the bad period during which they appeared, don't affect the stock market so much, because they mainly invested at the foreign capital markets.

Otherwise, the investment funds in the countries of Southeast Europe, which includes the Republic of Macedonia, have contributed and are expected to contribute significant effects on overall growth and development of the economies in these countries. Particularly significant segment is the investment of the assets of the investment funds, which have a direct impact on the development of the financial market and the capital market, especially on the market of stocks.

Although the global financial crisis, which emerged during 2007 and which is still ongoing, has negative impact on the growth and development of investment funds in the Republic of Macedonia, despite the large declines in the world stock market indexes by more than 50%, and especially the Macedonian MBI10 stock index by more than 80%, Macedonia's investment funds managed to minimize losses and in 2009 they already began to realize significant returns.

Unlike them, the Macedonian individual investors felt the bitterness of the unprofessional and individual investment at the stock market, due to the allowed opportunity of the Law on Foreign Exchange - Macedonia's investment funds to invest their funds overseas, unlike the Macedonian individual investors, who can invest only at the Macedonian Stock Exchange.

The role and the impact of the investment funds in the Republic of Macedonia on the Macedonian Stock Exchange, in this initial period of two years are very low. According to experts, it is due to the small amount of assets they collected, because of the unfavorable atmosphere of the Stock Exchange. The small impact is due to the fact that much of the small amount of assets of the investment funds was invested abroad.

According to the experts, the greatest impact on the Macedonian Stock Exchange during 2006, 2007, 2008 and 2009 had the foreign institutional investors. They were principal during the growth, but also during the fall of the prices in the specified period. With the offering that realized from capital gains, they pulled out a huge amount of the domestic individual investors and, in general, from the Macedonian economy. The domestic investors remained in position with stocks purchased at high cost, making the next growth of the Macedonian Stock Exchange to be slow and quite difficult, having consideration that they will wait to get out of those positions immediately at the first favorable moment. Otherwise, the theoretically substantiated result, for a small and open economy such as the Republic of Macedonia, is that the higher turnover on the Stock Exchange of the foreign investors, substantially contributes to higher total turnover on the Macedonian Stock Exchange.

The Macedonian investment funds that occurred at the end of 2007 didn't have big influence, and participation in the shares of the domestic companies. But, again, due to the large percentage of free cash, which was kept in the period of the crisis, they may well be positioned when the growth of the Macedonian Stock Exchange begins.

That can lead to high growth in the share value and thus attract domestic investors, who will not repeat the error this time and invest in the stock market by themselves. With the increase of the assets under managing, the investment funds in the Republic of Macedonia will be increasing their influence on the Macedonian Stock Exchange, and above all, will provide greater liquidity in trading. Thus, along with the private pension funds, they could increase their position of market-makers on the market for stocks and bonds.

The foreign investors from the stock market were taken away by the whirlwind of the crisis. Faced with huge losses and declines in the mother countries and the stock markets there, the foreign institutional investors have abandoned our market in order to balance the losses and to settle their clients, given that the most were mutual funds. Such negative wave caused major declines in our stock market, because the foreigners dominate, which only confirms their great influence on the domestic market.

The funds industry in the region is embedded in the ambient of the conditions of the capital markets. Recently, among the most popular ways to attract customers or potential investors, for example, in Croatia, is the current abolition and reduction of the fees for investing in funds.

EMPROVING THE CONDITION

All these given above and many others are effects that affect the stock market in the world negatively. Of course, this kind of negative influence has a direct impact on tourism as well. It is generally known that even though our country has wonderful and great potentials for tourism development, this economic branch in our country is not yet sufficiently developed. Macedonia is a rich country but what is happening with the wealth, why it hasn't been sufficiently exploited and rationally used yet? This is the task of our managers of the economy. Do they undertake anything at all?

The Government has picked international touristy fairs where it will promote the country as an attractive place for tourism.

Macedonia is missing quality international brands that would position it as an attractive destination for investment in tourism. On the other hand, the current investments in tourism are at a low level which reflects the quality of the accommodation outside the main centers. After the implementation of the National strategy, it is expected for Macedonia to get the image of a top European touristy destination after five years. This would have multiple positive effects - increase in the foreign inflows, new jobs, increase of investment and so on.

The agency for tourism promotion, which is in the process of establishment, will need to implement the Strategy, it will present the potential and comparative advantages of the Macedonian tourism abroad, and it will attract tourists and will need to provide quality and a pleasant stay in Macedonia.

Government initiates activities for a construction of a virtual Macedonian village that will show all the ethno characteristics of the Macedonian territory. Apart from highly ranked hotels, in order to meet the needs of different categories of tourists, the government will encourage the construction of small hotels too – from the type of a family business in various parts of Macedonia.

Despite the mass tourism present in the neighboring countries, the comparative advantages of Macedonia are part of the village, cultural, religious, winery, spa, and mountain and lake tourism.

CONCLUSION

The tourism as an economic activity is undoubtedly the most diverse sector and a sector with the widest range compared to any other sector in the economy, because it has many important relationships and economic linkages with other sectors than any other economic activity and, hence, an important (but less understood) role in the economic development.

The tourism as an important economic branch directly affects the economic growth and development of a country.

The proper allocation and utilization of the resources is the key to successful managing with the economy.

The stock market is one of the most important institutions which have great importance for the economy in general. There are factors that positively and also negatively affect the operation and the functioning of the stock market. The large number of negative effects that we called - asymmetrical, has their place and influence.

Like all countries in the world, Macedonia as well is not immune to the asymmetric effects that the "are shaking" it. These negative effects through the stock market directly affect all economic branches, including tourism.

Moreover, the underdeveloped tourism can be a consequence of improper managing. Namely, the insufficient promotion of the tourism may be one of the reasons for poor results.

Such is the example of our country. Macedonia is full of natural treasures and rarely which country in the world could boast of this. We posses many different things we can offer in the world, and for which we do not know that they exist. Every day new things are being discovered, which are moving us closer to the world.

We have an extensive field of work. In Macedonia there are conditions for development of the rural tourism, as well as cultural, religious, mountain, lake and other types of tourism.

A national strategy for the development of the national tourism in Macedonia has been made.

One of the many things that will be done is that Macedonia will be promoted at well-known international touristy stock markets as an attractive place for tourism.

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UNIFING THE ACCOUNTING SYSTEM THROUGH THE INTRODUCTION OF IAS

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Abstrakt

International Accounting Standards and International Financial Reporting Standards are the basic of accounting by word leading up to it. From this year the new IAS 1 is to change the titles of financial statements , the manner of their presentation and terminology. The Balance sheet is now named as the Statement of financial position as at the end of the period, the Income statement as a Statement of comprehensive income for the period, Statement of changes in equity as Statement of changes in equity for the period, Cash flow statement as Statement of cash flows and notes as notes. All these innovations are published in the Official Gazette, 159/09 and 164/10, and their applications is expected this year. These and other changes in accounting standards in Macedonia are step towards generally accepted accounting rules. Is needed and education of accountants and auditors in order to successful implementation of the same.

Key words: *accounting, IAS, implementation*

Introduction

In 2001 the Board was established by the International Accounting Standards (IASB) to introduce quality solutions to transition from national accounting standards to IFRS. They bring high quality, understandable and enforceable, global accounting standards to help the participants to different capital markets worldwide, as well as other users of information to make economic decisions.

The introduction of IFRS and IAS allow harmonization of accounting standards and equal reading financial reports, anywhere in the world.

In Macedonia in 2004[30], with the adoption of Rules on Accounting, a common accounting basis for all businesses, regardless of their size, have become international accounting standards - IAS and International Financial Reporting Standards - IFRS, together with interpretations of Standing Committee for interpretation - PKT, which are part of the Rules.

This law, in 2009, [31]is replaced by a new law on accounting, which provides leading accounting in accordance with International Financial Reporting Standards, which include International Accounting Standards - IAS, International Financial Reporting Standards - IFRS, interpretations of the Standing Committee for interpretation - PKT, interpretations of the Committee for interpretation of international financial reporting-IFRIC determined by the Board of International Accounting Standards.

The importance and need for unification and harmonization of accounting standards

The financial statements have been prepared by a number of entities worldwide. Although such financial statements may occur in similar forms in different countries, there are differences that are caused by different social, economic and legal circumstances. These different circumstances have led to the use of

[30] Правилник за водење сметководство,*Службен весник на РМ*, бр. 94/04, 11/05, 116/05
[31] Правилник за водење сметководство, *Службен весник на РМ,* 159/09

different definition is not the elements of financial statements, or items such as. funds, obligations, the capital, earnings and costs. Because, there are different criteria for recognition of these items in the financial statements, and to the introduction of different bases of measurement. Therefore there is a need for unification and harmonization of accounting standards.

The introduction of IAS is committed to reducing these differences through the application for the harmonization of regulations, accounting standards and procedures relating to the preparation and presentation of financial statements. If attention is directed to the financial statements are prepared in order to provide information useful for making economic decisions, the best and easiest way to achieve harmonization of accounting standards.

IFRS are developed through an international process that involves accountants, financial analysts and other users of financial statements, business community, stock exchanges of securities, regulatory and legislative bodies, academics and other interested individuals and organizations worldwide.

Board of Committee for international accounting standards, believes that financial reports are prepared for this purpose meet the common needs of most users.

The financial statements are a part of the process of financial reporting. IFRS and IAS apply to all financial statements for general purpose. Such financial statements are directed towards common information needs of a wide range of users.

Users of financial statements are current and potential investors, employees suppliers and other creditors, customers, governments and their agencies and general public.

The objective of financial statements is to provide information on financial condition, results and changes in financial position of the entity that is useful for users in making economic decisions. The entire set of financial statements includes the statement of financial position, a report on comprehensive tax, statement of changes in equity, a statement of cash flows and accounting policies and explanatory notes.

Four main qualitative characteristics that make them useful information to users and to be applied in compiling the financial statements are understandability, relevance, reliability and comparability.

International Accounting Financial Statements – IFRS

International Accounting IFRS financial statements that are introduced by the Rules, in the Republic of Macedonia are:[32]

IFRS 1 - *Initial adoption of International Financial Reporting Standards*

The objective of this IFRS standard is to ensure that the first financial statements under IFRS of a given entity, and its financial statements for the period of which is covered with them, contain high quality information that is transparent, comparable, can be generated mon cost which does not exceed use.

IFRS 2 - *Payment of share-based*

The objective of this IFRS is to determine the financial reporting by the entity when he takes on himself the payment transaction based on the shares. In particular, it requires an entity in its profit or loss and financial position to reflect the effects of payment transactions on the basis of actions, including costs related to transactions in which employees are given stock options.

IFRS 3 - *Business Combinations*

All of this IFRS is to improve the relevance, reliability and comparability of information disclosed to the entity in its financial statements in connection with business combinations and the effects arising from them. Established principles and requirements for how the acquirer recognizes and measures the assets

[32] Правилник за водење сметководство, *Службен весник на РМ,* 159/09

acquired and liabilities assumed, as it recognizes and measures the goodwill, and determines what information to disclose in their financial statements.

IFRS 4 - *Insurance Contracts*

The objective of this IFRS is to establish financial reporting for insurance contracts for any entity that issues such contracts.

IFRS 5 - *Non-current assets held for sale and ceased operations*

The objective of this IFRS is to specify the accounting for assets held for sale and presentation and disclosure of interrupted operations. This IFRS requires assets held for sale are measured at a lower than fair value accounting and reduced cost of sales and depreciation of such assets cease to be performed. Such funds should be presented separately in the financial statements.

IFRS 6 - *Exploration for and evaluation of mineral resources*

The objective of this IFRS is to specify the notification of the survey and evaluation of mineral resources.

IFRS 7 - *Financial instruments - disclosure*

The objective of this IFRS is to require entities to provide disclosures in their financial reports that will enable users to evaluate the significance of financial instruments for financial position and performance of the entity and the nature and extent of risks to which the entity is exposed.

IFRS 8 - *Operating Segments*

The basic principle of this IFRS is an entity to disclose information that will enable users of its financial statements to assess the nature and financial effects of business activities with which it deals and economic environment in which he works.

International accounting standards IAS

International accounting standards introduced by the IAS Regulation in the Republic of Macedonia:[33]

IAS 1 - *Presentation of Financial Statements*

This standard describes the basis for presentation of financial statements for the general purpose to ensure comparability both with the financial statements of previous periods and with the financial statements of other entities. It sets overall requirements for presentation of financial statements, guidelines for their structure and minimum requirements for their content. The entity should apply this standard for the preparation and presentation of financial statements for general purpose.

IAS 2 – *Supplies*

The purpose of this Standard is to prescribe treatment of charge. Primary in accounting for inventory is the amount of cost to be recognized as a means still need to keep the records until they recognize the related revenue.

IAS 7 - *Cash flow*

The purpose of this standard is to obtain information about the changes that occurred in the past regarding money and cash equivalents of an entity using the cash flows that are classified cash flows during the period of operating, investing and financing activities.

[33] Правилник за водење сметководство, *Службен весник на РМ,* 159/09

<u>IAS 8 - *Accounting policies, changes in accounting estimates and errors*</u>

The purpose of this Standard is to prescribe criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and correction of errors.

<u>IAS 11 - *Construction Contract*</u>

The purpose of this Standard is to prescribe the accounting treatment of revenues and expenditures related to contracts for construction.

<u>IAS 12 - *Taxes from profit*</u>

The purpose of this Standard is to prescribe the accounting treatment for income taxes. Primary issue in accounting for income taxes is how to record current and future tax consequences of future movements in the value of the liabilities and transactions and other events in the current period.

<u>IAS 16 - *Estate, installations and equipment*</u>

The purpose of this Standard is to prescribe the accounting treatment of adverts, installations and equipment so that users of financial statements will be able to distinguish information about the entity's investment in its estate installations and equipment and changes in such investment.

<u>IAS 17 – *Lease*</u>

The purpose of this Standard is to prescribe accounting policies and disclosures that will be used in connection with leases entered into.

<u>IAS 18 – *Earnings*</u>

Revenue is defined as an increase in economic benefits during the accounting period in the form of inflows or increasing assets or reducing liabilities that result in increased equity, except those related to investments in equity by the participants. The earnings include income and recognized gains.

<u>IAS 19 - *Uses of the employees*</u>

The purpose of this Standard is to prescribe accounting and disclosure for employee use. The standard requires an entity to recognize the liability when the employee has provided service in exchange for employee benefit that will be paid in the future and expense when the entity consumes the economic benefits arising from the service which provides employee in exchange for employee benefit.

<u>IAS 20 - *Accounting for government support and disclosure of state aid*</u>

This standard should be applied for, and the disclosure of government support and the disclosure of other forms of aid

<u>IAS 21 - *Effects of changes in foreign courses*</u>

The aim is to prescribe the manner in which transactions in foreign currency and foreign operations to include financial statements of the entity and how to translate financial statements in the presentation currency of the entity.

<u>IAS 23 - *Borrowing Costs*</u>

Borrowing Costs directly attributable to the gaining, construction or production of classified tool, a part of the purchase value of that asset. Other borrowing costs are recognized as an expense.

IAS 24 - *Disclosure of related sides*

The purpose of this Standard is to ensure that financial statements contain the necessary disclosures in the financial statements that suggest the possibility of influence is the existence of related parties on the financial position and profit or loss of the entity and the impact of these transactions between related parties and open balances in relation to related parties at the end of the period.

IAS 26 - Accounting and reporting by plans to use in retirement.

This standard should be applied in the financial statements of the plans used for retirement, where he prepared financial statements. This standard considers the plan to use in retirement as a reporting entity that is separate from the employers of participants in the plan.

IAS 27 - *Consolidated and Separate Financial Statements*

This standard should be applied in preparing and presenting consolidated financial statements for a group of entities controlled by the parent company. It applies to investments in subsidiaries, jointly controlled entities and associated entities when an entity elects, or local regulations required him to present financial statements. It used the following terms with their meanings listed

Consolidated financial statements are financial statements of the Group are presented as those of a business entity.

Control is the power to govern the financial and operating policies of an entity in order to gain use of his activities.

Group represents the parent company and all its subsidiaries.

Uncontrolled participation is the principal subsidiary that is not prescribed directly or indirectly, the parent company.

Subsidiary is an entity, including entity such as a partnership, which is controlled by another entity (known as the parent company).

IAS 28 - *Investments in associated units*

It is used in accounting for investments in associated entities. It does not apply to investments in associated entities that are owned by venture capital organizations or mutual funds, custodial units and similar entities including insurance funds-related investment.

IAS 29 - *Financial reporting in hyper-inflationary economies*

This standard should apply to financial statements, including consolidated financial statements, an entity whose functional currency is the currency of a hyper inflation economy. In hyper-inflation economy, will be useful for reporting operating results and financial position in local currency without their show again. The money they lose purchasing power to the point that comparing the amounts of transactions and other events that have occurred in different time periods, even within the same accounting period, may indicate the wrong conclusion.

IAS 31 - *Participation in joint venture*

This standard should apply to participate in joint ventures and reporting of assets, liabilities, revenues and expenses of joint ventures and investors, regardless of shape or structure in which the joint venture activities take place.

IAS 32 - *Financial instruments*

With IAS 32 establishes principles for presenting financial statements as liabilities or equity and for offsetting financial assets and financial liabilities. He applied for the classification of financial instruments, from the perspective of the issuer, financial assets, financial liabilities and equity instruments, classification of interest, dividends, losses and gains recognized associated with them and the circumstances in which we should make a netting of financial assets and financial liabilities.

IAS 33 - *Earnings per share*

Down the principles for determining and presenting earnings per share thus improving the comparability of results between different periods of notice for the same entity. Although data on earnings per share have limitations because of different accounting policies used in the determination of earnings, consistently determined denominator enhances financial reporting. This standard is focused on the denominator in the calculation of income for action.

IAS 34 - *Financial reporting in the period between*

The purpose of this Standard is to prescribe minimum content financial report in between period, and to prescribe the principles for recognition and measurement in complete or abridged financial statements for the interim. Timely and reliable improves the ability of investors, creditors and others to understand the entity's capacity to generate earnings and cash flows and its financial condition and liquidity.

IAS 36 - *Impairment of assets*

This IAS prescribes procedures that an entity applies to ensure that its funds are kept at an amount not greater than their recoverable amount. The asset is kept at an amount which is greater than its recoverable amount if its carrying amount exceeds the amount which will compensate by using or selling the asset. If this is the case, the asset is described as harmless and the standard requires an entity to recognize the impairment loss. The standard also specifies when an entity should reverse the impairment loss and prescribes disclosure.

IAS 37 - *Reservation, contingent liabilities and contingent assets*

The purpose of this Standard is to ensure that appropriate criteria for recognition and basic measurement is applied for reservation, contingent liabilities and assets uncertain that enough information is disclosed in the notes to financial statements to enable users to understand their nature, time of occurrence and amount.

IAS 38 - *Intangible assets*

This standard requires an entity to recognize an intangible asset if, and only if certain criteria are satisfied. With it, determines how to measure the carrying value of intangible assets and related disclosures to be made in connection with intangible assets.

IAS 39 - *Financial Instruments: Recognition and Measurement*

The principles for recognizing and measuring financial assets, financial liabilities and some contracts for the purchase or sale of non-financial items, the objective of IAS 39th

IAS 40 - Investments in real estate

IAS 40 applies for recognition, measurement and disclosure of investments in real estate. It used the following terms with their meanings specified:

Carrying amount is the amount by which the asset is recognized in the statement of financial condition.

Cost is the amount of money paid or cash equivalents or the fair value of other consideration given to acquire the asset at the time of his acquisition or building, or where applicable, the amount that can be attributed to that asset when initially be recognized in accordance with the specific requirements of other IFRS.

Fair value is the amount for which an asset could be exchanged, or liability discharged in the transaction on commercial terms between the parties well informed and ready to willingly accept the transaction.

Investments in real estate real estate held to earn rental or increase the value of capital.

IAS 41 – *Agriculture*

This standard applies to evidence of the following items when they relate to agricultural activity: biological resources, agricultural products at the time of harvest, and civil support. It does not apply to land and intangible assets related to agricultural activity.

The IAS is supplemented by another accounting standard, which is published Rules 2010: [34]

IAS 10 - *Events of the reporting period*

IAS 10 prescribes:

- when an entity must correct its financial statements for events after the reporting period,
- disclosure to the entity should do about the date when it was approved the issuance of financial statements for events after the reporting period.

Events after the reporting period are those events, favorable or unfavorable, that occur between the end of the reporting period and the date when financial statements were approved for publication. Can identify two types of events:

- Those events that provide evidence of conditions that existed at the end of the reporting period (events after the end of the reporting period for which correction is performed)
- Those events that indicate conditions that occurred after the end of the reporting period (events at the end of the reporting period for which no correction is made).

News in IAS 1 - PRESENTATION OF FINANCIAL STATEMENTS

With IAS 1 is to change the headlines of the financial statements, the manner of presentation and terminology. This and other changes in accounting standards are the result of the harmonization of International Financial Reporting Standards - IFRS to generally accepted accounting rules.

Changes to the titles of financial statements

The changes are as follows:

Balance sheet as Statement od financial position as the end of the period;

Income statement as Statement of comprehensive income for the period**;**

Statement of changes in equity as Statement of changes in equity for the period**;**

Cash flaws statement as Statement of cash flows**;**

Notes as Notes;

Changes in the financial statements and their presentation

a) Statement of financial position

The current title of the financial report - Balance sheet is replaced with a new title Statement of financial position as the end of the period. However, the information should be included in that report remain unchanged.

b) Statement of comprehensive income

[34] Правилник за сметководство, *Службен весник на РМ*,бр.164/10

The most important novelty is made in this report, which replaces the income statement. This report should provide users additional information about changes in equity, resulting from the transactions that are not included owners.

The report can be compiled as a report of comprehensive income or two reports - Income Statement and Statement of comprehensive income (report begins with a profit or loss and presents the components of other comprehensive income).

Other comprehensive income includes items of income and expenses that are not recognized as a gain or loss as required or permitted by other IFRS, and include:

- changes in revaluation reserve (surplus)
- gains or losses incurred by further appreciation of financial assets available for sale
- actuarial gains or losses
- gains or losses arising from translating financial statements relating to work abroad
- the effective portion of gains or losses on hedging instruments hedzhiranje of cash flows

The Balance sheet is made to facilitate the study of liquidity and solvency of the company.[35]

Basic elements of the statement are:

1. Resources
2. Obligations
3. Equity

The funds represent a resource that the company owns and uses as a result of past events. Future economic benefits from the funds can arrive in the company in several ways:

- individually or in combination use with other resources in the production of goods which the company will sell.
- Exchange for other assets such as cash, cash equivalents, receivables and securities market
- used to settle obligations of the company, which appear as cash or cash equivalents
- be distributed to the owners of the company, also in cash or cash equivalents.

Obligations represent the current obligations of the company resulting from business events and for which repayment is expected outflow of resources that bring the company's economic benefit. *Equity* represents the remainder of the assets of the company after deduction of all its obligations. The statement expresses the condition of the property and its sources at some point. It is limited to financial data and facts that are well worth at some point. Therefore, it is comely for the measurement of business changes and assess the profitability of operations.

c) Statement of changes in equity

Statement of changes in equity should display the following information:

- the total profit for the period, showing separately the total amounts attributable to holders of the parent company and the rampant participation (owners of minority shares).
- for each component of equity, the effect of retrospective application of accounting policies or retrospective adjustment of the amounts recognized in accordance with international standards.
- for each component of equity, reconciliation between the carrying value at the beginning and end of the period, with separate disclosure of any change is the result of:

[35] Ivanovic, Z.,Financijski menedjment, Sveucilishte u Rijeci, Hotelerijerski fakultet Opatija, Opatija, 1997

a) profit or loss;

b) each item of other comprehensive income;

c) the amounts of transactions with owners in their capacity as owners, showing separately paid on the investment of owners and distributions of possession and ownership changes in participation in subsidiaries that do not result in loss of control;

Thus, under the new requirements of international standards is lifted out of the report that shows all changes in equity except those resulting from transactions with holders of the equity they performed in their status as holders of equity.

Statement of cash flows

Statement of cash flows is an overview showing the sources of the business entity to provide cash (cash inflows) and the use of that cash from its side (cash outflows).

He actually is an analysis of the liquidity that express changes in the status of assets and sources of the first day of the current period (initial state) to the last day the current (accounting period). The difference compared to the initial condition indicates an excess or shortage of sources of funding for operation and structure of the sources of change indicates the quality of the sources of funding. It is necessary to analyze the other reports, in order to realistically assess the net assets of the entity. The purpose of compiling this report is not to show the total net cash flows during the accounting period and the situation with cash at the beginning and end of the year. The purpose of the report is through changes in the structure of assets and its sources to show the use and sources of cash funds.

Cash flows are defined as inflows and outflows of:

- Cash

Cash assets include cash and deposits in the casino (denar and foreign currency).

- cash equivalents

Cash equivalents are defined as short-term, highly liquid investments that can quickly be converted into cash and are subject to insignificant risk change their value.

Statement of cash flows consists of three parts:

- cash flows from operating (business) activities
- cash flow from investment (investment) activities
- cash flow financing activities.

The significance of the report of the cash flows are reflected in the information they provide users of financial statements. It allows assessment of the entity used to create future cash flows, assessing the possibility of repayment and payment of dividend, assessing the needs of the subject of external funding and understanding the causes of manifested difference between net income and cash inflows and outflows.

Notes

Notes contain financial and non-financial indicators including a list of mandatory disclosure that the subject should explain the text. Notes should be related to balance sheet positions for easier monitoring of the induced effects.

CONCLUSION

The introduction of IAS are going slowly, step by step, but without any resistance from the accounting profession.

It is because of their awareness that unification of the accounting system, the introduction of a single accounting language, represents progress and a great help to improve the country's economy and attracting foreign investors who would look suspicious financial reports, since without any problem to know Read, understand and be sure one thing has the same meaning in our and in their country.

In a way this share to world globalization. As any chemist, from any place on this planet can be understood by any other chemist, with the use of Periodic table of the elements, as the sole language of chemistry, by now making a big step for the introduction of a single accounting language, which we all will understand.

Tourism is the economic branch, whose success requires fulfillment of many factors. One tourist season, is considered successful if a large number of foreign tourists visited the country. It directly connects tourism with the need for communication with other countries. This communication is necessary for successful selling arrangements, attracting foreign investment in tourism, and the like. For all that is attractive, it is necessary to show that what is offered is a profitable business.

The financial statements, IAS Mon ready to assist interested in economic decision, thus they will be sure to read what is written on a generally accepted economic language.

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ENTERPRISE RISK MANAGEMENT

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Abstract

Types of risks are part of the basics risks which companies are exposed every day of working. The precise slotting of individual risks factors under each of these four categories is less important then the recognition that ERM covers all categories, and material risk factors that can influence the organization value.In this section we will put a reference to the term "risk profile" to represent the entire portfolio of risks that constitute the enterprise. Some companies represent this portfolio in terms of a cumulative probability distribution or cumulative earning and use it as a base from which to determine the incremental impact of all alternative decisions and strategies. Most of the measures common can be emplace in two categories: measures of solvency and unstable of organization performanceAnother characteristic force is the increasing tendency of toward an intergrated or holistic view of risks.

Key words: *Risk, Companies, Portfolio, Measures, Decision.*

INTRODUCTION

These concepts have been generalized beyond financial risks to include risks of all kinds, beyond Developments In finance provide a framework of thinking about collective risk of a group of financial instruments and individual security "s contribution to that collective risk.portfolio of equity investmants to the entire collection of risks an organization faces.A number of principles follow from this thinking, including:Portfolio risk is not the simple sum of individual risk elements.To understand portfolio risk, one must understand the risks of individual elements plus their interaction.The portfolio risk,or risk to the entire organization, is relevant to the key risk decision facing that organization.The implication of these principles are having a significant impact on the practice of ERM.There is growing recognition that risks must be managed with the total organization in mind.To do otherwise(sometimes reffered to as managing risk with in "silos")is inefficient at best,and can be counter-productive.For example,certain risks can represent "natural hedges"against each other (if there are sufficiently negatively correlated.A classic case is that of an insurerselling both life insurance and annuity business to similarly situated customer and thereby naturally hedging away its mortality risk. To separately hedge mortality risk on these products (e.g through reinsurance) would be cost inefficient and entirely unnecesary.Another example is that of a global gonglomerate with one of its divisions long in a certain foreign currency and another short in a same currency.Separate currency hedges , while seemingly advisable from the point of view of the individual division heads, are unreasonable for the enterprise as a whole. A holistic approach helps give organizations a true perspective on the magnitude and importance of different risks.Advances in tehnology and expertise have made quantification easier,even for the infrequent,unpredictable risk that historicaly have been dificult to quantify.Following a series of natural disasters,most notably huriccane Andrew in 1992,the practice of catastrophe modeling arose and is now a standard practice In insurance companies.This combination of meteorological structural engineering , insurance and tehnological exepertise leading to probalistic models is a huge advancement over privious quantifications attemps.By the end of a twentieth century,insurance and reinsurance companies routinely measured their exposure of hurricanes,earhtquakes,and other natural disasters with a greater degree of precision leading to greater confidence in the ability to manage the exposure.More recently,such exposure-based quantification of exposure to losses has been extended to even less predictable,man-made disasters such terrorist attacks.The emergance of Value-at –Risk as a regalatory and management standart in a financial risks. Data is collected constantly allowing risk profiles to be adjusted as portfolios and market conditions change. This gives financial instructions and the regulatory bodies that oversee them a level of confidance in their ability to take actions to operate within established parameters.Despite these advances,there will always remain risks that are not easily quantifible. These include risks that are not well defined, unpredictable as to a frequency,amount or location,risks subject to manipulation and human intervention, and newer risks. Man-made risks,operational and strategic risks are example of these.Operational risk is a general category for a wide veriety of risks,many of which are influenced by people and many of which do not heva a long historical record.The tendency to quantify exposure to all these risks will certainly continue.In the same way there has been continuing effort to better quantify individual risks,there is growing effort to quantify portfolio risk.This effort is much more difficult because in addition to individual risks, one must quantify or explain interaction between individual risk elements.This can be extremely complex and challenging.However ther often is not the need for a great deal of precision;even a directionally correct answer may be valueble.The attempt at quantification allows the organizations to analyze “what if “ scenario. They are able to estimate the magnitude of risk or degree of dependency with other risks sufficiently to make informed decision.Further,simply going through the quantification process gives people a better qualitative perspective of the risk. They may gain insight as to the likelihood or severity of the risk or to ways to prevent or mitigate the exposure.

BOUNDARULESS BENCHMARKING

Common ERM practices and tools are shared across wide variety of organizations and across the globe.The proces,tools and the procedures laid out in this overview are not limited to the insurance or even financial service industries but rather are common to many organizations.Information sharing has been aided by tehnology but perhaps more importantly,because these practise are transferable across organizations.Organizations have become quite willing to share practices and efficiency gains with others with whom they are not direct competitors.An example of a phenomenon common to many organization and having risk management implication is real option.Many organizations face operating and strategic situations where events are uncertain,players make initial investments contingent on future events.

RISK AS OPPORTUNITY

In the past,organizations tenden to take defensive posture towards risk,viewing them as situations to be minimized or avoided.Increasingly,organizations have come to recognize the opportunistic side, the value creating potentional of risks. While avoidance or minimization remain legitimate strategies for dealing with certain risk,but certain organizations at certain times,there is also the opportunity to swap,keep and actively pursue other risks because of confidance in the organizatiions special ability to exploit those risks.There are number of reasons for this shift in attitude.Over time with practice,organizations have become more familiar with and more capable of managing risks they face.They develope expertise in managing those risks both because of familiarity and confidance in the organizations abilities.As a result,they may keep their own exposure and seek out opportunities to assume other organizations risks.Over time,better information about risk has become available.This has led to new markets for trading risks and more information about the cost of risks.This has allowed organizations to better evaluate risk and return trade-ofss and see that the costs of transfer sometime outweight the benefits.In addition,the existence of risk trading markets contributes to a greater degree of confidance.Organizations can adopt a more aggressive stance if they now they can switch to a defence stance quickly,if needed.In some cases organizations seek out risks to increase diverzification,realizing that the addition of some risks may have a minimum impact on overall risk,or in the case of hadges,may decrease enterprise risk.In essence,there is a realizationthet risk is not completely avoidable and,in fact informed risk taking is a means to competitive advantage.

CONCLUSION

It is reasonble to expect that the forces cited above will continue. Accordingly, risk management practices will become more and more sophisticated.As capabilities continue to I mprove,organizations will increasingly adopt ERM because thay can.

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THE NEED OF MARKETING STRATEGY IN TOURISM FOR ECONOMIC DEVELOPMENT

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Abstract

Contemporary trends in tourism unconditionally impose the need of creating and implementing marketing strategy in tourism in general, and in all entities involved in the creation of tourist offer in the Republic of Macedonia. Also, the need of strategic marketing positioning is more than necessary in the overall strategy for tourism that as soon as possible Macedonia has to create and implement. This paper presents the basic principles on which marketing is based on, its application in tourism and how marketing functions should be used when creating marketing strategies for entities in tourism and tourism as an industry in general, all this in order to emphasize the tremendous need of marketing in the overall development of tourism and the economy in general.

Key words: *marketing strategy in tourism, strategic marketing positioning, tourism development, economic development.*

INTRODUCTION

Tourism is one of the fastest growing service industries that contributes significantly to the growth of many national, regional, and local economies. In an economy such as Macedonian, in which a significant part of export revenues should be due to foreign tourism, it is important for policymakers to understand the sensitivity of foreign tourism demand with respect to its main determinants.

The capacity of tourism to promote economic expansion stems from the fact that, as an export industry, it induces new spending within the local economy. This new direct spending generates new jobs and secondary economic activity as new dollars ripple throughout the economy. In addition to these possible economic benefits, proponents of tourism redevelopment argue that, in celebrating local culture, these projects engender a sense of civic pride and cultural ascendancy that may elicit feelings of solidarity and well-being in the local populace. They also maintain that tourism redevelopment may result in enhanced services, improved infrastructure, and greater opportunities for entertainment and recreation.

Analysis of the current strategic marketing positioning

The tourism 'product' is an experience achieved through the combination of a diverse array of products and services (Heath & Wall, 1994; Scott, Parfitt & Laws, 2000). For visitors, the product is the total experience, covering the entire amalgam of all aspects and components of the product, including attitudes and expectations. According to Middleton & Clarke (2001), **the overall tourism product is a package, and might be defined in terms of five main components, namely: destination attractions; destination facilities and services; accessibility of the destination (including transport); images, brands and perceptions; price to the visitor**. Hence, destination is a provider of experiences. There is an increased demand for destination marketing, due to rising customer expectations and growing competition between destinations (Pike, 2004; Scott et al., 2000). In response, more sophisticated marketing is used including product development, enhanced promotional imagery and targeting of specific market segments. The preponderance of small businesses in destinations and the diversity of objectives in larger organizations is an impediment to the implementation of strategic destination marketing (Scott et al., 2000). Marketing is a managerial process involving several activities (Kotler, 2008): establishing marketing goals and objectives, formulating marketing strategy, preparing and implementing plans. According to Tribe (1997) ‘Strategy… [is] the planning of a desirable future and the design of suitable ways of bringing it about.’ Marketing strategy specifies the long-term goals and objectives of an organization, identifying opportunities and the scope of activities needed to realize them. Strategies therefore show how objectives may be pinpointed. Calver (1994) pointed out that the use of the term ‘strategy’ as a description of longer-term planning is helpful, but may prove equally ineffective unless it provides the right guideposts. Marketing strategy is an action-based discipline and must provide clear indications of which markets are to be targeted and the means by which they will be targeted in the long term. The two terms ‘marketing strategy’ and ‘marketing planning’ are often used interchangeably. A marketing *strategy* offers an overall analysis of a given organization and provides its environment with a means of achieving overall objectives. On the other hand, a marketing *plan* should be prepared for the long term, with clear guidelines for action and tactical details for implementation, dealing with specific marketing activities. Strategies may therefore be regarded as substantial preface to plans.

From the above brief discussion, it might be pointed out that: (a) Strategy shows how to pinpoint objectives; (b) Strategic marketing entails a stream of decisions and actions, which lead to the development and implementation of effective strategy (Crawford-Welch, 1996); (c) Strategy is not only about deciding on future direction but also the actual implementation at operational level. The crucial point is how to convert strategy into action; and (d) Strategic marketing is as much an art as a science and is not a panacea or a prescription for success (Kotler, 2008).

Marketing strategy in the tourism industry faces a particular challenge as it deals with a multifaceted, poorly standardized product, and a volatile, fastidious customer (Middleton & Clarke, 2001).

In common, the marketing mix, or strategy, should be viewed as a package of offerings designed to attract and serve the customer or visitor. As for Macedonia, we should develop both external and internal marketing mixes for different target markets. In terms of the internal mix, marketing services such as recreation and tourism differ from marketing tangible products. We must direct as much attention at marketing to customers on site to attracting them. In this respect, internal marketing is important because dissatisfied customers can effectively cancel out an otherwise effective marketing strategy.

The success of internal marketing is dependent on creating an atmosphere in which employees desire to give good service to visitors.

A customer oriented atmosphere usually results in customers that are more satisfied, do less complaining and are more pleasant to serve. This helps build employee morale, their desire to provide good service and their efficiency.

The external marketing mix includes product/service, price, place/location, and promotion and is as important as the internal marketing mix.

Segmenting, targeting and positioning

The approach towards these three postulates of successful marketing is of high importance for every subject in tourism. That is the case with Macedonia as well.

Segmentation

Market segmentation can be defined as the process through which people (both tourism providers and consumers) with similar needs, wants and characteristics are grouped together so that a tourism business/organization can use greater precision in serving and communicating with these groups (marketing) (Pike, 2004). There are associated benefits of segmentation (e.g. identifying partnerships to promote networking and guiding research and development) but the bottom line is that it enables better marketing decisions, and promotes more viable operations. In more general terms, segmentation comes down to ties that connect two or more individuals (or businesses) together; it could be their age, their love of certain music, the magazines they read, or what their son or daughter is doing in school. The possibilities are endless. In terms of its current market segmentation, Macedonia has made a mistake of attempting to be all things to all people. It is difficult, and risky, to develop marketing strategies for the mass market. Strategies designed for the "average" customer often results in unappealing products, prices, and promotional messages. The major markets segments should include free independent travelers, outdoor adventurers, and cultural/heritage enthusiasts. As with most tourism regions, the market and regional markets make up the large majority of visitors.

Recognition and awareness of Macedonia is very low, even amongst key travel markets. Many regional visitors come to the area for its outdoor adventure experiences, but most long-haul and international visitors are in transit to other destinations, including many Europeans on the Greek coast. The number of destination-oriented tourism visitors is low but the potential for this market is excellent and growing.

National and international tourism trends show that visitor markets and the industry continue to change. Visitor motives for travel are becoming more attraction-oriented and fundamentally different from the socially-oriented free independent traveler of the past. Most visitors are also seeking more convenience, more learning and educational experiences and outdoor recreation activities where the experience is a safe one (i.e. soft adventurers).

Marketing is strongly based on market segmentation and target marketing. According to Kotler (2008), market segmentation is the process of:

(1) taking existing and/or potential customers/visitors (market) and categorizing them into groups with similar preferences referred to as "market segments;"

(2) selecting the most promising segments as "target markets;" and

(3) designing "marketing mixes," or strategies (combination of the 4 Ps), which satisfy the special needs, desires and behavior of the target markets.

Approaching Segmentation

There is no unique or best way to segment markets, but ways in which customers can be grouped are:

(1) location of residence---local, national, regional;

(2) demographics---age, income, family status, education;

(3) equipment ownership/use---RV's, sailboats, canoes, tents, snowmobiles;

(4) important product attributes---price, quality, quantity; and

(5) lifestyle attributes---activities, interests, opinions.

To be useful, the segment identification process should result in segments that suggest marketing efforts that will be effective in attracting them and at least one segment large enough to justify specialized marketing efforts.

Market segmentation can be approached from two broad directions: supply side (e.g. grouping similar products together) or the demand side (e.g. demographics and behavioral patterns of tourists). The objective is consistent: trying to reach out to potential customers in a more cost effective manner. The levels of segmentation can be broad (e.g. businesses offering an ‘outdoor’ experience) or narrow (e.g. a segment of the population in a set geographical boundary, who have a certain medical condition, with children, in a particular income bracket).

The approach to segmentation is important however. There is a debate about ‘Product Push’ versus ‘Market Pull’. The former is designing a product and packaging it and hoping that there is a market for it, while the latter attempts to find a niche market, identifying the needs and wants of individuals within that market, and designing a product to meet those needs. Generally it is more effective to undertake the market pull approach, but at the same time it is important to understand the strengths of the tourist's product. This is especially important when it comes to developing partnerships and products that fit with local community and cultural values. A mixed approach - market pull and 'manipulated or value-added' product push - is likely to be valuable when developing new product lines.

Product Related Segmentation

Without listing all the subgroups, typical product-related segmentation may be along the lines of the following:

<u>Accommodations</u> *(from camp grounds to high end mountain lodges)*

<u>Adventure Operators/Organizers</u> *(from family adventures and motorcycle tours to hunting and bird-watching)*

<u>Attractions</u> *(from museums and theme parks to sports clubs and festivals)*

<u>Transportation and Services</u> *(from train and van tours to restaurants and gas stations)*

Another product-related segmentation strategy is based on seasons, for example grouping winter or summer activities. For those with an outdoor theme the product segmentation is often similar to the above, or even broader. One promotes the four choices of:

- Land Travel
- Water
- Winter
- Mixed Activities

Targeting

After segments have been identified "target markets" must be selected, those segments which offer them the greatest opportunity. Target marketing is the decision to identify the different groups that make up a market and to develop products and marketing mixes for selected target markets (Kotler, 2008). When determining target markets, consideration should be given to:

(1) existing and future sales potential of each segment;

(2) the amount and strength of competition for each segment;

(3) the ability to offer a marketing mix which will be successful in attracting each segment;

(4) the cost of servicing each segment; and

(5) each segment's contribution to accomplishing overall business/community objectives.

It is often wiser to target smaller segments that are presently not being served, or served inadequately, than to go after larger segments for which there is a great deal of competition. In that concern, attention should be driven to researchers in the cultural heritage field, geographers, and people with special interest in health conservation in natural conditions and so on.

The long-term outlook for tourism in Macedonia is positive. In the short-term, the best opportunities are in the regional and short-haul markets, including Europe touring travelers. Visitors most likely to be attracted to the region (older-aged, wealthy touring travelers) are looking for amenities and soft-adventures.

Positioning

Position is a form of market communication that plays a vital role in enhancing the attractiveness of a tourism destination (DiMingo, 1988).

One of the most effective tools in tourism marketing is positioning. The objective of positioning is to create a distinctive place in the minds of potential customers, a position that evokes images of a destination in the customers mind; images that differentiate the destination from the competition and also as a place that can satisfy their needs and wants. Positioning is a communications strategy that is the natural follow-through of market segmentation and target marketing (DiMingo, 1988). Since market segmentation is based on the notion that different tourism destinations appeal to different types of tourists, target market segments must be selected before tourism marketers can begin to entice these potential customers. An effective positioning strategy provides a competitive edge to a destination that is trying to convey its attractiveness to the target market. The purpose of this part is to discuss the vital role played by positioning in tourism marketing and to present various approaches to positioning a tourism destination, i.e. Ohrid. Positioning is more than just image creation. This important form of market communication helps to distinguish Ohrid from similar destinations so that customers can choose Ohrid as the most attractive. Thus, true positioning differentiates a destination from its competitors on attributes that are meaningful to customers and gives it a competitive edge. However, this is a complex process that requires careful analysis of the attributes that Ohrid possesses and the needs of the target markets. Selection of a positioning strategy that creates a distinctive place in customers' minds is essential in preventing the following pitfalls (Lovelock, 1991):

1. Ohrid is forced into a position of competing directly with a stronger competitor. For example, a destination that is further from the source of its visitors may be relegated to a secondary or tertiary level of competition with destinations that are closer to the market.
2. Ohrid's position is so unclear that its target market does not recognize the message that is being sent to them. This often happens when a destination tries to be all things to all people.
3. Ohrid has no identity or has a negative image in customers' minds and does not create customer demand.

Positioning Intangibles

One of the biggest challenges faced by tourism marketers is that the product is largely intangible. Some would argue otherwise, because what is more important than the hotel room, the meal, the beach, the lake, and the mountains? These are all tangible aspects of the tourism destination. However, these tangibles are what is being "sold", but not what is being "marketed". If we were selling beaches or mountains, what difference would it make where the tourist went, assuming a comparable level of quality?

'What we are marketing, of course, are intangibles. The tangibles are essential and necessary but as soon as they reach a certain level of acceptance, they become secondary. Because they are so difficult to differentiate, to be competitive, the intangibles have to be marketed. Even as tangibles, mountains and beaches have a measure of intangibility because they are experienced rather than possessed (Ryan, 2005). If tourism products are mostly intangible, they have to be marketed with tangible evidence. This is what is referred to as "tangibilizing the intangible." However, this is a complicated process. By emphasizing the concrete elements one may fail to differentiate oneself from the competition, and since the intangible elements are abstract, by emphasizing the abstract one compounds the intangibility.

Unfortunately, being aware of this need does not ease the problem. It is still difficult to find meaningful tangible evidence that supports intangible constructs. What has to be done, is to create a "position" in the tourist's mind. That is why positioning relies heavily on target marketing. The mental constructs held by the target market must be known, as well as the tangible evidence that sustains them. Positioning, then, is a relative term. It is not simply how the destination is perceived, but how the perceived image performs in relation to competing images. It is the customer's mental perception which may, or may not, differ from the actual physical characteristics. It is most important when, the product is an intangible and there is little difference among the competition regarding the physical characteristics.

Market Positioning

Market positioning is the first step and is defined as the process of identifying and selecting markets or segments that represent business potential, to determine the criteria for competitive success (DiMingo, 1988). This must be based on a thorough knowledge of the needs, wants, and perceptions of the target market, along with the benefits offered by the destination. To do this, a few crucial questions must be answered. These are:

1. What is important to the target market?
2. How does the target market perceive Macedonia as a destination?
3. How does the target market perceive the competition?
4. What attributes should we use as a destination to differentiate ourselves and to make the best use of our limited resources?

According to observations from the previous experience, the following shows the top ranked activities identified by foreign visitors:

1. Sightseeing on the lakes
2. Shopping
3. Dining out
4. Guided tours
5. Visiting landmarks
6. Taking pictures
7. Beach activities
8. Swimming
9. Visiting galleries.

The three highest ranked activities (Sightseeing of the lake, Shopping, and Dining out in Restaurants) seem to provide an advantage because these are readily available. In addition, foreign visitors who are planning to travel here, initially, do not have specific places to visit. Instead, they search for a trip that has several attributes similar to those listed below:

- Some place where other people went
- Reasonable price.
- As many places as possible to cover.
- Minimum contact with local community.
- Good food.
- Absolutely free.

Combining these attributes with the top activities listed above, an indication can be made of the needs of foreign visitors. During the trip they like to go to places that have been previously visited by others and where they have opportunities for sightseeing, shopping, and dining. They are very concerned about personal safety, not interested in associating with the local community, and like to eat good food.

Market positioning research also requires an evaluation of the image that customers have for Macedonia as a tourism destination. This can be used to identify the vital elements which comprise the benefits. The beauty of Macedonia, the architecture of the cities, and the historic artifacts, museum and cultural heritage as a whole are examples of attributes that may produce a benefit, or may be a tangible representation of an intangible benefit, but are not themselves the benefit. The benefit itself is what the attributes do for the visitor, for instance, a sensation of grandeur, an aura of prestige, or the gaining of knowledge. The credibility of these benefits may diminish rapidly if expectations are not fulfilled. The impression of grandeur loses credibility if visitors feel that their personal safety is threatened. It is the fulfillment of expectations or the inability to, which creates the perception of deliverability for the tourist. Benefits, like positioning, exist in the mind of the customer and are determined only by asking the customer. Only after this information is obtained, can a destination match its strengths to the visitors' needs and the benefits sought. This knowledge will also provide a basis for the development of a credible differentiation strategy.

Pricing policy

According to Scott, N., Parfitt, N. & Laws, E. (2000), price is one of the most important and visible elements of the marketing mix. When setting prices it is important to take into consideration all of the following:

(1) business and target market objectives;

(2) the full cost of producing, delivering and promoting the product;

(3) the willingness of the target market to pay for the product or service you provide;

(4) prices charged by competitors offering a similar product/service to the same target market(s);

(5) the availability and prices of substitute products/services (for example, campgrounds, motels, and bed and breakfast are all substitutes for lodging);

(6) the economic climate (local and national); and

(7) the possibility of stimulating high profit products/services (such as boats) by offering related services (such as maintenance) at or below cost.

Destination competition within the tourism economy represents the ability of reaching market success through constant adaptation to changes on the global tourism market. The notion "competition advantage" is mostly connected to the price and quality of goods. Today, the basis for successful business operations of a destination within the tourism economy is found in acceptable price, suitable goods quality, understanding and satisfying the needs of tourists and in the application of information technology.

The price is not the only factor of competition advantage of a company on the tourism market, but it also represents an unavoidable and crucial factor. The competition based on the price is becoming more and more present due to different elasticity of tourism demand of certain segments. The price is one of the most significant phenomena of every economy. It represents one of the marketing mix instruments which should enable the realization of business goals when combined with other marketing mix instruments. The price is an instrument (tool) and not the goal of marketing activity. In the marketing theory, prices are studied as a significant means of competition and unavoidable instrument of marketing activity.

Promotion policy

Promotion provides target audiences with accurate and timely information to help them decide whether to visit Macedonia or not. According to Gretzel, U., Yuan, Y-L. & Fesenmaier, D. (2000), the information should be of importance and practical use to the potential or existing visitor and also accurate. Misrepresentation often leads to dissatisfied customers and poor recommendations. Don't make claims you cannot live up to. Developing a promotional campaign is not a science with hard and fast rules. Making decisions regarding which type or combination of promotion types to use (personal selling, advertising, sales promotions, or publicity) is not always easy. If, however, a logical process is being followed and the necessary research done, chances for success will be improved. It will be necessary to make decisions regarding:

(1) Target audience---the group we are aiming at;

(2) Image---that which your community or business wants to create or reinforce;

(3) Objectives---those of the promotional campaign;

(4) Budget---the amount of money available for promotion;

(5) Timing---when and how often should promotions appear;

(6) Media---which methods (television, radio, newspaper, magazine) will most effectively and efficiently communicate the message to the target audience; and

(7) Evaluation---how can the effectiveness of the promotional campaign be determined.

Distribution and sales policy

Distribution channels are increasingly regarded as one of the most critical elements in marketing nowadays. Tourism distribution channels attract more attention by contemporary researchers and strategists. Their purpose is twofold: to provide *information* for prospective tourists and intermediaries as well as to establish a mechanism which would enable consumers to make, confirm and pay for *reservations*. 'In tourism, the position of the distribution sector is much stronger: trade intermediaries (travel agents and tour operators of course, but also charter brokers, reservation systems and other travel distribution specialists) have a far greater power to influence and to direct demand than their counterparts in other industries do. Since they do, in fact, control demand, they also have increased bargaining power in their relations with suppliers of tourist services and are in a position to influence their pricing, their product policies and their promotional activities.

CONCLUSION

The correct positioning on a dynamic and competitive tourism market is conditional on monitoring modern trends which serve to identify demand, new market potentials, areas of possible investment, and infrastructural requirements.

In recent years, on the demand side of the market, there has been a growing trend of tourists seeking specific types of tourism. Historical heritage, natural beauty and pleasant climate make up the framework which, together with the development of high quality accommodation, the rich supply of activities and entertainment, and particularly good service, shall enable us to attract the modern-day tourist.

Macedonia as a country boasts exceptionally diverse and preserved natural and cultural tourism potentials. This is a valuable asset that must be maintained and protected so that in the long term it may contribute to the development of tourism. Tourism needs to become one of the basic generators of development, even in those areas where it was grossly marginalized in the past.

The tourism development of Macedonia needs to be based on the preservation of exceptionally diverse natural and cultural wealth; on principles of sustainable development in the planning of a quality tourism offering; on adequate market positioning and promotion, as well as the cooperation of all individuals and professional institutions that directly and indirectly participate in tourism.

The consistent implementation of an adopted strategy will ensure the long-term growth of positive effects from tourism, which will strengthen its position as a significant factor of economic growth and a generator of new employment opportunities.

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MOVING TRENDS WITHIN TOURISM AND DEVELOPMENT, PROMOTION AND ATRACTING FOREIGN DIRECT INVESTMENTS IN TRANSITION COUNTRIES WITH SPECIAL REFERENCE TO MACEDONIA

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Abstract

Tourism can be considered as one of the most important socio- economic phenomena of the 20th century, representing the largest industry in the world. Although domestic tourism covers more than 80% of all tourist activities, most countries are moving towards tendency of development of international tourism, because while the first basically means regional distribution of national income, the second has become largest source of foreign exchange income of the countries.[36]

According World Tourism Organization, revenues from international tourism have reached the peak in 2000 when they were 476 billion dollars, which at the time was much more over than export petroleum products, motor vehicles, telecommunications equipment, or any other category of service. In 2003 revenues from international tourism amounted to around 455 billion euro's, share of the tourism in world export was 8% and in the same period 11% of the total capital investments in the world were focused on tourism, whose growth rate was around 4% annually. After the decline of 5,7% of the revenues of tourism in 2009 due to economic crisis, international tourism have quickly recovered and again strongly enhanced by the drastic increment of the number of tourists as result of new emerging economies and wide range of travel destinations around the world, have managed successfully to offset recent loses.[37]*Thus, the World Tourism Organization projects growth in tourism from 4,1% in the long term (estimated until 2020).*[38]

Important role in tourism development have foreign direct investments, equally important domestic and foreign, that contribute in maintaining and creating new jobs, transfer of know-how and skills, modern technologies and even more. Only in the Southeast Europe in 2006 were invested 21 billion dollars in foreign direct investments which is 75% more than in 2005 and at the same time it proves that these countries are more interesting for foreign capital.

Key words: *Global trends of tourism development, foreign direct investment, tourism promotion, privatization, transition countries, contribution of tourism to the GDP, number of tourists, Macedonia.*

PROMOTION AND ATTRACTING FOREIGN DIRECT INVESTMENTS IN TOURISM

Promotion of opportunities for foreign direct investments in the country, especially in the sphere of tourist facilities is very important prerequisite (condition) for their attraction. Promotion as a tool for improvement of attracting foreign direct investment in one country has appropriate meaning if the country has favorable investment climate. Through process of implementation of promotional

[36] *Sustainable Tourism, Environmental protection and Natural resource Management: Paradise on earth,* Frederico Neto, United Nations, February 2002
[37] World Tourism organization, Tourism highlights, Edition 2010, p.4
[38] Ibid, Tourism 2020 Vision

investments is extremely important to know toward which sectors are targeted promotional activities including:

1. **1.** Potential foreign investitors
2. **2.** Foreign investitors in process of making decision
3. **3.** Foreign investitors that are in after investment phase and at these investitors the goal is to create favorable environment for reinvestment of the profit, as well as providing additional capital investment[39].

The concept of promotion of foreign direct investments in general, and in tourism is based on three core activities:

1. Promotion of the advantages of the country as a location for FDI
2. Providing FDI with immediate promotion, whereas they should have anticipated that this kind of promotion is the best way to establish specific relationships with potential investitors.
3. Services for foreign investitors that include:
   - Services in before investment period as providing information, supporting investitors during their visits and establishing contacts with other institutions
   - Services in the investment process as providing assistance in obtaining various permits and approvals from competent authorities, ensuring proper location and infrastructure, as well as assistance in resolving initial problems that occur during each new investment.
   - Services in after investment period that include maintaining ongoing business relationship with investitors, support and assistance for new investments, assistance in creating a network from domestic companies that will emerge as suppliers to foreign investitors.[40]

Given the increasing competition that exists among countries in attracting FDI, though a country must have economic stability, developed infrastructure, its promotion is an important element in introducing investitors with investment opportunities in that country.

Realizing the importance of promotion to attract foreign investments, countries like Austria, Greece, Turkey, Tunis, have organized their performances in attracting foreign direct investments through establishing separate state agencies to promote and attract foreign investments and prepare adequate analysis of attractiveness of certain sectors suitable for attracting foreign investments.

PROMOTION, ATTRACTING AND DEVELOPMENT OF FOREIGN DIRECT INVESTMENTS IN TOURISM IN TRANSITION COUNTIRES

Transition countries give special emphases on the entry of FDI in the economy, especially in tourist industry where there are opportunities for development through the process of transformation and privatization of state capital. Privatization in transition economies represented important tool for attracting foreign investments, especially in the 90s of last century when the countries of Central and Eastern Europe with unexpected speed privatized their economies, expecting that previously owned enterprises by state will respond dynamic, profit oriented, moving towards economic restructuring and growth, which actually emerged from the transformation of ownership. Given that the privatization of tourism facilities in transition countries is almost at end, it remains possibility for influx of FDI in those countries through *greenfield* investments (investments by investing in construction of new facilities). According research of United Nation Conference for Trade and Development (UNCTAD), regarding global finances as possible sources for investment in hotels, despite transnational companies that operate in tourism sphere, occurs International Finance Corporation (IFC) as part of World Bank which in 2006 have

[39] Foreign Direct Investments in tourism, Toni Cvetanovski, Faculty of Economy, 2009, p.55
[40] Ibid,стр.56

invested about two billion dollars in tourism, and so far has invested in more than 180 hotels in 75 developing countries.[41]

HUNGARY AND SLOVENIA

Transition countries often promote various incentives offered by foreign investitors, especially in regions that are not developed enough and have higher unemployment rate. Such is the example of promotion and attracting FDI in Hungary that provides special benefits, especially in sectors with high technology (electronic, automotive technology, biotechnology, communications) as well as in tourism. Hungary success is due to privatization policy where most of the companies were privatized through so- called companies with joint ventures (joint stock companies), who used the connection with business partners in the continuous development of investment projects. As an example can serve Panonalma spa project by which is planned to build a hotel with 4 stars (with conference capabilities, beauty center, thermal baths) whose investment is estimated in 22 million euro's.

According latest statistics of Ministry of National development and Economy, foreign direct investments in Hungary in 2009 exceeded $64 billion which is one of the highest in Central and Eastern Europe countries, of which 75% of the total FDI come from European Union and 22% from Germany. Thus, the influx of tourism in Hungary in 2009 was 4, 53 billion dollars.

The development of Slovenian tourism I mainly founded on personal experience and domestic investment, although recently more attention is paid to attracting foreign direct investments that is planned to set higher level of quality in tourism. Cheap and skilled labor, low taxes, and 19% flat tax for corporations and individuals with no dividend taxes, relatively favorable geographic location are the main advantages of Slovenia for foreign investitors. As a support in attracting investment inflows for tourism development, the government of Slovenia through incentive schemes and usage of funds (according Act for investment and aid) is trying to maintain and increase level of foreign influx in the country. Slovenia offers various incentives for companies that want to locate their operations in the country.[42] Thus, Slovenia in 2006 from tourism have realized foreign exchange inflow of 1,5% billion euro's, an increment by 3,7% compared to 2005 when was realized foreign exchange earnings amounting to 1,45 billion dollars.[43] In order to promote the country's tourism, Slovenia allocates significant funds, which for 2007 amounted to about EUR 31 million, while in 2008 totaled about EUR 32 million. Slovenia also invests in improvement of tourist infrastructure. Thus, the Ministry of Economy of Slovenia has separate funds amounting to 145 million euro's for investment in tourism infrastructure for the period 2007-2013.

CROATIA

Croatia has a long tradition of tourism founded on the attractive Adriatic coast with five sites protected by UNESCO and is one of the most important countries for the tourism who represents strategic activity for the Croatia economy. In attracting foreign investitors Croatia aims to attract international hotel brands on the Croatian market with particular emphasis on foreign private investitors who will transfer their "know-how" in tourism industry, where priority has high quality tourist's facilities which will provide new employments. Clear example of the significance of foreign investments through the process of privatization in the sphere of tourism in Croatia is the additional investments in Croatian hotels. As example can be presented following: The investment in a hotel Excelsior in Dubrovnik (total renovation of the hotel, construction of new congress hall) whose total value is about 14 millions euro's, than the investment of the company Bider Austria which invests in completing of coral with 50 luxury apartments, construction of hotel, congress center whose investments are estimated at around 20 million euro's, than the investment in the hotel "Galeb" in Porec which costs around 11 million euro's, followed by the

[41] UNCTAD, *FDI in Tourism: The development dimension,* New York & Geneva, 2007, p.62
[42] http://www.government.gov.sk/data/files/6258.pdf
[43] Ministarstvo za gospodarstvo, Republika Slovenija, Ljubljana , Mart 2007

investment for maintaining the existing service quality in hotel “Sheraton” in Zagreb which costs 1,5 millions euro’s and many others. The importance of tourism for Croatia can also be seen from the fact that in 2000 a net income from foreign tourism has covered 53% of the trade deficit. Thus, inflows generated from tourism in Croatia ranged from 3,7 billion euro’s in 2001 to 5,6 billion euro’s in 2003 while in 2009 reached height of 7 billion euro’s and average growth rate from 2000 – 2009 amounted 5,4%.[44] It’s expected this growth rate to increase and maintain at 5,9% in the next 10 years while the share of tourism in GDP is expected to increase from 24,8% in 2010 to 29,4 by 2020.[45] Marine tourism in Croatia constitutes over 90% of the total tourist traffic, although lately significant importance is given to the other forms of tourism such as: ecotourism, cultural tourism, adventure, health tourism, business trips, congresses, etc. In the aggressive marketing strategy and campaign of Croatia (for which separate amount of funds are being kept in special state fund since 2006 onwards) for attracting foreign investors, mainly cited are following advantages: stable and democratic political environment, rapidly growing markets, stable economic growth, low inflation rate, low construction costs compared to the European Union, stable exchange rate of the domestic currency, benefits in taxation, government actions in support of investors, possibility for EU integration, etc.[46]

BULGARIA

In the development of the tourism Bulgaria especially uses the Black sea coast, mountains, natural resources, rich cultural and religious heritage that has. Number of tourists in Bulgaria is in permanent rapid growth. Thus, in 2001 the number of foreign tourists was about 3, 2 million while in 2004 was about 4, 6 million, and in 2007 reached the figure of 5, 2 million tourists. Most important markets for Bulgarian tourism are Greece, Romania, Germany, Great Britain, Turkey, Russia and others. The income from foreign tourists also is in permanent growth. So in 2007 Bulgaria realized 2, 3 billion euro’s from international tourism which represents an increment of 10, 8% compared to 2006. According data from Bulgarian Foreign Investment Agency in the period from 1998-2006 in the sector of tourism as a foreign investments have entered $ 259, 5 million while the inflow of FDI only in the period from 2003-2006 amounted to $ 173, 3 million. The data of Bulgarian National Bank confirms that FDI in tourism in Bulgaria have an upward trend, so in 2006 reached its highest level of $ 79, 7 million. In 2010 revenue from international tourism in Bulgaria amounted to 747, 12 million which is for 2, 5 % more compared to 2009.[47]

“The growth of tourism in Bulgaria during the summer season will be between 5 and 10% predicted the Minister of economy, energy and tourism Trajco Trajkov, at the opening of a three – day Holiday and Spa Expo International Tourism fair in Sofia, says BNA. Last year there were more than 5% increment of the number of tourist in general, and during this winter season is expected and increment from 5-10%, while the expectations for the summer season are similar, added the minister.”[48]

In achieving these results large contribute have the famous tourist resorts like Albena, Golden Sands, Sunny Beach, Varna, Nessebar, Bansko, and Pamporovo. Also, Bulgarian tourism is significant in terms of employment, considering the fact that in 2005 have absorbed 15% of labor. Although in the development of tourism have roles different state institutions, in Bulgaria exists State Agency for tourism, which is specialized organ of the Council of Ministers who pays particular attention to investments by world-famous brands. As major investors who have invested in tourism in Bulgaria appear investors from Germany, USA, Switzerland, Netherlands, Turkey, France and other. Thus, as significant investments may be mentioned the investment of the Spanish company Ferry Group worth 112 million euro’s in building a modern sports complex and golf course “Sports center Kutina” near Sofia, which offered 700 employments, than the British investment company MSI Development which at the end of 2008 have

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[44] http://www.mint.hr/UserDocsImages/UNWTO_cro-mediterr.pdf
[45] http://www.wttc.org/eng/Tourism_Research/Economic_Research/Country_Reports/Croatia/
[46] http://www.croatiainvest.net/english/investpot.htm
[47] http://www.tourism.government.bg/bg/stat.php?menuid=3&id=3#
[48] http://www.europost.bg/article?id=1059

opened complex with 199 apartments, spa, restaurants, fitness gym, whose value reached to 300 million euro's, and many other developing investments and projects.[49] According researches made in literature as one of the most important reasons of investors for investing in Bulgaria are: consuming base in the region, former business contacts in Bulgaria, perspective and views of Bulgaria as promising market for development, strategic geographic location, relatively low labor costs, liberal trade regime and wider access to external markets, growing economic culture and more.

PRIVATIZATION OF TOURIST ENTERPRISES AND FOREIGN DIRECT INVESTMENTS IN TOURISM IN MACEDONIA

The current ownership structure in companies in Republic of Macedonia derives primarily from the management process of privatization, when most of the enterprises were privatized by applying the "buy-out" model from employees. The process of privatization itself began in 1989 with the Law for social capital of the Former Yugoslavia and continued with implementation of the Macedonian Law for transformation of enterprises in 1993. The law believed in commercial privatization according "case by case" approach, and offering different transformation models that were supposed to help employees created favorable opportunities for share buy-outs by employees and management teams, thus affecting on the great increment of number of shareholders. Today, the process of transformation of state enterprises is in the final stage. According data, during the privatization in Macedonia, internal members-employees and management participated in more than 75% of the privatized enterprises. This phenomenon is due to two reasons:

1. **Law for transformation of enterprises** that provided for employees and managers to self-select the most appropriate model of privatization for their company,
2. **Existence of legal restrictions** for free access of shareholders on the market before 1998.

Although foreign direct investments are considered for best transmitters of fresh ideas and market signals for everything new and aimed at achieving the goals of transition, in terms of tourism industry in Macedonia except the entrance of certain foreign brands like Holiday Inn and McDonalds' in Skopje, had no serious entry of foreign capital in this sphere, which brings to conclusion that foreign capital in tourism in Macedonia in the form of FDI is almost not present at all. According Privatization Agency at 31.12.1994 from total number of 70 enterprises in hospitality and tourism sector, 63 were privatizes by 31.12.2003. It point out the fact that foreign direct investments in this area can be attracted as new investments, such as *Greenfield* investments, or by investing foreign capital in the already privatized enterprises (foreign venture capital). This period the total amount of foreign direct investments in shares in Macedonia reached 843, 7 million by the end of 2001 which was marked as the year with greatest amount of inflow. However, FDI in the tourism industry remained at very low level with participation of 0,7% in the total FDI, while in subsequent years participation gradually increased to 2,4% in 2004 and reached level of 2,8% of the total FDI in 2006, although the largest participation of investments in tourism in total FDI is realized in 2005 with 3,5% which brings to conclusion that there was no steady growth of investment in this area.

According data from State Statistical Bureau participation of hotels and restaurants in total investments in Macedonia is about 3% from which most are located in Ohrid, Skopje, Gevgelija, Struga. Number of tourists in Macedonia in March 2009 was 30.514 which compared to March 2008 have increased by 28,7% while in December 2010 the number of tourists was 34.370 which compared to December 2009 recorded an increment of 26,5%.

Thus, the total investments in hotels and restaurants from 2005-2009 were 52,6 million euro's from which most were domestic, while future planned investments are investments in Princess Hotel and Marriot

[49] http://www.investbg.government.bg/?sid=24&ssid

Hotel whose value is more than 50 million euro's.[50] The contribution of tourism to to GDP in 2009 was 2,8% which is expected to increase to 3,5% in 2013 with the implementation of the National Strategy for Tourism Development in Macedonia 2009-2013, while the participation in total employment in 2009 amounted to 18,9% and is expected to increase to 22% by 2013. The implementation of the National Strategy for Tourism Development until 2012 is expected to create 2.000 new employments and additional 1.500 in associated sectors, increase of foreign exchange inflow by 28% and more foreign investments in hotels, tourist services and objects. The measures and activities contained in the strategy should provide not only attracting foreign tourists, but also increase foreign exchange inflow in the country. “So, this year compared to last year, number of tourists has increased by about 10% which is good indicator “said director of Agency for Promotion and support of tourism, Zoran Strezovski. [51] “Agency for Promotion and support of tourism, together with Ministry of Economy, engaged in the implementation of the Programme for promotion of tourism. In this short period of its eight months existence, we have realized many projects that contributed to increase number of foreign tourists in our country, taking into consideration conditions in which the number of foreign tourists in neighboring states has stagnated.

Thus, following the example of major tourist destinations such as Croatia and Turkey, for the first time we have realized billboard campaign in neighboring countries and targeted cities - Tirana, Sophia, Belgrade, Ljubljana and Kiev. We have promoted ourselves in tourist magazines such as CNN Traveler and Ljubljana Journal. Also we enabled foreign tour operators and journalists from many countries to get acquainted with the tourism potential of our country and have connected them with our tour operators” added Strezovski.

The need to attract foreign direct investments is emphasized in the “Government program for attracting FDI (2007-2020) where tourism is seen as a investment sector with potential for foreign investors. The need for attracting foreign investors in the sphere of tourism is highly imposed and pushed due to Macedonia's lack of accumulation, which would streamline towards this sphere.

Considering the fact that the main domestic source of funding appear Macedonian banks whose interest rates on loans offered are relatively high and amounted to 7-13% annually, as well as other complicated conditions for borrowing funds such as mortgages, repayment time, and many other represent a very limiting factor in investing in tourism. Macedonia has established the necessity of attracting foreign investments in tourism and in that direction the country is making efforts to promote investment opportunities in tourism. As positive example for foreign direct investment in tourism will specify the investment in “Drim” hotel, Struga, by investors from United States in which only in the period 2004-2007 2,3 million euro's are invested that contributed in February 2008 the company to have 5 million MKD obligations against 9 million MKD claims. An important element in attracting FDI in the country is promotion of advantages that should show investors what's offering in that area.

So, for example Agency for Foreign Investments of the Republic of Macedonia (Invest Macedonia) at fair Expo Real 2007 in Germany have promoted projects Kezovica Thermal Bath- Stip, Thermal water park with an area of 14 hectares in Kocani, Bavarian Village – Ohrid, a project that offers opportunities for Greenfield investments, ski-centre Musica in mucipality of Krusevo, Spa resort located in Sveti Nikole and many others. Also, on Tourism Fair in Ohrid which opened on 16.01.2010 organized by Agency for Support and Promotion of tourism and tourist chambers and associations of Macedonia, representatives from 25 tourist agencies and tour operators from Izrael, Bulgaria, Turkey, Serbia, Albania, Kosovo, Italy, Hungary, Montenegro, had the opportunity at one place to see the whole Macedonian tourism offer. At the opening of the fair deputy minister of economy Metodij Hadzi Vaskov addressing the attendees expressed satisfaction that the fair event becomes a tradition, and on the other hand from year to year increases and

[50] Republic of Macedonia-Tourism Economy impact, *Cradle of culture land of Nature,* Shovket Azari, state adviser 2010

[51] Excerpt from interview with Zoran Strezovski, director of Agency for support and promotion of tourism in Macedonia

enriches its content and agenda. The positive relationship of government to foreign investors enables them to have equal treatment as domestic investors.

Thus, the Constitution of R.M guarantees national treatment to all investors and with the membership in MIGA since 1994 is provided protection of FDI from political risk. Protection of foreign investors is also provided with the signing of the agreement on promotion and mutual protection of investments between Republic of Macedonia and other countries as well as bilateral agreements on evasion of double taxation. Other benefits offered by the state for investing in Macedonia except the equal treatment of investors are the existing working conditions in RM (allowed 100% foreign capital ownership, no limit on repatriation of profits, nonresident can buy land if register company in Macedonia, one-counter system, separate office in Public Revenue Office for large taxpayers, etc.), tax benefits (The Law of Profit tax and the Law on Personal income tax from 01.01.2008), customs benefits (customs law for exemption based on import of unused equipment and spare parts), benefits in SEZ/TIRZ (Law on Industrial Technological Development zones, official gazette number 14/2007) and many other benefits. Thus, except the Agency for Foreign investments of R.M as participants in the promotion for attracting FDI appears: Government of Macedonia, Ministry of economy, Local governance, Foreign Investment Council, International Investors Council, Coordinative body for FDI. Targeting of FDI in tourism should provide entry of reputable tourists brands which will enable increased utilization of capacity, extension of the tourist season, increased foreign exchange income. To achieve this, is necessary targeted approach towards foreign investors, stable market economy, functional legal system, political stability, in order Macedonia to become popular tourist destination on foreign markets.

CONCLUSION

Tourism worldwide has consistently positive growth rates. The rapid development is also seen by the fact that in the sixties the number of tourist movements was approximately 70 million tourists, while in 2004 that number amounted to 760 million tourists. With continuous positive growth trend in 2007 the number of international tourists was 900 million. According WTO is anticipated the number of international tourists in 2020 to amount 1, 6 billion. These forecasts are actually feasible considering the fact that today only 10% of the total world population is involved in realization of tourist trips. Besides being important source of foreign funds for the national economy, tourism has its influence in forming of GDP, balance of payments of the country and increase employment. Thus, worldwide contribution of tourism to GDP was 9,5% in 2009 for which is expected to become 9,6% by 2019 or 2-12% participation in developed and advanced economies, 40% participation in small developing economies, and to 70% participation in small island economies which would include more than 275 million jobs worldwide. Potential positive effects of tourism are reflected in the development of mutual positive attitude, getting to know each other's cultures and customs, reduction of negative perception and stereotypes, developing friendships, understanding, trust, and many others. Different countries pay different attention to differenced types of tourism, depending of what can be most appropriate offered on the tourist market, though in modern condition highest growth rates show city's tourism, business tourism, MICE travels (Meetings, Incentives, Congresses, Fairs & Exhibitions). It's predicted the health tourism to become significant for tourist movements, considering the fact of the modern lifestyle, while mountain and lake tourism are important for countries that have preconditions and opportunities for this type of tourism, in terms of previous experiences which show that great percentage of realized overnights at this type of tourism are made by foreign tourists. So, for example, transition countries on the world tourist market have offered their attributes such as lakes, mountains, sea, culture, etc.

For example Slovenia whose policy is organized marketing approach towards tourism development and promotion of the country as recognizable tourist destination, has contributed to significant foreign exchange realized from tourists visits, while tourism development was based mainly on domestic investments. In Croatia by promotion of marine tourism is evident the increase of investment in high quality tourist brands which will invest in hotels of higher category, attracting well-known hotel names through the process of privatization. Main competent authority has the Ministry of tourism, Croatian tourist community, association of hoteliers, while for the organized development Croatia has established “Strategy for Tourism development” which defines basic strategic objectives. Taking into consideration its natural characteristics Hungary in its strategy for tourism development predicted to become number one in health tourism, simultaneously developing conference, city, cultural, sports and wine tourism. With establishment of appropriate organizational structure at multiple levels and offer of attractive projects for investments mainly in health and spa tourism, Hungary tends towards worldwide presence with hotels and quality of the overall development of tourism. The positive contribution of Bulgarian tourism can be seen by the fact that it absorbs 15% of total labor population in Bulgaria using its tourist attributes such as the Black Sea coast, mountains, cultural heritage. Significant investment in tourist sphere in Bulgaria come from Germany, USA, Switzerland, and Netherlands, which by privatization of state tourist enterprises managed to attract world famous hotel brands. In Bulgaria exist State Agency for tourism, although the organizational structure of Bulgarian tourism includes other state and regional institutions and tourist associations which continue to offer investors opportunities for investment projects in tourism that will among other create new employments.

The development of tourism in Macedonia does not take an appropriate place according his opportunities, which can be concluded from data on visits of Macedonia by foreign tourists, realized foreign exchange income, and level of employment in tourism compared to indicators form other countries in the region. In the process of privatization of tourist enterprises, Macedonia almost failed to attract foreign direct investment in tourism due to used methods form which most abundant was buyout from management team and employees. However, in future with the implementation of National Strategy for Tourism development until 2012 is expected to be created new jobs, increase of foreign exchange influx for 28%, more foreign direct investments in hotels tourist services and facilities. With continuous strengthening of the role of Foreign Investment Agency and the Agency for Tourism is planned the promotion for attracting FDI in tourism to be performed separately for each region, even for specific investment projects, not only as promotion for entire state. It’s necessary to pay more attention to attracting quality tourist brands instead investors at any cost, equal treatment of the existing foreign investors with domestic, offer special benefits during realization of important projects which would significant promote tourism, quality preparations of projects for investments in tourism, consistent and transparent applying of legal regulations including foreign investors, legal security and protection of the investments guaranteed by reforms in justice system, whose presence will reflect positive message to other investors for investing in Macedonia. Parallel with the investing in basic tourist infrastructure, for serous and high quality development of tourism is necessary to dispose with high developed telecommunications, internet and mail services, quality and efficient power supply, developed system for security and protection of people and environment, health care of environment, ecology awareness, etc.

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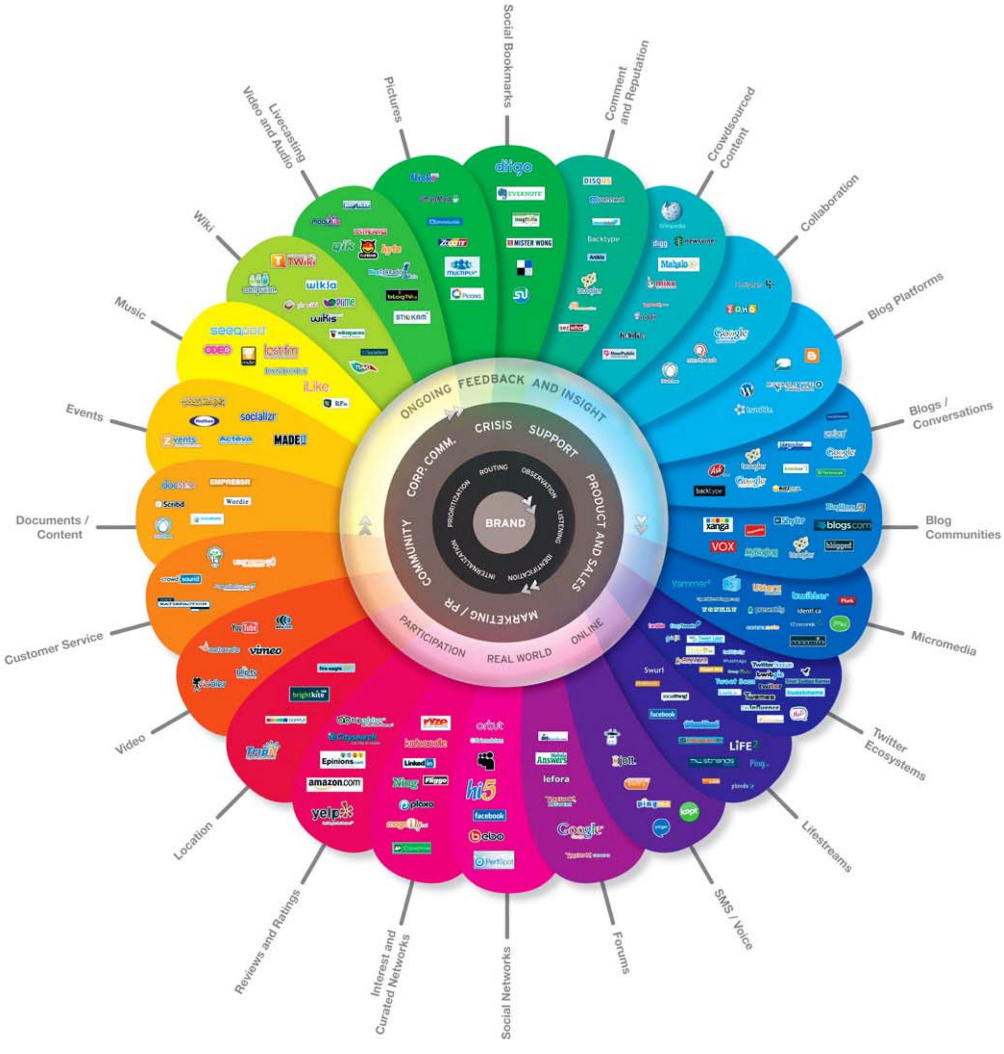

MARKETING AND PUBILC RELATIONS IN TOURISM AND HOSPITALITY MANAGEMENT

MARKETING AND PUBLIC RELATIONS IN TOURISM AND HOSPITALITY MANAGEMENT

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Abstract:

Knowing that, lately between other industries we have tourism industry, one of the most exciting, dynamic and challenging industries all around the world. During this time, tourism has developed in scope and direction, away from traditional activities, such as the sea holidays to a wide range of new activities such as cultural tourism, adventure tourism, sports and eco-tourism. All of these lead to the growth of the tourism sector. There are also three main points that made the tourism industry the biggest one, marketing, public relations and hospitality management. The most important of these instruments is public relations which play a role in constructing activities and identities which will be discussed further. Public relations' role is not only attracting visitors but also to keep them satisfied after they get there. So this is becoming one of the most important parts of marketing and sales functions of tourism as its definition includes promoting improved understanding between operators and their public.

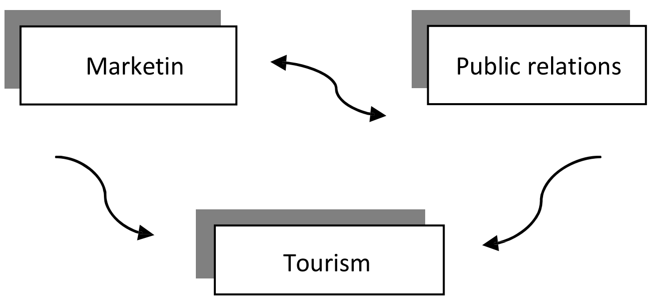
Key words: *tourism industry, marketing, public relations, hospitality management*

INTRODUCTION

Tourism is considered as one of the biggest industries last years, nowadays tourism includes not only season holidays but as well during the whole year. People are focused more on exploring the world's beauties, not just spending their time in sand and sea. Regarding our information in details I will show you how much tourists we had in a period of 5 years. So, my paper is more about development in tourism industry in general in our country which means number of foreign arrivals, domestic tourism, etc.

INFORMATION

Tourism as an industry in itself includes a very broad horizon which means like all other industries and tourism as well has an impact from outside. Considering the country's natural position and its attractive potentials we notice the advantages and disadvantages during the tourism development which depends on many external factors. To analyze the system how the tourism is developing in one region or particular destination and comparing it with the whole country we will face a big difference, including tourist attractions, number of tourists, accommodation capacities and so on. The main role as an external factor plays the human being, using the marketing promotion and the public relations. Through the marketing we are able to check the percentage how many tourist know about our destination, and what they think, are they satisfied and so on.



From the graphic above immediately we understand the connection between marketing and public relations which impact the touri sm industry. These two factors play an important role raising the tourist awareness which later leads us to the next stage promoting the products and services. As I mentioned before I will pay attention more on inbound and domestic tourism.

A tourist is considered to be any person who temporarily spends at least one night in some form of lodging, not located in his own permanent place of residence[1]. There are different reasons for staying, for instance: vacation, recreation, medical treatment, sport, business for at least 24 hours which doesn't exceed one year. Also excursionist is considered to be a visitor who stays in another country less than 24 hours[2]. A domestic tourist is a person who travels for any reason from one city to another inside his/her country. A foreign tourist is considered to be anyone who comes from another country and spends at least one night in our country, in this case in R. Macedonia.

A tourist resort is considered to be a resort, which meets the following conditions:

1. Attractiveness (natural beauties, mineral springs, cultural and historical monuments, cultural, entertainment and sports events, etc.);
2. Communications (possibility of access, transport facilities, etc.);
3. Receptiveness (has accommodation and auxiliary facilities for providing services, for example: crafts and trade services, post (PTT) offices, parks, pools, promenades, etc.)[3]

In the following tables are shown in detals the number of capacities and tourists spent per year, per month, and types of accommodation from 2004 to 2009.

Table 1. Describes the number of tourist arrivals and night spent.

TOURIST ARRIVALS AND NIGHTS SPENT, 2004-2009[4]

	Tourist arrivals			Tourist nights spent		
year	total	domestic	foreign	Total	domestic	foreign
2004	465 015	299 709	165 306	1 865 434	1 504 845	360 589
2005	509 706	312 490	197 216	1 970 041	1 527 053	442 988
2006	499 473	297 116	202 357	1 917 395	1 474 550	442 845
2007	536 212	306 132	230 080	2 019 712	1 501 624	518 088
2008	605 320	350 363	254 957	2 235 520	1 648 073	587 447
2009	587 770	328 566	259 204	2 101 606	1 517 810	583 796

Table 2. describes the number of tourist arrivals only

TOURIST ARRIVALS[5]

year	total	I	II	III	IV	V
2004	465 015	25 229	21 684	22 206	23 827	36 733
2005	509 706	24 942	22 180	27 786	28 963	38 122
2006	499 473	26 150	21 008	26 406	28 441	38 728
2007	536 212	22 219	20 985	26 526	31 005	46 678
2008	605 320	31 427	26 936	27 771	30 940	58 474
2009	587 770	32 943	27 811	30 514	33 346	54 764

[1] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009
[2] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009
[3] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009
[4] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009
[5] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009

Table 3. describes the number of domestic tourism (tourists moving inside the country) ***Domestics*** [6]

year	Total	I	II	III	IV	V
2004	299 709	17 356	10 303	10 618	10 370	20 062
2005	312 490	15 213	11 364	10 977	13 002	20 849
2006	297 116	16 446	10 963	10 950	10 844	18 574
2007	306 132	12 124	9 640	10 770	12 687	24 465
2008	350 363	18 101	13 748	11 327	13 925	31 786
2009	328 566	18 525	13 564	13 338	14 190	27 202

Table 4. describes the number of inbound tourism (foreign tourists) ***Foreign***[7]

year	Total	I	II	III	IV	V
2004	165 306	7 873	11 381	11 588	13 457	16 671
2005	197 216	9 729	10 816	16 809	15 961	17 273
2006	202 357	9 704	10 045	15 456	17 597	20 154
2007	230 080	10 095	11 345	15 756	18 318	22 213
2008	254 957	13 326	13 188	16 444	17 015	26 688
2009	259 204	14 418	14 247	17 176	19 156	27 562

Table 5. describes the number of tourist arrivals divided by months. ***By months = Total***[8]

VI	VII	VIII	IX	X	XI	XII
39 232	93 843	87 485	33 864	34 008	21 563	25 341
43 513	101 440	96 146	36 045	35857	28203	26509
45 449	97 765	93 860	38 001	31 719	25 759	26 187
44 528	108 870	100 245	39 740	37 302	29 006	29 108
49 881	109 438	116 623	44 050	44 726	31 069	33 985
51 276	105 051	110 837	43 475	42 383	28 191	27 179

Table 6. describes the number of domestic tourism (tourists moving inside the country) ***Domestic***[9]

23 956	76 960	72 819	17 853	16 540	10 055	12 817
23 221	81 583	76 603	17 868	15 838	12 427	13 545
25 219	77 191	72 469	17 261	13 973	11 701	11 525
22 822	83 808	74 147	16 001	16 010	12 280	11 378
26 542	83 263	86 072	16 642	20 345	14 101	14 511
23 340	76 120	81 116	16 217	19 543	12 715	12 696

Table 7 describes the number of inbound tourism (foreign tourists) Foreign[10]

15 276	16 883	14 666	16 011	17 468	11 508	12 524
20 292	19 857	19 543	18 177	20 019	15 776	12 964
20 230	20 574	21 391	20 740	17 746	14 058	14 662
21 706	25 062	26 098	23 739	21 292	16 726	17 730
2 339	26 175	30 551	27 408	24 381	16 968	19 474
27 936	28 931	29 721	27 258	22 840	15 476	14 483

[6] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009
[7] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009
[8] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009
[9] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009
[10] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009

In the next table are shown number of tourist night spent, which means tourists who spend at least one night.

Tourist night spent[11]

year	total	I	II	III	IV	V
2004	1 865 434	74 111	53 084	48 009	51 961	84 748
2005	1 970 041	72 294	49 380	56 174	56 850	86 568
2006	1 917 395	68 976	45 227	54 147	58 659	87 701
2007	2 019 712	56 919	45 697	53 036	64 282	99 250
2008	2 235 520	79 159	60 805	52 153	60 655	124 819
2009	2 101 606	77 994	58 138	58 769	63 607	115 445

Table 8. describes the number of domestic tourism (tourists moving inside the country) Domestic[12]

2004	1 504 845	56 930	28 546	25 403	24 076	47 489
2005	1 527 053	51 231	28 154	21 910	25 578	49 129
2006	1 474 550	47 981	26 371	23 640	24 900	44 572
2007	1 501 624	35 744	21 794	22 561	26 211	52 106
2008	1 648 073	50 955	31 536	19 721	25 071	68 648
2009	1 517 810	49 056	28 621	25 374	26 075	56 990

Table 9. describes the number of inbound tourism (foreign tourists) Foreign[13]

2004	360 589	17 181	24 538	22 606	27 885	37 259
2005	442 988	21 063	21 226	34 264	31 272	37 439
2006	442 845	20 995	18 856	30 507	33 759	43 129
2007	518 088	21 175	23 903	30 475	38 071	47 144
2008	587 447	28 204	29 269	32 432	35 584	56 171
2009	583 796	28 938	29 517	33 395	37 532	58 455

Table 10. describes the number of tourist arrivals divided by months. By months[14]

VI	VII	VIII	IX	X	XI	XII
95 358	598 458	599 594	86 864	74 453	49 183	49 611
110 117	630 388	629 713	89 464	78 757	58 408	51 928
109 754	622 527	595 940	90 394	71 541	59 517	53 012
111 124	672 362	619 677	92 469	85 677	61 892	57 327
123 376	690 494	701 591	104 189	103 889	65 207	69 183
128 611	624 613	648 542	106 965	101 668	63 648	53 606

Table 11. describes the number of domestic tourism (tourists moving inside the country) Domestic[15]

62 804	560 087	557 523	51 601	38 165	26 546	25 675
64 490	577 195	569 780	47 199	36 701	28 464	27 222
67 906	570 474	536 493	45 943	33 413	29 942	22 915
62 360	606 837	543 702	39 950	38 978	29 632	21 749

[11] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009
[12] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009
[13] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009
[14] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009
[15] Statistical review: Transport, tourism and other services, 2009; Tourism in the Republic of Macedonia, 2005-2009

68 031	618 040	615 883	40 833	48 669	32 735	27 951
64 928	552 088	567 683	40 333	47 274	32 286	27 102

The next table describes the number of tourist arrivals including accommodation facilities.

TOURIST ARRIVALS BY TYPES OF ACCOMMODATION FACILITIES - 2008 - 2009[16]

		2008			2009	Total
Total	Domestic	Foreign	Total	Domestic	Foreign	
337 379	130 609	206 770	344 363	130 070	214 293	Hotels, total
60 536	6 642	53 894	65 857	10 602	55 255	Hotel *****
113 629	37 261	76 368	91 953	30 605	61 348	Hotel ****
26 822	9 080	17 742	44 420	10 208	34 212	Hotel ***

CONCLUSION

Considering the information above we already have the results actually the ups and downs through the period from 2004 to 2009. So, we can conclude that during the summer season including the months: May-September the number of domestic tourists and foreign tourists is raised comparing with winter season from February -March.

Actually we still have the old form of tourism which is based on offering only sand and lake, or skiing, regarding this we have lack promotional material which describes the rural tourism, rock climbing, camp tourism, cultural tourism, etc. This is the reason why we have low number of tourists during the other months of the year.

To achieve the satisfactory level we need to pay attention more on how to attract people to come, using the websites and other portals, also brochures, catalogues, advertisements, any other form that can catch up the tourist's eye. Regarding from the marketing side we need to use the 4 Ps which means product, price, place and promotion, so we need to concentrate more in the last stage –promotion. From all these information we see that marketing has its accesses on tourism industry, or if we stop and make a deep analyze will see that tourism as an industry cannot exist without marketing.

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[16] A direct link between the categorization with stars and the previous categorization cannot be established, and this is the reason for the

ANALYZING THE TOURSIM DISCOURSE IN TRAVEL GUIDES IN ENGLISH ABOUT MACEDONIA AND SKOPJE

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Abstract:

This paper deals with the features of the tourism discourse. Travel guides about Macedonia and Skopje were studied in the present research. It was analyzed how tourist guides achieve to attract the potential customers through the text in which persuasive and communicative features are used. The choice of words, in terms of lexical features, the use of adjectives, especially superlatives, self-references, and verbs were examined. This paper investigated how the language, with its stylistic devices and grammar structures was used to serve the persuasive communicative purposes. The research in this paper hopes to offer contribution in the field of language of tourism and provide some insights into the field of ESP.

Key words: *tourism, discourse, persuasive, travel guide*

INTRODUCTION

Tourism has recently started to be researched from a linguistic perspective probably because the language used in the travel leaflets, brochures and travel guides covers more domains such as geography, history, history of art, archeology, architecture, business, cuisine etc. Each of these domains constitutes an aspect of tourism and creates a series of possible languages. Language is the most powerful dynamic, social and interactive phenomenon between the speaker and the listener and between the writer and the reader as well (Crystal, 1987:116). Language is one of the most powerful driving forces in the field of tourism. Its aim is to persuade millions of people and to convert them from potential into actual clients.

Discourse is a term used in linguistics and it represents language, especially the type of language used in particular contexts or subjects. The language of tourism organizes its discourse according to specific lexical, syntactic and textual choices. The language of tourism is a discourse which does not have a precisely defined content because it is influenced by many disciplines like history, geography, art etc. and it has different communicative functions (informative, persuasive, argumentative).

Macedonia as land of nature and blend of cultures, situated in the central part of the Balkans is a tourist destination. The tourism discourse in the travel guides in English about Macedonia and Skopje, the capital, is an interesting area to study. The analyzed corpus was taken from the following travel guides: Macedonia the Bradt Travel Guide, Macedonia Tourist Guide, Skopje, Tourist Guide, and Skopje a city to be discovered. Through analysis of the language, this paper attempts to investigate how Macedonia is presented to the travelling public, what lexical features and grammatical structures were used to serve persuasive purposes and present Macedonia as a favorable tourist destination.

Tourism advertising

Objectives of tourism advertising

The objectives of tourism advertising are the same as those of advertising for other products. Holloway (2004, 265) summarizes the underlying objectives of advertising in three words: “informing, persuading and reminding”, which are in the line of the AIDA principle used in marketing: “attracting Attention, creating Interest, fostering Desire and inspiring Action”. Berger (2004:71) describes advertisements as “a genre of communication that uses words and images to convince people exposed to the advertisement to purchase the product of service being promoted".

In the context of travel guides about Macedonia and Skopje the main objective is to get the message across to the tourists that Macedonia is an exciting and dynamic country where there are a lot of things to be done.

Travel guides as "communicative acts"

Travel guides can be classified as "communicative acts", a term proposed by Van Leeuwen (2004) to replace "speech act", which is limited to only spoken language. In the case of travel guides, the communicative intent is to provide tourists with essential information to help them decide what places to visit and which tours to book. Therefore successful travel guides must be both informative and persuasive, and they rely greatly on the use of words and images to achieve this objective.

The distinctive function of travel guides

Nowadays in the Information Age, despite the fact that alternative promotional tools, such as e-brochures, e-travel guides and websites are available and easily accessible, hard print travel guides and travel brochures remain popular. To increase their persuasive power, tourism travel guides are found to be loaded with hyperbolic language and glamorous images. Because the consumers' cognition is influenced by the linguistic and visual means implemented in the travel guides, it would be of great interest not only to linguists but also to marketing professionals to investigate how the worlds and images contribute to the persuasive power of promotional materials.

Data analysis

Textual analysis

The findings in this paper, mostly gathered from the choice of descriptive words used in the travel guides are a strong evidence in support of Dann's claims that "tourism promotion is based on glamour" (Dann 1996:56), and that the language of tourism "tends to speak only in positive and glowing terms of the services and attractions it seeks to promote" (Dann 1996: 65). The language features that were analyzed in the travel guides and are characteristic for the tourism discourse are: the use of present tense, the use of highly evaluating, positive adjectives, superlative forms of the adjectives, passive forms, and the use of imperatives, the use of modal verbs and the special use of personal pronouns.

The use of positive adjectives

The positive image of Macedonia and Skopje will be created in the minds of tourists with the use of the positive adjectives. In travel guides the adjectives used are highly evaluative, expressing the positive features of the places described and the services offered. Examples are: "excellent", "convenient", "beautiful", "rich", "well-known", "developed", "attractive", "interesting", "picturesque", "favorable", "scenic", "perfect", "abundant", "significant', "spiritual", "cultural", "remarkable", "famous", "numerous", "unique", "unrepeatable",

"The main characteristics of the Republic of Macedonia's tourist area are: transit tourism, **convenient** mountain conditions for winter-sports, thermo mineral springs, and also our **beautiful** lakes which provide **excellent** conditions for summer stationary tourism". (Skopje Tourist Guide, p.6).

"Macedonia has a **rich** and diverse flora". (Skopje Tourist Guide, p.12)

"And the large number of masterpieces stand as proof of the **developed** tradition for which Macedonia is **well known.**" (Skopje Tourist Guide, p.18)

“Macedonia has always been an **attractive** location for settlers”. (Skopje Tourist Guide, p.20)

“There a large number of rivers in the Republic of Macedonia which present **interesting** tourist destinations.” (Macedonia Tourist Guide, p.13)

“The rivers with their compositional valleys, which consist of **picturesque** ravines and valleys with open fields create especially **favorable** tourist, **scenic** and ambient values”. (Macedonia Tourist Guide, p.13)

“The ethnographic tourist values in the Republic of Macedonia are **abundant** in **significant** material, **spiritual** and **cultural** values.” (Macedonia Tourist Guide, p.15)

“Vodno is a **perfect** place for picnics”. (Macedonia Tourist Guide, p.59)

“Tetovo was a **remarkable** center of trade and crafts, and it was also **famous** for the production of quality apples.” (Macedonia Tourist Guide, p.71)

“The Galichnik Wedding taking place on St. Peter’s Day is rich in **numerous** authentic, **unique** and **unrepeatable** customs and rituals.” (Macedonia Tourist Guide, p.81)

The positive adjectives in the following examples convey a strong sense of glamour and energy, which is appealing to the tourists. In order to convince the intended readers that the place is worth visiting, the writer describes the unique features of a place in a positive tone. The writer uses the positive adjectives to appraise the place.

The use of superlatives

According to Dann (1996:65) the discourse of tourism is a form of extreme language. This “extremism” is also reflected in the use of superlative adjectives and “absolute” adjectives, which are inherently superlative.

“Skopje Fortress is one of **the most attractive**, **most provocative** and also one of **the most complex** excavations sites.” (Macedonia Tourist Guide, p.40)

“The cathedral church of St. Clement of Ohrid is one of **the most significant** objects in **the latest** history of Skopje.” (Macedonia Tourist Guide, p.43)

“The iconostasis at Holy Savior Church is one of **the finest** samples of traditional woodcarving which can be found on the territory of the Republic of Macedonia.” (Macedonia Tourist Guide, p.43)

“Mustafa Pasha Mosque is undoubtedly one of **the most beautiful** buildings of Islamic architecture in Skopje.” (Macedonia Tourist Guide, p.74)

“By far the **most popular clubs** in the summer are the outdoor night clubs in the city park.” (Macedonia the Bradt Travel Guide p.127)

“The easiest and **most convenient** way to get around Macedonia is still by car.”(Macedonia the Bradt Travel Guide, p.67)

“The main post office is the large building immediately to the east of the Stone Bridge on the south side of the river.” (Macedonia the Bradt Travel Guide, p.119)

“The Bit Pazar is **the biggest** outdoor market in Skopje.” (Macedonia the Bradt Travel Guide, p.128)

“Skopje Jazz Festival is one of **the most important** jazz events held in Macedonia.” (Macedonia Tourist Guide, p.57)

“The Ohrid collection is consisted of above 30 icons of **the highest artistic** value.” (Macedonia Tourist Guide, p.116)

The language of tourism is a kind of extreme language in which superlatives abound. Superlatives are used to emphasize the significance of the place. They make the place more attractive and worth visiting. By using the superlatives, the landmarks of a certain destination are emphasized and are one of the ways to persuade the potential readers to visit Macedonia.

The use of present simple

One of the syntactic features of tourism discourse is the use of present simple to make the time of the holiday seem still and everlasting.

“Located so far south in Europe, Macedonia is great to visit most of the year round.” (Macedonia the Bradt Travel Guide, p.59)

“Today the bridge reveals an impressive and harmonious structure even though several of its original arcs remain hidden, buried when a quay was developed on each side of the river.” (Skopje a city to be discovered, p.7)

“Built in the middle of the 12th century this monastery comprises some of the most famous and most beautiful works of Byzantine fresco painting.” (Skopje A city to be discovered, p.43)

“Macedonian wines are a secret waiting to be discovered by the rest of the world!” (Skopje a city to be discovered, p.43)

“Carsija has a number of Turkish inns, which are well worth a visit, including Kursumli An, belonging to the Ragusan merchants, Suli An and Kapan An.” (Macedonia, the Bradt Travel Guide, p.135)

“Most of Macedonia is accessible from Skopje in one day, depending on how long you want to spend at a place, and whether you are prepared to return after dark.” (Macedonia, the Bradt Travel Guide, p.137)

“Lake Ohrid is the jewel of the Macedonian crown.” (Macedonia, the Bradt Travel Guide, p.151)

The use of present simple tense in the travel guides accomplishes the effect of time standing still, and gaining the effect of eternal time.

The use of imperatives

Imperatives and directives are commonly found in travel guides and their function is to “urge the addressee to do something (or not do something) (Biber, Conrad and Leech 2002:256). A negative imperative together with an exclamation mark convey an even stronger urge. Such language elicits from the readers an urge to take part in the exciting tourist experience.

“You **must** finish this tour in the pastry shop “Ohrid”, situated right next to “Monpazar.” (Skopje a city to be discovered, p.25)

“Don’t rush to enter; **go around** this beautiful, simple but elegant building. **Look at** the Vardar, far below you. After you **absorb** this stunning view, **prepare yourself** for even greater wonders as you enter the museum. After enjoying the museum’s collection, slowly **descend** by stairs towards the southwestern side of the museum that will lead you down to the Kale fortress. **Enter** the gate that is always protected by guard, and **stop** for a while just to feel the incredible energy of the history that is quietly humming below the hill. **Rest** for a while and then **continue** to the northern gate in order to exit the fortress. **Pass** the small park and **visit** the most famous and most photographed mosque: Mustafa Pasha Mosque.” (Skopje a city to be discovered, p.27)

“On your back, **make a stop** at one of the numerous springs by the road and **drink** from the water of Shar Planina, which, due to its quality, is mentioned, in many folk stories and proverbs.” (Skopje a city to be discovered, p.27)

“…**Take** deep breath, explore the marvelous nature…” (Skopje Tourist Guide, p.11)

“… **Enjoy** the colors of the forests and the lakes… “(Skopje Tourist Guide, p.11)

“…**Discover** the timeless history…” (Skopje Tourist Guide, p.11)

"…**Taste** the excellent red wine, with the delicious Macedonian dishes…" (Skopje Tourist Guide, p.11)

"…**Be** part of unforgettable festival and events…" (Skopje Tourist Guide, p.11)

"…**Take a rest** on the coffee streets-it is the way of living…" (Skopje Tourist Guide, p.11)

"… **Relax** yourself with the greatest night life…" (Skopje Tourist Guide, p.11)

"- **Meet** the friendliest country ever!!! "(Skopje Tourist Guide, p.11)

The tourism industry needs to control its clients on one hand, while giving them the impression of granting them unrestricted freedom on the other. Therefore the language of tourism is a language of social control. The use of imperative in the tourism discourse is also known as imperative of consumption.

The use of modal verbs

The modal verbs are also part of the syntactic of specialized tourism discourse. They are used not to express deontic, i.e. personal or epistemic, i.e. local meaning, but to express a way of behavior, a mode action to be taken by the tourist. By using the modal verbs the writer of the travel guide can provide information about key sights, lodging, accommodation, dining etc. and can offer advice to readers.

"There **will** be plenty of lovely and pleasant places during our first walk that offer typical Skopje breakfast and first class espresso!" (Skopje a city to be discovered, p.6)

"We suggest that you take another glance over the Stone Bridge from the restaurant situated on the sixth floor where, at the same time, you **can** enjoy some refreshment in a comfortable environment. In the meantime, you **can** see the progress that is being made on the construction of the memorial museum dedicated to Macedonian's Jewish holocaust victims. We **can** continue our walk and in less than a minute, we **will** arrive at the wonderful church of St. Dimitrija. Those of you that enjoy music are just a minute's walk away from the Music Academy which you **may** wish to visit." (page 9, Skopje a city to be discovered, p.9)

"In the bazaar, no one is rushing anywhere and indeed there is no better place than here to liberate yourself from the syndrome of foolish rushing and the fear that you **may** be late! Everywhere you **will** find secluded places for a pleasant rest: small tearooms, coffee bars, pastry shops, burek shops, kebab restaurants, and the type or restaurants that are bigger on the inside that they look from the outside!" (page11, Skopje a city to be discovered)

"You **must** finish this tour in the pastry shop "Ohrid", situated right next to the "Monpazar" where among other exotic delights, you **can** try the original pastry "kazan dibi', "kajmachina", which is quite a rarity anywhere in the Balkans or even in Turkey. You **should** of course not miss the chance to try their excellent boza drink." (Skopje a city to be discovered, p.25)

"Those who prefer a more glamorous but discreet place **can** try the wonderful restaurant "Oreov Lad" which is on the main road towards Skopje, barely a minute drive away." (Skopje a city to be discovered, p.49)

The use of special personal pronouns

Special use of personal pronouns (to achieve a goal of ego targeting) is also one of the syntactic features of specialized tourism discourse. The pronoun "we" is another useful linguistic device which signals the inclusion of the readers into the "visual tour" as presented in the travel guide.

"We recommend **you** to take a guided tour with a professional guide who will be an invaluable source of information and inspiration." (Skopje a city to be discovered)

"In order to spend several memorable days in Skopje, **we** will organize a programme for you to get acquainted with the magical city. **We** believe that the best way to get to know our city is through its most intimate features, virtues and values. **We** suggest that you explore the city using a series of concentric circles starting from the centre and walking outwards. **Our** first meeting place is the ancient Stone Bridge that crosses the River Vardar from the city square." (Skopje a city to be discovered, p.5)

"We will walk north from the rapidly flowing Vardar and go for a stroll in the Old Bazaar." (Skopje a city to be discovered, p.9).

"The main street in the bazaar will lead **you** to a picturesque square with a small fountain." (Skopje a city to be discovered, p.11)

"Passing beside one mosque, graceful in its modesty, **we** will come right in front of the Chifte Ammam." (Skopje a city to be discovered, p.13)

"The road will lead **you** to the beautiful church dedicated to Saint Dimitrija, whose beauty and peacefulness will reward **you** for the extra effort." (Skopje a city to be discovered, p.21)

"For the lovers of exotic sweets and all sort of cakes, especially the best ice-cream in town, **we** recommend that **you** visit the pastry shop "Palma" along with a number of other restaurants in "Ramstore."(Skopje a city to be discovered, p.39)

By using the personal pronouns the writer emphasizes that it is the reader who experiences the service and by doing this shows that the readers are valued. If the reader recognizes that he is being addressed by the travel guide he will feel singled out and is likely to become a consumer, who will visit the place.

CONCLUSION

The aim of travel guides about Macedonia is to present Macedonia as an attractive tourist destination and to attract the travelers. Although the guides are highly informative, their main aim is persuasive (Gotti 2006:32) .The persuasive force which drives a tourist towards a tourist destination is achieved through a set of discursive and linguistic features that I tried to highlight by using some examples taken from a corpus of authentic travel guides. The language in the travel guides is highly selective and very positive. "The language of tourism attempts to persuade, lure, woo and seduce millions of human being, and in so doing, convert them from potential into actual clients"(Dann 1996:2). Each of the language features that were researched in this paper: the use of positive adjectives, superlatives, and the use of present tense, the use of imperatives, modal verbs and the increased use of personal pronouns has a positive evaluative claim and communicative and persuasive function.

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MARKETING STRATEGY – A STRONG BASE FOR TOURISM GROWTH AND DEVELOPMENT: A CASE STUDY ANALYSIS – REPUBLIC OF MACEDONIA

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Abstract

The National Prosperity is not inherited, it is created.
Michael. E. Porter

Tourism offers an important development and business opportunity for every national economy. In view of the current development level of Macedonian tourism and the existing development potential, tourism is positioned to become one of the leading branches of industry in the Macedonian economy, thus making a significant contribution to the country's development objectives (competitiveness, GDP growth, employment growth, increase in the education level of tourism workers, stimulation of cultural identity, increase in the recognisability of Macedonia in the international environment). The development of our tourism is based on the construction of physical infrastructure, but the area of so-called soft development elements has been disregarded: quality in the broadest sense, development of human resources, promotion of creativity and innovation. Accordingly, the fundamental strategy must be designed so as to take into account integration at local, regional and national levels.

Key words: *national economy, development potential, tourism, strategy.*

INTRODUCTION

Tourism offers an important development and business opportunity for Macedonia. In view of the current development level of Macedonian tourism and the existing development potential, tourism is positioned to become one of the leading branches of industry in Macedonian economy in the following years, thus making a significant contribution to the achievement of the country's development objectives. In this context, the latter particularly relates to the achievement of the national economic objectives (competitiveness, GDP growth, new jobs/employment growth, increase in the education level of tourism workers, implementation of sustainable development criteria, balanced regional development, increase in the quality of life and prosperity

of population, stimulation of cultural identity and increase in the recognisability of Macedonia in the international environment). In recent years, the development of Macedonian tourism has been based on the construction of physical infrastructure, which provides an important and necessary basis for future progress. However, the area

of so-called soft development elements has to some extent been disregarded: quality in the broadest sense, accelerated tourism training and development of human resources, promotion of creativity and innovation for the development and designing of market-attractive, innovative and high-quality, integrated tourism products (ITPs). Furthermore, the development of tourist destination management based on the public-private partnership as one of the main factors for the maintenance of competitiveness in the global tourist market has also been unsatisfactory. Tourism is an integrated activity involving all areas of economic and social life. Since tourism is integrated at the local, regional and national levels, it is necessary to consider strategic policies at the local and regional levels, which also include a number of diverse activities and development potentials. After all, Macedonian tourism is a part of world and European tourism.

ANALYSIS OF THE PRESENT STRATEGY OF MACEDONIAN TOURISM

The growing synergy of tourism and culture has been one of the major themes in tourism development and marketing in recent years. Tourism destinations seeking to distinguish themselves from their increasingly numerous competitors have turned to culture as a means of distinction, and culture has increasingly been linked to tourism as a means of generating income and jobs (Richards 2001, 24). The present strategy of Macedonian Tourism is based on a development paradigm focused on the strengthening links and cooperation according to the principle of public and private partnership in designing and implementing strategic objectives. Accordingly, the strategy defined clearly the role, tasks and responsibilities of individual partners (tourism economy, states, municipalities, civil society operators) in implementing strategic objectives.

SWOT Analysis of Macedonian Tourism

A SWOT matrix has been drawn up, which represents a synthesis of key strategic factors affecting the development of Macedonian tourism. Key strengths and opportunities are brought into focus. We try to address the identified weaknesses with appropriate policies and activities, and change them into strengths and change the identified threats into opportunities.

Figure 1. **SWOT matrix of Macedonian tourism**

Strengths	**Weaknesses**
variety of offers in a small area preserved nature, cultural heritage and rich contemporary cultural creation cuisine and wines hospitality of providers and population small-scale Balkan geographic location	offers not integrated non-recognisability of destinations and sub-destinations lack of personnel low level of quality lack of standardised offers unattractive destination for foreign investors too few small and medium-sized enterprises lack of information and research
Opportunities	**Threats**
destinations with qualitative tourist offers easily accessible destinations destinations with out-of-season offers destinations with individual offers new destinations in Europe short, repeated holidays destinations with diversified offers destination with culturally rich offers destinations with authentic offers balanced and sustainable natural destinations destinations with specialised tourist offers Internet development of tourist association participation in other activities	no understanding of the government for the development of tourist activity no understanding of local communities for the development of tourist activity unfulfilled expectations of tourists cheaper tourist destinations with similar offers hostile business environment with administrative barriers insufficient scope of development initiatives for tourism non-implementation of public-private partnership insufficient cooperation of different stakeholders in the area of tourism

It is obvious from the current situation that on one side we have more weaknesses than strengths, but on the other side there are more opportunities than threats, so it becomes clear that the solution should be development of the strategy of improvement and internal strengthening for the purpose of effective usage of the opportunities. The process of linking the strengths with the opportunities is possible through the strategy of focus on efficient processes and activities, strategy of leadership in tourism products and the strategy of better service providing to the customer than the competition. Transformation of the weaknesses and the threats can be done through development of new products/services with investments in market research and development. Minimization and avoidance of the weaknesses and the threats is possible through market niche strategy.

Environmental Analysis of Macedonian Tourism

Analysis of the internal environment

According to the number of guests and number of overnight stays, we have raised the percentage only for 1,5% in 2009, comparing to 2008[17]. Tourism receipts in the last period grew more rapidly than the number of guests and overnight stays. Revenues from tourism do not provide a good basis for strategic and operational decision-making in tourism. Therefore, it would be reasonable to employ continued (annual) monitoring of tourism activity using the internationally established tourism satellite account methodology[18]. The qualitative analysis includes many individual areas of tourism:

- The accommodation sector shows a low internal quality in the hotel industry. There is a need for upgrading the current classification system of accommodation. Also, there is a low average annual occupancy of accommodation capacities, with the exception of health resorts[19]. There is a need for more appropriate monitoring of annual occupancies. In the last period the investment cycle in smaller accommodation capacities (apartments, boarding houses, family hotels) was unsuccessful.
- The activity in the food facilities sector are classified among the worst paid occupations[20], which results in low-quality services and disinterest of younger people in this work. The categorisation of food facilities represents a major problem and no specific development initiatives were implemented in this sector in previous years. Among other, different laws and regulations restrict its development and there is insufficient investment in the education and training of employees. More should be done for the authenticity of the Macedonian gastronomic offer as well.
- The situation in the transport sector shows that it is necessary to modernise road, railway and air connections, it is necessary to improve and arrange the accessibility of public passenger transport to tourists, to improve connections between individual types of public passenger transport,particularly via transfers, the designing of a common information system and the implementation of a common ticket for the whole transport system. Tourist signposting in certain segments is poor and it must convey its content in a foreign language understandable to tourists. It is necessary to promote the development of tourism along main roads, airport and railway stations, bus stops and border crossing points. Our business opportunity is to attract foreign tourists in transit.

[17] State Statistical Office of Republic of Macedonia. 2010. Macedonia in Numbers: 49

[18] Economic impact (EI) and tourism satellite accounting (TSA) are the two primary methodologies for measuring the impact of tourism on an economy. A separate methodology for measuring tourism is necessary because tourism is not an industry, but rather is made up of many industries including lodging, retail, and many others. There are several differences between the two methodologies. The TSA is a more comprehensive measure of tourism and includes not only visitor spending but also investment (construction) and government spending in support of tourism. Economic impact captures only visitor spending.

[19] State Statistical Office of Republic of Macedonia. 2010. Macedonia in Numbers: 48

[20] State Statistical Office of Republic of Macedonia. 2010. Macedonia in Numbers: 33

- The sector of travel agencies shows that Macedonian travel organisations are mainly engaged in selling travel arrangements to Macedonians and that there are not many specialised receptive agencies, however, most of them are specialised only in individual markets.

Analysis of the external environment

The analysis of demand, competition and trends also includs the study of the business environment. There is a great lack of quality information about guests (their expectations, motives for arrival, satisfaction, characteristics, expenditures etc.). The following conclusions result from this enquiry:[21]

- Domestic tourists (56%: 44% in 2005) predominate in the structure of guests and tourist overnight stays.
- The number of tourists in the period January- December 2010, compared to the same period of the previous year, decreased by 0.3%: the number of domestic tourists decreased by 1.2%, while that of foreign tourists increased by 1.0%.
- The number of nights spent in the period January- December 2010, compared to the same period of the previous year, decreased by 3.9%: the number of nights spent by domestic tourists decreased by 3.7%, while those by foreign tourists decreased by 4.2%.
- Most of the foreign tourists come from the neighbor countries, decreasing as follows: Serbia, Bulgaria, Greece, Albania, Turkey, Croatia, etc.
- The most visited places (decreasing as follows) are: Mountain resorts, Skopje, other tourist resorts, spa resorts etc.
- In analysing the competition we can determinate that Macedonia is not among the most popular destinations, except for Serbians. Similar tourism products are provided by the majority of Macedonia's competitors and it is difficult to be competitive in the global market. Tourists coming to Macedonia mostly go to France, Italy, Germany, Croatia, Spain, Austria, Greece, i.e. to destinations focusing on the main high season. Consequently, the analysis indicates that we should focus on smaller segments outside the main high season and become more specialised in our offer if we want to attract new visitors.
- The analysis of the social environment shows that tourism is significant for the country because it is an area of opportunity for Macedonian companies and the main instrument of national and regional development. It supports a wide spectrum of various small and medium-sized companies. It is crucial to harmonise the operation and integration of the public and private sectors, national sectors, national and local authorities into the economy and organisations of civil society. It is necessary to pursue, within the next strategic period, the improvement of existing and new legislative and implementing regulations, particularly to reduce unnecessary administrative burdens and create a more favourable environment for competitiveness and the development of tourism.
- It is characteristic of the last strategic period that the financial and business environment (unfavourable longterm bank loans and a number of administrative barriers and inappropriate and insufficient support for tourism entrepreneurs) was generally negative. The hostile business environment is also the main reason for a lack of foreign investment in the Macedonian tourism sector over the past strategic period.
- The development of information technology has a positive impact on the operation and marketing of tourist activities. It speeds up information flow and reduces the possibility of human errors. It facilitates marketing and promotion at the best price, on the one hand, and rapid communication on the other. It also requires new approaches, which Macedonia will have to adapt to. Information technology is present in all branches of tourism; however, it is most

[21] Source: State Statistical Office, http://www.stat.gov.mk/pdf/2011/8.1.11.02.pdf

relevant in the reservation area. It is necessary to set up a reservation system in Macedonia that will facilitate an easy integration of individual suppliers and compatibility with global suppliers.

- The analysis of human resources in the present strategic period shows that education programmes exist; however, demand is decreasing (except in higher education). The main disadvantages in this area are: inferior education level in tourism, the gap between education programmes and limited practical training in tourist companies, the gap between education and training programmes and the needs of the economy and decreasing interest of young people in catering vocations. In taking into consideration the significance of personnel for the purposes of ensuring quality and thus the competitiveness of the tourism, it is necessary to emphasise the development of human resources in this strategic period.

The sector of attractions in Macedonian tourism

Among the elements of tourism, the following should all - ways rank high: preserved natural sites, opportunities for trips, opportunities for recreational activities, suitability for family holidays, tranquillity and silence, quality of the environment, quality of catering services, hospitality of the people, possibility of communication in foreign languages, personal safety and level of cleanliness, opportunities for entertainment and amusement, shopping opportunities, road and service quality along roads, and choice of cultural events. Theme parks in Macedonia are an unexploited opportunity; however, it is necessary to follow the principles of uniqueness, specialty and innovation in any further development. Gambling and entertainment is one of the most important segments of Macedonian tourism, yet despite the elimination of certain legal impediments in past years, its development activity is still restricted by legislation, thus reducing its competitive advantage. It is necessary to follow the guidelines for granting concessions to casinos in tourist resorts and not in other places in the further development of gambling activity. In this strategic period, wellness health resorts represent one of the most important tourism products in Macedonia in the light of the integrated tourism product (ITP) development. In this area, it is necessary to integrate more intensively the cultural heritage, modern culture, natural assets and authentic products and services (performances, customs). It is important for health resorts to meet the specialised needs of various segments. Areas for the conservation of nature, both the ecologically important areas, and the protected areas, Macedonian National Parks and forests, rivers and lakes, provide a source for the development of tourism products, while at the same time tourism represents a tool for nature conservation. Protected areas and natural assets have not been sufficiently integrated into tourism (biotic diversity). Legislation concerning the protection of natural assets has not been fully implemented yet (which affects the promotion for tourist purposes). Neither natural assets nor cultural heritage have been adequately integrated into tourism. In protected areas and so-called areas of national recognisability, it is necessary to take into account the principle of sustainable use of natural heritage and overall preservation of these areas, implying that the use of cultural heritage is only possible with a strategy that does not cause any long-term loss of cultural characteristics nor the capability of satisfying the cultural needs and expectations of present and future generations. There is no central register of sports tourism. The majority of sports tourism infrastructure is publicly owned, and the planned cycle of investment in sports tourism infrastructure in the public investment sector has not been implemented. It is necessary to increase investments and development initiatives in the construction of sports tourism infrastructure. Festivals and cultural events and other offers in the area of culture are poorly integrated into tourism. With rare exceptions, they do not achieve mass international recognisability,thus representing a missed opportunity. Business tourism is one of the most important segments of tourism where there is still a number of development opportunities for Macedonia. It is necessary to invest in the modernisation of congress and other centres and in the construction of high-standard accommodation facilities, as well as in the development of human resources. Wine tourism provides a basis for authentic Macedonian tourism in the future. Wine tourist roads have already been a developed segment of the tourist offer, but should be more intensively integrated into tourist destinations.

FORMULATION OF MARKETING STRATEGY FOR TOURISM GROWTH AND DEVELOPMENT

In developing the vision, we proceed from the comprehension of the future and the fact that Macedonia's vision should differ from the visions of large and established tourist destinations due to the relative smallness and still-undiscovered character. In the future, on the increase will be that segment of people who in choosing the destination will primarily be guided by the search for authenticity and connection with their (self-) image. The vision that should be set as a long – term path for Macedonian tourism can state the following: Macedonia will become a developed tourist destination with diversified and quality tourism focused on shorter holidays. Furthermore, Macedonia will also become a desired destination for longer vacations with its attractive and diversified integrated tourism products. Macedonia can be positioned as a small-scale version of the Balkan, in the very heart of Europe - as one of the last, not yet sufficiently discovered authentic destinations in Europe where all Balkan elements can be found and as an ideal starting point for visiting all major sites of interest.

The values that can be offered are: hospitality and well-being, protection of natural and cultural heritage, healthy and active life and mysteriousness.

The quantitative objectives can be: increase in tourism volume (number of tourists, overnight stays and tourist receipts); increase in tourist expenditure (growth of receipts); improvement of recognisability – not recognisability of the total population, but within target groups (in terms of demography, geography and/or motives) where marketing activities should take place.

The qualitative objectives can be: decentralisation (to design basic thematic tourism products and to incorporate the natural and cultural attractions of other touristically still undeveloped places into the offer of traditional and developed tourist centres); deseasonalisation (to create motives for the arrival of tourists out of high season and contribute to a stable and sustainable development of destinations and to a higher quality of services, a better annual utilisation of tourist capacities, improved working conditions, a better attitude of the local population towards tourism, etc.); promotion of changes (the tourist offer should become connected, of high quality, specialized, innovative, authentic, based on knowledge and information).

The basic strategy for Macedonian tourism should be focused on strengthening links and cooperation in the common planning, designing and marketing of the tourism according to the principles of public-private partnership at all levels, from the local to the national, and at strengthening excellence in all fields and at all levels. The basic strategy can be implemented by internationalising Macedonian tourism and tourism providers; designing tourist destinations and key tourism policies and developing new forms of tourist sector management through accelerated development of destination management according to the principle of public-private partnership along with civil sector partnership; development of human resources management at all levels; development of tourist education management at all levels; development of the management of the quality of tourism products and services at destination, regional and national level; development of coordinated investment management at the local, regional and national level; developmental approach towards the awareness-raising of the local population relating to the importance of tourist activities at the local level; development of common promotion and marketing of Macedonian tourism based on

advanced information technology and communications at the destination and national level; development of management of research and development activities in tourism at the national level; and development of the strategy for the internationalisation of Macedonian tourism providers. In designing tourist destinations, it should be our objective to develop recognisable destinations along with their stories. For the purposes of designing and designating tourist destinations, it is necessary to make an analysis, which will include a review of the situation of existing, geographically identified destinations and linking existing destinations with the aim of designing the desired tourist destinations. Only those tourist destinations, which are designed in this way, will provide the basis for working out a development plan and marketing policies, as well as promotion at the national level. Based on the analysis of the tourist environment, the basic areas of tourism can be as follows: active holidays (winter and summer sports), culture, tourism in the countryside and ecotourism, nature, food and beverages (wine tourism), health and well-being, Meetings, Incentives, Conventions and Exhibitions (MICE) tourism, entertainment and gambling, offers for more demanding tourists, offers for young people. The main reason for seeking above-average and long-term sustainability of tourist development lies in its competitive advantage, which is possible to achieve through one of the winning strategies (Michael E. Porter 1980): cost-effective management, product differentiation, and developing a market niche.

Figure 2. ***Characteristics and advantages of the winning strategies***

	Differentiation (S1)	Cost-effective Management (S2)	Market niche Development
Objective	Possibility of sales at premium Prices	Provide low prices	Choice of s1 or s2 for the specific market segments
How?	Cutting edge product/service	Wide range of sales	Choice of s1 or s2 for the specific market segments
	Advertising/ Promotion	Economy of scale	
	Branding	New technologies	
	Distribution channels	High productivity	
	Different locations	Low input costs	
	Taking care of guests	Low distribution costs	
	Technology	Low location costs	
	Permits/regulation		
Effects	Changed perception	Price equal to or lower Than the competitor's	Identifies segments and consumer needs
	Price higher than the Competitor's	Acceptable quality	Choice of s1 or s2 for the segment or niche
	Quality		
When to use?	Price resistance	Price sensitivity	Providers too small to cover the entire market
	Established service providers	Market entry	Service providers with special skills

Source: www.knowthis.com/tutorials/principles-of-marketing

Strategic differentiation cannot be applied because we are not an established and recognisable service provider in tourism, we lack recognisable trademark, there is insufficient investment in promotional activities, compared to the competition, we do not offer top-quality tourism products, distribution channels are not developed and quality programmes are not implemented. The strategy of cost-effective management can also not be applied because our capacity is insufficient and the tourism volume is too small, we should not want to become a cheap or low-cost tourist destination, compared to the competition, production costs are high and price reductions would generate losses. Given the stated drawbacks, the most appropriate choice seems to be the strategy of focusing on market niches. An essential feature of this strategy is to create a tourist offer focusing on a smaller segment. The fact is that the Macedonian tourist offer on our primary markets does not rank Macedonia among the most popular destinations and that our share on these markets is insignificant. Therefore, it would be more appropriate to focus on detailed segmentation of markets, in particular by taking into account the value criterion that our tourist offer is supposed to represent for the targeted tourist, on specialisation of the offer and dispersion of markets. The main advantages of choosing this business strategy for Macedonian tourism are: the strategy itself requires small-scale investments in resources (primarily into promotion) when compared with strategies which aim at the entire market; and the strategy permits specialisation and a higher level of understanding and knowledge of a targeted tourist segment. For the successful implementation of this strategy, certain activities can be carried out: developing destinations, continuous collection of information on tourists and the use of this information in further business operations, concern for quality, concern for human resources. Policies should be based on the strategy and include a wide range of guidelines to promote growth and development of Macedonian tourism (Figure 3).

Figure 3. ***Guidelines for promotion of the growth and development of Macedonian tourism***

CONCLUSION

Globalisation implies opportunities, challenges and competition as well as uncertainty and turbulence. Tourist activity is characterized with high number of people employed. Globally organised tourist activity has to be created under new conditions, i.e. it has to be reorganised and structured in a new way. This implies a new approach (digital economy) and new ideas about people and organisations in a creative system creating new services. In order to successfully compete in the new, global and growing market, tourist activity (whether at the international, national, regional or local level) has to be integrated into "symbolic networks" and to cooperate in the network of organisations with others in such a way as to optimise the overall tourist services/offer/products. This relationship takes in account an elaboration of upgraded approaches that will provide new benefits to tourist activity (organisational and environmental) so that they will be recognised, on the one hand, and succeed in the international global arena on the other.

The fact is that the current strategy is focused particularly on the setting up of system conditions and the appropriate level of development was not achieved during the first period of the introduction of the concept of partnership in attaining strategic objectives. This is also the reason that Macedonian tourism in the last strategic period has not managed to spur a planned development breakthrough and revive the national economy in Macedonia. Essential disadvantages which are to be avoided in the next strategic period are the insufficient governmental and political support of tourism development; poor understanding and interest of tourist operators in joint partnership and strategic planning of tourism development; unfocused strategic orientations and objectives and, too broad a scope of measures regarding the personnel, financial and other conditions; lack of a mechanism for monitoring the implementation of the strategy and possibilities for the ongoing adjustment of strategic objectives to the actual situation. From this point of view, it is necessary to formulate a solid marketing strategy and evaluate the effectiveness of the implementation of the strategic objectives.

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THE NEED OF MARKETING STRATEGY IN TOURISM FOR ECONOMIC DEVELOPMENT

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Abstract

Contemporary trends in tourism unconditionally impose the need of creating and implementing marketing strategy in tourism in general, and in all entities involved in the creation of tourist offer in the Republic of Macedonia. Also, the need of strategic marketing positioning is more than necessary in the overall strategy for tourism that as soon as possible Macedonia has to create and implement. This paper presents the basic principles on which marketing is based on, its application in tourism and how marketing functions should be used when creating marketing strategies for entities in tourism and tourism as an industry in general, all this in order to emphasize the tremendous need of marketing in the overall development of tourism and the economy in general.

Key words: *marketing strategy in tourism, strategic marketing positioning, tourism development, economic development.*

INTRODUCTION

Tourism is one of the fastest growing service industries that contributes significantly to the growth of many national, regional, and local economies. In an economy such as Macedonian, in which a significant part of export revenues should be due to foreign tourism, it is important for policymakers to understand the sensitivity of foreign tourism demand with respect to its main determinants.

The capacity of tourism to promote economic expansion stems from the fact that, as an export industry, it induces new spending within the local economy. This new direct spending generates new jobs and secondary economic activity as new dollars ripple throughout the economy. In addition to these possible economic benefits, proponents of tourism redevelopment argue that, in celebrating local culture, these projects engender a sense of civic pride and cultural ascendancy that may elicit feelings of solidarity and well-being in the local populace. They also maintain that tourism redevelopment may result in enhanced services, improved infrastructure, and greater opportunities for entertainment and recreation.

Analysis of the current strategic marketing positioning

The tourism 'product' is an experience achieved through the combination of a diverse array of products and services (Heath & Wall, 1994; Scott, Parfitt & Laws, 2000). For visitors, the product is the total experience, covering the entire amalgam of all aspects and components of the product, including attitudes and expectations. According to Middleton & Clarke (2001), **the overall tourism product is a package, and might be defined in terms of five main components, namely: destination attractions; destination facilities and services; accessibility of the destination (including transport); images, brands and perceptions; price to the visitor**. Hence, destination is a provider of experiences. There is an increased demand for destination marketing, due to rising customer expectations and growing competition between destinations (Pike, 2004; Scott et al., 2000). In response, more sophisticated marketing is used including product development, enhanced promotional imagery and targeting of specific market segments. The preponderance of small businesses in destinations and the diversity of objectives in larger organizations is an impediment to the implementation of strategic destination marketing (Scott et al., 2000). Marketing is a managerial process involving several activities (Kotler, 2008): establishing marketing goals and objectives, formulating marketing strategy, preparing and implementing plans. According to Tribe (1997)

'Strategy… [is] the planning of a desirable future and the design of suitable ways of bringing it about.' Marketing strategy specifies the long-term goals and objectives of an organization, identifying opportunities and the scope of activities needed to realize them. Strategies therefore show how objectives may be pinpointed. Calver (1994) pointed out that the use of the term 'strategy' as a description of longer-term planning is helpful, but may prove equally ineffective unless it provides the right guideposts. Marketing strategy is an action-based discipline and must provide clear indications of which markets are to be targeted and the means by which they will be targeted in the long term. The two terms 'marketing strategy' and 'marketing planning' are often used interchangeably. A marketing *strategy* offers an overall analysis of a given organization and provides its environment with a means of achieving overall objectives. On the other hand, a marketing *plan* should be prepared for the long term, with clear guidelines for action and tactical details for implementation, dealing with specific marketing activities. Strategies may therefore be regarded as substantial preface to plans.

From the above brief discussion, it might be pointed out that: (a) Strategy shows how to pinpoint objectives; (b) Strategic marketing entails a stream of decisions and actions, which lead to the development and implementation of effective strategy (Crawford-Welch, 1996); (c) Strategy is not only about deciding on future direction but also the actual implementation at operational level. The crucial point is how to convert strategy into action; and (d) Strategic marketing is as much an art as a science and is not a panacea or a prescription for success (Kotler, 2008).

Marketing strategy in the tourism industry faces a particular challenge as it deals with a multifaceted, poorly standardized product, and a volatile, fastidious customer (Middleton & Clarke, 2001).

In common, the marketing mix, or strategy, should be viewed as a package of offerings designed to attract and serve the customer or visitor. As for Macedonia, we should develop both external and internal marketing mixes for different target markets. In terms of the internal mix, marketing services such as recreation and tourism differ from marketing tangible products. We must direct as much attention at marketing to customers on site to attracting them. In this respect, internal marketing is important because dissatisfied customers can effectively cancel out an otherwise effective marketing strategy.

The success of internal marketing is dependent on creating an atmosphere in which employees desire to give good service to visitors.

A customer oriented atmosphere usually results in customers that are more satisfied, do less complaining and are more pleasant to serve. This helps build employee morale, their desire to provide good service and their efficiency.

The external marketing mix includes product/service, price, place/location, and promotion and is as important as the internal marketing mix.

Segmenting, targeting and positioning

The approach towards these three postulates of successful marketing is of high importance for every subject in tourism. That is the case with Macedonia as well.

Segmentation

Market segmentation can be defined as the process through which people (both tourism providers and consumers) with similar needs, wants and characteristics are grouped together so that a tourism business/organization can use greater precision in serving and communicating with these groups (marketing) (Pike, 2004). There are associated benefits of segmentation (e.g. identifying partnerships to promote networking and guiding research and development) but the bottom line is that it enables better marketing decisions, and promotes more viable operations. In more general terms, segmentation comes down to ties that connect two or more individuals (or businesses) together; it could be their age, their love of certain music, the magazines they read, or what their son or daughter is doing in school. The possibilities are endless. In terms of its current market segmentation, Macedonia has made a mistake of attempting to be all things to all people. It is difficult, and risky, to develop marketing strategies for the mass market. Strategies designed for the "average" customer often results in unappealing products, prices, and promotional messages. The major markets segments should include free independent travelers, outdoor adventurers, and cultural/heritage enthusiasts. As with most tourism regions, the market and regional markets make up the large majority of visitors.

Recognition and awareness of Macedonia is very low, even amongst key travel markets. Many regional visitors come to the area for its outdoor adventure experiences, but most long-haul and international visitors are in transit to other destinations, including many Europeans on the Greek coast. The number of destination-oriented tourism visitors is low but the potential for this market is excellent and growing.

National and international tourism trends show that visitor markets and the industry continue to change. Visitor motives for travel are becoming more attraction-oriented and fundamentally different from the socially-oriented free independent traveler of the past. Most visitors are also seeking more convenience, more learning and educational experiences and outdoor recreation activities where the experience is a safe one (i.e. soft adventurers).

Marketing is strongly based on market segmentation and target marketing. According to Kotler (2008), market segmentation is the process of:

(1) taking existing and/or potential customers/visitors (market) and categorizing them into groups with similar preferences referred to as "market segments;"

(2) selecting the most promising segments as "target markets;" and

(3) designing "marketing mixes," or strategies (combination of the 4 Ps), which satisfy the special needs, desires and behavior of the target markets.

Approaching Segmentation

There is no unique or best way to segment markets, but ways in which customers can be grouped are:

(1) location of residence---local, national, regional;

(2) demographics---age, income, family status, education;

(3) equipment ownership/use---RV's, sailboats, canoes, tents, snowmobiles;

(4) important product attributes---price, quality, quantity; and

(5) lifestyle attributes---activities, interests, opinions.

To be useful, the segment identification process should result in segments that suggest marketing efforts that will be effective in attracting them and at least one segment large enough to justify specialized marketing efforts.

Market segmentation can be approached from two broad directions: supply side (e.g. grouping similar products together) or the demand side (e.g. demographics and behavioral patterns of tourists). The objective is consistent: trying to reach out to potential customers in a more cost effective manner. The levels of segmentation can be broad (e.g. businesses offering an 'outdoor' experience) or narrow (e.g. a segment of the population in a set geographical boundary, who have a certain medical condition, with children, in a particular income bracket).

The approach to segmentation is important however. There is a debate about 'Product Push' versus 'Market Pull'. The former is designing a product and packaging it and hoping that there is a market for it, while the latter attempts to find a niche market, identifying the needs and wants of individuals within that market, and designing a product to meet those needs. Generally it is more effective to undertake the market pull approach, but at the same time it is important to understand the strengths of the tourist's product. This is especially important when it comes to developing partnerships and products that fit with local community and cultural values. A mixed approach - market pull and 'manipulated or value-added' product push - is likely to be valuable when developing new product lines.

Product Related Segmentation

Without listing all the subgroups, typical product-related segmentation may be along the lines of the following:

Accommodations *(from camp grounds to high end mountain lodges)*

Adventure Operators/Organizers *(from family adventures and motorcycle tours to hunting and bird-watching)*

Attractions *(from museums and theme parks to sports clubs and festivals)*

Transportation and Services *(from train and van tours to restaurants and gas stations)*

Another product-related segmentation strategy is based on seasons, for example grouping winter or summer activities. For those with an outdoor theme the product segmentation is often similar to the above, or even broader. One promotes the four choices of:

- Land Travel
- Water
- Winter
- Mixed Activities

Targeting

After segments have been identified "target markets" must be selected, those segments which offer them the greatest opportunity. Target marketing is the decision to identify the different groups that make up a market and to develop products and marketing mixes for selected target markets (Kotler, 2008). When determining target markets, consideration should be given to:

(1) existing and future sales potential of each segment;

(2) the amount and strength of competition for each segment;

(3) the ability to offer a marketing mix which will be successful in attracting each segment;

(4) the cost of servicing each segment; and

(5) each segment's contribution to accomplishing overall business/community objectives.

It is often wiser to target smaller segments that are presently not being served, or served inadequately, than to go after larger segments for which there is a great deal of competition. In that concern, attention should be driven to researchers in the cultural heritage field, geographers, and people with special interest in health conservation in natural conditions and so on.

The long-term outlook for tourism in Macedonia is positive. In the short-term, the best opportunities are in the regional and short-haul markets, including Europe touring travelers. Visitors most likely to be attracted to the region (older-aged, wealthy touring travelers) are looking for amenities and soft-adventures.

Positioning

Position is a form of market communication that plays a vital role in enhancing the attractiveness of a tourism destination (DiMingo, 1988).

One of the most effective tools in tourism marketing is positioning. The objective of positioning is to create a distinctive place in the minds of potential customers, a position that evokes images of a destination in the customers mind; images that differentiate the destination from the competition and also as a place that can satisfy their needs and wants. Positioning is a communications strategy that is the natural follow-through of market segmentation and target marketing (DiMingo, 1988). Since market segmentation is based on the notion that different tourism destinations appeal to different types of tourists, target market segments must be selected before tourism marketers can begin to entice these potential customers. An effective positioning strategy provides a competitive edge to a destination that is trying to convey its attractiveness to the target market. The purpose of this part is to discuss the vital role played by positioning in tourism marketing and to present various approaches to positioning a tourism destination, i.e. Ohrid. Positioning is more than just image creation. This important form of market communication helps to distinguish Ohrid from similar destinations so that customers can choose Ohrid as the most attractive. Thus, true positioning differentiates a destination from its competitors on attributes that are meaningful to customers and gives it a competitive edge. However, this is a complex process that requires careful analysis of the attributes that Ohrid possesses and the needs of the target markets. Selection of a positioning strategy that creates a distinctive place in customers' minds is essential in preventing the following pitfalls (Lovelock, 1991):

1. Ohrid is forced into a position of competing directly with a stronger competitor. For example, a destination that is further from the source of its visitors may be relegated to a secondary or tertiary level of competition with destinations that are closer to the market.
2. Ohrid's position is so unclear that its target market does not recognize the message that is being sent to them. This often happens when a destination tries to be all things to all people.
3. Ohrid has no identity or has a negative image in customers' minds and does not create customer demand.

Positioning Intangibles

One of the biggest challenges faced by tourism marketers is that the product is largely intangible. Some would argue otherwise, because what is more important than the hotel room, the meal, the beach, the lake, and the mountains? These are all tangible aspects of the tourism destination. However, these tangibles are what is being "sold", but not what is being "marketed". If we were selling beaches or mountains, what difference would it make where the tourist went, assuming a comparable level of quality?

'What we are marketing, of course, are intangibles. The tangibles are essential and necessary but as soon as they reach a certain level of acceptance, they become secondary. Because they are so difficult to differentiate, to be competitive, the intangibles have to be marketed. Even as tangibles, mountains and beaches have a measure of intangibility because they are experienced rather than possessed (Ryan, 2005). If tourism products are mostly intangible, they have to be marketed with tangible evidence. This is what is referred to as "tangibilizing the intangible." However, this is a complicated process. By emphasizing the concrete elements one may fail to differentiate oneself from the competition, and since the intangible elements are abstract, by emphasizing the abstract one compounds the intangibility.

Unfortunately, being aware of this need does not ease the problem. It is still difficult to find meaningful tangible evidence that supports intangible constructs. What has to be done, is to create a "position" in the tourist's mind. That is why positioning relies heavily on target marketing. The mental constructs held by the target market must be known, as well as the tangible evidence that sustains them. Positioning, then, is a relative term. It is not simply how the destination is perceived, but how the perceived image performs in relation to competing images. It is the customer's mental perception which may, or may not, differ from the actual physical characteristics. It is most important when, the product is an intangible and there is little difference among the competition regarding the physical characteristics.

Market Positioning

Market positioning is the first step and is defined as the process of identifying and selecting markets or segments that represent business potential, to determine the criteria for competitive success (DiMingo, 1988). This must be based on a thorough knowledge of the needs, wants, and perceptions of the target market, along with the benefits offered by the destination. To do this, a few crucial questions must be answered. These are:

1. What is important to the target market?
2. How does the target market perceive Macedonia as a destination?
3. How does the target market perceive the competition?
4. What attributes should we use as a destination to differentiate ourselves and to make the best use of our limited resources?

According to observations from the previous experience, the following shows the top ranked activities identified by foreign visitors:

1.Sightseeing on the lakes
2.Shopping
3.Dining out
4.Guided tours
5.Visiting landmarks
6.Taking pictures
7.Beach activities
8.Swimming
9.Visiting galleries.

The three highest ranked activities (Sightseeing of the lake, Shopping, and Dining out in Restaurants) seem to provide an advantage because these are readily available. In addition, foreign visitors who are planning to travel here, initially, do not have specific places to visit. Instead, they search for a trip that has several attributes similar to those listed below:

- Some place where other people went
- Reasonable price.
- As many places as possible to cover.
- Minimum contact with local community.
- Good food.
- Absolutely free.

Combining these attributes with the top activities listed above, an indication can be made of the needs of foreign visitors. During the trip they like to go to places that have been previously visited by others and where they have opportunities for sightseeing, shopping, and dining. They are very concerned about personal safety, not interested in associating with the local community, and like to eat good food.

Market positioning research also requires an evaluation of the image that customers have for Macedonia as a tourism destination. This can be used to identify the vital elements which comprise the benefits. The beauty of Macedonia, the architecture of the cities, and the historic artifacts, museum and cultural heritage as a whole are examples of attributes that may produce a benefit, or may be a tangible representation of an intangible benefit, but are not themselves the benefit. The benefit itself is what the attributes do for the visitor, for instance, a sensation of grandeur, an aura of prestige, or the gaining of knowledge. The credibility of these benefits may diminish rapidly if expectations are not fulfilled. The impression of grandeur loses credibility if visitors feel that their personal safety is threatened. It is the fulfillment of expectations or the inability to, which creates the perception of deliverability for the tourist. Benefits, like positioning, exist in the mind of the customer and are determined only by asking the customer. Only after this information is obtained, can a destination match its strengths to the visitors' needs and the benefits sought. This knowledge will also provide a basis for the development of a credible differentiation strategy.

Pricing policy

According to Scott, N., Parfitt, N. & Laws, E. (2000), price is one of the most important and visible elements of the marketing mix. When setting prices it is important to take into consideration all of the following:

(1) business and target market objectives;

(2) the full cost of producing, delivering and promoting the product;

(3) the willingness of the target market to pay for the product or service you provide;

(4) prices charged by competitors offering a similar product/service to the same target market(s);

(5) the availability and prices of substitute products/services (for example, campgrounds, motels, and bed and breakfast are all substitutes for lodging);

(6) the economic climate (local and national); and

(7) the possibility of stimulating high profit products/services (such as boats) by offering related services (such as maintenance) at or below cost.

Destination competition within the tourism economy represents the ability of reaching market success through constant adaptation to changes on the global tourism market. The notion "competition advantage" is mostly connected to the price and quality of goods. Today, the basis for successful business operations of a destination within the tourism economy is found in acceptable price, suitable goods quality, understanding and satisfying the needs of tourists and in the application of information technology.

The price is not the only factor of competition advantage of a company on the tourism market, but it also represents an unavoidable and crucial factor. The competition based on the price is becoming more and more present due to different elasticity of tourism demand of certain segments. The price is one of the most significant phenomena of every economy. It represents one of the marketing mix instruments which should enable the realization of business goals when combined with other marketing mix instruments. The price is an instrument (tool) and not the goal of marketing activity. In the marketing theory, prices are studied as a significant means of competition and unavoidable instrument of marketing activity.

Promotion policy

Promotion provides target audiences with accurate and timely information to help them decide whether to visit Macedonia or not. According to Gretzel, U., Yuan, Y-L. & Fesenmaier, D. (2000), the information should be of importance and practical use to the potential or existing visitor and also accurate. Misrepresentation often leads to dissatisfied customers and poor recommendations. Don't make claims you cannot live up to. Developing a promotional campaign is not a science with hard and fast rules. Making decisions regarding which type or combination of promotion types to use (personal selling, advertising, sales promotions, or publicity) is not always easy. If, however, a logical process is being followed and the necessary research done, chances for success will be improved. It will be necessary to make decisions regarding:

(1) Target audience---the group we are aiming at;

(2) Image---that which your community or business wants to create or reinforce;

(3) Objectives---those of the promotional campaign;

(4) Budget---the amount of money available for promotion;

(5) Timing---when and how often should promotions appear;

(6) Media---which methods (television, radio, newspaper, magazine) will most effectively and efficiently communicate the message to the target audience; and

(7) Evaluation---how can the effectiveness of the promotional campaign be determined.

Distribution and sales policy

Distribution channels are increasingly regarded as one of the most critical elements in marketing nowadays. Tourism distribution channels attract more attention by contemporary researchers and strategists. Their purpose is twofold: to provide *information* for prospective tourists and intermediaries as well as to establish a mechanism which would enable consumers to make, confirm and pay for *reservations*. 'In tourism, the position of the distribution sector is much stronger: trade intermediaries (travel agents and tour operators of course, but also charter brokers, reservation systems and other travel distribution specialists) have a far greater power to influence and to direct demand than their counterparts in other industries do. Since they do, in fact, control demand, they also have increased bargaining power in their relations with suppliers of tourist services and are in a position to influence their pricing, their product policies and their promotional activities.

CONCLUSION

The correct positioning on a dynamic and competitive tourism market is conditional on monitoring modern trends which serve to identify demand, new market potentials, areas of possible investment, and infrastructural requirements.

In recent years, on the demand side of the market, there has been a growing trend of tourists seeking specific types of tourism. Historical heritage, natural beauty and pleasant climate make up the framework which, together with the development of high quality accommodation, the rich supply of activities and entertainment, and particularly good service, shall enable us to attract the modern-day tourist.

Macedonia as a country boasts exceptionally diverse and preserved natural and cultural tourism potentials. This is a valuable asset that must be maintained and protected so that in the long term it may contribute to the development of tourism. Tourism needs to become one of the basic generators of development, even in those areas where it was grossly marginalized in the past.

The tourism development of Macedonia needs to be based on the preservation of exceptionally diverse natural and cultural wealth; on principles of sustainable development in the planning of a quality tourism offering; on adequate market positioning and promotion, as well as the cooperation of all individuals and professional institutions that directly and indirectly participate in tourism.

The consistent implementation of an adopted strategy will ensure the long-term growth of positive effects from tourism, which will strengthen its position as a significant factor of economic growth and a generator of new employment opportunities.

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RELATIONS BETWEEN TOURISM SERVICE PROVIDERS' AND USERS' FAMILIES IN INTERNATIONAL TOURISM MARKET

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Abstract

Perceptions established by authors' research undertaken so far in some of the most developed European tourist countries both on roles of tourism service providers and tourism service users are presented in this paper. The researches were undertaken on small, random samples of persons, inquiring their experiences of free time spent with their families. Although the obtained answers are not representative, they nevertheless give a hint on great, continuous, and often painful changes occurring within tourism service user's and tourism service provider's families. While many up to now carefully protected and groomed cults, opinions and behaviours on other communities tend to fall to pieces under new perceptions and experiences, they are subsequently influencing in various ways the basic human community – the family. Within the everyday struggle for even greater achievements, earnings and success we often forget that only by depriving some community members of achievements in order for some other members of the same community to achieve more, many personal accomplishments are obtained.

Kew words: *tourism, family, free time, service provider's family, service user's family, international tourism market*

INTRODUCTION

The even greater development of world tourism also originates the need of considering the importance and the role of family within the contemporary tourism movements. Therefore becomes important to analyze both families using tourism offer and those accepting and hosting tourists, along with the impact of tourism movements on the development of and on the changes within contemporary families. Persons of various background and upbringing, of different education possibilities and structures, of different habits or breeding, of various nations and cultures, meet during their vacations within a limited area and unfailingly make contact and influence one another.

Owing to continuous contacts and co-operation between foreign guests with their particular ways of life and habits and domicile inhabitants with their rural and for centuries long introverted ways of life, as is the case in most transitional countries originating from the disintegration of real-socialistic social systems, some troublesome situations must undoubtedly emerge, i.e. some disturbances are shown in centuries-long conserved moral and cultural structure of domicile inhabitants, which get disclosed in various ways and affect the institute of family, consequently provoking traumas in individual family members.

FAMILY AND FREE TIME – TOURISM SERVICE USER'S FAMILY

In order to answer this complex question the comprehensive scientific research should be undertaken, which nevertheless becomes quite difficult to carry out in practice. The way it looks, it is still too early for serious scientific approach to the question. According to this, scientists are left with the possibility of relying on their own observations and limited researches, depending on financial means particular scientists dispose of. Although such individual observations are subjective, after serious elaboration particular usable data can nevertheless be obtained.

In absence of extensive researches scientists must be confined to presumptions and comprehensions they come across in their every-day surroundings.

On one hand, we can witness various forms of gatherings and contacts within one family and of linking-up of various families together with the development of family tourism, particularly in highly-developed countries of the Western social system. This is being organized in various ways, by constructing family residential and gathering buildings, centers or settlements attending socially oriented family life, construction of objects intended for various forms of family tourism. Such undertakings aim at enabling families of lower material status to spend holidays or vacation together at accessible prices.[22]

Previous tourism development enabled vacation in a place different than the place of residence only to wealthy individuals.

On the other hand, such attempts at family protection can be observed in poorly developed countries of the world, organized by means of the appropriate international financial sources. Simultaneous researches must be undertaken to establish weather such attempts are really sincere or they brought to the individual material profit for financial means bearers within a particular country only.

Such operations aim at gathering parents, their young and grown-up children in one place enabling them pleasant spending part of their free time together.

Moreover, the actual fact of spending very pleasant vacation in the home-area, with grandparents more than happy to gather all their dear-ones together, must also be taken into account. Most of the family has been scattered around the world because of work. They have all abandoned a previously large family formed of the village or the area they are native of. Most of them have never adapted to their new surroundings, and, whatever they say, they never really became the part of the new area they live in.[23]

Such family gatherings can influence positively both all family members and their functioning. On the other hand, and because of the even greater urbanization, this form of free time is becoming even less acceptable to younger generations born in towns, particularly those born in larger towns with a lot of events and activities happening constantly, indispensable for younger generations.

In younger generations, new forms of vacations are often noticed. At least a part of their vacation is increasingly spent working in order to provide material means for their further educational cycle, or to provide financial means for spending the rest of their free time according to their own whishes. Such work is often carried out far from their family homes. On the other hand, persons spending their vacations without their parents or going out alone at night are of an even younger age. More and more often the young ones tend to create their own world, out of previously conceited social structures, including their families. Consequently, they also represent a new type of consumers, under the strong impact of publicity, which, on the other hand, attempts everything possible to divert their attention into its own world and its own offer. Vacations abroad are offered, together with various travels to particular summer-resorts and clubs for young people. The consequences of such publicity are well-known.[24]

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[22] Clarizio, E.; *Obitelj, čuvarica duhovnih vrednota u turizmu*, Obitelj i turizam, Sadašnjost, Zagreb 1990, p. 57.
[23] Ibidem.
[24] Ravkin, R.; *Sociološki aspekti turističke kulture*, Istarska naklada, Pula, 2005, p. 35.

For instance, a number of young and lonely local men which had to remain at home because of their work were observed by the authors during their voyages in summer months to – let's say - Rome gathering near well-known tourist sights and pestering female tourists coming on vacation from other parts of the world. At the same time, their own wives and children were in some other parts of the world, only they knowing the way they were spending their own vacations. However, local young men from summer resorts this other part of the family is spending their holidays in have a number of spicy stories to tell. Everything seems in order and everyone seems happy and contented, but the reality is quite different. After everyone returns home from their vacations, heavy traumas can occur within the house, which can destroy the family.

It is well-known that school summer holidays last longer than the employees' vacation, so in this period the family is mostly divided. It is generally thought that younger children should spend their vacation with their mothers rather than in organized camps, although such decisions undoubtedly bring damage and various collisions to the whole family.

Particular attention must be drawn to the difficulties of married couples with both members working, which is mostly the case in Western states. In most of the cases both consorts cannot obtain vacation at the same period, which obliges them to live separated lives even during their vacations.

Similar difficulties and disturbances can be observed in the countryside as well, where parents, because of the nature of their work, cannot absent themselves from their households and leave for their vacations with the whole family, although they mostly desperately need it. At the very end of this experience, the question can be raised of vacation connecting or dividing the family group. The final decision is difficult to draw, and the thorough researches were never carried out. When asked about the morality in tourism occurrences, a highly positioned member of the European Union stated, among other: "We all know from personal experience that vacation time represents the time of intensified crises within the family."[25] This indicates vacation period represents possible crises not only for divided families, but tensions are growing in families staying together as well. Most families have no opportunity to talk throughout the year, with such possibilities occurring during vacation time only, when they suddenly discover they have nothing to talk about as the alienation between them has overgrown. This decision completes the previously already stated one. First real family conflicts generally appear during vacation periods, although they represent no stimulating conflicting period.[26]

Owing to this many, particularly in poorly developed countries, accuse tourism as the negative phenomenon, with various moralists referring to "good old times" when such occurrences were not known. Yet it indicates something completely different. As a matter of fact, real "family health" situation can be disclosed during vacations. If family bonds are torn and conflicts are appearing, it certainly has nothing to do with tourism.

FREE TIME AND FAMILY SITUATION

Within the contemporary Western society, free time, i.e. vacation is always placed at the very end of the life values line. Creation and work is always put in the first place, with free time allowed at the end of the working day, week, or year, or even at the end of the working life. Evening entertainments, week-ends, holidays, or retirement, are all closely connected to the ideology of work. In consideration of this, their impact on family life is considerable. All family members depend on value and work efficacy criteria of their working places or schools.[27] The family is committed to those obligations imposed by the society, which are, on the other hand, based on production and consumption values within the society. Almost every Western country family is employed and even over-employed, worm-eaten by the demands of older members' working places and children efficiency at school. The same thing is happening in poorly

[25] EU Bulletin, May 2008, p. 12.

[26] Clarizio E.; *Obitelj, čuvarica duhovnih vrednota u turizmu, Obitelj i turizam*, Sadašnjost, Zagreb, 1990, p. 45.

[27] Vukonić, B.; *Međugorje – Veza između religije i turizma*, Mikrorad, Zagreb 1994, p. 67.

developed countries of Easter and Southern Europe, and in the transitional countries. Sure enough, at the end of the working day, at the end of the month, or at the end of the year, the family which is lacking unity and torn by various members' working obligations is trying to save everything still possible to be saved. Yet no wonder it cannot always be accomplished. After their exhausting working hours, the contemporary family members have no idea how to behave in rare moments of common gathering. All society activities are conceived in order to obtain an even greater consumption, with weaker promotion of common life. Consequently, the source of conflicts within the family is created in the every-day life, and such already created situation is only emphasized and abruptly expanded during vacation. On the other hand, well-coordinated and spent vacation time can truly restore the unity and the strength within the family.[28]

If the family strength breaking has not been expressed earlier and if disagreement is shown during vacation time only, further attempts in family harmonizing can be implemented. All critical situations are never completely destructible, and a solution can almost always be found. It all depends on the person or his/her reaction towards himself/herself and towards the surroundings.

Subsequently, discussions on work and work obligations only and not considering vacation would obtain no desired results. This means civilization of leisure the Western society is rapidly approaching, as well as the three-day working week which has been considered before the present world economic crises, brings numerous shortages and doubts, along with the particular danger for the family as the main society support.

In such a way the so called "sick family" of working civilization is formed, the development of which cannot promote the family unity.[29]

POSITIVE IMPACT OF FREE TIME AND VACATION ON FAMILY

As the initial motive in working out this scientific paper the Holy Father John Paul II speech was used, addressing the believers in 1979: "The family surroundings comes first; it can make use of this special vacation period in order to restore its natural unity it is aiming at, which is now enabled by contemporary presence of all its members".[30] The usually absent father is now present and enjoying the home life often impossible for him to enjoy because of his society obligations, working hours, and other habits which prevent him from participating in family discourses. Now he finally can enjoy quiet moments with members of his household, talking and playing with his children, also usually often away because of their school obligations. What can be more enjoyable, more human and more beneficial than the holiday atmosphere enabled to the family by the society, in order for them to gather together, assembled by natural and holy bonds they were established by? You can see father, mother, and their children, usually alienated by the every-day life obligations, now almost puzzled by this unusual peace and cordiality of mutual life. And yet, when such occasions are possible, they enable entire families to find themselves and their authentic life again, life full of natural and inborn love. Here it finds its natural order and activity again, its educational qualities and virtues. In this moment of our prayer to the Virgin, we salute with our greetings, good wishes, and blessings all families summer holidays enable to find their moments of peace again in order to gather and feel happiness, wisdom, and beauty of family conversation and enjoy these short but unforgettable moments of home peace and love."[31]

This message obviously tells about needs for family gatherings and companionship, as it can be developed by common life only. What are the contemporary family's chances, so busy and dispersed in the contemporary busy world, to spend their vacation time together? It is well known how much mutual activity is necessary in order to obtain a successful marriage union. It is the path with many obstacles,

[28] Ibidem.
[29] Ibidem.
[30] L'Osservatore romano, June 1979, p. 5.
[31] Ibidem.

sacrifices, falls, and rises. All marriage unions have their imperfections and shortcomings. There are particular moments in every marriage union when needs appear to outplay itself. Therefore the vacation time appears as the privileged time for development of love. The question could be put weather love can be developed within the city confusion and noise and during peaceful vacation time alike. During vacation, away from working obligations and hustle, everyone soon appears his/her real self and shows his/her real face.

Another question is represented by the children within the family. It would last long to enumerate all deprivations children are exposed to within the contemporary working family, the consequences of which can be noticed much sooner than the very causes that originated them. The every-day internal family split is so large that all family members must spare no efforts to prevail such condition. Yet this represents the only real possibility for parents to exercise their educational obligation.

FAMILY RECREATION POSSIBILITIES ENABLED BY FREE TIME AND VACATION

No illusions must be created for free time and vacation as the only "medicine" for all family wounds and splits, as free time itself can inflict wounds and brakes. We therefore proceed with possible explanations of family strength obtained by leisure and pleasantly spent vacation. The world researches and studies on this question are still at their preliminary phases, particularly in poorly developed countries. Many authors express their surprise with such mass phenomenon like tourism, particularly with its side-effects of tourism impact on families as tourism offer users and families as tourism offer providers.

Without arousal of family tourism questions within society and the solving of all questions connected to the phenomenon, no real answer can be obtained. Therefore the conditions must be provided to prolong free time needed for family rest and recreation. Families must be helped in order not to accept unreal advertising messages. Many massages of the kind, supplying only frivolous entertainment with no real contents, create the conditions for the even larger split within the family. At the same time, the number of vacation advertising messages, if observed and used wisely, can help considerably in shaping conditions for family life cohesion. Simultaneously by various initiatives of experimental character able to help restore the family tissue already in state of decomposition, the need and the inclination must be formed for such family unity.

In highly developed countries, for instance, society disposes of great technical possibilities, while developing countries have an incredible number of sacral, military, and historical object of various forms and assignations, many of them in state of deterioration and used, as a rule, only a few days a year or even not used at all. With good organization and led by good and earnest managers, such objects, with small investments only, could lead to the function of cohesion and unity of family, based on order, work, religion, and education.

The advertising approach to the idea could also be managed relatively simply, by creating the geographical map with marked objects and indicated ways to approach them. Animation of the idea would be successfully carried out by social workers, which abound in every state, and are acquainted with situation in families within their regions. Such experts would have large authorizations in restoring and reviving the real family unity not only in families of their national prevention but in obtaining co-operation with families of various other nationalities, races, and colours of skin, as well as in activities against nationalism, chauvinism, and other manifestations harmful for human beings, activities created and groomed in many enclosed and retrograde families.

Along with everything presented till now, we must mention the importance of more active approach to the realization of family tourism within the current plans of city, national, and international policies.

TOURISM SERVICE PROVIDER'S FAMILY AND ITS BEHAVIOUR

Along with large tourism objects, like hotels, motels, camps, self-services, restaurants, summer resorts, etc., every country dealing with tourism disposes of the category called "family receptive tourism". Family tourism can be found around the world, in forms of various objects and under different names, like "Privatquartier", "private accommodation" or "pension". For many families, particularly those in poorly developed countries, this represents the main income source to live throughout the year. For others, it is only the additional income.

Many families have special rooms in their houses or even in their flats, arranged and equipped for this purpose only. But most of the families cede their own rooms to guests, moving during season to attics, sellers, kitchens, or to neighbouring relatives – under condition they have not already hosted guests themselves. Many such families, particularly in poorly developed countries, host various "friends and relatives", thus avoiding control and state contributions. Moreover, by such proceedings false statistical data on real tourism movements are obtained, which is then, on the other hand, expressed through non-realistic tourism plans.[32]

Relations formed between guests and tourism service providers have multiple impacts on the economy national, cultural, and moral plans. Many such relations are quite positive, but there is a great many negative ones as well.

POSITIVE IMPACT OF FAMILY RECEPTIVE TOURISM

Positive sides of family receptive tourism are the following:

- material enrichment for householders. Receptive tourism enables them to ensure economical existence and enlarge the family budget,
- spiritual enrichment, more valuable than the material one. Local inhabitants experience how to meet new people and customs, new languages and cultures, and therefore form new acquaintances,
- religious tolerance, as their guests are often of different religion than the hosts. In such way mutual respect is consolidated.
- human tolerance and respect. Householders feel responsible for their guests, they care for courtesy and respect for them. Householders from poorly developed countries after the tourism season quite often visit their summer guests, particularly those of higher income and living in developed Western countries.

NEGATIVE IMPACT OF FAMILY RECEPTIVE TOURISM

On the other hand, there are numerous negative impacts for householder's family brought by the tourism development:

- crude materialism, as the consequence of long-standing poorness and poverty, customary phenomenon in poorly-developed countries, particularly in families with incomes the only goal of hosting tourists. Hosting is therefore often transformed in unscrupulous use of guest tourists. During the short period of every season they tend to obtain the greatest possible income, the guest representing only the means of obtaining their goal. Various techniques in taking advantage of their guests used in initial seasons of their work are further-on improved quite fancifully,
- moral imperil is particularly expressed. Host and his family are facing a risk of perilous impact of wealthy strangers with their bad habits, ways of life, refined lifestyle, various immoral pleasures, etc. In order not to loose their guests and income, host often back their immoral behaviour,

[32] Vizjak A.; *Hrvatski turizam u europskoj i svjetskoj turističkoj razmjeni*, Hotelijerski fakulte, Opatija, 1997, p. 154.

- the family daily and moral ways of life are disturbed. Everything within the tourism service provider's house is subordinated to the comfort and pleasure of their wealthy guest. Family members are divided and new rules are installed within the house according to customs dictated by the wealthy guest. The previously established home rule does not exist any more. The whole family is usually accommodated in one room only, or dispersed and staying with relatives or friends. Different unsound relations can therefore be formed between family members and their guests,

- tolerance of foreign guest can be transformed into unreasonable relations. Their attitude towards foreigners is in form of slimy servility and hosts get the impression of their lower value,

- because of very close attitude towards guests, this relation can sometimes be transformed into real hostility. If, for instance, the guest acts as a hedonistically inclined cynic and his host is an unscrupulous tradesman, some tensions cannot be avoided,

- already too busy in her everyday life, housewife and mother of the family must also attend to the guest and take care of his/her needs all the time. Physical exhaustion and constant weariness are very noxious for her. Children resent her mood the most, as the mother cares less for them and they can, not controlled by their family, become subject to various negative impacts. This is the period when husband, master of the house, also takes his vacation out of his home,

- care for guests deprives the housewife of her days for rest, vacation, and holidays. The tired and over-employed ones have neither will nor strength to devote to their family,

- because of the family honour, the host acts politely and culturally towards guest. In reality, it all remains only the outward form of behaviour without real contents, because both the host, particularly if he comes from the under-developed country, and the guest know the differences between them are insurmountable and too great to be solved in a short period of time the host and his guest will spend together, particularly if there were some historical negative experiences between their two countries.

Children and teenagers represent a particularly delicate problem. Through such forms of relations they loose both their home and their family. Some unknown guests live in their home. They have also lost their parents who are serving the guests. They loose their rooms also, as the guests are accommodated it them. If they are not too young, they must attend to the guests too. Meanwhile they are in a peculiar way exposed to the dangerous impact of guests, particularly foreign ones, which can demand various immoral actions – with financial reciprocal favour, which put the young person into the almost unsolvable position. Even if among the guests some coevals to the hosting young persons can be found, the question of his/her worthy of sincere contact can be asked. Young persons are exposed to various immoral impacts in every step of the house, around the house, in the street, in the place they live in.

CONCLUSION

Tourism represents the product of both technical and mobile civilization of our century, with several important factors woven into it genesis. Firstly, there is the transformed way of life and work of contemporary individuals created by the new technical civilization. The technical progress of our century with its developed industry brought about the indescribable welfare both for the society and for the individual. But it also represents the medal of two different sides. There is the number of side-effects with negative impact on mind, health, and working ability of the contemporary individual. The engine makes work easier, but at the same time it captures and enslaves persons and makes them live and work according to its own rhythm, which can often tire them out and exhaust them. Industry is concentrating working power of various profiles in particular regions. Contemporary migration is therefore directed towards cities and large industrial centers for work and earning, where new large human conglomerates have been formed. A large number of working people are tied most of the year to a factory or office table, inhaling polluted air, living in flats with insufficient air and sun. Annual vacation in different surroundings and stay by the sea or in the mountains represents a question of life or health for them. Vacation is enabled by their earnings. Generally speaking, living standard has during latest two or three decades grown considerably in all developed countries and within all society classes. Working hours have been abbreviated and annual vacation guaranteed by law. The contemporary individual has more free time than the previous generations. Large distances can be successfully covered by fast airplanes and cars. Road network spreads over the whole country like blood vessels and is in main motorway directions linked up with the road networks of neighbouring countries. Countries and nations of the whole continent are therefore united and have become nearer one to another. All those motives and conditions brought to the needs and possibilities of prolonged and more complete vacation and simultaneously to the growing need of planning and organizing vacations. In this way the new and particular tourism market is arising, with its developed publicity and offer. Even more struggle is noticed in attiring every possible guest. Tourism is not only improving the catering sector but also stimulating various other economical and cultural activities. It represents the great economic factor within the development of any settlement, region, or the whole country.

However, during the whole period of tourism development the question has been put of the impact of strong tourism development on the basic cell of human society: how are such sudden changes in formerly quiet ways of life with changes in century-long moral behaviour norms, considerations and attitudes, accepted within families. In order to obtain better income, family is giving up its home and habits and enjoying in strange surroundings. Co-existence must exist with people and nations we were taught were feeling hostility towards us, with their members causing evil to us or our fellow-creatures, or we were trampled and destroyed by people we are more capable than and superior to. Both service providing families and service using families are changing their customary ways of life.

In this paper, based on the author’s own researches, the attempt was made to present some data and experience usually seldom found in professional literature, obtained through a number of author’s contacts with tourists from various countries, tourism offer users, as well as with tourism offer providers from various public or private tourism objects, and their experience, hopes, and wishes based on former tourism service use and impact of free time on their families and themselves. You must judge for yourself if the author has succeeded in her intentions.

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INTERNAL COMMUNICATION AS A PRECONDITION FOR SUCCESSFUL MANAGEMENT

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Abstract:

Efficient internal communication is of crucial importance for development, managing and efficient functioning of an organization. It is at the same time precondition for establishing good external communication.

Communication itself comprises of a broad spectrum of using signs: written, spoken including body language etc. The main interest of this paper is directed towards communication as an exchange of information, i.e. flow and sharing of information for specific area of activity (in competence of the organization) within its internal frames, having impact on the external communication – communication with the public, i.e. citizens and the users of the services who are not an integral part of the organization.

Key words: *communication, functions of management, information, internal communication*.

INTRODUCTION

Communication in contemporary social life becomes one of the most important factors for the development of society in all its segments and in general as a whole. It is universally recognized value that acts as a kind of indicator by which you can measure progress and achievement of a society. Her performance at the individual level, interpersonal level, group or organizational level, but also of social and global level are a prerequisite for the success of an individual, group, organization, society.

The exchange of information as part of the communication process gets increasingly important, especially in circumstances where it carries and gives knowledge which corresponds to the needs of a particular individual, group or organization. The need for well-established rules of communication in terms of exchange of information is increasingly given priority role for the successful management, for successful functioning of an organization, whether it is for private (small or larger company / organization), public or state institution.

Organizational communication encompasses many aspects of communication including internal communication and external communication. Internal communication refers to the communication used mostly by employees inside the organization. It is communication with internal public. Effective internal communication in an organization is an extremely important issue for effective organizational behaviour, effective management and effective external communication.

In today's world of business, an organization's continued existence depends on employee communication. When communication is ineffective, the organization suffers. Mistakes caused by lack of communication, irregular and untimely communication cost organizations a lot of money due to missed deadlines, lost time and wasted product. In the same time the lack of internal exchange of information connected with the work activity and with the all activities of the organization may caused a lot of damage to the public relation or external communication. It is something that the experienced manager should not allow.

THE IMPORTANCE OF INTERNAL COMMUNICATION

Communication as a management function

Management as a distinct multidisciplinary science that deals with research on the problem of managing business processes, endeavours and social systems, can be defined as an act of activity of people in order to achieve the desired goals, which includes planning, decision making, organizing, staffing, managing or directing (coordination), and controlling human and material resources of the organization.

In 1978 Atchison and Hill have defined management as a process of decision making, where managers use their skills in decision making through communication, influence and guide others towards achieving the objectives.

In terms of the functions of management is not yet consensus on the number of functions and which of them a priority is. Founder of the functional management Henry Fayol believed that all managers perform the following five functions: planning and forecasting, organizing, commanding, coordinating and controlling. In the thirties was proposed list of management functions that can be recognized in the acronym POSDCORB. These are the first letters of the functions: Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting. The second acronym, which is found in the literature of management, is PLORDICOCO, which contains the following functions: Planning, Organizing, Directing, Coordinating and Controlling.

But most accepted functions are planning, organizing and controlling. The universality of these three functions was confirmed by the American Management Association. These are the minimum features that enable the functioning of management. Suklev, based on a survey of 48 eminent authors in the field of management, has made the ranking of management functions. The following table (Suklev 2004: 65) is given that ranking:

Planning – 48	*Leading - 6*
Organizing – 45	*Presentation – 3*
Controlling – 45	*Activation – 3*
Directing – 16	*Evaluation – 2*
Staffing – 14	*Analysis – 2*
Decision making - 11	*Innovation – 1*
Motivating – 9	*Create – 1*
Coordinating – 9	*Prediction – 1*
Communication - 7	*Impact – 1*
	Negotiating – 1

Data from the table are illustrative and indicative to conclude that the three main functions: planning, organizing and controlling. The other two features that make it possible to constitute a model of management are coordination and motivation.

Planning is deciding in advance for what, when, why, how and what to do, defining the objectives, policies and action plans of the organization;

Organization is a grouping of activities in the departments, creating an organizational structure, the concretization of the relationship between departments and organizational units that report to whom and where decisions are prepared;

Coordination is a feature that contains the connection and synchronizes various activities aimed at achieving the goals of the enterprise, helping subordinates to perform their duty to create conditions for cooperation among employees;

Motivating involves directing or channelling the behaviour of subordinates in their pursuit of goals and creating motivating environment;

Controlling is the last function performed by managers. By controlling which follows after the formulation of objectives, policies and plans, creating an organizational structure, connecting the activities and motivation of workers, the manager determines how successful the work is performed and what progress has been made towards achieving the objectives.

Dependence of the functions on the communication

Communication has an important place of the above mentioned table that ranked the functions of management. Analyzing all the above functions of management can be concluded that either of these functions can not be realized without the established flow of communication within the organization and beyond to users of that organization.

- The manager must get all necessary information to be able to plan effectively.
- The plan must be communicated to be activated and implemented.
- Proper organization, coordination, motivation and control can not be attained without good internal communication.

Stated otherwise, the successful conduct of other specified functions of management depends on the established flow of communication and accuracy of the transmission of information (whether it is top down - an order, decision - from the bottom up - a report on the work done, or horizontally - coordination).

As noted C. Lorenzana "it is impossible to perform management functions without communication as a process of exchange of facts, ideas, opinions and emotions in each other behaviour" (C. Lorenzana, 1993:5).

Michael Kuncik and Astrid Cipfel argue that without communication there can not be any society, nor to constitute and maintain social structures. These German theorists define society as a system composed of all communication experiences and actions. Any form of social action and organization can be build and be sustained only when participants are mutually connected through communication. This means that:

> *The notion of communication translates into the notion of organization, because without communication organized action is impossible.*
>
> *(Kunczik, Zipfel, 1998:12)*

Communication theories and theories of organizational communication emphasize the role and importance of communication as a priority requirement for the functioning of an organization. According to theorists, most of the problems in management are actually caused by a lack of communication.

The importance of internal communication

Myers and Myers (Myers and Myers) define organizational communication as "a central connecting force that provides coordination between people and thus contributes to the organized behaviour" (Myers and Myers 1982 cited in Baker 2002:2), and Rogers and Rogers (Rogers and Rogers) argue that "the behaviour of individuals in the organization are best understood in terms of communications" (Rogers and Rogers 1976:3 ibid).

Baker lists changes in organizations that underlie the importance of organizational communication for the overall organizational functioning. Key changes include:

- Complexity of the work requires more coordination and interaction among employees;
- Faster pace of work;
- Complexity and number of tasks to employees;
- Switching the tasks and processes;
- The importance of knowledge and innovation for competitive advantage of organizations;
- Communication technologies and networks are becoming essential for organizational structure and strategy (On line: Backer 2002, Chapter 13:1).

According to the theory of organizational communication there are communication flows within the organization (internal communication) and communication flows to/from the environment (external communication). Good communication (internal and external) is the core of every successful business.

Internal communication is defined as communication between people who together make up the organization, between departments of an organization or management and employees. Internal communication can be:

- *Informative* (designed to convey specific information, or to inform about certain developments, events, activities, etc.);
- *Directives* (consisting of the provision of guidelines and direct supervision to imposed guidelines. According to theorists, it can be found in organizations with a somewhat old-fashioned power structure);
- *Interactive* (in which employees participate by mutual exchange of information);
- *Indirect communication* (practiced in cases of expedite changes in the organization, to mobilize the organization, and used all canals of communication).

External communication is communication with external public - customers or the general public - and includes marketing, public relations, relations with the media, shareholder, sponsors, etc.

Internal and external public

Brigitte Kuchar, the author of the publication "Institutional Communication", defines the internal communication as “informing employees about the objectives and priorities of the institution or events, changes and new initiatives”. Moreover, she emphasizes that it is very important that employees receive sufficient information, because:

> *They want and deserve to be informed about things that affect them and their work. They want to share a common vision for the organization. Get “bigger picture” and a sense of belonging to the organization and gain a greater motivation.*
>
> *(On line: Kuchar 2004:8).*

According to Boža Skoka, which deals with the question of understanding of public relations, external communication largely depends on internal communication and on internal public consists of employees in an organization. He points out that it is quite logical, because if things are not working well “in house” it is difficult to expect that you can establish good public relations. It is meaning that communicating with the external community can’t be optimal if the internal community is not well and enough informed, involved in the process of working and motivated to successfully perform their job.

Moreover, employees communicate with each other not only in the organization, but they speak for the organization and members of his family, his friends and acquaintances, and thus consciously or unconsciously become its spokesmen and creators of the identity of the organization.

If employees have sufficient information and sufficient motivation, they can easier and better explain the organization's activities in everyday contacts. Perception of an organization is created by employees - with their statements and behaviour. If they are satisfied with their own organization, they will transmit that pleasure to the public and thereby contribute to strengthening its image.

Basis for modern organizations

Internal communication in the organization provides not only timely and regular information to managers and employees about their activities and the overall activities of the organization, but allows the continuation of the work process without disturbances, deviations, deficiencies, omissions, or delays in the activities.

Talking about the basics of internal organizational communication, Carter McNamara (Carter McNamara) emphasizes that most experts on organizations, management and leadership, said that effective communication is the basis for effectiveness in any type of organization and that can never be said that there are too much communication. According to McNamara:

> *Some leaders incorrectly interpret the communication as it is about arranging documents or paperwork, so they have an aversion to higher levels of communication. As leaders and managers mature, so they become more aware of the need for effective sending and receiving information, and their interest in communication (internal and external) significantly increases.*
>
> *(On line: McNamara)*

There are theorists who state that communication is not only an essential element of organizational changes, but effective communication can be viewed as a foundation for modern organizations (Grenier and Metes 1992; D'Aprix 1996; Witherspoon 1997; von Krogh et al. 2000 cited in Baker 2002:2). That is very true. Today there are growing numbers of organizations that perceive the significance of internal communication. In many of these organizations are functioning departments for public relations which are responsible for internal public/internal communication too.

Internal communication is not only important to establish a healthy work environment and healthy working relationships in the organization, but is also extremely important for establishing a successful external communication - public relations. Effective internal communication that includes the exchange of information related to the work and activities of the organization is essential for the implementation of the plan of organization and functions of management - planning, organizing, directing, coordinating and controlling. Effective internal communication in an organization is an extremely important issue for effective organizational behaviour too.

Lack of effective internal communication may lead to:

- Misunderstandings;
- Lack of information;
- Disincentives of employees;
- Decrease in employees’ performance;
- Deterioration of the external communication - public relations.

Poor or ineffective communication is frustrating for employees, especially in situation when an employee is not truly aware of what is requested of them. It can cause a conflict among employees and between employees and management.

CONCLUSION

Managerial inability to establish effective channels of internal communication brings employees in situation were they don't have enough information about the work they perform end about the activities of the organization. What usually happens in such situations is that employees receive information and assignments at the last moment. That produces stress, conflicts and situations that can not guarantee the quality of the finished work. Functioning of vertical communication, which is in the most cases top-down, results only by giving orders without the possibility of suggestions and listening to the voice of employees. It reduces motivation which is one of the most important components of successful management.

Horizontal communication is extremely important for the coordination and in the same time to avoid situations in matching tasks. It should be given special attention. It is extremely important for building a sense of shared commitment to successfully perform the duties and success of the organization.

A good manager will establish channels of communication through which information related to the work and activities of the organization will be transferred promptly and regularly.

A good style of management and positive approach to communication ensures that an employee and a supervisor understand each other.

A good manager will take care to hear the voice of employees. A good manager will always bear in mind that as he wants to have enough information about the organization, as he wants to be asked to give his opinion and suggestion, the employees want too - to be informed and asked for their opinion and suggestion and to be allowed to say it. That is the only way for employees to feel as real members of the organization, an organization in which their opinion is valued. It will bring to their greater mobilization, dedication, their greater creativity and initiative.

Effective internal communication creates effective performance of the staff, and, consequently, is a basis for effective public relations. It creates a team of employees who will speak in one voice in the public.

If employees are well informed about the activities of the organization they will not be in a situations to be informed through the media about the activities of their organization.

Effective internal communication and exchange of information will avoid speculation and rumours among employees, something which is always present when there is lack of information. High-quality level of internal communication system includes regular and timely two-way information about the work activities of the organization. Nowadays when information is the most powerful tool in modern society it is a prerequisite for successful management and for the efficient and effective operation of an organization.

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HOW TO ORGANISE TEAMS IN ORDER TO ENSURE SUCCESSFUL CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM?

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Abstract:

In this paper authors presents results from Customer Satisfaction Survey that was conducted in one automotive dealer. The aim of the conducted survey was to evaluate customer satisfaction in cases when the vehicle should be keep in the service department for a repair longer than one day, while in the same time the service should manage to provide customers' mobility in order to perform their everyday duties. In that sense, an analysis of that kind of service in the automotive centres in the Republic of Macedonia has been made.

As a comparative analyses best practices from the concessioner of a principal from France has been given. The possibilities and conditions for organizing that kind of service teams in an Import Centre in the Republic of Macedonia, which is taken as a target of the research, has been considered.

Paper ends with the suggestion that by organizing those kinds of teams in a service centres a new model of CRM (customer relationship management) is developed and higher level of customer satisfaction are achieved.

Key words: *Organization, team, mobility, CRM, Import center, customer satisfaction, automotive industry*

INTRODUCTION:

CRM (Customer Relationship Management) includes methods, strategies, software packages and network which provide a successful management of the company with the clients, their requirements and needs. It means, data collecting and distribution in the main business fields and the first contact of the companies with their clients, as well as establishing of corresponding systems, processes and procedures. In order to be competitive, the companies introduce IT (information technologies) and systems, that follow customers behavior and foresee their future requirements and needs. Even, hospitals, pharmaceutics' industry and hotels use certain elements of IT and CRM systems adopted for their needs. (Ristova 2009, 27)

No matter which industry is in question, having an effective CRM application is a compulsory tool in increasing and developing of a company and its competitiveness. The research show that companies which have loyal and satisfied customers result with increased income, decreased current expanses and creating recognized products on the market (Bradshaw & Brash 2001).

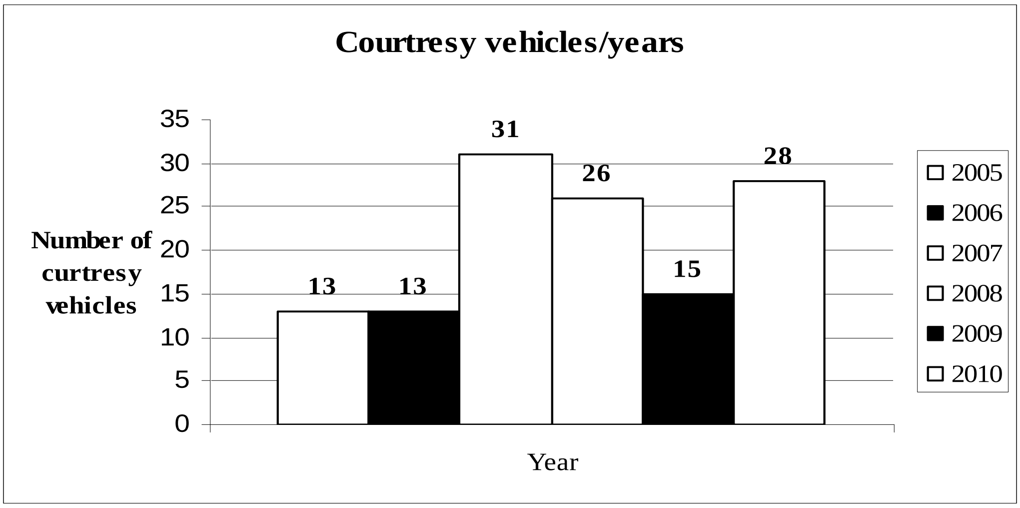
With this paper, after the analyses made at the automotive centers and considered analyses for the customers' satisfaction after completed service of the vehicle which repair lasted longer than usually, the authors made a comparison with the best practices from the concessionary of a principal from France.

As a result of this, it is inevitable that by team's implementation which take care about the clients mobility during performing the service activities leads towards successful CRM which in the meantime is a conclusion of this paper.

CURRENT SITUATION AT AUTOMOTIVE IMPORT CENTERS IN THE REPUBLIC OF MACEDONIA

The authors started the research with the importers of well known world car brands in the Republic of Macedonia such as: Ford, Toyota, Peugeot, Citroen, Hyundai, BMW, Land Rower, Golf, Audi, Skoda, and found out that except courtesy cars which are offered or not offered, there is no other solution concerning the customers mobility. The number of given courtesy cars vary from 10 to 20 per year which actually have not been offered but were given in final situation. Detail research has been made at the Peugeot Importer where an analysis according to the documents issued for courtesy cars to the customers has been made. The figure below shows the number of given courtesy cars per year:

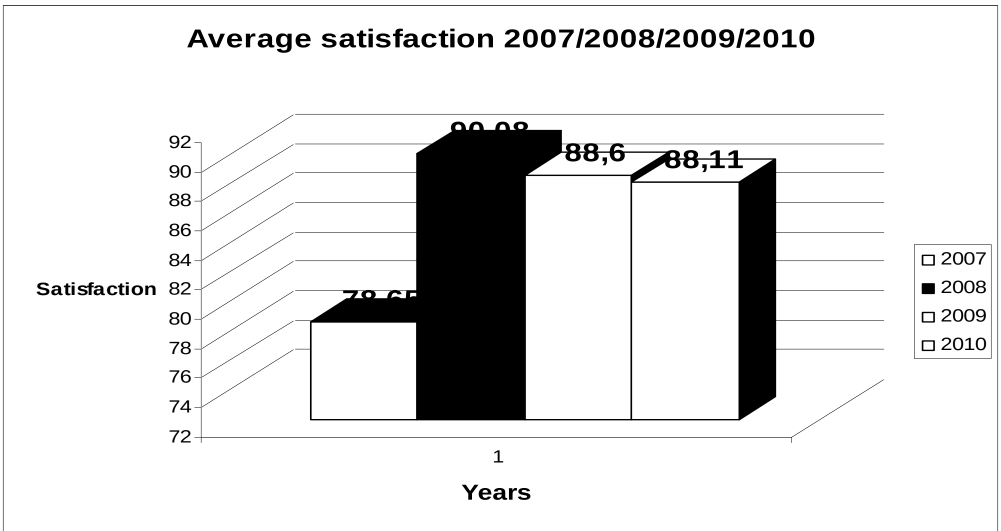
Figure1. **Courtesy vehicles per years**



The figure confirms the previously mentioned that the number of given courtesy cars vary from 10 and in this case to 30 per year, excluding 2007 where 34 courtesy cars have been given.

Customers' satisfaction analysis conducted over several years shows that the customers' satisfaction percentage varies between 80% and 90%, as given in the figure 2: (Stamboliski 2010, 148).

Figure 2. **Average customer satisfaction at Peugeot Importer**



Dissatisfied customers’ analyses shows that the dissatisfaction primary results in relation to the mobility and not having an alternative solution in case the vehicle is kept for more than one day in the service centre and in cases when the customer has to wait for months because of unavailability of spare parts on stock.

PRESENTATION OF SYSTEM FOR SOLVING THE CUSTOMERS’ MOBILITY AT A CONCESSIONARY OF A PRINCIPAL FROM FRANCE

For many years now, Peugeot and its network have prided themselves on being in touch with and responding to customer expectations. One of these expectations concerns mobility solutions offered to customers leaving After-sales after having dropped their car for service or repair.

The first solution to offer is the courtesy vehicle. Similarly to the delivery of courtesy car as it is done at the concessionary of Automobiles Peugeot in France, but the difference is that it is done with a new service, so called, PEUGEOT TICKET, in newly established working teams which takes care about customers’ mobility. The member of the team is called Valet who is responsible for the customer’s mobility and is in coordination with the Receptionist and Appointment secretary (OCS 2000, 8). At the *table 1* detailed breakdown for the whole process for Peugeot Ticket is elaborated, with located responsibilities per human capital.

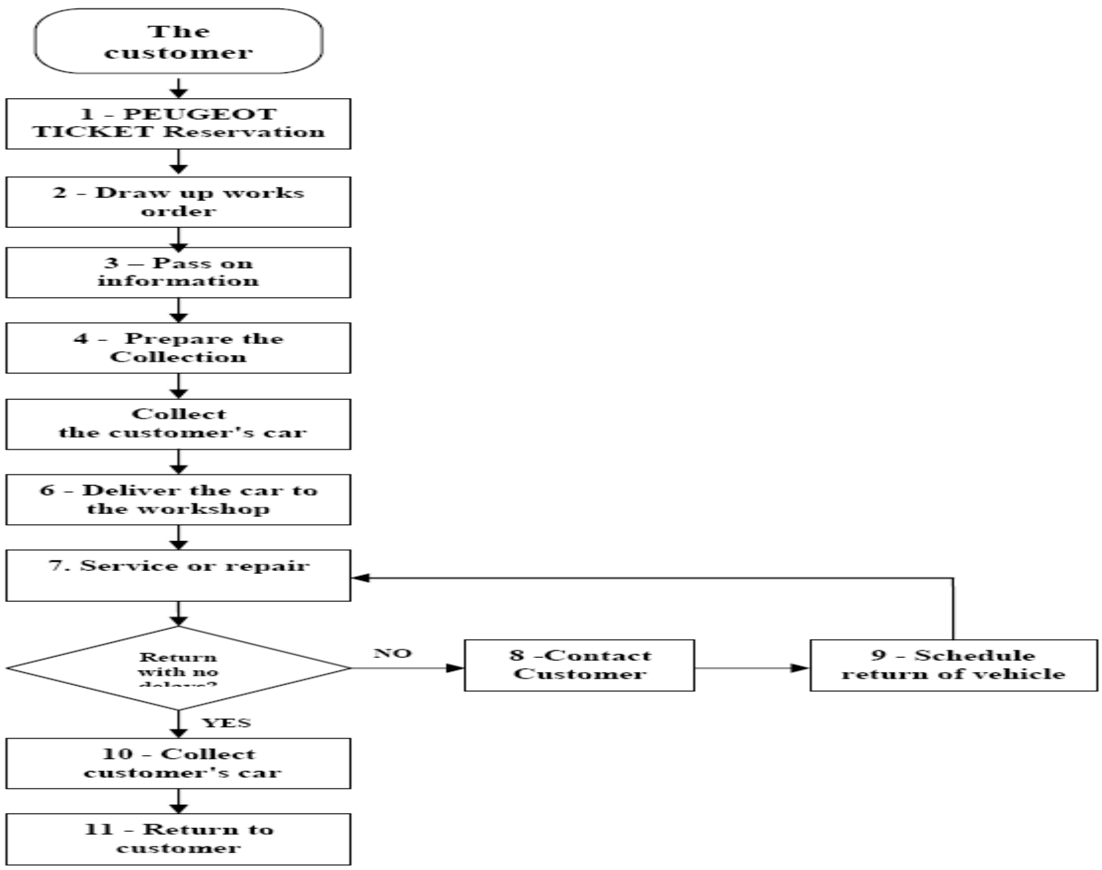
Figure 3 depict this procedure and the relationship between different steps of the procedure.

Table 1. Detailed breakdown of the activities for the system Peugeot Ticket (courtesy vehicle)

No	**Description of the action**	**Person responsible**
1	The appointment secretary agrees a date with the customer for the work on the vehicle. He/she notes the date, time and address for collecting the customer's car. If the Receptionist is available, the Appointment Secretary transfers the customer; if not available, he/she takes note of the customer's contact telephone number to finalize the work order.	Appointment Secretary
2	The Receptionist draws up the work order using the information provided by the customer over the phone. He/she sends the work order to the Appointment Secretary.	Receptionist
3	The work order and the vehicle collection information are sent to the Valet.	Appointment Secretary
4	The Valet prepares a file containing: - The work order - A collection docket, already completed in pencil in case of changes - A Valet "Ticket" - Documents required to drive the customer's car. The Valet marks in the date time and address for collection in his schedule and schedules a driver if required. The Valet calls the customer the previous day to check the appointment time and place.	Valet
5	The Valet goes to the place agreed with the customer. The customer signs the work order The Valet fills in the vehicle collection docket, carefully noting the mileage. The customer signs this docket and takes his copy. They agree the details for returning the vehicle. He gives the customer the Valet "Ticket".	Valet and driver
6	The Valet marks the keys and gives these and the work order to the Receptionist. He passes on any information provided by the customer. The Receptionist informs the Valet when the car will be ready.	Valet

7	The work is carried out according to the Service Point procedures. There are two possibilities: - The work proceeds as planned and the car is ready in time: go to Stage 10 - If additional repairs are needed or there is a problem: go to Stage 8	Workshop
8	In the event of problems completing the work, the Receptionist informs the Valet of the delay. There are two scenarios for contacting the customer: - If the workshop needs to give technical explanations, the Receptionist calls the customer, having first checked with the Valet regarding a revised schedule for returning the vehicle to offer the customer. - If not, the Valet calls the customer directly, with the information from the workshop, to reschedule.	Receptionist Valet
9	The Valet marks the change in his schedule.	Valet
10	The Valet collects the customer's car at Reception at the agreed time.	Valet
11	The Valet brings the following documents to return the customer's car: - The invoice - Vehicle return docket - Invoice holder The Valet can explain the work carried out, based on the information provided by the Receptionist. He inspects the car with the customer and completes the sections on the vehicle return docket: mileage, fuel level and general condition. He accepts full payment of the invoice.	Valet

Figure 3. **Flow chart**



The procedure elaborated in table1 and figure 3 describes the method to be used by Service Points for collecting and returning customer cars using the “PEUGEOT TICKET” valet. The procedure applies to all After-sales operations where customers want to avail of a “Peugeot Ticket” valet.

The purpose of this Peugeot Ticket is to cover other possible/additional options. In txis context five solutions are presented. They are varied and should enable each Approved Peugeot Garage to select the option best suited to their customer base and general environment. Some general recommendations as well as help tools in order to assist service department in implementing the solutions are also presented. (OCS 2003, 3-8)

The name suggested for this service was “PEUGEOT TICKET” and whole package for promoting this service was designed (communication and presentation materials based around this name).

Examples of the public relationship (PR) activities around the service includes:

What is PEUGEOT TICKET? – It is setting out five solutions for customer mobility:

- shuttle service,
- tickets for public transport,
- taxi vouchers,
- valet service,
- lending bicycles.

Each Peugeot Service Point can opt for one or more of these solutions, in addition to its Courtesy vehicle service for customers.

Peugeot has opted for the general name “PEUGEOT TICKET” for this service, with the catch phrase “

Taking care of your car, taking care of your transport!”.

Keeping the brand standards it was recommended that all agents in the network offer at least one alternative solution to the courtesy vehicle. The customer will find below the phrasing of the corresponding Brand Standard:

OFFER PEUGEOT CUSTOMERS A MOBILITY SOLUTION.

As soon as they make an appointment, schedule the Peugeot courtesy vehicle if the customer is entitled to one. In all other cases, identify the customer’s needs and offer another mobility solution.

Positioning of PEUGEOT TICKET

With “PEUGEOT TICKET”, service is aiming to offer the customers a service that simplifies their relations with their Peugeot Service Point. This is an “added extra” in addition to the basic range of services and should be seen as a “helping hand” designed to simplify the process of dropping in their vehicle for customers.

It should be clear that PEUGEOT TICKET is in addition to our Courtesy vehicles. The aim is not to replace Courtesy vehicles where customers are entitled to them (Contract Peugeot Service, Service packages, repairs under warranty, etc.). This will increase the number of customers to whom we offer mobility services.

Choosing your PEUGEOT TICKET solution

To arrange your PEUGEOT TICKET offer, you must initially select at least one mobility solution as an alternative to the courtesy vehicle. You can then combine the five PEUGEOT solutions, by offering customers from one to five alternatives. The number of solutions you select will depend on country recommendations as regards this range of services and on local marketing choices for services.

The aim of this section is to suggest a method for analyzing pertinent factors to assist service in choosing the most appropriate PEUGEOT TICKET solutions for After-sales service and customer base.

The key areas to analyze are:

- customer base,
- environment,
- Authorized Repairer.

This is a simple and pragmatic list of factors to take into account when making the decisions.

Analyzing the customer base

Volume of customers

To assess the customer base, calculate the number of vehicles taken in per day in service department and in the various departments (mechanical, body shop, Peugeot Rapid). Use this data to assess the maximum custumer volume to when a particular solution should be offered daily.

Service department catchments area

Based on the type of computer system service department have, it is recommend to sort customer base by Post Code. This will give the service department a preliminary identification of where customers live and how many are local. If the catchment area is fairly large and customers live far away, then with the help of your Reception staff, find out if customers actually come in from far away or if they drop in their car on their way to work. An analysis of amenities and attractions could also help in this.

Customer habits and customs

Although it may not yield quantitative information, this point can be very useful. It is recommended that this research should be based on service department own knowledge and of personnel that have direct contact with customers. Here are some examples of questions that could be asked during this meeting with personnel:

- How do customers come to the Service Point and how do they leave?
- What is the social environment of your customer base?
- Are your customers prepared to pay for supplementary mobility services?
- Do your customers tend to contact the Reception staff?
- Do they tend to use public transport and if so, what is the most popular form of public transport?

Analyzing the Authorized Repairer environment

The amenities and attractions near the Service Point

Outside of where customers live, the service department needs to establish where the highly attractive areas around the Authorized Repairer are: stations, airports, activity areas, shopping centers, city centre, etc. The customers may need or want to go to these areas after dropping in their car. A good way to add to service department knowledge of its geographical area is to consult service personnel who have most contact with customers.

The public transport network

Service department must identify all means of public transport in its business catchment area. The list must be completed before selecting the most appropriate transport. It is recommended to contact the public transport companies for detailed information on their network and rates.

Local characteristics

The dominant weather conditions should also be considered as they influence several PEUGEOT TICKET solutions (bicycle loans, for example). In addition, the service department should also consider the traffic conditions around the business during the After-sales reception hours.

Analyzing the Authorized Repairer

Human resources

The skills of the service department team members as well as the division of labor in the workshop are also important criteria to consider when deciding whether is need to use sub-contractors.

Layout of the premises

This is an important factor to check whether the PEUGEOT TICKET solution can be successfully set up without any major difficulties. For example, if there is a decision to set up a shuttle service, the service department will need a covered waiting area.

Budget

Budget is also determining factor. The level of investment required varies across the range of solutions available to the service department. When analyzing service department financials, the decision on the budget that will be allocated to mobility solutions will be based in correlation to the budget for courtesy vehicle. The service department should make its estimation based on customer expectations and its sales strategy.

Summary of requirements

To summarize, in order to have efficient PEUGEOT TICKET program, factors to consider are:

- Volume of customers,
- Where customers live,
- Customer habits,
- Amenities and attractions near Service point,
- Public transport network,
- Geographical and urban features,
- Internal human resources,
- Layout of premises,
- Service department budget.

Guidance for handling customers

The Receptionist communication with the customer who comes at the Approved Garage and has to be informed about the new service is as follows:

“Have you heard about Peugeot Ticket? Taking care of your car, taking care of your transport: it’s the new service offered by your Peugeot Approved Garage. Now, whenever you leave your car with us for servicing, we offer you a way of getting back to where you want to go, so that you no longer need to come accompanied or to walk back home! Details available from the After-Sales reception next time you call.”

Beside the mentioned, radio advertising has been given which was approved and is broadcasted in the following sense:

Version 1 / ON THE BUS

<u>Sound background</u>: urban traffic / transport

- Hey, Frank, what are you doing here? You don't normally take the bus!
- No, but I've just dropped my car off at the Peugeot garage for its 60,000 km service, and since I had to get back quickly to the office for a meeting, they gave me a bus ticket.
- They gave you a bus ticket?
- Sure! It's a service offered by my Peugeot Approved Garage. Whenever you leave your car with them, they offer you a means of transport: bike, taxi, bus or even a valet! So now you don't need to come accompanied or to walk back home! With Peugeot Ticket, it's a breeze: they take care of your car and they take care of your transport!

<u>Voice off</u>: Offer subject to conditions. Details available from the After-Sales reception of your participating Peugeot Approved Garage.

CONCLUSION

From all the above mentioned for the implementation of the mobility of the clients in one service center in France, it can be clearly concluded that there is a possibility to introduce the same procedure in Macedonia. At the beginning it would be implemented only with the importers until is adequately developed and until it results with certain benefit. Consequently, this procedure could be implemented within the dealer service centers throughout the country.

Introduction of this sort of activities and creation of the clients' mobility teams opens new possibility for income and increase of the profitability of the Department. The clients' satisfaction would increase particularly of those clients who own more expensive vehicles and company vehicles whose mobility is of essential importance in their everyday life.

It could be assumed that introduction of this type of service will contribute towards higher level of CRM that will lead towards increase of the reputation of the importers in front of the owners of vehicles and future customers that is of great importance with regards to increase of sales of new vehicles.

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THE IMPORTANCE OF TOURISM TO GDP IN MONTENEGRO

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Abstract

During recent years a number of economic policy and managing strategic activities designed marketing Government of the Republic of Montenegro has attempted to manage the quality of tourist demand.

Hotels are the development engine of tourism. Their standard, and their market orientation towards target groups is determined by the power of the tourist offer. Guided by this fact back in 2005. The investigation was initiated which aims at monitoring of trends both from general hotel in Montenegro, as well as with regional, structural trends within the different segments of the hotel industry. The research results make it possible to identify instruments and policies towards the empowerment of the most important segment of the tourism industry.

Market position of tourism and hotel industry in Montenegro is characterized by continuous high growth rate of physical and financial operations, stability and development as the continuation of intensive investment cycle. This development of hotel and tourist industry in Montenegro is a multi-year effort inspired by the Montenegrin government to ensure favorable conditions for tourism development, but also to create a favorable general economic and investment climate.

Key words: *tourism, hotels, income, expenses.*

INTRODUCTION

History of tourism in Montenegro dates back to the 1850`s, and its symbolic beginning was marked by opening of the Hotel ”Grand” in Cetinje (known as ”Lokanda”) in 1864. Gradual tourism development continues until the First World War, whilst a stagnant or slow development dynamics were maintained during the period of the first Yugoslav state. A rapid expansion starts in the 1960`s, which sees an extensive development, especially during the period between 1960 and 1979. This continuous growth was temporarily stopped by an earthquake on the 15th April 1979. Hotel reconstruction finished within eight years, which was followed by a period of business stabilization until 1991. The beginning of the 1990`s is marked by a period of regression, as a result of the isolation of a former state union of Serbia and Montenegro, as well as the process of transition and privatization, which is now slowly reaching its end.

Early signs of revitalization and rise of Montenegrin tourism and hospitality industry have been noticed in the past few years, which is a result of the qualitative reconstruction of privatized hotels, together with the synchronized activities of the tourism industry, Ministry of Tourism and National Tourism Organization. Additionally, the Government introduced policies and made efforts to integrate Montenegro into the international community. With the help of German Government, Montenegro got a new, contemporary strategy of tourism development Tourism Master Plan, adopted in 2001, which includes the new marketing strategy, as well as the models for projects development of few attractive tourism locations. Based on Tourism Master Plan, strategic and operational tourism policies were introduced, which influenced the noticeable revitalization and growth of the tourism sector in Montenegro. Innovation of the Master Plan has begun in 2007 and this revised version was adopted in 2008, by which Montenegro has received an exceptionally high-quality development strategy.

TOURISM AND HOTEL INDUSTRY IN MONTENEGRO

Start of positive tourism trends in Montenegro and their long term orientation to stable growth is marked by the increase of total tourist traffic in 2004 by around 15% and foreign traffic by 32%, in 2005 by 14.27% and 29.38%, in 2006 by 13.98% and 38.68%, and in 2007 by 21.18% and 24.41% (including the tourist from Serbia as `domestic` for comparability). These positive trends are also noted in the continued extension of a tourism season in 2005, 2006 and 2007, as a result of tour operators return to the qualitatively reconstructed hotels. 2006 sees new openings of high category hotels, such as: Hotel Queen of Montenegro, Hotel Splendid and Hotel Bellevue in Budva (Becici), as well as the continuation of the privatization process, which also includes hotels in Ulcinj. Preparation arrangements have been done for the arrival of the renowned international hotel management companies (Aman Resort for the lease of ”Sveti Stefan” hotel), which may be a good catalyst for attracting big investors to Montenegro. New hotels continue to open in the seaside area (Perast, Kotor, Budva,..), and in the mountain area of Montenegro (Kolasin, Zabljak, Rozaje…). In 2008, despite the appearance of the global crisis, there was further growth in tourist turnover (6%) and, in particular, income from tourism (15%). In 2009, the year of global crisis, there was a slight decrease of physical tourist turnover for 3.11%, approximately the same direct employment decline (-3.3%), but the decline in direct GDP was lower (-1.3%)

Ministry for Tourism has established, or made traditional two major research projects: Satellite account (TSA) of tourist spending from WTTC and Hotel Industry Survey Montenegro according to USALI system. Both projects represent the application of international standards in the field of analytical information, and enable international comparisons of the valid parameters, which is one of the necessary conditions for effective macro-and microeconomic management of tourism development. Performance analysis by USALI system has also an important educational mission for hotel management in Montenegro.

Share of the Tourism in Montenegrin National Economy

% of share in aggregate	1990	2008	2009	2018	2019
Gross National Product (GNP)	7,0%	13,9%	10,5%	19,1%	15,3%
GNP from Tourism	22,0%	26,4%	20,8%	30,7%	25,6%
Export of Goods and Services	35,0%	40,5%	39,6%	49,2%	50,1%
Employment	9,2%	10,0%	9,0%	14,4%	13,8%
Employment in Tourism, directly and indirectly	17,1%	19,1%	17,8%	23,6%	23,0%

Source: ”Montenegro – Influence of Travel and Tourism on Employment and Economy”, WTTC, 2008 and 1991 Montenegrin Statistical Yearbook

Hotel Capacity by Category

Category	No. of Hotels	No. of Rooms	No. of Beds	No. of Hotels	No. of Rooms	No. of Beds
	1989	1989	1989	2009	2009	2009
L/ 5*	1	118	254	4	370	1.075
A/4*	12	1.984	4.317	67	3.604	8.391
B/3*	55	8.027	17.363	85	3.883	8.921
C/2*	3	103	219	78	5.091	11.629
D/1*	3	128	352	20	1.303	2.708
Total	74	10.360	22.505	254	14.251	32.724

Source: MONSTAT

Regional Distribution of Accomodation Capacities (Beds) and Tourist Overnights

	No. of Beds I – XII 1989.	Overnights I – XII 1989.	No. of Beds I – XII 2009.	Overnights I – XII 2009.
Seaside Area	127.318	9.513.600	167.394	7.244.830
Central Area	1.789	273.200	3.575	207.676
Mountain Area	2.805	158.400	2.663	99.500
Montenegro	131.912	9.945.200	173.632	7.552.006

Source: MONSTAT

MARKET POSITION AND KEY FIGURES OF MONTENEGRO HOTEL INDUSTRY

In the situation of global economic crisis, the performance of hotel industry of Montenegro follows international trend. Based on the years-long efforts of Montenegrin Government to ensure favourable business conditions for tourism development, Montenegrin hotel and tourism industry realized in 2009 less declines in performance than most international markets. This proves that Montenegro is still one of the most attractive European destinations although the influence of global crisis was recognized mostly in lower occupancy. The key results of hotel industry that are represented here give the picture of Montenegrin hotel industry today as well as the trend for the next two years.

First of all, positive trends of the hotel performance results in Montenegro are shown in realized hotel operating revenues in the previous several years. From the beginning of this survey (2004) until the end of 2008, the realized annual average growth rate of the hotel revenues per available room was 31%. According to the 2009 estimate, the average total operating revenue realized by Montenegrin hotel industry was twice as much as the revenue realized in 2004. Taking into account the recession on the emissive markets and the expected performance in 2010-2011, Montenegrin hoteliers predict the repeated market stabilization in 2011 when the total operating revenues should be on the level of 2009 realization (annual average per hotel room of 12,200 euro).

Seasonal demand concentration during the summer period remains the characteristics of the majority of the hotels in Montenegro. Although until the end of 2008 the hotel occupancy increased and achieved the average of 37%, global crisis has mostly affected on the decline of hotel room occupancy. Based on the 2009 estimates, the occupancy of Montenegrin hotel capacities has decreased on 25% while the surveyed hoteliers predict its further decline in this year.

Intensive investments in the hotel product brought the important grow of average room rates in Montenegrin hotels. So, the realized net room rate in 2008 grew for 15% compared to the year before and amounted 61.8 euro (without VAT). For 2009 further room rate growth was planned and, according to the estimated results, it achieved 87 euro per room. Based on the expectations on the hoteliers, it is expected until the end of 2011 further growth of room rates for 19% which should combined with lower occupancy bring the 2011 realized room revenues on the level of 2009.

Following the actual structure of Montenegrin hotel industry, the results of this survey relate to the structure of the survey`s sample in which there are mostly 3-star hotels. The average hotel age in the sample is 27 years with the average period from last renovation of little bit more than two years.

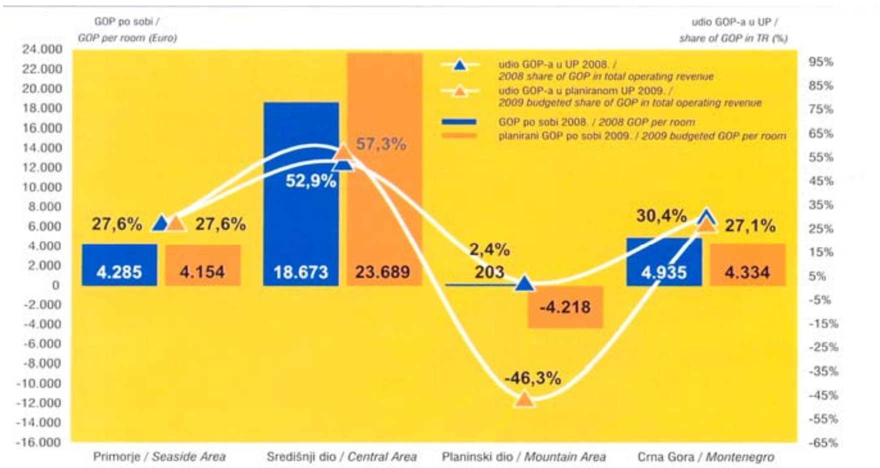
PROFIT LEVEL OF THE HOTEL INDUSTRY

Basic criterion of hotel operating profitability is gross operating profit (GDP). Based on this indicator, in the period of conducting this survey from 2004 until 2008, cumulated hotel profitability in Montenegro was 15 times better. In relation to the 2008, predicted GDP in 2009 is lower for 33% and amounts 3.3 thousand euro per hotel room. According to the 2009 estimate, the share of GDP in total hotel revenue was realized on the level of the budget (27%) which shows that the hoteliers, according to their situation and lower realized revenues, has decreased the operating expenses too.

Paralely with this indicator for hotel operating effectiveness, the net income of the hotels in the period 2004-2008 shaw the trend of growth. Significant influence on the result of Montenegrin hotel industry has the amortization which was in the period of the conducting this survey, 12% of the realized hotel revenues. Surveyed hoteliers did not plan to realize the profit in 2009.

One of the major operating expenses in hotel operations is labour cost. During the period of conducting this survey (2004-2009), payroll and related expenses gradually decreased its share in hotel operating revenues which was positive when looking from the side of cost control and higher profitability of hotel operations. However, the number of employees per room grew gradually during this period, parallely with the rise of the quality level of Montenegrin hotel industry. In 2009, because of worse market situation, the number of employees was decreased on 0.5 employees per room (average full equivalent number). Parallei, gross payroll in the period 2004-2009 raised double and in 2009 monthly figure was 603 euro. Other operating expenses of Montenegrin hotels are on the level of the standard which shows operational rationality.

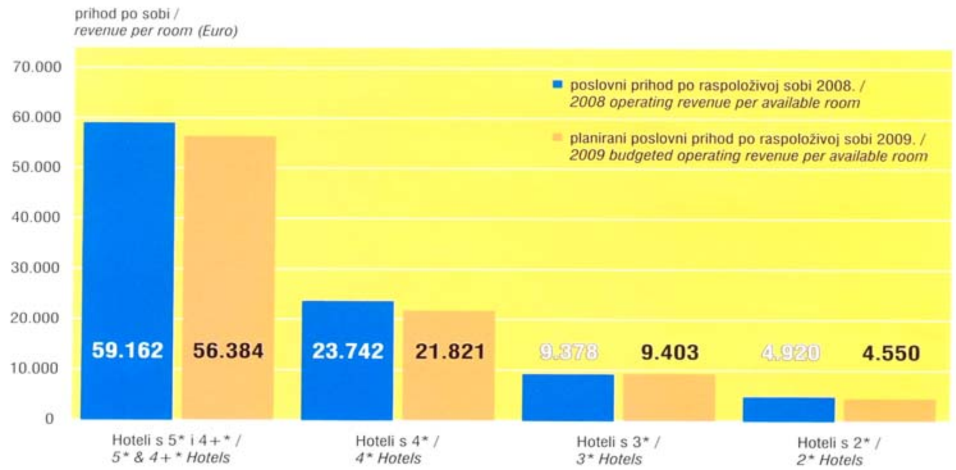
2008 and 2009 Montenegrin Hotels GOP Level by Region



The survey results by hotel categories showed that the level of demand, and financial operating results of higher categories of hotels in Montenegro, achieved stable and high growth rates. Thus, in the period of this survey operating revenue of hotels with 4 and 5 star cumulatively increased 35 times in 2009 compared to 2004, while the same indicator for hotels in the lowest category (2*) decreased by 40%. This is explained by the fact that intensive investment in better properties achieved successful business, both in terms of revenue and profitability levels of Montenegrin hotels.

Given that the demand for hotels in Montenegro is mainly coming from foreign markets and is part of a larger focus on higher levels of quality hotels, in the period before the end of 2011 the hoteliers in 5 star hotels expect to achieve an annual average of operating revenue per room of 61 thousand euro, which represents 14.5 times more revenue per room than hotels with 2 star.

2008 and 2009 Montenegrin Hotels Operating Revenue per Available Room by Hotel Category



Montenegrin Highlights Realized in 2004-2009

	2004	2005	2006	2007	2008	2009
Average size of property rooms	132	134	139	145	175	176
Average annual room occupancy	28,0%	36,8%	29,8%	37,9%	37,0%	30,5%
Average room rate (euro)	25,28	27,61	42,92	53,73	61,76	78,62
Total operating revenue per available room (euro)	5.490	8.090	10.459	13.809	16.221	15.989
Average no. of employees per room	0,54	0,60	0,62	0,64	0,53	0,50
Monthly payroll expenses per employee (euro)	320	379	451	600	614	603
Total operating revenue per employee (euro)	10.117	12.617	16.968	21.616	30.824	32.275
Payroll and related expenses (% of operating rev.)	38,0%	34,5%	29,2%	31,1%	23,4%	27,6
Gross operating profit (% of operating revenue)	-5,8%	13,2	21,2	20,5	30,4	27,1
Profit before depreciation, amortization and	-13,0	8,3	18,0	13,8	15,2	13,1

profit tax (% of operating revenue)						
Profit before profit tax/loss (% of total rev.)	-27,5%	-1,9%	9,0%	4,5%	2,4%	-0,1%
Domestic guests	47,4%	36,6%	9,3%	9,7%	9,5%	9,0%
Foreign guests	52,6%	63,4%	90,7%	90,3%	90,5%	91,0%
Russia	5,8%	11,5%	17,6%	26,9%	25,8%	31%
Serbia	-	-	12,1%	11,5%	13,6%	12,5%
Bosnia and Herzegovina	2,7%	4,3%	2,3%	2,6%	5,6%	5,7%
Other foreign countries	44,1%	47,6%	58,7%	49,3%	45,5%	46,7%
Business travelers	14,5%	7,8%	7,0	7,5%	6,8%	9,4%
Tourists/Leisure FIT	8,8%	10,5%	12,5%	10,5%	15,8%	18,1%
Allotments and groups	74,7%	80,1%	79,5%	74,5%	76,8%	71,5%
Other guests	1,9%	1,5%	1,0%	7,5%	0,6%	1,0%

Remark: Domestic guests in 2004 and 2005 include hotel guests from Montenegro and Serbia

Montenegrin Highlights by region, category, property size and price level

	Montenegro 2009	Montenegro 2008	Seaside Area 2008	Central Area 2008	Mountain Area	5* & 4+* Hotels 2008	4* Hotels 2008	3*Hotels 2008	2*Hotels 2008	Under 100 rooms 2008	100-200 rooms 2008	Over 200 rooms 2008	Less than 25 euro 2008	25-60 euro 2008	More than 60euro 2008
Averag e size of propert	176	175	210	78	42	250	107	208	184	30	154	389	99	263	124
Average annual room occupancy	30,5%	37,0%	37,0%	30,5%	44,9 %	50,8%	43,0%	37,5%	28,3 %	38,1%	41,0 %	35,6 %	55,9%	30,8 %	42,1 %
Average room rate	78,62	61,76	62,15	108,43	18,3 2	131,86	78,54	44,55	25,59	73,42	48,9 2	65,4 3	13,74	45,1 8	111, 92
Total operating revenue per available	15.989	16.221	15.538	35.274	8.47 8	59.162	23.742	9.378	4.920	16.890	19.5 76	12.5 63	5.623	7.61 7	30.1 23
Average No. of employees per room	0,50	0,53	0,50	1,22	0,49	1,14	0,70	0,48	0,28	0,90	0,76	0,41	0,31	0,42	0,84
Monthly payroll expenses per employee	603	614	621	611	438	643	487	818	502	434	626	653	558	665	581

Total operating revenue per employee	32.27	30.82	31.06	28.96	17.45	51.94	33.78	19.33	17.86	18.70	25.84	30.43	18.35	18.08	35.81
Payroll and related expenses (% of operating	27,6%	23,4%	24,6%	15,6%	30,8%	14,8%	14,8%	39,8%	38,5%	24,1%	22,1%	23,9%	33,8%	44,6%	17,1%
Gross operating profit (% of operating	27,1%	30,4%	27,6%	52,9%	2,4%	40,4%	40,4%	7,4%	-3,0%	32,8%	25,2%	32,9%	-3,4%	3,3%	40,4%
Profit before depreciation, amortization and profit tax	13,1%	15,2%	16,7%	15,4%	-0,1%	26,6%	26,6%	8,7%	-7,2%	14,1%	12,8%	20,3%	-14,2%	2,2%	21,2%
Profit before profit tax/loss (% of total rev.)	-0,1%	2,4%	3,0%		-6,0%	10,6%	10,6%	1,8%	-18,8%	3,3%	1,5%	2,0%	-20,9%	-8,6%	7,4%
Domestic guests	9,0%	9,5%	7,5%	32,7%	65,5%	6,1%	3,3%	8,3%	19,3%	23,5%	20,2%	5,1%	31,2%	8,4%	5,0%
Foreign guests	91,0%	90,5%	92,5%	67,3%	34,5%	93,9%	96,7%	91,7%	80,7%	76,5%	79,8%	94,9%	68,8%	91,6%	95,0%
Average age of hotel (in years)	27,0	27,7	13,3	34,3	26,3	18,1	26,2	36,0	19,3	33,3	31,0	31,0	31,8	32,1	20,2

CONCLUSION

Hotels are the development engine of tourism. Their standard, and their market orientation towards target groups is determined by the power of the tourist offer. Guided by this fact back in 2005. The investigation was initiated which aims at monitoring of trends both from general hotel in Montenegro, as well as with regional, structural trends within the different segments of the hotel industry. The research results make it possible to identify instruments and policies towards the empowerment of the most important segment of the tourism industry.

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BUSINESS PHILOSOPHY AND IMPLEMENTATION OF CRM APPLICATIONS IN TOURISM AND HOSPITALITY

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Apstract:

CRM as a trend in business and business philosophy, consists of a series of complex and diverse business resources such as: modern technological resources, information resources, human resources and all other procedural resources which serve to improve services to end user and customer.

Tourism as a service industry which business is based on selling services, has found great benefits and advantages in using CRM. Different kinds of CRM applications and systems have become extremely popular in all sectors. Thus, in the tourism sector, CRM has become one of the most important strategy in attracting and increasing tourist arrivals, in filling the tourist facilities and in satisfying the needs of guests.

The main goals of CRM are to attract tourists, to meet a maximum of tourists (a new guarantee of return and achieve the most efficient promotion), increase the number of tourists and achieve customer loyalty. It enables more efficient marketing and sales and it improves the overall tourism industry and services aimed at tourists and their preferences. Implementation of CRM systems is very demanding and requires commitment at all levels of the company. Very big problem is the integration of CRM systems with existing information systems in the enterprise. It is often impossible to implement without the use of qualified personnel and software that has the task of bridging the gulf between the CRM and existing information systems to create an integrated system. It is desirable that the companies have been devoting increased funding for implementation of new technologies and that systems, in a short period of time, can realize a return on investment and greatly improve the business performance of enterprises. CRM gives the expected results only if it is fully integrated strategically and operationally in the business and in the information system of tourist enterprise. The fact is that this process and business philosophy will become important in the future, and it will continuously improve its processes and relationships within the company, all in order to reduce operating costs, creating a detailed segmentation of the market and meet the needs of guests.

Key words: *CRM, tourism, information systems, new technologies*

INTRODUCTION

Molecular gastronomy is the new direction of gastronomy mostly initiated by idea of implementation of science in cooking. Many things associated with this term are not quite clear and many have a wrong idea.

This direction of gastronomy seeks innovation and improvement of the existing situation, a fundamental goal of improving ways of preparing meals, so that they have such taste as it should be in the optimal case, every time. The idea of a practical molecular gastronomy in restaurants and forming a sort of combination of traditional and modern, artistic and scientific approach to cooking is widespread throughout the world, but the greatest concentration of such restaurants are located within the European Union, where actually were created the first prototypes of such restaurants. In the todays' world the obesity is one of the biggest problems of modern man, a result of sedentary lifestyles and unbalanced diets imposed by lifestyle. Standard restaurants' offer is based on the portions that exceed nutritional requirements and the entry of such foods further undermine the notion of a balanced diet. For these reasons there is a need for rationalization and regular moderate intake of what is needed. Rationalization of nutrition is one of the main features of the new attitudes adopted by molecular gastronomy, as well as the use of food as a whole.

MAIN REPRESENTATIVES OF MOLECULAR GASTRONOMY

Molecular gastronomy exists for twenty years and throughout that period many of the experts gave her contribution to the development, definition and practical application. The division of the scientists and scholars with authors on one side and chefs on the other side want to separate the two parts of this scientific discipline. The main reason for the division is that the first group deals only with research, publishing books and scientific papers. They are neither cooks nor do they have their own restaurants, but they are advisers of chefs, while cooks are applying knowledge of scientists and authors to improve their work and introduce innovations into the world of gastronomy.

From scientists, authors and scholars the most important are: Hervé This, Nicholas Kurti, Harold McGee and Peter Barham.

Hervé This, French chemist, father and co-creator of molecular gastronomy. Among his most important discoveries we can point out the perfect temperature for cooking eggs (about 65 º C while the albumen coagulates, but not yolk) and the use of electric fields to improve smoking salmon. He also devised a recipe for challenging the laws that cooking chocolate and water do not mix so called Chocholate Chantilly.

Nicholas Kurti, the Hungarian physicist who has spent most of his life in Britain, during the Second World War he worked on the atomic bomb. In 1969 using at that time the latest invention, a microwave oven, scored reverse the so-called *Baked Alaska* so called *Frozen Florida*, which is cold outside and warm inside.

Harold McGee, the American scientific author, who writes about chemistry, engineering, and history and cooking. In addition, he lectures about cooking chemistry in cooking schools and universities such as The Oxford Symposis on Food, Denver The National History Museum and the Fermi National Accelerator Laboratory, and teaches a three-day course in New York under the name ''Harold McGee series''.

Peter Barham, a British professor of physics and molecular gastronomy is important because of the work *The science of cooking* issued in 2001 and cooperation with the chefs, especially with Heston Blumenthal. Barham also holds the record in the Guinness Book of Records for the fastest made a liter of ice cream where he used liquid nitrogen.

From the representatives of the practical application of molecular gastronomy the most prominent are: Grant Achatz, René Redzepi, Homar Cantu.

Ferran Adria, the Spanish chef who is seen by many the greatest chef of our time, maybe of all time. It is known under the synonym Salvador Dali of cooking. Importance of Adrià for culinary world is for its application of innovative and creative ways of preparing dishes such as the use of liquid nitrogen, spherification and so called air or very light foam. It will be remembered as one of the first chefs to apply industrial additives. Among his most significant recipes can be extracted olive reverse, fake caviar, Foire gras consommé, and others.

Heston Blumenthal, a British chef who has so far published four books and recorded three series, mostly related to his book. Linking it up with molecular gastronomy, although he does not like that name and considered it before a complicated and elitist. Among his most important innovation we emphasize cooking under vacuum to maximize the expansion of bubbles during the preparation of food such as chocolate and some desserts. Takes care of the ultra-slow cooking and the application of sous-vide technique or cooking in vacuum pouches under controlled temperatures. From the recipes the most important are ice cream bacon and eggs, hot and cold tea and pineapple gel formation that were previously impossible because the pineapple contains an enzyme that does not allow it. Blumenthal also collaborates with scientists, the most important physicist Peter Barham and experimental psychologist Charles Spence. Cooperates with the Institute Fermenish in Switzerland, which is developing aroma and taste perception study. In collaboration with Fermenishom, Blumenthal matched many foods that are compatible chemical composition such as e.g. mouldy cheese and chocolate.

Homar Cantu, American inventor, entrepreneur who nourishes molecular gastronomy. In the culinary world famous for the use of lasers in the kitchen, creation of sushi with printers, so called healthy junk food, the manipulation of the nutritional value of certain food, and among other things, cooperation with NASA on the 3D printer of food in the mission of sending humans to Mars. Cantu cultivates a specific style of cuisine that differs from other chefs, and his use of science in the kitchen and futuristic presentations exceeds any one of molecular gastronomy restaurant. His style is described as post-modern kitchen.

Grant Achatz, is an American chef and one of the pioneer of application of molecular gastronomy. His restaurant Alinea is one of the best restaurants of today, and in 2006 it was proclaimed as the best restaurant in 2006.

René Redzepi the Danish chef Macedonian-Albanian origin, his style of cuisine is based on the nature and traditional Scandinavian cuisine and the influence of molecular gastronomy.

APPLICATION OF ADDITIVES AND INNOVATION IN THE PREPARATION OF FOOD MOLECULAR GASTRONOMY

The term to cook is defined as the use of heat to transform food for consumption. The question is whether this is the only way to transform the food for consumption? Is the heat the only that can be used to cook something? When the meat is removed from the refrigerator it is dissolved, for this process the heat is also used, but for that meat we would never say that it is cooked. If the egg yolk is mixed with ethanol it will coagulate and it will tranform although this transformation has not used any heat. [33] There are many ways for transforming foods in traditional gastronomy. These methods are applied in the modern ''scientific'' molecular gastronomy. With the development of traditional ways of trying to introduce new and innovative ways.

From new ways of transformation of food used in molecular gastronomy in everyday practice can be applied:

- spherification in a bath of sodium alginate or calcium chloride and water
- the use of liquid nitrogen

a) spherification in a bath of sodium alginate and calcium chloride and water - an innovative way of transforming food without the presence of heat. This is a technique used for making, among other things, false and reverse olive caviar. There are many variations of using this process, but the last two uses are the most often. During spherification the food is transformed in the way of placing them in a thin, slowly solvable membrane of sodium alginate and calcium chloride. The

[33] This H., Molecular cooking is cooking: Molecular gastronomy is a scientific activity, www.youtube.com/watch?v=OCBxGwzNhmg (2.12.2010)

process of spherification in a big way introduces Spanish chef Ferran Adrià and he was one of his trademarks.

For complete spherification it is required special equipment, and it consists of the following components:

- Sodium-alginate
- salt, calcium chloride (calcium without food can not be spherificated)
- spoons of different shapes and sizes
- syringe without a needle (for the fake caviar)
- water bath for stopping the process

b) Use of liquid nitrogen is a relatively new technique in gastronomy. The temperature of liquid nitrogen is -196 ° C and as such has long been used mainly for various industrial purposes. Its use as a cooking technique reduces the production of ice cream and sorbet. It is a great plus in making ice cream with liquid nitrogen so that the crystals are very small due to the short time of freezing and thus ice cream made in this way has a very creamy and smooth texture.

The concept at first, totally impossible to understand, but cooking with liquid nitrogen is nothing more than cooking in a very cold medium. Because of the large so-called ''wow effect'' the use of liquid nitrogen can be considered scientific, and especially since it is not used in traditional cuisines, but it is more innovative way for the creation of an extremely traditional preparations like ice cream or sorbet, which previously could only work because most of the cooler was not able to achieve much lower temperatures and is no more scientific to the bread making. [34]

New machinery, equipment and tools at the present time offer chefs the opportunity to achieve what was always possible with the food, but the available equipment didn't allow, in other words the borders of realisable are moving. These new capabilities enable the use of science as well as mutual cooperation between chefs and scientists. New equipment can be divided into those originally intended for laboratories, which slowly begins to apply in catering kitchens and the one whose purpose is primarily and exclusively planned for the professional catering kitchen, some of which are designed as equipment intended for household.

New equipment dedicated to kitchen:

- anti-grill
- machine for rotation of sugar
- paco jet
- sous-vide water bath
- smoking gun
- gastrovac
- bottle for production of domestic whipped cream
- spaghetti set

Laboratory equipment applicated in kitchen:

- centrifuges
- syringes
- desiccators
- laser
- gas torch
- temperature with magnetic mixer
- swing evaporators or rotaval
- thermometer

[34] McGee H., *On Food and Cooking*, Hodder & Stoughton, London, 2004.

ANTI-GRILL - on the market, we encounter two types of anti grill:

Electrical anti-grill ''bakes'' using liquid nitrogen freezing food at temperature up to -34 ° C. There are variations of anti-grill instead of using electricity for freezing food using liquid nitrogen, and is called Teppan Nitro. In addition to difference in the way of freezing there is a difference in temperature because by using liquid nitrogen Teppan Nitro can be achieved much lower temperature up to -148 ° C. Anti-grills allow completely freeze sauces and purees and semi-freeze dishes to get a crispy surface and creamy center.

MACHINE FOR ROTATION OF SUGAR - a device often seen in amusement parks, while rarely used in restaurants. It is used, among the others, in restaurant El Bulli, but not for the spin of sugar which original purpose of this device is in the production of sugar cotton. Application of machine for rotation of sugar is not in any way scientific innovation as it is a very creative way of using the device.

When talking about modern catering equipment, this is primarily thought of:

1.electrical
2.with liquid nitrogen.

PACO JET - machine that is used to make ice cream and sorbet. It is used in most professional kitchens. It consists of a very sharp knife that turns up to 2000 rpm. Using the paco jet we can get the ice cream with a very small crystals, a very similar texture as in liquid nitrogen. Except for the sweet it is used to produce salt types of ice cream.

SOUS-VIDE WATER BATH - sous-vide technique was used in kitchens before, but the revival it is experienced with the development of molecular gastronomy. The technique consists of placing vacuum food (meat) in the bath. The specificity of this technique is that it can control the cooking temperature and time to get better results than simple boiling in water, the only deficiency of the method is extremely long cooking time.

SMOKING GUN - a device that is used for processing a variety of dishes, smoked flavors. A very simple principle that adds a secondary smoked flavor to dishes. The process consists of a selection of flavors, aromas of putting in a small compartment and blowing smoke in an enclosed container or bowl covered with foil.

GASTROVAC - is a serious professional cooking appliance often used in kitchens of molecular gastronome. It is a kind of combination of slow ladle so called slo-cooker, vacuum and thermostat (but without magnetic mixer). It works by sucking the flavor out of food and water with the help of vacuum and leaves it completely dry like a sponge. After that fills dry cells of food such as pre-selected fluid wine. So we can get using gastrovaca pear with an intense wine aroma.

BOTTLE FOR PRODUCTION OF DOMESTIC WHIPPED CREAM - is used to convert the liquid in the foam and to add flavor. Originally intended for making homemade whipped cream but in molecular gastronomy, its application is truly diverse. To achieve results two gas are used: carbon dioxide ($CO2$) and nitrous oxide better known as nitro (N20)

SPAGHETTI SET - composed of silicone or plastic tubes and bottles used to fill precisely the desired compound. It is used for making spaghetti from gelling agents and water or stock. The most frequently used gelling agent is agar, but not alone.

Apart from equipment designed for the modern kitchen, in practice, we encounter a range of equipment which is intended for laboratory use, such as:

LASER - the use of lasers in the kitchen is dedicated to the infusion of aroma in cups. The first restaurant that used lasers in the kitchen is the Moto in Chicago. The process takes place in the way that on the laser beam is put the desired flavor, in order to get something between smoke and plasma that envelops the entire cup of the desired flavor. So far this is the only application of lasers in the kitchen. Direct application of lasers in food as a way of transforming food does not yet exist, and it is difficult to imagine the future use of lasers as a medium of thermal transformation of food in the kitchens of most uneconomical because of the limitation of the laser.

CENTRIFUGES - machines that produce gravity by turning 40 times greater than Earth's. Already used in many industries. In modern kitchens, one of the applications of centrifuges is the removal of solids from the juice so that it eventually gets transparent liquid with no solid parts. Spin can make ultra bright consommé.[35]

DESICCATORS - there are ordinary and vacuum desiccators. They are a kind of laboratory equipment that is used for drying and storage hygroscopic substances. Two-piece are made of thick, cast glass. In the lower part shall be a substance that attracts moisture to itself, and above it, the porcelain fence with large openings, is placed a substance intended for drying. As a meas for launching moisture is used anhydrous calcium chloride. At the vacuum desiccators used vacuum to remove moisture in foods.

GAS TORCH - mostly used as the final part of cooking sous-vide. Using the torch has two reasons, the first is killing the bacteria because of the relatively low temperature cooking in sous-vide technology, and the second is to create Maillard reactions that is browning of meat, effects similar to caramelization characteristic for meat, chocolate, beer, etc. It is also used for rapid caramelization of sugar and other sweets.

TEMPERATURE WITH MAGNETIC MIXER - using this device greatly reduces the possibility of burned sauces. It is especially interesting a small magnet in the form of capsule, which is located at the bottom of the vessel and is constantly turning, and so mixes liquid.

SYRINGES - medical equipment that has not previously had any links with the kitchen. Some of the applications of syringes are e.g. extraction of fluid from the eggs and injecting other fluids (ice cream) without breaking the shell. Another application is the ''injection'' of flavor in meat. Syringes without needles are used in spherification (fake caviar).

SWING EVAPORATORS OR ROTAVAL - looks mostly on laboratory instrument. Its function is to distill the rotating fluid without the presence of heat to maintain flavor.

THERMOMETER - used to determine the current temperature of the media in which food is preparing as well as for determining the temperature of food. Its use in the kitchen did not begin with molecular gastronomy but the popularization of this device is.

Additives are substances of accurately known chemical composition that can not be consumed as food or as a typical ingredient of food, regardless of nutritional value, they are added to food to enhance their technological and sensory properties. Additives are added to food in: the technological process of production, during the preparation, processing, packaging design, transportation and storage.

Additives are grouped by categories, each category has its own special name and each additive, so that they are divided into: [36]

1.Dye (E100-E181)

2.Preservatives (E200-E290)

3.Antioxidants, acidity regulators (E296-E385)

4.Emulsifiers, emulsion, stabilizers (E400-E495PR)

5.Regulators of acidity and substances to prevent coagulation (E500-E585)

6.Flavor enhancers (E600-E640PR)

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[35] Consommé – bright soup got from soup

[36] Lerotić D. i Vinković Vrček I., *Što se krije iza E- brojeva*, Udruga za demokratsko društvo, 2004.

7.Artificial sweeteners, stabilizers, thickeners (E900- E1520)

Molecular gastronomy is used mostly those additives from the categories of emulsifiers, emulsion and stabilizer, few of the categories of antioxidants, acidity regulators, and some of the artificial sweeteners, thickeners and stabilizers, the most common is sugar Isomalt. Emulsifiers used in molecular gastronomy are also known as hydrocolloids. They alter the texture and appearance of food, not taste and are mostly of natural origin. These are substances that in contact with water or watery fluid form gels. They contain polysaccharides and proteins that are able to: gelling and thicken aqueous solutions, stabilizing foams and emulsions and prevent the crystallization of water or sugar. [37] Emulsifiers, which belong to the group of hydrocolloids are as follows:

AGAR (E-406) - a powder that is obtained by extraction and drying agents that it's got from processed seaweed Gelidium. On the market appears in the form of dry powder white to light yellow. The color depends on the degree of purity. Price of agar depends on the purity of it. Agar is used as nutrient substrates on which are grown under sterile conditions, plant or bacterial culture. Agar also retains moisture, and when mixed with water we obtain a soft gel. It is thermorevrsible, it forms a gel when heated, and as it cools so slowly it turns into a liquid. It is resistant to heat, light brittle, high temperature differences between the gelation and melting temperature. Do not fall into dangerous additives.

GELLAN (E-418) - polysaccharide which is creates by bacteria Sphingomonas Elodea. It is a substance for gelling, stabilizing and emulsification, an alternative to Agar. Able to apply temperature to 120 ° C. It is transparent. It is used in the dairy industry in milk from soybeans. It is not dangerous to health.

GUAR GUM or GUARANI (E-412) - obtained from the guar seed plants. Guar bean is firstly peeled, then milled and extracted from it we get a fine powder or guar gum. Guar gum is very stable, it is fastly coagulation in contact with water, it has eight times greater thickening power of ordinary corn starch. In most cases it is used with xanthan gum. It is used in textile, cosmetic, pharmaceutical industries and in mining. In the food industry is used in bakery, dairy industry and in the fillings and sauces. Guar gum does not fall into dangerous additives. It is used to treat many diseases of stomach and is used as an aid in weight loss and diabetic diets.

ARABIC GUM (E-414) - also known as chaar gund or meska, is a natural gum derived from resin bonded wood of black locust, in particular acacia senegal and acacia seyal. Commercially produced from wild trees in Senegal, Sudan and Somalia, as well as in Palestine and the Middle East where it is used as an ingredient for gelling desserts. Arabic gum is a complex mixture of polysaccharides and glycoproteins and is mostly used in food industry as a stabilizer. It is also used in the manufacture of paints, adhesives, cosmetics, textile industry and as the ink viscosity controller. It is completely edible and not harmful.

KARRAGEENAN (E-407) –Carrageenan (E-407) - gelatin extract of seaweed *Chondrus crispus*. Vegetarian and vegan alternatives to gelatin. There are three main types of carrageenan: Kappa (hard gels), Iota (soft gels) and Lambda (does not create a gel used as a thickener for dairy products). It is used as a stabilizer or thickener. Studies by the WHO (World Health Organization) on laboratory rats suggest a connection between stomach cancer and carrageenan as well as possible relationships with other gastro intestinal diseases.

KARUBA TYRE (E-410) - polysaccharide of vegetable origin, derived from locust beans. In pure form, like a powder white or yellowish color. Together with the xanthan gum is used in the manufacture of ice, it is preventing formation of ice crystals and it even after a few glitches. Creates a gel only in the presence of agar, kappa carrageenan or xanthan. It is considered harmless.

[37] Lersch M., Texture- hydrocolloid recipe collection (v. 2.3, 2010.), http://blog.khymos.org (1.12.2010.)

COGNAC TYRE (E-425) - polysaccharide extracted from plant stalks Lesioidae Amorphophallu. It appears under many names, most notably brandy and cognac glucomannan flour. Thermoreversible, but only under alkaline conditions, degradable in water and is considered dijatetskim product. The kitchen is used as a thickener and emulzifikator. It is considered harmless, even used in the health industry as an aid in weight loss, constipation and as a mean to reduce cholesterol levels.

XANTHAN GUM (E-415) - a synthetic thickener, stabilizer and gelling. It is produced by fermentation of corn sugar by bacteria. In larger doses, it is acting laxative. Permitted in organic food production. Possible the production of genetically altered corn, but the final evaluation of the effects of so-produced xanthan gum is not yet possible to give. It is considered harmless.

METHYL CELLULOSE (E-461) - a chemical substance derived from cellulose. In its pure form is white powder, soluble in cold water and forms a translucent gel. Used as a thickener and as emulsificator in various dishes as well as in the cosmetic industry. It is also used as an aid in constipation. Thermoreversible a gelling agent, when heated, forms a gel as it cools so slowly turns into a liquid. Methyl cellulose as well as the cellulose is not digestible, not toxic and it doesn't cause allergic reactions and is not dangerous to health.

SODIUM ALGINATE (E-401) - olisaharid derived from brown algae. In the presence of calcium chloride forms gel. It is able to absorb 200-300 times more water than their weight. Color varies from white to yellowish-brown. Used as a stabilizer and thickener and food as the main ingredient in the process of spherification. It is not dangerous to health.

PECTIN (E-440) - pectins differ in the length of the polymer chains, complexity, and structure monosaharidne units. In acidic conditions, pectin forms a gel. Because of this phenomenon is used as an edible gelling agent in food processing. This effect is used in the manufacture of jams, jellies and similar products.

GELATIN (E-441) - one of the most common additives used in cooking. Elastic gel, which melts in the mouth, soft and transparent. It is obtained from collagen found in bones, cartilage and even in the innards of animals. Production of gelatin is strictly regulated, only the extract from animals that have a veterinary certificate. Its application is indeed varied, but the application in the kitchen, gelatin is used in the pharmaceutical industry as a coating of capsules, used as a ballistic gel in the preparation of paintball ball. Gelatin is not harmful to health.

All of these additives belong to the hydrocolloids. But they are not the only additives used in preparing the dishes in molecular gastronomy. Of those who are not hydrocolloids we can point out **lecithin and maltodextrin**.

MALTODEXTRIN - polysaccharide which is obtained by partial hydrolysis of starch. It is digested very slowly probavljuje and is used as an additive in the production of juices and sweets. Chefs use it to convert liquid into solid substances. This allows its large liquid absorption capacity.

LECITHIN – is in the white egg and soya beans. It is used to stabilize the cold liquid and as a mean for separating cocoa butter from cocoa powder. In the molecular gastronomy is used to stabilize the foam so called air.

When using the additives it should be respected that additives do not pose a health risk to consumers, it must not mislead consumers and to conceal the weaknesses of the quality of raw materials or processing methods, may not alter the taste of food just a texture, and despite the fact that most of the additives used in molecular gastronomy are safely to consume (except perhaps carrageenan) and of the natural origin, but they are still not fully healthy.

HARACTERISTICS OF THE RESTAURANT THAT APPLY MOLECULAR GASTRONOMY

There are many elements which different restaurants and standard restaurants apply molecular gastronomy. Most would expect from such restaurants chefs in lab coats, and kitchen as a laboratory. But it is far from the truth, although there is a big and obvious difference between the standard and the restaurant of molecular gastronomy. In essence, they are more restaurants, and less laboratories. The differences are most evident in the approach and in the kitchen equipment as well as her appearance. This shows Table 1 where there were taken to compare a standard restaurant and the most famous restaurant, also the best restaurant in the world who is regarded as the main representative of the application of molecular gastronomy, El Bulli, chef Ferran Adrià.

CRITERION STANDARD RESTAURANT RESTAURANT MOLECULAR GASTRONOMY (El Bulli) Hierarchy and a strict hierarchy of specialization in one part of the cuisine (head chef, sous chef, sousier). No hierarchy. Size of food dishes medium size large to very large. Presentation of Standard 3-5 hours, sometimes more.

Table 1: Differences between standard restaurant and restaurant that applies molecular gastronomy

CRITERION	STANDARD RESTAURANT	RESTAURANT MOLECULAR GASTRONOMY (EL BULLI)
Hierarchy	Hierarchy and a strict hierarchical divisions on specialization in one part oft he cuisine (head chef, sous chef, sousier).	No hierarchy of the standard terms, the emphasis on the free exchange of ideas, sharing of each chef prepares a certain dish
Number of courses	The number of courses in a three-course meal (soup or appetizer, main dish, dessert)	From 30 to 45 courses in one meal
Meal size	Veličina jela od srednje velikog do jako velikog.	Size meals small to very small
Meal presentation	Various dishes, but usually rustic.	Presentation tends to artistic-minimalism, avant-garde.
Meal duration	The duration of the meal between one and two hours.	Standard 3- 5 hours, sometimes more.
Menu	Exists	Don't exist
Number of staff	Depending on the size of the restaurant run to 12 in two shifts, medium 12-30 employees while great restaurants and counted to 40 workers in two shifts.	Kitchen has 55 chefs who prepare meals for 55 visitors in one shift.
Number of serving	More servings per day.	Only one serving per day
Chef's access to guest	Closed, the chef is limited to the kitchen.	Open the possibility of preparing meals at the table in front of the customer with an explanation

Source: Authors according to: Ivanović, S. *Kuharstvo* i Bourdain, A. Decoding Ferran Adria

Those are the specifics that do not only characterize El Bulli, but also most restaurants of this type. The biggest difference is reflected in serving thirty small portions so called *tasting menu*. For this, there is a scientific reason because the brain after a while gets used to the taste, so it does not perceive what is consumed to such an extent after a long time, but the perception of taste becomes more automatic (although the taste is still present in the same way, the brain simply shuts down). For this reason, there is this way of serving dishes. In addition, it should be that in most chef-scientists there is not only one flavor, but that they alter from the primary, secondary and tertiary, i.e. perception of a certrain meal takes place in several phases.

MODERN GASTRONOMY TRENDS AND FUTURE IN MOLECULAR CUISINE

The latest trend that has emerged under the influence of molecular gastronomy is molecular mixology, which proves that the trend is slightly spreads in the cocktail bars and similar restaurants. First of all, molecular mixology makes specialized skills of mixing drinks that use analysis, knowledge and techniques adopted from the scientific disciplines and gastronomy to experiment with cocktail ingredients at the molecular level. Its purpose is to manipulate the aggregation state of the liquid, in order to create a new aroma, flavor, texture and appearance that increase the attractiveness of drinks and make the experience of consuming these types of cocktails, a lot more interesting. Excitement and innovations introduced by molecular mixology is converting the liquid to gels, foams and solids, and spherification of cocktails.

Concerns about the future of molecular gastronomy does not give clear answers, because the use and influence of molecular gastronomy is very wide in all respects and it includes more areas. Standard restaurants serve portions that exceed nutritional requirements and the intake of such foods further undermine the notion of a balanced diet. For these reasons there is a need for rationalization and regular moderate intake of what is needed. Modern man is more and more conscious in terms of nutrition, and thus indicated some chefs to reconsider the adoption of these radical ideas to accomplish the fusion of science and cooking. This idea is established as a full hit, because today the best restaurants in the world, the vast majority of those who have seen the benefits of these two joints which before were incompatible branches of human activity. Gastronomic direction - molecular gastronomy was quickly spread to Western Europe and North America, and later it was spread to other parts of the world, among those countries there is no Croatia, which was just becoming familiar with these trends, and in a few years is expected to be significant expansion in Croatia.

Culinary and scientific wizards will soon be able to replicate all the existing and create new flavors, and their creations to introduce us to a whole new world of food and provide us the opportunity to try various combinations that do not exist in fairy tales.

CONCLUSION

Molecular gastronomy is a new gourmet direction connecting the catering kitchen and laboratory, and thus creates new flavors, forms of unprecedented. It can be, of course, understood as a process of application of science in everyday cooking. Methods and means for obtaining the final products in the molecular gastronomy request the knowledge of the chemical and physical processes. Of course, the introduction of molecular gastronomy requests, too, and some modifications in the approach to guests, number of courses of which every dish is extremely small - the art on a plate, losing the concept of menus and menu, while the duration of a meal takes several times longer. Certainly, this approach also affects the habits of the people towards healthy eating, where it is no longer considered to be a meal consumed in a shorter time, but the opposite, and making sure the food is consumed, and thus affects the reduction of today's problems related to overweight-obese population.

Modern molecular gastronomy shows the tendency toward further progress and popularization, but a noticeable impact on the so-called ''Molecular mixology'', and molecular approach to the preparation of cocktails, where just as in the case of food, it is changing the physical state of food and it is searching the limits of each food. The future is unpredictable, and in which direction to go to molecular gastronomy remains to be seen.

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RECRUITMENT AND SELECTION THE GUERRILLA MARKETING STAFF

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Abstract:

Modern management intentions suggest the development of staff within their organizations. The human resource of hight priority, also represents a prerequisite for quality and other resources in any organization.

The development of staff in the organization can undergo a very difficult time if staff are not properly recruited and selected. This is especially important for the Marketing sector. The character and skills possessed by the interested parties for working are very explicit and indicate the type of marketing activities in which we can engage.

Guerrilla marketing, as a modern way of bringing the product to customers closer requires staff with developed emotional intelligence that provides appropriate behavior in appropriate situations. Resourcefulness developed as a competence of the presenter is of an utmost importance and guarantees success.

This paper addresses the recruitment and selection of personnel for guerrilla marketing.

Key words: *guerrilla marketing, emotional intelligence, resourcefulness, recruitment, selection, staff*

INTRODUCTION

In the period of fast development of the technology and environment, serious organizations can allow to function on the established and determinate way of functioning. The criteria of success are changing permanently and respectively, the need for change and adjustment to the new situation. The conventional management system used by the big and complicated organizations can not respond to the new business environment.

Small and flexible companies do not use this management style and ased their performance to the small number of cometent emplyees. The quality of the emloyees is the crucial source for achevement desired results. Marketing strategies also undergone some chenges over the period of time. The progressive organizations prefer less costly strategies that provide high performance. Guerilla Marketing provides such approach with talented and trained "guerillas" able to manage all kind of people in various situations leaded by the product promotion.

The adequacy of the new employed staff is very important for fast implementation of the marketing ideas. The more appropriate people will be engaged at "guerilla" jobs, the organization sooner will establish the marketing team. Mistakes made in the initial phase of employment can be much bigger than originally seems. The time and money invested in training of employees who do not posses required skills are demanding and can cause lose from inadequate field work. Replacement of the employed staff is neither simple nor painless for anyone including mangers, dismissed and the organization in general.

Therefore attention given to the reliable and qualitative recruitment and selection of staff for guerrilla marketing is more than necessary.

ATTRACTION OF GUERILLA MARKETING

Marketing is a long term investment that does not give prompt results. Therefore in advance should be known that marketing requires quite big resources of time and money. It is not enough products to be presented to the buyer only once in order to buy them, the more important is to remind buyer permanently about the products, their characteristics and advantages, thereby to achieve his transformation from the simple tester to a regular user. The short time marketing activities usually ended by fast fidgeting what is equal to waste of money.

The long term marketing campaigns can be afforded only by the small number companies. Looking for new modes of products promotion and bring them closer to the customers on long period with limited spending of money, companies introduced guerrilla marketing. The word "guerrilla" indicates non conventional and imagination of the new model. The guerrilla marketing champagnes appear in unexpected time and place, usually performed in interaction with the customers and aim to provoke infection through uniqueness and originality.

Father of guerilla marketing is Levinson Jay Conrad. He considers that only a person with ideas for unusual approach to marketing and small amount of money is able to perform guerrilla marketing and to establish good communication with clients. Aware that it seems too good to be truth, what exactly is, he presents various guerrilla techniques that produce maximum results with minimum invested money, like distribution of gifts (samples) on public places, incursion on public events, initiating interaction with clients, etc. Even previously intended for small organizations, guerrilla marketing currently is used by the big companies as well.

The contacts with the public are used to inform the public about the benefits and quality of the products and for collecting information about their needs. The confidence relationship with the clients is reached through the clients' satisfaction, and it should not be ruined. Each guerrilla marketing officer should understand the human psychology and to act accordingly, i.e. using it to decide haw, when and where will contact potential client, or maintenance the permanent one.

The simple guerrilla techniques often fascinate with their originality and attract the people attenuation. The original ideas sometimes are free of charge, or with low costs compared with the caused result. Sometime the guerilla marketing activities is marked in the people memories for entire life. The objective of this marketing is product to bring closer to the customer, not to fight with competitors. Contacts with individuals aimed to distribute more information to smaller number of clients, rather than distribution of small scope of information to be given to big number of clients. The strategy of intensive contacts with the client is to make him a part of the team for promotion of products and unconsciously he promotes the same products. The product recommendation to a friend is consider as a best promotion and requires certain level of client involvement. But this is not enough. Clients must be refreshed that the product is placed on the market only for them. During the conversation various information could be collected, like "where is obtained the information about the product quality?" that can be used for the further marketing activities.

In order guerrilla marketing to be efficient, it is desired to be involved more persons who will work simultaneously on the same campaign, because of the time consumption used for each client. Information should be relevant to the client's needs and to contain required elements. Sometimes guerilla marketing is only a part of the overall marketing strategy in the organization. The technology innovation is one of the tools that guerilla marketing uses. The target groups permanently receive information about the products.

REQUIRED SKILLS OF „GUERILLAS“

Since guerilla marketing is a very specific and unusual marketing of products it is real to expect that everybody can be part of the promotion teams. The model promotes invention and creativity. It is not a secret that everybody cannot invent a new and unusual idea that will be attractive and fascinating instead of unpleasant and unattractive. Each guerilla marketing activity should be conceptualized to introduce good estimated portion of irritation in order to initiate client to participate in the campaign, instead to reject because of the time wasting and uninteresting.

The time speeded with the team members should have remarkable positive impressions, to provoke interest and to create dependence. One of the most important skills of the guerilla marketing staff is communication and adaptability. The charm is an additional tool that helps in first ten seconds to attract the client attention, after what the creativity of the event will impress him.

IQ inhered together with the genes is not very useful in such situations. To estimate people, needs, place and time more important is the emotional intelligence (EI) that usually connects to ability of people to have a good sense in all situations. In fact this is the most important human trait that characterized the guerilla marketing team members.

EMOTIONAL INTELLIGENCE IN THE FUNCTION OF GUERILLA MARKETING

The emotional intelligence is the main reason why the most of people that we known although were not good students succeed to develop good companies and authority. The inherited IQ helps students easier to learn and, to remember lessons and to achieve better education results. Still that is not on line with the required creativity and invention (to work with guerilla marketing teams) as well the possibility to learn from each situation in everyday life. Usually, the students that put high attention to lessons know that 2+2 always is equal to 4. But students with high EQ can estimate based on the personal and emotions of the other involved parties how can result be 5 and how to do it. That is the main reason for their success during their lifetime even it looks extremely paradox. Combination of the inherited genes and emotions gives the required effect desired in the career and life time.

Some researches (Project Spectrum, Tufts University) determine the leading position of the knowledge gained during the education beside the skills as a part of the intelligence. The project illustrates the necessity of helping students to recognize and to develop their genetic capacities, instead to waste time in estimation of their learning abilities.

This discipline obtains huge interest for the reason that emotional intelligence can be learned. Anyone who has interest to overcome the five basic steps in order to use and apply is the following[38]:

- **recognition of the own emotions** (good and bad traits),
- **achieve control over own emotions**,
- **self-motivation**, easily can be achieved when the person have determined objective through self-motivation for creativity and getting over specific skill,
- **recognition of other people emotions** (put in somebody else’s shoes), and
- **adapting own behavior** toward the situation and emotions of the other side.

The basic problem in recognition of the own emotions is that person usually first recognize own good traits, that EI has to emphases in the given well estimated situation, not the bad traits, those that have to be controlled or eliminated in the same situation. A person owns emotional intelligence when all those steps are overcome. The guerilla marketing teams members need to estimate people individually establish different approach for each of them according the character and personality in order to respond to their requirements.

[38] Peter Salovey and Johan D, Mayer, “Emotional Intelligence”, Imagination, Cognition and Personality, 1990, str. 189

SELECTION AND RECRUITMENT GUERILLA MARKETING STAFF

The employment of staff in each sector and for each post is a serious work and therefore it should be conducted consistently according to the prescribed laws, regulations and rules of generally accepted behavior. The guerilla marketing with all specifics indicates the seriousness of this work. Recruitment and selection are not easy at all, since there are no prescribed parameters for valuation the quality of candidates. The overall responsibility has managers. Beside they have to take care for motivation and orientation staff to common goals, creation of various marketing projects and programs, they are responsible and accountable for building of quality operation teams. They have to plan the necessary staff, to foresee the sources of recruitment (internal and external), to make necessary checks for estimation of the applicants, and to make final decision that will bring quality or poor-quality personnel in the company. Their decision is crucial for the future success of the team that will be responsible for the extraordinary tasks as it is guerilla marketing of the organizational products and services.

Before began the recruitment is normal to plan how and what personnel is needed, what characteristics and competences should have an applicant to be able to meet the guerilla marketing demands. Those competences are:

- excellent interpersonal characteristics,
- skills for good planning and organization,
- skills for notification details,
- analytical thinking skills,
- skills for finding ways to handle apparently impossible missions,
- excellent communication skills for persuasion and imposing of wives,
- skills for development and building relationships with clients,
- skills for self-motivation and inspiration of others

Once manager determinates the skills, he can consider how, where and how to recruit the personnel. Since the guerrilla marketing needs people with strong power of observing, the ads for them is not recommended to be published on easily visible locations. The candidate who is able to see the announcement on apparently hardly visible place, he already fulfilled one of the criteria for employment. The interviews and surveys that follow after that have to confirm the other skills required of the candidate.

There are no politics, nepotism and other kind of easy employment in the recruitment of the guerilla marketing staff. The demands of the tasks can meet only those who really deserve to get into the team. Wrong assessment of the activities in the early stages of employment will be seen on the ground soon, certainly to the detriment of the whole organization.

CONCLUSION

Interests that causes guerilla marketing as a specific form for bringing closer products and services to customers is great. However, it is not easy to find staff that will perform this, because that participating in guerrilla marketing teams does not needs only a desire and mood, but more na appropriate competencies! It confirms the need for transformation of the people habit to live and earn on "old glory". Permanent improvement and promotion of staff in finding new, unseen and not very expensive forms of marketing products in a new reality. Recruitment and selection of personnel who is able to perform extremely responsible tasks to animate customers in marketing of products persuasion and changing their attitudes, it is even harder for those who performed it. It can be done only by the responsible manager of the marketing department that first has to own emotional intelligence to be able to find it among the applicants for guerilla marketing.

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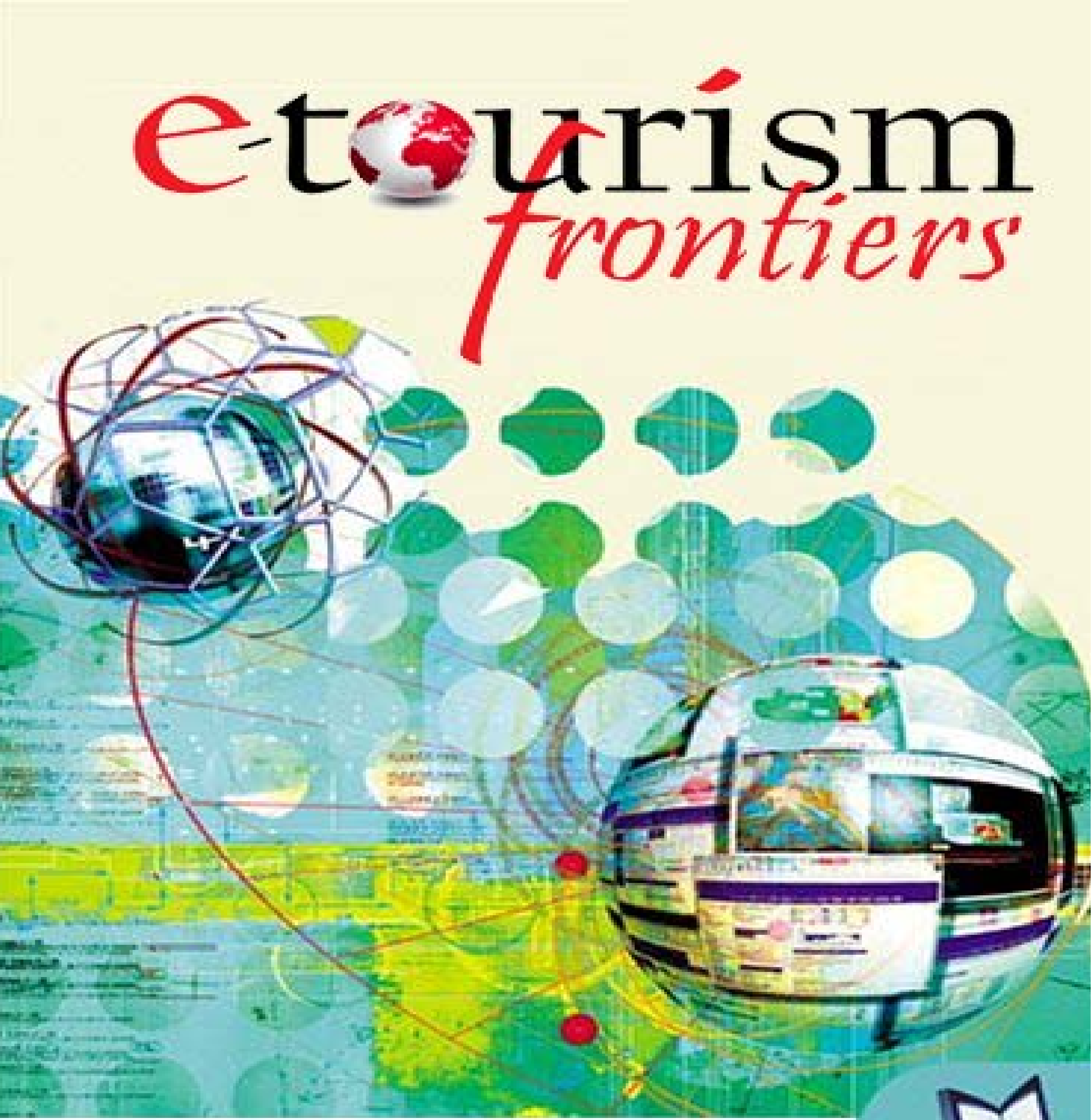

E-TOURISM

INTERNET BLOGS AS A DESTINATION MARKETING MEDIUM: A CASE STUDY OF SERBIA PHOTO BLOG

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Abstract

The emergence of the Internet has not only transformed tourism businesses, but also altered the relationship between tourism businesses and the customer. Web 2.0 is the next generation of the Internet, which is comprised of user-generated content and social computing. This paper discusses blogs within the context of creating this new, more enduring relationship with the customer. The study explores photo blogs of Serbia in Putovanja web site. This site represents an on-line retail and reservation system that allows its visitors to create a photo blog, share their opinions, discuss and leave comments. These comments that are left are analyzed and their effect is described. The AIDA model is useful for classifying holistic messages. Finally, this paper presents suggestions and implications for the tourism industry and destinations seeking to promote tourism.

Key words: *Internet blogs, destination marketing, photo blog, Serbia*

INTRODUCTION

The Internet has become a major source of information for travelers and a platform for tourism business transactions. Specifically, the tourism industry is today's leading application of the Internet in a business to consumer (B2C) context (Pan, 2006). The term Web 2.0 is attributed to Tim O'Reilly. Web 2.0 has been described by O'Reilly as a set of principles and practices that include looking at the web as a platform, and aims at harnessing collective intelligence. Broadly, Web 2.0 differs from Web 1.0 in that it is customercentric, user-generated, interactive and dynamic, fosters community participation, and builds computing. Compared with other types of sources and transaction channels, the Internet contains a large amount of information, is more interactive, can be customized, and provides highly tailored content (Singh 2008, Hepburn 2006, Choi, 2007, Doolin, 2002). Blogs are one of the most popular tools in Web 2.0. A Web log, or blog, is a Web site where entries are made in journal style and displayed in reverse chronological order. Blogs often provide commentary on a particular subject, such as food, politics, or travel; many also function as personal online diaries. A typical blog combines text, images, links to other blogs, Web pages, and media related to its topic. Blog content can be unpredictable and varied in quality, as the technology allows any member of the public to create a blog for free (Hepburn, 2006; Varagić, 2008). In February 2006, more than 37.3 million blogs could be tracked in the virtual world. There are approximately 50.000 new articles per hour and 120.000 new entries on blogs per day (Huang, 2009). The Internet has significantly changed the landscape of the tourism industry (Mack, 2009). The role of blogs in tourism marketing communications strategy has yet to be determined.

RESEARCH MOTIVES AND OBJECTIVES

Numerous factors influence the destination choice, including advertising campaigns by tourism destinations, travel agency promotions, airline ticket discounting, movies or TV programs (Connell, 2005), word of mouth, personal preferences, and so on. Due to the prevalence of network technology, the Internet has become the main channel for seeking and disseminating information. The Internet has proven to be effective for advertising, marketing, distributing goods, and providing information services. The Web has great potential for promoting tourism destinations. It is relatively inexpensive and accessible 24 h a day from anywhere in the world (Lin, 2006). Tourists are now equipped with notebooks, iPads, iPhones, Blackberries, search engines, broadband connections, spam filters, and a variety of other digital technologies, they have gained unprecedented control over the media and content to which they are exposed (Singh, 2008). Internet has also evolved, allowing the users to browse more efficiently while looking for the content of their interest, as well as to create their own on-line content. Research has shown that interpersonal influence arising from opinion exchange between consumers is an important factor influencing consumers' purchase decisions. Word-of-mouth or advice from friends and relatives often ranks as the most influential source of pre-purchase information. Blogs are trusted as traditional word-of-mouth (Litvin, 2008). As one type of digital word-of-mouth, blogs poses new possibilities and challenges for tourism marketers. Bloggers trust online blogs even more than traditional types of media (Pan, 2006). With the advancement of the Internet, consumers now are able to access not only opinions from close friends, family members, and coworkers, but also strangers from all around the world who may have used the tourism product or visited a certain destination. According to the findings, blogs were recognized as a conversational and trusted resource that could help in making purchase decisions. It was also found that 40% of people surveyed had made a purchase after reading an advertisement on a blog. Additionally, the influence of blogs plays a role from the start of the information search to the choices considered, and finalizing purchase decisions (Mack, 2009). Blog is becoming a more influential medium and a new marketing power (Huang, 2009). Blogs revealed their effectiveness in searching information, sharing travel diaries, and making airline ticket deals, along with bloggers collectively commenting on travel issues or policies. Some travel related companies even monitor the blogosphere to see what is being written about them.

There are several types of blogs, according to their conception and content:

- Photo blogs, also known as Sketch blogs
- Video blogs (Vlogs, Videocasting)
- Audio blogs (Podcasting, Audiocasting)
- Music blogs (mp3 blogs)
- Micro blogs (Varagić, 2008)

For tourism destination, photographs of destination and its hallmarks are the most popular website content. Just as the saying goes, "a photograph speaks for the thousand words", photo content is the most useful for tourists. Website photographs thus are important in tourism marketing (Lin, 2006). Photography technology and equipment have significantly evolved in the past decade. With new, available and easy to carry digital cameras, almost anyone can make high quality photographs. These are easy to share and can be uploaded on web for others to see. On the internet there are web sites dedicated completely to photography. Also on social networks there are groups who gather people interested in photography (e.g. The Best Photos of Serbia Group on Facebook has more than 20.000 members). This leads to a conclusion that Photo blogs would be the most suitable for tourists to share their experience and opinions about destination.

METHOD

This paper selects the case study approach. In this case study, several methods were used to gain insight into the importance of internet blogs for the destination marketing. Serbia has been selected as a tourist destination case study. Since the Google Page Rank algorithm ranks the blogs according to number of visits, the service could not be used to determine the most visited tourism blog in Serbia (a small number of Internet users is a logical consequence of the small population of Serbia, and thus results in very little traffic and popularity on a global level). Therefore, choosing the blog for data collection is done on the basis of PC Press rankings of the 50 best sites from the web space of Serbia, which is published for 13 years continuously and has significant credibility. Selection is based on the most visited sites in Serbia, submitted proposals and the results of local aggregates and collector websites. In the year 2009 in the category of Sports and Tourism the award for the best website goes to Putovanja (www.putovanja.info). On this page, visitors have the opportunity to create their own photo blogs, browse through photo blogs of other user, follow them and comment. Result search of tag "Serbia" was 230 blogs. Data was drawn from the message board of photo blogs, analyzing comments of blog visitors. Blog comments were analyzed on 9th February 2010. Visitors browsing the website left 415 messages reflecting the initial impressions to the photo blog. All of the messages are exhaustively analyzed and categorized. The classification is based on AIDA model in the field of consumer behavior. AIDA model is an acronym. Ideally, the message should gain Attention, hold Interest, arouse Desire, and elicit Action. In practice, few messages take the consumer all the way from awareness through purchase, but the AIDA framework suggests desirable qualities for any communication (Kotler, 2002). Careful analysis of holistic messages confirms the substantial effect of the photo blog. Thus the mode is an effective destination marketing tool. Finally, implications for tourism practitioners are discussed.

Figure 1: Photo blogs of Serbia (www.putovanja.info)

RESULTS AND DISCUSSION

All the messages are circumspectly analyzed, and the results are listed in Table 1.

Table 1: Categorized messages—Attention, Interest, Desire, Action (AIDA)

Categorized messages	Frequency	Percentage	**AIDA**
Praise the beauty of photography and landscapes	120	29%	Attention
Thank for sharing	18	4%	
Recollect former tour in Serbia	43	10%	
Share links to websites discussing tourism in Serbia	0	0%	
Question about the camera and photographing methods	68	16%	
Others	26	6%	
Subtotal	*275*	*66%*	
Be interested in tourism destination in Serbia	45	11%	Interest
Already familiar with the destination (sharing tips for transport, accommodation, sites…)	53	13%	
Subtotal	*98*	*24%*	
Buy books and travel guides about Serbia	0	0%	Desire
Intend to have an independent tour and ask questions and details	9	2%	
Subtotal	*9*	*2%*	
plan to visit Serbia in near future	33	8%	Action
Subtotal	*33*	*8%*	
Total	**415**	**100%**	

The largest number of comments, two-thirds of them, aroused attention. There are primarily three groups emphasized in the content. In the first place is the praise of the beauty of photography and landscapes (e.g. "beautiful photo", "beautiful mountain / lake / landscape/ church" and similar). These comments are followed by questions and comments about the camera, shooting method, additional photo processing software and other questions and comments regarding the photographing methods. The third group of comments recalls the memories of previous stays in the tourist destination. Visitors of photo blog evoke their memories by looking at pictures and share them with other visitors (e.g. "I remember when I first visited this place ..." "I was here last summer ..." "The mountain is even more beautiful in winter ..."). The complete absence of comments in which the visitors share links to other web sites with a similar topic about a tourist destination is interesting. This is most likely a result of undeveloped internet in Serbia, outdated or complete absence of destination web site and lack of recognition of internet as a powerful marketing medium.

In the category of interest is a balance between group of comment concerning interest and familiarity with the tourist destination. In the comments group of interested in tourism destination in Serbia, visitors left comments which expressed their interest in tourist destination, without expressing a clear desire to visit it. Examples of these comments are "what is the name of this church", "where is this photo taken" and similar. Comments from the visitors who are already familiar with the tourist destination in Serbia are often sharing tips and advice about transport, accommodation, sites and other helpful information to potential visitors of that destination. It is highly possible that visitors leaving their comments in this group have already visited Serbia.

Desire category of AIDA model include comments that express a desire to visit some tourist destination, but without concrete decisions or actions. There are primarily inquiries about tips for traveling to a destination, inquiring about the service information, where to stay, search for information on accommodation and other facilities to meet tourist needs, share contacts ... It is interesting to notice a complete absence of tips for certain books or travel guides. This may imply the absence or deficit of printed guides in the Serbian market.

Last, but not least are the comments in Action category of AIDA model. They reflect certain or almost certain planning of visits to the destination. These are usually comments like "next week I will definitely travel there," I plan to visit it for my next vacation ... ", " I agreed with my friends, in two weeks we are going there .... " The main characteristic of these comments is determination to take action and visit a destination. Time, date and companions are already known in most of the comments. However, comments like these make only 8% of the total number of comments. This is an empirical proof of the theoretical knowledge that only a minority of blog visitors are aroused all the way through AIDA model to take action and make a decision for a trip.

CONSLUSION

Interpersonal influence that comes from sharing opinions with other tourists is one of the key factors that influence decision making for a tourist product use service. Apart from this, since the internet is the main source of information today, the interpersonal influence is logically assigned to the internet. Blogosphere is also spreading its influence among internet users.

On the other hand, the strength of that influence depends on the development of information society, which is today still mostly undeveloped in Serbia. Serbia is among the countries with the lowest number of internet users in Europe. Therefore it is not surprising that the most visited local tourism web site containing photo blogs of Serbia recorded only 415 comments. However, one should not jump into conclusions. Two factors must be taken into consideration. First one is that Putovanja web site was first intended as a on-line retail and reservation system, so blog is not its primary content. It was added later to the web content to make it interactive. Second factor is that comments are written on a freewill basis, meaning that not all visitors of the photo blog have left their comment. Perhaps the blog had influence on their travel decision, but they did not leave a mark about it. Therefore, this can only be an assumption, as there is no empirical evidence neither to prove nor deny it. Some of the users keep a blog primarily to share their travel experiences with their friends and family. The blog drew attention of wider public by chance, good photographs or useful tips.

A great asset of Putovanja photo blog is a simple web site content. A common rule of thumb in advertising is to keep it simple. Photo blogs of Serbia mainly consists of beautiful photos and brief statements. Because of no long-winded statements or irrelevant components, simply images and comments, browsers can skim without any burden. It is also easy for anyone to start up their own blog in just a few easy steps.

Traditionally, destination marketing organisations use TV, magazines, Internet, direct mail, brochures and leaflets to conduct advertising campaigns. Additionally, they may sign contracts with journalists for exchange visits, participate in travel shows, and so on. The potential of blogs as a way of sharing information among tourists, the opportunity to publish uncensored extensive reports of tourists about their experience of a tourist destination and method for the evaluation of satisfaction of tourists staying at the destination has not yet been fully exploited. DMOs should consider adding blogs to their web site content. This way, tourists can be loyal to a destination as a brand. A relevant example of best practice is EXIT festival, which added an application My EXIT- a platform similar to MySpace to their web site. It allowed better communication with its visitors as well as increased loyalty to EXIT as a brand.

The intention of photo blog Serbia on Putovanja web site was not intentionally to promote Serbian tourism, but it did. The key question remains how to fire up the enthusiasm of tourist to share it with public in blogosphere. This is a brand new approach to promoting tourism, totally different from traditional approaches and it has potential for significant impact. All marketing personnel should move beyond traditional methods and be much more original when seeking to attract tourists. Using non-conventional, high-impact approaches can achieve an advantage in the competitive tourism market by bringing the promoted destinations closer to their target customers. Some of the factors that may affect more visits to Putovanja.info Serbia photo blog are:

- blog is more likely to appear in search results by connecting to different aggregates
- use of viral marketing, forwarding address photo blog to other users, sending e-mail and so on
- encourage more users to participate in the creation of photo blog, e.g. prizes for best photo, best travel diary etc.

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NEW DIMENSION FOR E-TOURISM

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Abstract:

Information and communication technologies and tourism are two of the most dynamic motivators of the emerging global economy.

The tourism industry is in transformation and is likely to originate an e- tourism industry. Information technology plays a very important rule to link the tourism chain bringing benefits to all its members and, ultimately, to the final consumer. The electronic commerce can catalyze the tourism industry activities. An e-tourism industry will change many ways of developing the tourism business. The tourism operator and the travel agent new roles are justan example, but there are many others that are not still foreseen. It is a great opportunity for touristic destinations that still do not have an adequate infrastructure, communication, or local entrepreneurs to participate of the international tourism market.

This paper intends to examine the nature and likely developments of e- tourism industry.

Key words: *information technology (IT), tourism, e- tourism industry, economy, internet.*

INTRODUCTION

The Web is the tool for change, providing the opportunity for unprecedented flexibility, collaboration, and speed. It is a perfect platform for the travel and tourism industry to bring information about their products to the customers all over the world, in a direct, cost minimizing, and time effective way. As many authors have claimed: Tourism must be treated as an information intensive industry (Schertler, 1995; Poon 1993; Sheldon, 1997; Inkpen, 1998). Schertler (1995) defines tourism as an information business because for tourism as a service industry, information is one of the most important quality parameters to support actions. In few other areas the generation, gathering, processing, application, and communication of information are as important for day-to-day operation as they are for the travel and tourism industry. The Web allows to reconfigure the entire distribution system in the tourism industry. It is a possible instrument to increase efficiency, reduce costs, and improve customer service. It is changing the value chains and relations of the whole industry by enabling intermediation and disintermediation at the same time.

How can travel and tourism firms position themselves under these conditions? Will there be significant changes in the industry like new market players, new distribution chains, or changes in the prices of the products and services? Who will be able to gain competitive advantage and what are the success factors for the future? These are the questions of our research, which aimed describing the impact of the Web on the travel and tourism industry.

Impact of Globalization and Information Technology on Tourism Industry

he process of globalization became relevant for discussions within the government, as well as in large and small corporations. It is also largely commented in the media, generating mixed feelings in the world population due to misunderstandings, uncertainties and attendant anxiety. Since the speed at which changes occur has increased dramatically, the concept of globalization is as much a scenario for decision-making for the rapidly growing segment of small companies induced to adopting new technologies, as it is a phenomenon of recent political concern. As a first glimpse, a universal comprehension of the globalization process is vital for its development. Moreover, the short loop between decisions and available scenario generated the necessity of iterative communications and proactive actions what explains the success of the Internet.

Globalization refers to the shift toward a more integrated and interdependent world economy (Hill, 1998). Commerce, finances, markets and production are not locally bound; the supplier of parts or raw materials, the service or manufacturing industry and the consumer, each one being located anywhere in the world.

The planetary view of national strategies and business decisions is not new; it probably started by the turn of the XVI century with the first trip of Columbus to America, followed soon afterwards by the Magellan's circumnavigation journey. At that time, the globe started to be used as a representation of the planet and, nowadays, became a synonymous of Earth (Encyclopaedia Britannica).

A deeper integrated view of the world was underlined by the industrial revolution started in the XVIII century in England. Historians recognize three waves of this revolution, each one heralding a specific way of using knowledge and a continuous decentralization process. The first wave was the beginning of the revolution itself. The second wave brought the shift to local decentralized mechanical power, due to the internal combustion engine. The third wave came recently with the decentralization of intelligence, due to the microcomputer (Warnecke, 1993).

The other factor, technology innovation, comprises the technological changes during the second half of the last century that contributed to increased world integration by adding new services and lowering costs. Consequently, for many industries formerly characterized by non-tradable products, such as services, geographic barriers were busted by technology innovations bringing in new and unexpected competitors. It is now feasible for a hotel chain to buy and exert managerial control on a small inn in a far away continent, a university can offer competitive courses in foreign countries at low cost, and a tourist operator can directly assemble and manage tourism packages in other countries without any local direct employee.

Transportation: Travelling or product transportation became safer, easier, more reliable and cheaper, what allows people to get “in loco” information and education.

Telecommunication: Cost reduction and portable phone facilities. It is possible to call or e-mail New York from a bus in London at low cost. It became easier for firms to communicate to their operation units or plants in other countries. The wide use of satellites and optical fibers allow TV networks (CNN, BBC, Globo Sat, ...) to spread local cultures, facts and world facts analyses.

Computer: It became more powerful, faster and cheaper. Software became standardized, facilitating communications and interactions (e.g.: MS office).

The Internet and the World Wide Web: Today it is easier to obtain on-line information, even at home. The interactivity of the Web, contrary to the one-directional transmission of TV or radio, facilitated the on-line interactive decision making mechanism, what includes the e-commerce, reducing the relevance of where someone and his partners are.

Together with globalization and fast technological innovations, society is presently going through fast and deep changes. These changes are not only physical, where the technology may contribute for improved performances, but they also involve values and concepts regarding behavior of the consumer and of the producer as well.

People, more in more, have access to other cultures and points of view adopting new consumption patterns, seeking new life experiences, becoming more open to changes in habits and values. Whether this is a desirable trend, or not, is highly controversial.

Information technology in the travel and tourism

When a tourist decides to go on a trip and books an offer, the product does not exist materially, it cannot be investigated or inspected. Usually the decision process depends only on the given information by the used source. Therefore, the industry is highly influenced by new information and communication technologies. ICTs are indispensable to the tourism industry and both are today imperative partners in many ways. The IT revolution has profound implications on tourism management, by enabling efficient cooperation's and offering tools for the globalization of the market (Buhalis, 1996). Today, tourists show a faster changing behavior, they ask for more and better information. Our society is changing into an information knowledge society. Many companies and organizations in the tourism industry are already using new information technologies today. It is not simply a computer or a network that is used by a company like a hotel, it is a whole system, the networks of computer and communication technologies, which are used by the whole industry. All players have to become users to ensure their own survival and competitiveness.

The book Information Technology for Travel and Tourism by Inkpen (1998) presents a detailed explanation of the major systems and new technologies used within the industry. It discusses many travel systems, including an analysis of all four major Global Distribution Systems (GDSs), several hotel distribution systems and tour reservation systems. The strategic use in the distribution of travel products is an underlying theme that runs throughout the text. It is outlined in the work and research of Poon (1993), Sheldon (1996), Inkpen (1998), Schertler (1994), and Werthner (1999) that ITC has become the essential competitive factor in the tourism industry.

Poon (1993), for example, describes four profound implications for the travel and tourism industry affected by information and communication technologies:

- ICT changes the rule in the industry.
- ICT is substantially altering the role of each player in the value-creation process of the industry.
- ICT facilitates the production of new, flexible, and high-quality travel and tourism services that are cost-competitive with mass, standardized, and rigidly packaged options.
- ICT helps to engineer the transformation of travel and tourism from its mass, standardized, and rigidly package nature into a more flexible, individual-oriented industry.

The Web, as such an ICT, influences every part of the tourism network; it enables each player and also new ones to go in contact with others of the value chain and especially, with the consumer. This will affect the whole industry, its value chains, and the way the companies do their business in the system. The most important changes will be in these sectors: The Web is a possible instrument to close the gap between local suppliers and the demand side (Werthner, 1996; Werthner, 1999).

One of the standard literature in this field of research can be seen in the book Information Technology and Tourism – A Challenging Relationship by Werthner and Klein (Werthner, 1999). The book examines the interdependence between trends in tourism and developments in information and communication technologies. It focuses on changes along the tourism value chain and addresses topics such as tourism in a digital or network economy . The authors line out that, for example, new players like Microsoft Expedia.com, Tiscover.com, or Travelocity.com appear on the market recognizing tourism as an information market that offers them new business opportunities. Such companies act as new intermediaries using the Web for their business and bypass the classical way of distribution in the tourism industry. Many of these companies have their background in the tourism industry but there are also many new players, which grew up with the Web. The biggest and best known travel sites on the Web are

Expedia.com from Microsoft and Travelocity.com from Sabre. These sites act as online travel agencies and have already many online customers in the USA and Europe.

The book also describes some examples of IT applications in travel and tourism, other sections discuss topics like business strategy and IT impact and management implications.

The Virtual Enterprise Implication on the Tourism: E-tourism

This new scenario has direct implications on the tourism industry. An example is the reduced price, like in the air industry case, allowing people to travel more often, and expanding the airline market. Recently in Brazil, when low fare airlines started to operate, many passengers over forty were flying for the first time, shrinking a three day bus trip to a few hours flight. A simplified low cost reservation system with no physical branch office, or travel agents, was key to cost reduction. Perhaps any airline can reduce costs by simplifying their commercialization channels, for example, by integrating their seat control systems with the operations management systems of hotels. Hotels could then offer their customers reservation and ticket sales services at almost no additional cost to anyone. Many industries are changing their business performance as result of the Internet use, a process named e-shift, mainly in three domains: e-shopping, e-learning and e-networking (Starr, 2000). The same process is occurring with the tourism industry and the end result could be an e-tourism industry. E-commerce is very relevant for the tourism industry because the buyer (both the final consumer and intermediate companies) is usually far away from the places where "production" actually takes place, and often fast delivery is crucial. The geographic distance impact can be decreased and costs may be reduced. In the tourism industry, B2C opens new opportunities to develop and to implement advanced operations management techniques, such as revenue (or yield) management, because more and more up-to-date information is usually easier to obtain.

Big companies (airlines, hotel chains) and small companies (even a one-person travel agent), as well, can work together with more efficiency. They can be geographically spread out, and through integration of their managerial processes (for which processes compatibility, information channels, and trust are key), and/or through a high degree of standardization, they can operate as a single virtual enterprise.

This “new environment”, the virtual business environment, is not independent of the “old one”. Each one complements and supports the other; they are co-dependent. Among other reasons, this is necessarily so because depending on the product offered, on the target market segment, and on other factors, the same company may find it beneficial to operate in both environments.

E-learning has improved with new educational developments and technological improvement on bandwidth, networking capacity and memory (Starr, 2000). Now, employees, customers, and suppliers can learn to operate systems and to execute new tasks by themselves by downloading, or searching on large quantities of available material. Moreover, companies can more easily prepare and instruct their workers by offering them necessary information, computer aided procedures, and also being able to follow up and help them during their development phases. As the (both chain's and companies' internal) processes get more in more integrated through IT systems, the less important it is whether, or not, their agents belong to the same company. Taken to the limit, many companies participating in the process can become a one-person company.

Self-employment is very important in the tourism industry, mainly when the person has special constraints that impede traditional office work. It may not require full-time dedication, the worker may be free to exert other activities. The flexibility of working gets so evident that people do not need to work in an office, and in some cases, to have a regular schedule. This is very positive for the tourism industry since often, the involved activities (such as the ones of tour guides) are geographically scattered, mobile, and time-wise irregular.

Flexibility is also present in the way clients are treated. As information becomes more accessible, it is possible to know more about a customer by checking his history. It is possible to know his preferences and necessities (Bieber, 1989). Knowing who the client is, the company can offer him a personalized service just when he needs it. If it is the case, the company can (unfortunately rightfully, or not) avoid him (e.g. a guest that has offered problems in the past). The virtual company can share this information with its partners, or members of the correlated supply chain, making it possible to offer a personalized seamless service flow along the whole chain, even if some of its firms are serving that customer for the first time. With access to this information, it is also possible to make some analyses and forecasts about future demand. These forecasts may be useful for marketing to anticipate offers, and for operations to improve planning.

The probability of occurring mistakes, and their consequences may be reduced. The integration of processes makes information more readily accessible, updated and reliable, avoiding the problem generated by absent or misleading information that could result in "wrong decisions". The information integrity may also be improved because integration means less problems with data manipulation because information is directly generated by the operations activities and automatically processed. For instance, when the check in at the airline counter issues a boarding card, the chance of the passenger not showing up at the destination hotel where he booked a room is almost completely eliminated. If the hotel reservation system is integrated with the airline's boarding control system, the act of checking in for the flight did confirm the hotel reservation, although that was not the primary purpose of the act. Nobody had to remember (or to forget) to confirm with the hotel. It is not possible to work efficiently in a chain with many suppliers and customers unless everyone can be sure that each one will do his part, and seek long term global efficiency, rather than immediate advantage. Trust is essential for this new virtual enterprise environment. Sometimes, there are new members and there is lack of information about them, but it is still necessary to trust them. Trust is necessary to eliminate double checks, clearances and other non value adding security measures that delay interactions and add cost to the processes. As each member of the chain becomes dependent on the others, trust and cooperation become vital.

However, trust may be difficult to obtain when the virtual tourism company is itself almost an asset-less firm. Consequently, economic barriers to entry, and to exit, are minimal, meaning that almost anyone can enter, and exit this market, filling it with a multitude of new and unknown firms with not much to loose. The partners are scattered around the world, and subject to different laws. On what foundations then can "trust" be built on? Not, as in usual businesses: on long time relationship or reputation, not on large equities. More likely trust will be based on accreditation agencies, standard practices, clear rules, and enforcement devices. New legislation, international legal agreements, and regulatory agencies are necessary for full development of the virtual company of e-tourism.

The actual virtual firm game is a win-win game where transparency and cooperation are key. It is important to a member of the chain to help the other ones passing on information and knowledge, issuing warnings, assisting in recovery from failures, and so forth. Matching capacity and demand is a key issue in most service industries and pervasive in the tourism industry. It is customarily said that in manufacture supply chain management, information substitutes for inventories, and since inventories tie up capital and produce other costs (e.g. storage, pilferage), better information saves money.

The e-tourism can avoid delays and waits partially because it offers easy, fast and cheap communications between the chain members that are providing the service. The best way to measure the delays and waits is by the customer satisfaction and not just by the real speed of the service. By using the Internet, it is possible to be easily in contact with the customer and probe his satisfaction. Knowing what pleases, or not, the client, the company can change the way of providing the service to reduce the duration of the inconvenience, or make the delay or the waiting less unpleasant to the customer. The e-tourism virtual enterprise may also quickly add capacity by contracting other services from new partners.

Changes in the Functions of the Tourism Operator

E-tourism is important to connect all the tourism suppliers and providers. One of the tourism chain members that may have a fundamental performance is the tourism operator meaning the company that assembles and sells tourism packages, either directly to the consumer or through tourism agents. He offers an efficient connection between the client and the rest of the chain and adds other conveniences such as hostesses and guides. Of course, the client can establish a direct contact with the whole chain members, but still the operator will have a fundamental role, he can offer to the client its experience and advice adding expertise to the tourism package. He also makes in advance block reservations at airlines and hotels at discount prices.

The operator and the tourism agent can participate, and should, of the three service stages - the pre-purchase, the counter and the post-purchase phases (Kurtz and Clow, 1998). Pre-purchase involves advertising (more dependent on the operator) and counseling (more dependent on the sales agent) and the counter is mainly in control of the selling agent. Postpurchase in tourism as in many other services is where action really is, and at this phase the operator is the coordinator of the service processes making sure that things run smoothly as the tourist progresses through the various services that comprise the experience. At this phase coordination is key and the operator must work with his suppliers in perfect accord such that the client is never left unassisted.

People are still used to the idea of buying an airplane, train or bus ticket from a travel agent. With the e-commerce, the pure purchase of an isolated item is from an agent is increasingly less frequent. But this does not mean that the travel agent is bound to disappear; she/he is changing from a simple transaction processor to a tourism counselor.

The travel agent can help the consumer to find a nice and pleasurable holidays or to get a rest-time; she can "feel" the customer's desires and constraints to elaborate the “best” tourism service combinations. Many times the solution can be a customized tourism package assembled to order by the agent using her expertise and the information readily available at the Internet. With easy access to the service providers (hotels,airlines, car rentals etc.) the agent can then act somewhat like an operator, assisting her customer throughout his journey.

The operator can coordinate the execution of chain of services execution and react to the feedback (complains or comments) that he gets from each customer. This makes it possible to make changes or additions on the tourism service, maintaining the rest of the chain aware of the actual needs of a specific client. This entices the client to continue to use the chain, and in addition, transforms him in a marketer of the chain, providing subsequently the presence of other clients. By this mechanism, the “client” will continue being member of the chain even if he stops to consume the chain’s services.

CONCLUSION

Globalization has become a risk to the enterprises that insist on passed practices and even to Nations that insist in not developing strategies for competitiveness (better infrastructure, improved and disseminated educational policies, etc.). On the other hand, it opens a period of great opportunities for those that decide to modernize, dare to lead and have the courage to promote changes. The 3rd millennium has just begun, and as changes become faster, less certain the future becomes.

Information technology plays a very important rule to link the tourism chain bringing benefits to all its members and, ultimately, to the final consumer. The electronic commerce can catalyze the tourism industry activities. An e-tourism industry will change many ways of developing the tourism business. The tourism operator and the travel agent new roles are just an example, but there are many others that are not still foreseen. It is a great opportunity for touristic destinations that still do not have an adequate infrastructure, communication, or local entrepreneurs to participate of the international tourism market. The competition is harder, but the market is expanding fast. There are more tourism suppliers and providers, but, at the same time, more and more clients are available.

E-Tourism is bringing together some of the most rapidly developing industries including information and communications technologies (software companies, telecommunication companies, service providers), the tourism and travel industry (destination organizations, hospitality, tour operators, transport) and different research institutions and areas. ICT and the tourism and travel industry can, or better, have to be seen as an interdisciplinary field.

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E-TOURISM: KEY APPLICATIONS

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Abstract:

e-Tourism is defined as application of ICT to enhance existing and generate new business models in the tourism industry. Although ICT is in the core of modern business in general, some applications represent the foundations of e-Tourism nowadays:

- **Web portals** provide a most convenient way to present the offering to the customer, using rich graphics, video and interactive content
- **Web ads, blogs, tweets and social networks** are the new way to generate buzz and promote new offerings
- **Online payment** is a great way to reach your customers globally, without the necessity of having a sales office nearby
- **Customer Relationship Management** systems enable sophisticated and central management of huge number of customers
- **Business Intelligence tools** allow you to collect, drill down and analyze complex data from your own internal systems and the external sources to aid decision making and overall business improvement

Key words: *e-tourism, tourism industry, web portal, on-line payment, Customer relationships Management, Bussines inteligence*

Tourism is an industry stemming from the human need to experience new cultures, landscapes and nature, stepping out of the ordinary routine of life. Whether it is a weekend in a village 50 km away, trekking the Andes or tanning on a beach in Turkey, it always have some element of novelty and extraordinary.

Modern media has brought us closer to these experiences, as well as offered insight in a huge number of places to be seen and experienced on our increasingly small planet. Entering the new millennium, Internet has become a major part of everyday life and is increasingly converging with television to offer a rich and interactive experience.

Figure 1: Smartphones and tablets will open a new stage in e-Tourism

These new technologies were the preconditions of emergence of a new approach to managing the tourism business. e-Tourism is nothing else but the application of modern Information and Communications Technology for better promotion, more convenient sales and overall improved management of the tourism business.

Web site

The web site has become the standard and most important front end for a tourism enterprise. It is in most cases nowadays the first point of contact of the customer with the agency, and most customers will make their initial selection based on the web site only. Having a lavish office and friendly staff doesn't help in this case – if the web site is unexciting, the agency is scratched out from the list of potential options. A recent US survey done by YPBR 90% of Americans who have access to the Internet search information on e-Tourism web sites.

Let's explore what is expected from a web site today, in context of the B2C presentation in tourism:

- **Convenience** – the structure of the site needs to be simple and easy to grasp and navigate
- **Guidance** – the site is expected to contain reference material about the sites which can be used during the time of visit or tour
- **Rich content** – the customers get acquainted with the offering through the web site. Any kinds of rich media, such as photos, videos, stories and interactive transform the web page into a rich online catalogue
- **Online orders** – it is expected that most transactions can be done right then, remotely. The web site needs to support a facility to make orders and reservations, as well as online payments by credit cards or other convenient means
- **Mobile friendly –** the Internet is increasingly shifting from laptops to tablets and smart phones. A rising number of customers will access the web site through a mobile device, so it is necessary to provide a mobile friendly web site

Social networks

With the wake of Facebook, Myspace, Twitter, Skype and other social networks, the Internet has become a collaborative environment. The omnipresent wireless network connectivity and the convenience of mobile devices have transformed Internet users into always online agents that share opinions, experiences, gossip, recommendations and trends. Social networks put word-of-mouth channel on steroids, with likes and tweets piling up in just a matter of minutes.

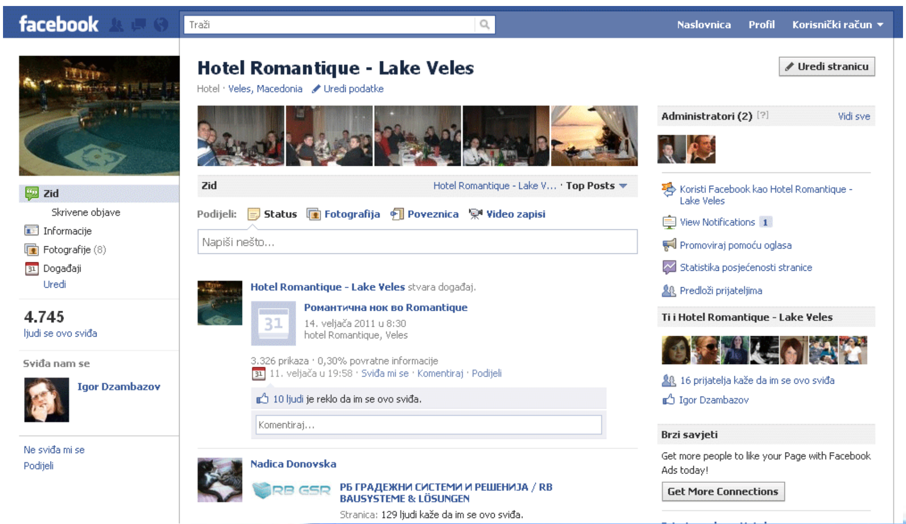

Figure 2: Facebook fan page

This new channel is the bonanza of digital marketing, which leverages the promotional opportunities for e-Tourism to previously unimaginable levels. Take Facebook for an instance. People create their online profiles according to their own perception of their own self, stating hobbies, interests and product preferences. These are consumer patterns that can be used for online promotional campaigns, pinpointed according to their particular interests. Even more, the charges for promotions are usually set per click, meaning not only by the customer seeing your advertisement, but taking a step forward and following the link.

A very innovative company called Groupon has recognized the stimulative effect of group shopping, and they provide a huge offering of products and services by ridiculously cut down prices, given that a minimum number of purchases has been established. This opens up as an interesting opportunity for establishments that want to keep the booking constant – setting up an out-of-season Groupon campaign can fill in their capacity full, with the main promoter being the customers themselves!

Finally, the social networks aspect of e-Tourism enables a transformation of a customer base into a loyal fan base. Tourist venues can establish a group of followers for which the venue has special meaning. The fans promote the venue by their own activities, but also actively contributing with news, experiences, suggestions and stories.

e-Commerce

Given all these, the internet has become a global marketplace. With the e-Commerce aspect of e-Tourism, Internet users are able to select, configure, bid (potentially) and pay for their arrangements. The middle-men are skipped in these transactions while the bargains of early booking and last minute can be tracked much better by the customers, making it possible to get excellent prices.

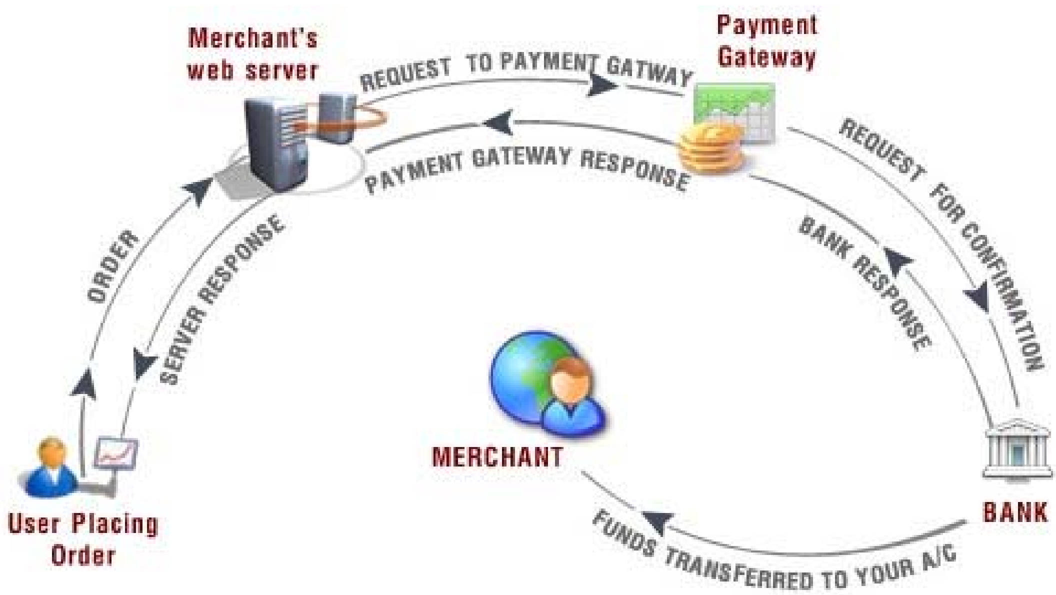

Figure 3: Process of online payment

e-Commerce presents a special opportunity for emerging economies and destinations that do not have an extensive commercial infrastructure. Smart online marketing can put these pretenders at same levels with established agents operating in the developed world. This is largely assisted by the fact that only the front end for the payment needs to be hosted at the local site (merchant) – the actual purchase and money transfer is performed between the payment gateway and commercial banks holding the funds and receiving the funds. In the past years, a lot has been done on fighting online fraud, so there are established mechanisms through which online purchases by credit cards and alternative sources such as PayPal and WebMoney are being done with no security risk.

Customer Relationship Management

One of the key secrets of successful tourism enterprises is to know your customers. Customer Relationship Management systems, or popularly called CRM, present a central database for all customer specific data. This means general contact details, rating, interests, purchasing history and response to past promotional campaigns. This can be further enriched by location intelligence and data imports from social network sources.

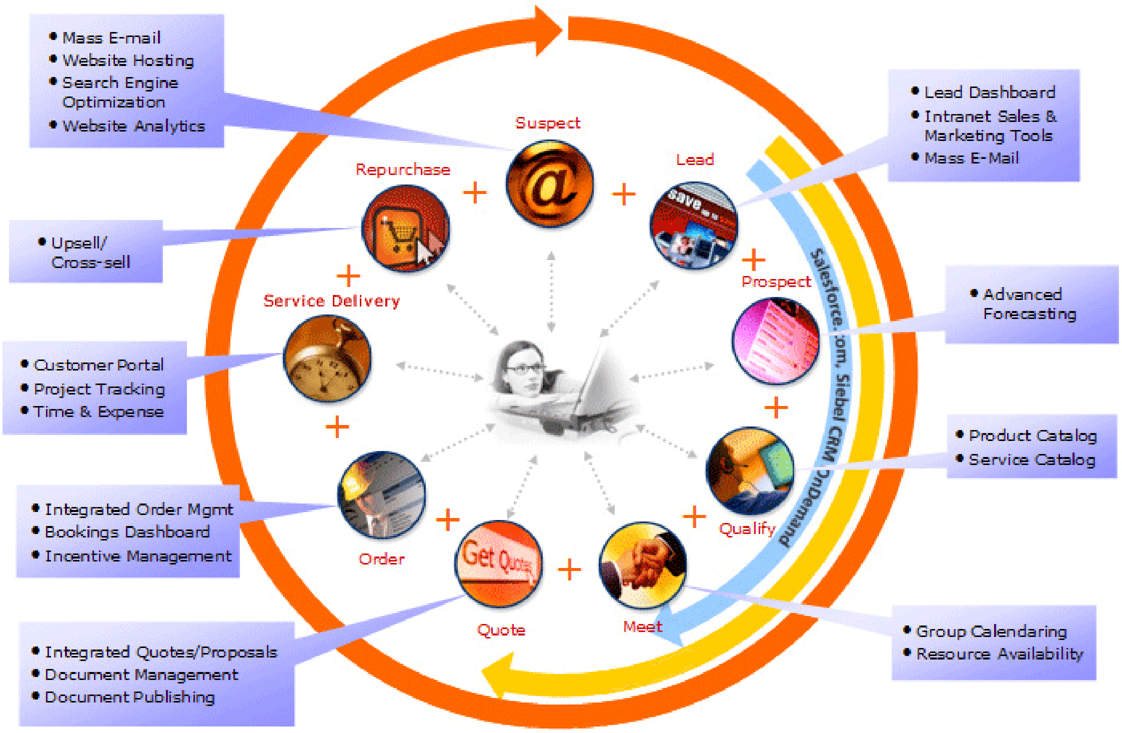

Figure 4: Full circle of functionalities supported by CRM

As a result, an enterprise can crosscheck its offering with their segmented customer base and can organize planned and targeted promotional efforts for maximum efficiency and best sales results.

Business Intelligence

Business Intelligence tools allow you to collect, drill down and analyze complex data from your own internal systems and the external sources to aid decision making and overall business improvement. There are a number of tools available for this purpose, covering various functionalities such as:

- Data Warehouse- to store consolidated data into database optimized for querying and analytics;
- Data Marts- to accumulate subject oriented data for immediate needs;
- OLAP engine- to populate Data Marts and make them available for querying;
- Reporting- for rich presentation of intelligent data;
- Data Mining- for predictive data analysis for intelligent decisions;
- Dashboard- for dynamic presentation of real time data.

Business Intelligence tools put an entirely new perspective on a huge customer base. A big company with international operations can monitor the behavior of their customers in real time and generate dynamic analytical reports, so that they can understand the complexity of the present environment. The data mining module analyses the data and forecasts future behavior based on historical patterns. This information presents a significant competitive advantage, as you can adjust your tactics in the midst of the season, rather than make conclusions months after the real time for decision has passed.

CONCLUSIONS

e-Tourism is the present and the future. In the Internet age now more than ever, Customer is King. Companies that engage fully in this trend will stay on the edge in their competitive arenas, retaining their customers and acquiring new ones. Embracement and smart usage of technology means more than size, brand and workforce. It doesn't matter whether you are a local agency or a global player – the world is now yours to conquer!

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SEARCH ENGINE VISIBILITY OF NATIONAL AND REGIONAL DMO WEBSITES IN EUROPE

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Abstract

Internet marketing for DMOs presents a number of challenges and one of them is the easiness of finding DMO websites on web search engines. High rankings on search engines reflect DMOs effort in SEO (Search Engine Optimisation), an internet marketing strategy used to attract visitors of search engines on websites. The research, conducted in 2010, includes 22 websites of 14 regional and national European DMOs situated on the sea and their positioning on the first three pages of search engine results on google.co.uk for over 120 general key words destination related. The results indicate that there is still a lot of room for improvement.

Key words: visibility, search engine, website, SEO, DMO, internet marketing

INTRODUCTION

Today it is no longer enough having a website in order to be present on internet market - websites are also products that must be promoted and improved. One of the basics goals in internet marketing is to increase the number of visits / unique visitors to websites. Numerous studies indicate the importance of search engines as an information resource and starting point for visits to websites. According to Forrester Research the share of traffic from search engines and directories to websites is as high as 80% (Starkov et al. 2007).

Search engines are databases of web pages (Stojanovski 2000, 2). There are three primary functions that search engines perform: discover and examine web pages (using special programs called robots or spiders or crawlers), index those grouping similar web pages together and finally rank those according to algorithms (Stojanovski 2000, 2).

With the advent of Google, as a new, premium search engine for the general public, new standards of displaying of search and indexing web pages have been set. The importance of having good positions on search engines and keeping them in place is one of the major challenges of internet marketing. A good visibility on search engines can be compared to a good store location offline (Stanov et al. 2009, 58).

Behavioural studies show that the interest of users of search engines decreases significantly after viewing the first few results in search engines page results (SERPs). On the other hand, search engine algorithms are constantly changing and are kept confidential, making SEO a constant challenge for internet marketing experts who update and adjust their activities according to the latest changes.

Search Engine Optimisation (SEO) is one of the most important components of internet marketing strategy and a key factor in direct distribution of tourism products in regard to the growing trend of online booking and the impact of internet on online and offline bookings. SEO includes all activities and tactics carried out in order to get web pages listed in as higher in natural/organic results (unpaid) of web search engines (like Google, Yahoo, AOL) for targeted keywords. The most desirable is of course, to rank first on the first SERP. SEO is part of SEM (Search Engine Marketing) an internet marketing strategy including other, paid only activities like paid inclusion marketing or advertising on search engines in order to improve visibility in search engines. There is a disambiguation in the extent of the definition of SEM, for some authors it doesn’t include SEO, but only paid activities.

One of the main benefits of SEO, compared to most internet marketing strategies, is the low cost investments. Compared to other SEM, SEO is the cheapest. It is important to stress that SEO is not a non paid activity, as most authors define it, rather a low cost one aimed at good positioning in non paid results of search engines. For instance, gaining incoming links to websites known as link building, means investments in ex., content quality, copywriting, translations, webmasters and various experts etc. thus requiring know-how, time, effort and/or money.

According to data from Google, leisure travel, in its many forms, such as accommodation, flights, airline tickets etc., is the most searched category of all products and services. Search engines have become the primary source of information in the tourist industry (Google Croatia, 2007).

It is a euphemism to claim that scientific literature in the field of SEO is poor. SEO is a topic that scientists avoid because search engines (mostly privately owned companies that assumed the role of traditional gatekeepers) dictate the rules of order and relevance of web pages and their algorithms are regularly updated and kept secret. Professional literature was the field of SEO is abundant and it is mainly based on trial and error methods and exchange of experiences of what helps to rank higher in search engines.

METODOLOGY

The study was conducted in January 2010. First, 7 counties were selected and one region in each country situated by the sea. The official DMO (Destination Marketing /Management Organisations) websites were searched using Google search engine in UK (www.google.co.uk). To double check if it was an authority website, whois.com directory was used. The population of selected DMOs and respective websites are presented in table 1.

Table 1. DMOs and respective websites

Destination /destination keyword	Website
Croatia	www.htz.hr
Istria	www.istra.hr www.istra.com
Italy	www.enit.it
Friuli Venezia Giulia (FVG)	www.turismofvg.it
Spain	www.spain.info
Catalonia	www.catalunyaturisme.com redirected to www.gencat.cat
Portugal	www.visitportugal.com
Lisboa	www.visitlisboa.com
France	www.francetourism.com
Provence Alps French Riviera (PACA)	www.decouverte-paca.fr – regional website and many more sub regional websites www.cotedazur-tourisme.com (French riviera), www.alpes-haute-provence.com (Alpes-de-Haute-Provence), www.hautes-alpes.net (Hautes Alpes), www.provenceguide.com (Vaucluse), www.visitprovence.com (Bouches-du-Rhone) and www.visitvar.fr (Var)
Greece	www.gnto.gr and www.visitgreece.gr (2 domains with the same content)
Peloponnese	No official website oft he region
Turkey	www.gototurkey.co.uk – official website oft he tourist office in UK
Antalya	www.antalyakulturturizm.gov.tr (available only in Turkish)

Source: own made.

The keyword list was generated using brainstorming at the beginning. The first few keywords (ex. travel, tourism, tourist office, hotel etc.) were added to Google keyword tool, a free tool available in Google Adwords. A list of 121 keywords was generated.

The visibility of each DMO was tested using 123 words in total. Additionally to 121 keyword variations plus destination names, also only names of the country and region were used as keywords. Full destination names in English (where applicable) were used as the exact destination keyword matches. The full list of keywords is available by the authors. The search occurred for the first three pages on Google results (SERP – Search Engine Page Rank). In order to speed up the process of checking rankings, Rank Checker (http://tools.seobook.com/firefox/rank-checker/), a free tool, was used. If a website was not found after the first three pages, it was considered that is not visible. The number of ranking results on the first place of the first page was given the importance of 3,5; all other results on the first SERP (from 2 -10 place) where multiplied with coefficient 3, those rankings on page 2 were multiplied with 2 and those on page three where not altered. This way the total score was gained according to the importance of the position of ranking in SERPs. The maximum score was therefore 430,5 (3,5 coefficient for first rank x 123 keywords). Finally, the average results of regional and national DMOs rankings were compared.

RESULTS

The regions of Peloponnese (no website available) and Antalya (website available only in Turkish) where not visible at all on google.co.uk, so the results include only 5 regions in total versus 7 countries.

The average visibility on all three SERPs, disregarding the importance of ranking in position 1 or any page is presented in table 2.

Table 2. Average visibility on Google.co.uk (in terms of coverage of 123 keywords), January 2010.

Average visibility (% of keywords)	Amount
Regional DMOs	24,56%
National DMOs	26,18%
Total	100%

Source: own made.

The average score, multiplied according to their linear importance of ranking is presented in table 3.

Table 3. Average score of visibility

Average score of visibility (multiplied with factors of importance)	Amount
Regional DMOs	91,10
National DMOs	69,29
Maximum score	430,5

Source: own made.

Both regional and national DMOs have insufficient performance results in SERPs. According to the tables above, national DMOs cover a slightly broader range of keywords (1,62 percentage points), while regional DMOs are better in terms ranking higher on SERPs (index= 131,48).

DISCUSSION

Some DMOs have several websites which compete with each other on SERPs. One could argue that having many destination websites means a greater number of SERP results. On the other hand, having just one DMO website might also mean having higher rankings. For example, in the case of Greece, with 2 domains and similar content, deciding on keeping one primary domain and using a redirection from the secondary domain to main domain, would certainly help lift rankings. The same recommendation applies to Istria. Besides that, in the case of Istria, where the two websites have different content, user might be confused which one is the official DMO website. The region of Istria could have the English version on the domain istria.com, as .com is more appropriate domain extension for English.

It is challenging to optimise DMOs websites with complex destinations like the region of Friuli Venezia Giulia (FVG) or Provence Alps French Riviera (PACA). DMOs websites should be optimised for the whole name, the abbreviation and micro region names. The region Provence Alps French Riviera has many websites of sub regions, organised in an administrative way and therefore the tourist destination of, for instance Provence is presented on a few sub regional websites. This way the old problem of administrative division of tourist destination is even more problematic in terms of SEO and internet marketing.

Besides having main destination websites, to DMOs seems appealing the strategy of micro sites. It consists in creating different micro websites for segments of the market or destination tourism products (ex. Istria region has http://www.istria-gourmet.com, PACA has www.cotedazur-cb.com as the convention office of French Riviera). These way micro sites can be more targeted and optimised for niche relevant keywords.

CONCLUSION

Two regions have no visibility at all, on a meso level DMO websites: the Peloponnese region (without a website) and Antalya (without an English version). Having a website and its language availability for target markets where English is the basic language to be offered, is the prerequisite in order to be able to rank at all on search engines.

National DMO websites cover a slightly broader range of keywords compared to regional DMO websites; on the other hand, regional DMOs resulted better in terms of ranking higher on SERPs versus national DMOs. Both DMOs websites visibility is very poor, considered that this study included not just the first SERP, but the first three.

Suggestion for further research in search engine visibility of DMO websites include the weighting of rankings and their adjustment according to user search behaviour; analyses of visibility that include DMO micro websites as well as visibility of destinations regardless of their affiliation to any website level (local-regional-national websites).

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OCCUPATIONAL SAFETY AND HEALTH IN TOURISM

STATISTIC ON ACCIDENTS AT WORK IN TOURISM

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The accidents at work are heavy burden to the economies worldwide. Therefore all countries prepare National programs for prevention of work-related accidents and improving the safety and health of the workers. Republic of Macedonia in the pre-accession process to EU is also harmonizing its legislation in this field and is making efforts of creating National program and Strategy for Safety and Health at Work.
However, any Strategy or Programme must be based on realistic statistical data, both on accidents at work but also the diseases related to the work and the professional diseases.

This paper will present the statistics on accidents at work in Tourism in Macedonia, based upon the Annual reports on accidents at work prepared by the Macedonian Occupational Safety and Health Association as well as an overview and comparison to the statistical data on accidents at work in tourism in Europe.

Key words: *Statistics, Accidents at work in Tourism,*
Safety and health at work

INTRODUCTION

The EU action in health and safety at work has its legal basis in Article 153 of the EU Treaty. Community action is not limited to legislation. The Commission has widened the scope of its activities, in cooperation with the European Agency for health and safety at work and the European Foundation for the Improvement of Living and Working Conditions, in favour of information, guidance and promotion of a healthy working environment by paying particular attention to small and medium-size enterprises. The Commission communication "Improving quality and productivity at work: Community strategy 2007-2012 on health and safety at work outlines the options for further action to make workplaces across Europe safer and healthier.

The Regulation EC N° 1338/2008 of the European Parliament and the Council of 16

December 2008 sets the legal basis for the development of statistics in the field of public health and on health and safety at work.

The need to improve working conditions is a collective concern, prompted by both humanitarian and economic considerations. Create more jobs and of better quality is one of the main objectives of the EU social policy. A safe and healthy working environment is an essential element of the quality of work

Legal obligation for recording accidents at work in Macedonia

One of the main responsibilities arising from the Law on Safety and Health in Macedonia (Official Gazette of RM, no. 92/07), is the obligation for records in the area of Safety and Health at Work. Specifically, the Article 36 says:

„(1) The employer must immediately or within 48 hours after the accidents, report in writing the state authority for labour inspection for:

- Any fatalities ,
- Collective accident and work related injury that causes absentees from work for more than three working days and
- Any event or situation that brings immediate hazard to the safety of the workers.

(2) In reporting on these events, of the employer as listed in this Article, must contain aside from the general data a short description of the incident and its consequences.

and Article 37

„(1) The employer is obliged to keep records of the:

- Education and training of the employees in safe performance of their work,
- Examinations of the working tools,
- Examinations of the physical, chemical and biological hazards and the microclimate in the working and the auxillary facilities i.e at the work places,
- Previous and periodical medical examinations of the workers
- Profesional diseases, diseases connected to the work, accidents at work and fatalities.

Statistics on Safety and Health at Work in Macedonia

Although the legal grounds are set in Macedonia for statistics in the area of Safety and Health at work, the practical implementation seems to be difficult. This is especially true when discussing the issue of statistics in the field of accidents, fatalities and professional diseases. The Law for health statistics (Official Gazette of RM, no. 20/09) prescribes in details, how the responsible institutions should record incidents, accidents, fatalities and professional disease.

This legislation (the Law on health statistics) regulates:

- Statistics
- Collection of data and registries in health
- Methods of data collection, analysis, archiving and safeguarding of data
- Publication of data
- Securing data quality and protection of data and
- Attaining the rights and responsibilities connected to health statistics.

What is most important for the purposes of attaining statistical comparable results in this area, the same Law prescribes that the responsible carrier of the Health statistics (the Institute for Public Health) will prepare methodology for collection and analyzing of these statistics and:

- The unique methodology will be prescribed by the Republic Institute for Health Protection in 18 months after this Law enters into force.
- The health organizations are obliged to harmonize their work with the amendments in this Law and the methodologies in two years of adopting the unique methodology of Article 52 from this Law.

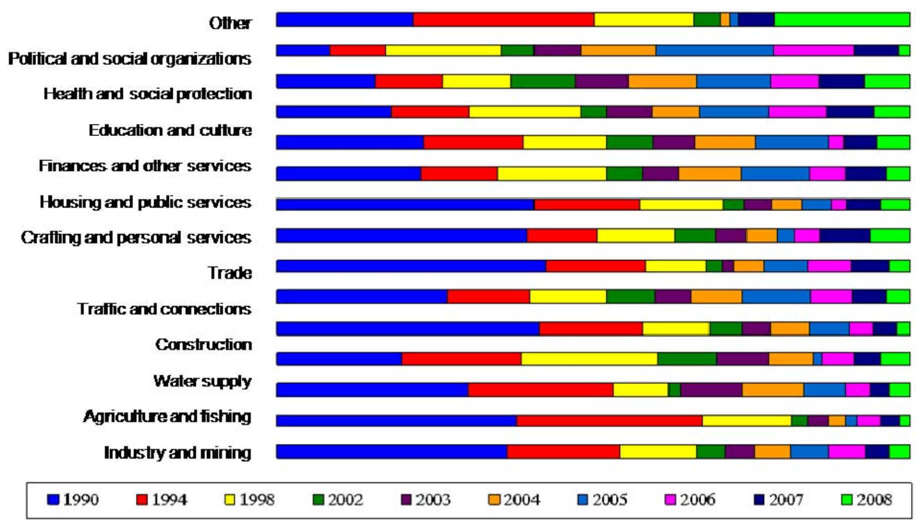
If the legal obligations prescribed in the Law are fully implemented, we should have a methodology for recording work-related injuries and disease now and in two years time, the State Statistical Office in Macedonia should receive full statistical data, according to this methodology.

INJURIES IN MACEDONIA IN SECTOR TOURISM

Currently, Macedonia lacks a comprehensive methodology for recording the accidents at work. The State Labour Inspectorate, the Institute for Public Health are among the institutions that collect such data.

In Table 1, are the cumulative results from the Institute for Public Health of Macedonia, on accidents at work in the period from 1990 till 2008, by industrial branches in Macedonia.

Table 1 – Accidents at work in Macedonia by industrial branch – Source, Institute for Public Health



The Law also prescribed that the State Statistical Office should publish Annual Report on statistics in the filed of Safety and Health at Work. However, due to the insufficient data, and the format of this data, there are not able to analyze the records of accidents at work and the professional diseases. The State Statistical Office requires data collected using the EU methodology, which is standard practice in all EU countries. Additionally, Macedonia is rarely in any statistical reports published by EUROSTAT or similar institution. Now we have situation that if you require statistical data by some factor – for instance, economic activity, age, region etc. you can’t find it.

What even more important, there is no analysis on the existing data. The essential purpose of the statistics should be to provide foundation upon which programs, research and improvement should be planned. But as we lack any form of analysis on the accidents at work, the professionals working in the field of safety and health at work, can’t rely on scientific relevant data on the causes of accidents, factors that lead to accidents, most risky working places etc. Hence, the OSH improvement programs from each sector, here including the Tourism in Macedonia can’t be based on statistical data obtained in Macedonia but we depend or use the available resources from the countries in the European Union.

TABLE 2 – Annual cumulative report from the State Labour Inspectorate

Sector	ACTIVITY Sole trader and trade companies (NAME)	Number of performed regular supervisions: Sole trader, trade company	Number of performed regular supervisions: Number of employees	Checking supervisions	Performed inspection on the spot regarding: Death injuries	Performed inspection on the spot regarding: Collective. injuries	Performed inspection on the spot regarding: More serious injuries	Adopted decisions	Adopted prohibitions	Request for instigating misdemeanor procedure: Submitted category (1)	Request for instigating misdemeanor procedure: Submitted category -2	Request for instigating misdemeanor procedure: Submitted category -3	Request for instigating misdemeanor procedure: Article10 from LIS	Request for instigating misdemeanor procedure: Solved	Mandate penalties	Settlement (traveling orders)	Criminal charges
1	2	3	4	5	6	7	9	10	11	12	13	14	15	16	17	18	19
A	Agriculture, hunting and forestry	123	2384	24			7	54					3				
B	Fishing	3	16	1													
C	Mining	21	398	5	2		16	10					2	2			1
D	Processing industry	2969	72200	926	2	2	289	1791	19	2	34	24	18	7	6	3	2
E	Supply with electric energy, gas and water	97	3600	18	1		29	36			2	1	2				1
F	Construction	1604	19562	465	5		58	775	51	28	61	12	8	8	106	10	1
G	Trade and repair of devices	4748	18101	975	1		23	1740	13	1	14	5	19	2	2	1	1
H	Hotels and restaurants	1516	9808	366			14	613	1		8	1	11	3			
I	Traffic, storage and relations	273	2793	66			43	125	2		3		2	2			
J	Financial mediation	305	1996	85			4	132			4		1	1			
K	Activities regarding immovable property, renting and business activities	130	882	18			1	21			1	1	2	1			
L	Public administration and defense, health and social protection	747	15918	67			28	158					1		3		
M	Education	51	1786	6			16	14			2	3					
N	Health and social work	279	2917	34			35	40			2	4		1			
O	Other communal, cultural, general and personal services	762	5556	149	1	1	47	295	6		3	1	1				
P	Private households with employed persons	125	122	19		1		38					4	1			
Q	Miscellaneous	322	2585	83		4	15	87			6	1		3	1		
	TOTAL:	14075	160624	3307	12		625	5929	92	31	142	53	74	31	118	14	6

In the past four years, the Macedonian Occupational Safety and Health Association (MOSHA) is preparing its own Annual report on accidents and fatalities at work, a report based on information received from the media in Macedonia. According to these reports, in 2007, MOSHA registered 14 work-related injuries in sector Tourism and no injuries or fatalities in 2008 and 2009.

The State Labour Inspectorate within the Ministry of Labour and Social Affairs is another institution that keeps records on accidents at work and prepares Annual reports on injuries and fatalities. Below is the latest Annual report for 2010, prepared by the State Labour Inspectorate, describing the inspections, accidents at work, collective accidents and fatalities in Macedonia by economic activity of the employer. According to this report, 14 serious injuries were recorded in sector Tourism.

European Statistics of Accidents at Work - ESAW

As it was present above, Macedonia lacks methodology for recording the accidents at work. In the countries of the European Union, the following methodology named ESAW (European Statistics of Accidents at Work) is widely used and required for all member States.

Background for ESAW project

The Framework Directive on Health and Safety in the Workplace requested the Commission to proceed with the harmonization of data on accidents at work. It specified that “the employer shall keep a list of occupational accidents resulting in a worker being unfit for work for more than three working days” and “draw up, for the responsible authorities and in accordance with national laws and/or practices, reports on occupational accidents suffered by his workers …”.

On this basis, the ESAW project was launched in 1990, aiming at harmonized data on accidents at work for all accidents entailing more than three days’ absence from work. A “Methodology for the Harmonization of European Occupational Accident Statistics” was published in 1992 by Eurostat and DG Employment and social affairs. The ESAW project has been an integral part of the framework programmed for priority actions in the field of statistical information 1993 to 1997.

The aim of the ESAW project is “to collect Union-wide comparable data on accidents at work and establish a database."

Comparable data on work accidents are a prerequisite for monitoring trends in health and safety at work in the Union and for promoting accidents prevention both at Community level and in the individual Member States. The goals are to provide data on high-risk groups and sectors and indicators on both the causes and the socioeconomic costs of accidents at work. Consistent series of data should be established to provide the means for the monitoring of health and safety at work and the efficiency of regulation in this field. It is also an aim of the ESAW project to develop a methodology which is as far as possible comparable with other international statistics and to participate in the co-ordination of such work.

Type of accidents Included

It is important to mention, that not all accidents are included or regarded as work-related accidents, by this methodology. Therefore, below is the list as described by ESAW.

Definition of accidents by ESAW: “A discrete occurrence in the course of work which leads to a physical or mental harm".

The phrase "in the course of work" means “whilst engaged in an occupational activity or during the time spent at work”.

Types of accidents included/excluded in the ESAW methodology:

Acute poisoning - YES

Willful acts of other persons - YES

Accidents in public places or means of transport during a journey in the course of work: - YES

Road traffic accidents in the course of work (public highways, car parks, internal ways inside the premises of the enterprise) - YES

Other accidents (slips, falls, aggressions, etc.) in a public place (pavement, staircases, etc.) or in the arrival and starting points (station, port, airport, etc.) of any mean of transport, during a journey in the course of work - YES

Accidents on board of any mean of transport used in the course of work (underground railway, tram, train, boat, plane, etc.) - YES

Accidents occurred within the premises of another company than that which employs the victim, or in a private individual, in the course of work - YES

Deliberate self-inflicted injuries - NO Accidents on the way to and from work - NO

Accidents having only a medical origin in the course of work and occupational diseases- NO

Members of public, outside any occupational activity - NO

Incidence rates

The ESAW methodology considers 2 main types of indicators on accidents at work: the numbers of accidents and the incidence rates. Obviously, the numbers of accidents have to be related to the reference population of persons in employment (persons exposed to the risk of accident at work) in order to establish the incidence rates (frequency). They are mainly provided for the economic activities covered in the ESAW data by all Member States.

The incidence rate is defined as the number of accidents at work per 100 000 persons in employment. It can be calculated for Europe, a Member State, or any sub-population breakdown according to one or more of the variables above characterizing the victim of the accident (economic activity, age, etc.). It can be established for all accidents or breakdowns according to one or more of the variables above characterizing the accident (part of body injured, etc.). Separate incidence rates are calculated for fatal accidents and accidents leading to more than 3 days' absence.

Furthermore, an additional incidence rate is calculated for fatalities at the European level, which excludes road traffic accidents, in order to provide comparable incidence rates for all Member States. This is due to the fact that road traffic accidents in the course of work are not recorded as accidents at work in a few Member States. Fatalities caused by road traffic accidents represent an important share of the number of fatal accidents. For this reason, comparisons of national incidence rates for fatalities would introduce a serious bias without this adjustment of the rates. This applies also to accidents on board of any means of transport during a journey in the course of work, which are also excluded from this adjusted rate of fatalities.

The standard formula is the following:

$$\text{Incidence rate} = \frac{\text{Number of accidents (fatal or non-fatal)}}{\text{Number of employed persons in the studied population}} \times 100\,000$$

EUROSTAT

Eurostat is the statistical office of the European Union situated in Luxembourg. Its task is to provide the European Union with statistics at European level that enable comparisons between countries and regions.

As Macedonia, doesn't submit Annual reports for accidents at work and fatalities, here we present the cumulative table of accidents at work with three or more days lost, in sector Tourism in EU and by individual Member State.

Table 3 - Number of accidents at work in sector Hotels and restaurants in EU, with 3 or more days lost, Source Eurostat

GEO/TIME	2007	2006	2005	2004	2003	2002	2001	2000
European Union *	196382	194564	197174	192461	197381	200722	206702	213511
European Union **	197410	195244	198097	193351	198518	201984	207984	215111
Euro area ***	175741	173796	174329	169905	168220	172818	180775	188011
Euro area 12 countries	:	:	:	168366	:	:	:	:
Belgium	1912	1897	1865	2282	2347	2536	2629	2385
Denmark	1558	1449	1380	1272	1084	1121	1118	1157
Germany ****	41173	43219	42757	42864	43583	45207	56161	60223
Estonia	:	:	:	:	:	:	:	:
Ireland	1362	432	1825	696	1048	1400	1499	559

Greece		143(	137:	156‹	155‹	150:	149‹	135:
Spain	4583:	4545(	4567(	4487!	4468‹	4462!	4489!	4410:
France	3787!	3703‹	3694‹	3672(	3766:	3933‹	3748‹	3926:
Italy	2403!	2370‹	2427:	2426‹	2450!	2331‹	2256!	2459(
Luxembourg	40(	46:	45‹	62(	63:	64‹	62‹	60‹
Netherlands	965‹	708:	733!	407(	194‹	430:	323‹	397:
Austria	283‹	283:	284:	266:	251:	226:	228!	243:
Portugal	912:	867‹	743!	787:	633:	626(	649:	689(
Finland	159‹	159(	154‹	138‹	139(	141:	139‹	162:
Sweden	82(	82‹	77:	74:	86:	91!	130(	132:
Great Britain	1820:	1847‹	2069:	2054:	2720‹	2586‹	2350:	2302:
Norway	102‹	68(	92:	89(	113‹	126:	128:	160(
Switzerland	494‹	481‹	461‹	454(				

* 15 countries
** 15 countries and Norway
*** (EA11-2000, EA12-2006, EA13-2007, EA15-2008, EA16-2010, EA17)
**** (including former GDR from 1991)

To obtain such report on EU level, each country must prepare their own Reports based upon statistics from the field. One of the countries with long history of recording accidents and fatalities at work in sector Tourism is the United Kingdom. Below are examples of how these statistical reports should be prepared, according to the statistical data presented by Health and Safety Executive (UK national independent regulatory body for work-related health, safety and illness).

Work-related injuries and ill health in hotels and restaurants in UK - Summary

- Hotels and restaurants accounted for 7% of employees and 5% (1% fatalities,

4% major and 5% over three day injuries) of reported accidents to employees in 2009/10p. They also accounted for around an estimated four per cent all non-fatal injuries in 2008/09 (three-year average), according to the Labour Force Survey.

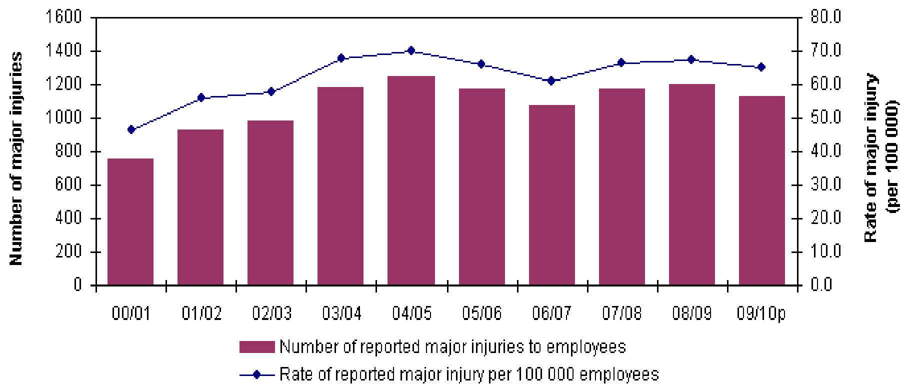
- The sector also accounts for 23% (716 cases) of all reported injuries involving contact with a harmful substance and 11% (9) of explosions.
- In 2009/10p, there were 1 124 reported major injuries to employees, a rate of 65.2 per 100 000 employees compared to 1 199 reported major injuries and a rate of 67.4 in 2008/09.
- The number of reported over-3-day injuries to employees in the hotel and restaurant industry was 4 362 in 2009/10p, with a rate of 252.9 per 100 000 employees. In 2008/09 there were 4 321 reported injuries and a rate of 242.8.
- The estimated prevalence rate of self-reported work-related ill health in 2009/10 was 2 000 per 100 000 people (2.0%) working in the last 12 months, according to the Labour Force Survey (LFS).
- The incidence rate of reportable non-fatal injury was 670 per 100 000 workers (0.67%) in 2008/09 (three-year average), based on the LFS.
- In 2009/10, the LFS showed that 0.7 million working days (full-day equivalent) were lost in this industry due to workplace injury and work-related ill health.

Work-related injuries and ill health in hotels and restaurants

Injuries

In 2009/10, there was 1 fatal injury in the hotel and restaurant industry. The number and rate of fatal injury have fluctuated since 2000/01 with no overall trend.

Number and rate of major injury to employees 2000/01 - 2009/10



[1] In 2009/10p, there were 1 124 reported major injuries to employees, a rate of 65.2 per 100 000 employees. In 2008/09 there were 1 199 reported major injuries and a rate of 67.4.

Context

Handling and slip & trip injuries accounted for 27% and 30.5% of all reported injuries to employees in 2009/10p (compared with 31% and 28% respectively across all industries). The sector also accounts for 23% (716 cases) of all reported injuries involving contact with a harmful substance and 11% (9) of explosions.

Progress

There is no clear trend with fatalities. There has been some fluctuation in the rate and number of reported major injuries to employees, but there has been an overall increase of 31% in the rate in the hotel and restaurant industry between 2000/01 to 2009/10.

Days lost

Results from the Labour Force Survey (LFS) indicate that in 2009/10 the combined estimate of the number of days lost (full-day equivalent) due to workplace injury and work-related ill health attributed to the current or most recent job in the hotels and restaurants sector was 0.7 million, equating to an average annual loss of an estimated 0.70 days per worker. This was of a similar order (not statistically significantly different) to the rate for all industries (1.1 days per worker).

Workplace injuries accounted for between 4 thousand and 0.3 million working days lost (full-day equivalent) in 2009/10 and work-related illness between 0.1 and 0.9 million working days lost (full-day equivalent), with corresponding rates between 0.0039 and 0.31 days per worker and between 0.13 and 0.95 days per worker.

The estimated average annual rate of certified absence from work-related ill health or injury in hotels and restaurants (2007-2009) was 0.13 certified days lost per employee. This is lower than the all industries rate of 0.21 certified days lost per employee.

CONCLUSION

According to the above presented information, it's safe to conclude that Macedonia lacks comprehensive statistical data on accidents at work, fatalities and professional diseases that are analyzed according to the widely used ESAW methodology and are comparable on EU level. Without the necessary statistical data, it's impossible to plan programs for preventive or corrective actions in Tourism that will lead to prevention of accidents and preservation of the health of the workers in this sector. Therefore it's imperative to fully implement the legal obligations of the Law on Health Statistics, and start recording accidents, fatalities and professional diseases according to comparable methodology (which should be published by Institute for public health) or start a process of adopting the ESAW methodology.

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METHODOLOGY FOR MEASURING THE OCCUPATIONAL HEALTH AND SAFETY RISKS IN TOURISM COMPANIES

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The methodology for measuring the occupational health and safety risks in tourism companies by numerical risk coefficient is based on the achievements of several US and international research and innovation development programs, such as: “SSP”, “ISSP”, “F/A-18” and “AFMC”. The occupational health and safety risks are regarded as a function of three variable factors: L(m) - the likelihood of occurrence of a negative, risk event; C(m) - the consequences from the realization of this very same risk event and I(m)- the immediacy of occurrence of the risk event in respect of time. The values of each of these three variables can be measured by the score card estimation tables and can be presented as per a zero-referent scale of 1 to 10 or of 1 to 100. Thus can be achieved the final estimation of the value of a certain occupational health and safety risk. The advantages and the opportunities for improving of this methodology on an enterprise level are discused as well. It is pointed out that the main advantage is that this methodology can by used even by small, inexperienced tourism companies for evaluation of health and safety risk measurement.
Email

Key words: *methodology, measuring, occupational, health, safety risc*

INTRODUCTION

All business processes produce certain risks, which are usually regarded by managers in terms of technical performance, cost, and schedule. The risks within the organization are also regarded as “business risks”. And according to a survey conducted by “Arthur Anderson” and “The Economist” and cited by Turner and Hunsucker (Turner, Hunsucker, 1999), “business risk” is defined as, “the threat that an event or action will adversely affect the organizations ability to achieve its business objectives and execute its strategies effectively” (“The Economist”, 1996). The problem of measuring the occupational health and safety risks in tourism companies is a part of the broader problem of measuring the risk at business process level within the organizations.

The complex nature of the tourism product, which comprises a high percentage of service components, and is being consumed on the place of its production, requires tourism personnel to interact with the consumers in the process of production. The occurrence and eventual realization of occupational health and safety risks can increase the scope and scale of the negative, undesired risk consequences.

Methodologies for quantifying and measuring the business risks and their components can also be easily applied in tourism companies. Most of these methodologies suffer from one main disadvantage: they present risk either as a standard deviation of a certain indicator across an average value, or present some understanding for the risk components which is not clearly explicit and/or does not include all of these risk components.

This paper is focused on a particular methodology for measuring the occupational health and safety risks in tourism companies by numerical risk coefficients. The methodology was presented initially by John V.

Turner and John L. Hunsucker in an article named “Effective risk management: a global based approach”, published in “International Journal of Technology Management” (Vol. 17, No. 4, 1999, pp. 438 – 458). This methodology was adapted and implemented for the needs of risk management within the process of the Bulgarian travel and tourism companies, mainly from the sub-sector of the hotel industry (Dimitrov, 2003). The process of adaptation and implementation included 19 hotels which had accepted the proposed methodology. A similar methodology was also presented in 2003 by Dimitar Dimitrov and Erdoan Hadzhiev for the need of the risks analysis on the working place and in the labour processes in the transport sector. Dimitrov and Hadziev’s methodology differs from Turner and Hunsucker’s concept only in the names of the main variables comprising the risk function.

METHODOLOGY

The essence of the Turners and Hunsucker’s methodology lies on the understanding of Brooks (1994), Stone (1996), and Brinkley (1996) that the risk magnitude can be expressed as a function of a three variables: likelihood, consequence and imminence (Turner, Hunsucker, 1999, p. 441):

(1) $$R_{(m)} = L_{(m)} \cdot C_{(m)} \cdot I_{(m)}$$

where:

$R_{(m)}$ is the risk magnitude for risk event, risk action or risk scenario “m”;

$L_{(m)}$ - the likelihood (the probability) of occurrence of the risk event, risk action or risk scenario “m”;

$C_{(m)}$ - the integrated risk consequence score for the risk event, risk action or risk scenario “m”;

$I_{(m)}$- the imminence score (the evaluation of the absence of time for reaction) for the risk event, risk action or risk scenario “m”.

Each of the three variables within the risk magnitude equation (1) can be calculated and expressed in terms of numeric coefficients. The values of each of these three variables are being measured by the help of score card estimation tables and are being presented as per a zero-referent scale of 1 to 10 or of 1 to 100. Thus can be achieved the final estimation of the value of a certain occupational health and safety risk.

Determining and evaluating the likelihood of occurrence L(m) of the risk event, risk action or risk scenario “m”

Quite often managers tend to give directly a certain numeric value for the variable based only on their intuitive perception. The reliability is hard to be proved. Therefore, it is quite useful, in this case, a quantity approach to be applied for determining the numeric value (the estimation) of the variable L(m), even if there is a lack of a reliable information form the past. The F/A-18 program uses exactly such an approach (Hayan, 1996). In the F/A-18 likelihood evaluation system, the numeric coefficient of 1 to 5 is being assigned to each risk event, action or scenario as presented in table 1.

Table 1 -The F/A-18 Program Risk Likelihood Evaluation Method

Likelihood (probability) numeric coefficient (whole number)	Description
1	The current work process is sufficient to prevent this type of risk event, action or scenario from occurring
2	The current work process is usually sufficient to prevent this type of risk event, action or scenario from occurring
3	The current work process may prevent the risk event, action or scenario but additional actions will be required

4	The current work process cannot prevent this type of risk event, action or scenario but a different approach or process might
5	The current work process cannot prevent this type of risk event, action or scenario, no alternative approaches or process are available

There could be also a more direct approach to assessing the likelihood of occurrence. Thus scale should contain direct verbal description to each range of used probabilities as it is shown in table 2.

Table 2 – A modified example scale for evaluating likelihood of occurrence L(m)

Likelihood (probability) numeric coefficient (whole number	Description
5	High probability (P0.1) The risk event, action or scenario may be expected to occur once in one year of operation or 60-100 production cycles (meal orders, room accommodations and etc.) The risk event, action or scenario may be expected to occur once time in the work process/program/project lifetime
4	Moderate probability ($0.01 \le P < 0.1$) The risk event, action or scenario may be expected to occur once in 5 years operation or 300-500 production cycles (meal orders, room accommodations and etc.) The risk event, action or scenario may be expected to occur once, and could occur more than once in the work process/program/project lifetime
3	Unlike probability ($0.001 \le P < 0.01$) The risk event, action or scenario may be expected to occur once in 10 years operation or 600-1000 production cycles (meal orders, room accommodations and etc.) The risk event, action or scenario could occur once in the work process/program/project lifetime, but multiple occurrences are extremely unlikely
2	Remote probability ($0.000001 \le P < 0.001$) The risk event, action or scenario may be expected to occur once in 10 years operation, or more than 1000 production cycles (meal orders, room accommodations and etc.) The occurrence of the risk event, action or scenario during the work process/program/project lifetime is extremely unlikely Normally outside the operation envelope, limited hardware and operational safeguard exist to prevent completion to failure
1	Improbable probability ($P < 0.000001$) Occurrence of the risk event, action or scenario is theoretically possible but such an occurrence is far outside the operation envelope and robust hardware or operational safeguard exist to prevent completion

Determining and evaluating the imminence I(m) of occurrence of the risk event, risk action or risk scenario “m”

A special attention should be given on the measurement and the evaluation of the imminence I(m) of occurrence of the risk event, risk action or risk scenario “m”. This indicator is extremely important in determining which occupational health and safety risks should receive primary attention from the management of the tourism companies (especially in cases of equal probabilities and consequences).

In this regard, method in the International Space Station Program (ISSP) supposes determining of numeric imminence coefficients based on the usage of a function which reflects the sensibility of the tourism companies' managers to this factor. Table 3 provides a visual example of such an imminence function.

Table 3 – Example scale for determining numeric coefficient of imminence

Numeric Coefficient of Imminence I(m)	Description
10	Insufficient time for risk reduction action remains
7	Little time for risk reduction action remains
3	Moderate time for risk reduction action remains
1	Adequate time for risk reduction action remains

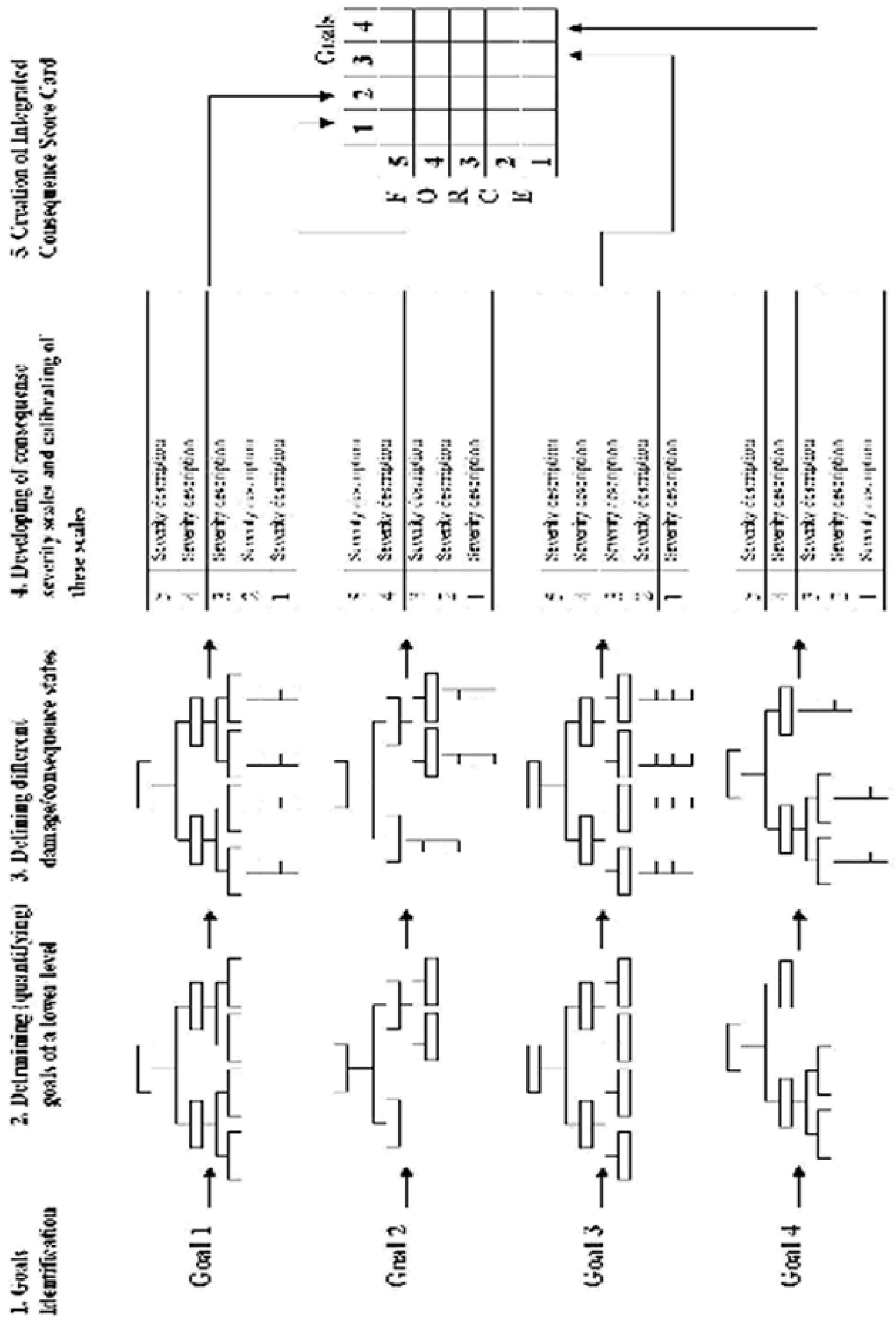
Similar to the case of determining and evaluating the likelihood of occurrence of the risk event, action or scenario "m", the numeric coefficient of imminence is being assigned by choosing the most appropriate and adequate to it description.

The descriptions should comply with the nature and content of the business processes within the travel and tourism companies. They should comply with the common requirement to reflect gradations in the time remaining for action.

Determining and evaluating the consequences C(m) from the occurrence of the risk event, risk action or risk scenario "m"

It is recommended that risk consequences should be assessed in such a way, which allows their impact to be accurately and fully determined to all the goals within the tourism organization. The main purpose here is to establish a risk consequence framework which identifies the impact of a risk event, action or scenario to top management in the organization arising in any of the tourism organization activities or processes. The risk scenarios may potentially include one or more type of risks. The goal of the risk consequences assessment framework is to capture the criteria and priorities used by the top management for every day decision making. This framework should be applied to all decision makers within the tourism companies. Without it the comparison of the different types of risk would be problematic (Figure 1).

Figure 1 – Developing of an Integrated Risk Consequence Score Card (Source: Turner, J. V. and Hunsucker, J. L., 1999:450)



CRITERIA FOR ACCEPTANCE OF THE OCCUPATIONAL HEALTH AND SAFETY RISKS

After the calculations for each of the risk components, for each of the risk variables are being achieved, different criteria for acceptance can be applied. This includes: the usage of risk matrixes; the “f-N” curves; and the “ALARP” principle.

Risk Matrixes. The arrangement of health and safety accident probability and corresponding consequence in a matrix (see Figure 2) may be a suitable expression of risk in cases where many accidental events are involved or where single value calculation is difficult (NORSOK Standard, Z-013, 1998). The matrix is separated into three regions as follows:

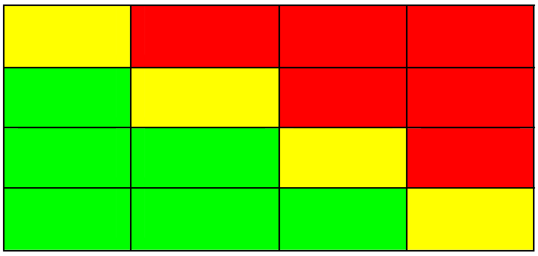
•Unacceptable risk

•Acceptable risk

•A region between acceptable and unacceptable risk, where evaluations have to be carried out in order to determine whether further risk reduction is required or whether more detailed studies should be done first of all.

Figure 2 - Risk matrix

Increased probability



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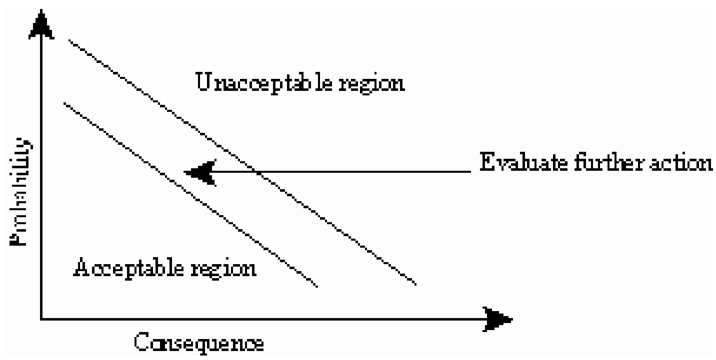
Increasing consequence

Unacceptable risk
Evaluate further attention
Acceptable risk

The limit of acceptability is set by defining the regions in the matrix which represent unacceptable and acceptable risk. The risk matrix may be used for qualitative as well as quantitative studies. If probability is classified in broad categories such as “rare” and “frequent” and consequences in “small”, “medium” and “catastrophic”, the results from a qualitative study may be shown in the risk matrix. The definition of the categories is particularly important in case of qualitative use.

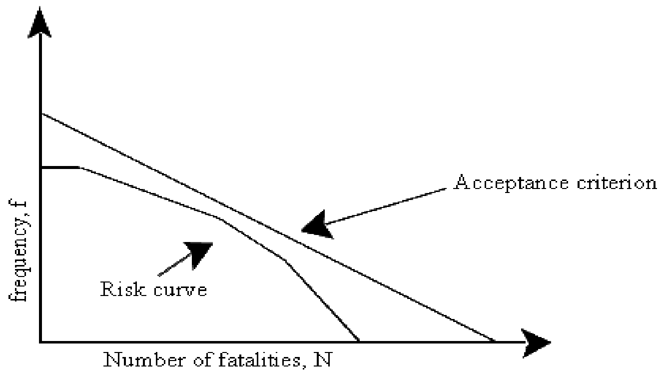
The categories and the boxes in the risk matrix may be replaced by continues variables, implying a full quantification (Figure 3).

Figure 3 - Risk matrix like presentation with continuous variables (Source: NORSOK Standard, Z-013, 1998)



f-N Curves. The f-N curve (f = frequency, N = number, i.e. measurement of consequence) expresses the acceptable risk level according to a curve where the frequency is dependent on the extent of consequences (such as number of fatalities per accident). The acceptance limit may be adjusted according to the resource which is exposed. The f-N curve used as an acceptance limit may reflect aversion to major accidents (with multiple fatalities), if the curvature is different from an "iso-risk" line (along which the product of f and N is constant). The calculation of values for the f-N curve is cumulative, i.e. a particular frequency relates to "N or more" fatalities. Figure 4 presents an illustration.

Figure 4 - f-N curve (Source: NORSOK Standard, Z-013, 1998)



The f-N curve may be used in relation to risk acceptance for personnel, environment and assets.

“ALARP” principle. The ALARP ("As Low As Reasonably Practicable", see Figure 5) principle is sometimes in the industry used as the only acceptance principle and sometimes in addition to other risk acceptance criteria.

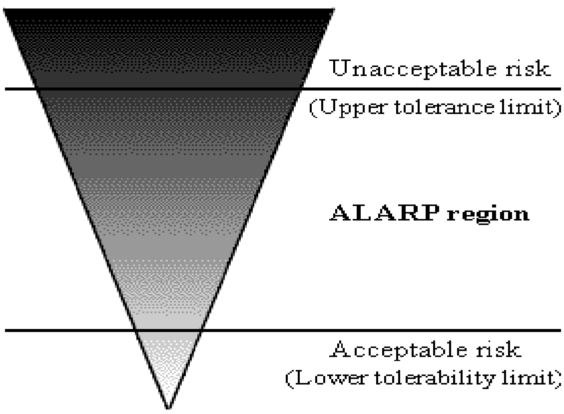
The use of the ALARP principle may be interpreted as satisfying a requirement to keep the risk level "as low as possible", provided that the ALARP evaluations are extensively documented.

The risk level shall be reduced as far as possible in the interval between acceptable and unacceptable risk. The common way to determine what is possible is to use cost-benefit evaluations as basis for decision on whether to implement certain risk reducing measures.

The upper tolerability limit (see Figure 5) is almost always defined, whereas the lower tolerability limit may sometimes be left undefined. This will not prohibit effective use of the approach, as it implies that ALARP evaluations of risk reducing measures will always be required.

The ALARP principle used for risk acceptance is applicable to risk to personnel, environment and assets.

Figure 5 - The ALARP-principle (Source: NORSOK Standard, Z-013, 1998)



CONCLUSIONS

The main advantage which is pointed out is that the Turner and Hunsucker's methodology can be used even by inexperienced tourism company which has small record of health and safety risk measurement. This methodology can be easily implemented for the needs of risk management within the process of the Macedonian travel and tourism companies.

The methodology can be used through a specially designed web interface for online risk monitoring, evaluation and management by the headquarters of tourism companies which have subsidiaries and facilities in remote destination. This can be achieved without a substantial financial burden especially via the existing corporate intranet and extranet information systems. Such an online approach to the application of risk measurement methodology is recommended in most of the guidelines (such as: The University of Queensland, Occupational Health & Safety Unit, 2009) to some of the existing national standards for risk management (AS/NZS 4360:1999; NORSOK STANDARD, Z-013:1998, Australian Risk Management Advisory Standard 2000).

The main disadvantage and shortcoming of the methodology for measuring occupational health and safety risks in tourism companies is that it relies heavily on subjective personnel or expert judgments. This shortcoming could be overcome to some extent by multiple repeated measurements and/or by using not a single but a group of evaluators.

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PREVENTING ACCIDENT AT WORK IN TOURISM

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(Sector – hotels, restaurants and catering)
Throughout Europe, workers are protected by the Framework Directive 89/391/EU and the national legislation. Although the employers are obliged to implement safety measurement for their employees, accidents at work happen constantly and the economic burden is 4 % of global GDP each year.
Most accidents can be prevented by good management system combined with effective employee's training. Employers can prevent most workplace injuries and illnesses if they identify and then eliminate, or minimise, the risks that are present at the workplace. Accident prevention is an integral part of running a successful enterprise, because only safe and healthy employees can be productive thus influencing positively on the image of the company, which leads to increased profit as well.

- This paper will give an overview of the most risk factors for the employees in the Sectors hotels, restaurants and catering and what can be done by the employers to prevent accidents at work.

Key words: *OSH, prevention, accidents at work, safety and health at work*

INTRODUCTION

In Republic of Macedonia, the data on lost lives at work, injuries and derogation of the health are alarming, showing that the safety and health at work measures are not properly implemented throughout our economy. The most common reasons for accidents at work are: extreme temperatures, lack of proper HVAC systems, land sliding, lack of training in safe performance of work tasks, lack of usage of the personal protective equipment, electrocution, toxic substances etc. Most of the professional diseases fall to diseases on the respiratory system, intoxication with heavy metals and chemicals, skin diseases, lost of hearing, muscular-skeletal disorders, cardio-vascular diseases, stress etc.

Especially vulnerable groups of workers are the youth, women, elderly employees, short-term employees, seasonal workers. These groups are even more vulnerable when employed in the small and medium enterprises, where the companies rarely have opportunities to implement system of safety and health of the workers.

According to the Labour Force Survey, conducted in the third quarter in 2010[1], by the State Statistical Office, the sector Tourism in Macedonia employees 24 289 people or 3.7 % of the total number of employees. The additional official reports on accidents at work in this sector show similar percentage of 3.8% of total occurred accidents in Macedonia, for the sector tourism[2]. However, knowing the structure of employees in this sector (young workers, part-time, seasonal, women) the need to enhance the prevention is more than obvious. By implementing the basic legal requirements in the area of safety and health at work, and focusing on identification of the risks and preventive and corrective measurements, the employers in Tourism can prevent the occurrence of accidents and professional diseases.

Accidents at work

Accident at work – can be defined as unplanned, unexpected event that could lead to derogation of the bodily integrity of the worker. The accident can cause damage, disorganization, inability to work, death. It's essential to make difference between the accident and injury at work, because not always an accident leads to injury at work.

Injury at work – can be defined as any injury that led to death or bodily injury of the worker in the working environment, and while commuting to or from work.

It's vital to know that each occurred accident must be reported to the immediate supervisor, because each enterprise must record and analyze the accidents at work in order to find out the source of the accident and suggest corrective measurements.

Some analyzes show that up to 90% of the accidents at work are caused by human errors and only 10% fall to lack of implemented technical safety measurements. Also, most of the accidents don't happen while performing the main working tasks (according to the job description), but while performing other routine auxiliary activities.

Hazards and risks at work

There are many hazards at the work place that pose risk to the employee's safety and health. Some of them are:

- unsafe working conditions
- physical (noise, vibrations, illumination, extreme temperatures)
- chemical (dust, gas, dangerous substances)
- biological (bacteria, viruses, infections, waste)
- physiological (stress, mobbing, harassment)
- ergonomic (design of the machine, tools, bad posture, etc.)

An employee that is exposed to these hazards can be injured at work, or these can contribute to continuous exposure that can lead to chronic disease – or professional diseases.

Sometimes, it's impossible to list all risk factors that can lead towards accident at work. However, most widely accepted reasons for accidents at work are:

- manual lifting (manipulation of loads, big loads, not adjusted load, techniques of manual lifting etc.)
- falls (slippery floors, falls from height, lack of proper usage of stairs, scaffoldings, falls in depths etc.)

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[1] http://www.stat.gov.mk/statistiki.asp?ss=07.01&rbs=1

[2] MOSHA – annual report on accidents at work, 2008

- hitting objects or fall on objects (due to bad storage or unprotected storage of goods on heights, unclear path of movement in the working environment)
- working tools (unprotected parts of machines and tools, improper functioning of tools and machines)
- electric power (non existing grounding in the electric tools and machines, lack of services to the electric operating tools and machines)
- injuries from fire and explosion

There is no working place that is free of hazards or risks. Therefore, the employers are legally obliged to perform Risks Assessment on all working places.

The Risks Assessment is systematic recording and assessment of the factors in the working process that might pose a risk to the safety and health of the employee and can cause accidents at work or professional disease. By performing risks assessment, the employer is examining all hazards that could put the employee at risk, and the measurements that need to be put in place to minimize that risk. The risks assessment is performed by group of experts in safety and health at work, labour medicine doctors, experts from certain fields that are being assessed also including the companies' OSH experts and the representative of the employees for safety and health at work. There are many widely used methodologies of assessing the risks at the workplace, but basically the level of risk at one work place is determined by the severity of the consequences of accident at work and the probability or frequency of occurrence of such accident.

Risk = Severity X Frequency

Preventive measures

The most efficient prevention from accidents at work can be achieved if the prevention is integrated in the working process from the beginning, while projecting the working process itself. Any additional changes to the work place can be more expensive than the initial investment.

In the area of safety and health at work, the control measures are part of the preventive measurements and they are implemented in a company, following this hierarchy:

- ♦ <u>Elimination</u> of certain hazards, is the most efficient control method. It can be implemented during the planning of the working process, thus having in mind the standards of safety and health at work.
- ♦ <u>Substitution</u> with safer substance, means for example, is any chemical substance used in the process can't be eliminated, than it is substituted with safer substance. Sometimes, even with substitution, the risk is still not on acceptable level, and the employees may need to use personal protective equipment.
- ♦ <u>Engineering controls</u> are used for example to isolate the workers from contact with dangerous material, then isolation of number of workers to be exposed to some hazards, ventilation etc.
- ♦ <u>Administrative controls</u> are most often organizational control measurements, such as allowing shifts from one working station to another to reduce exposure, longer breaks, shorter assignments etc.
- ♦ <u>Other controls</u> are mostly the personal protective equipment (helmets, gloves, boots etc.) as a last resort, if the above measurements can't be implemented, first aid and fire safety equipment, hygienic measurements etc.

The Law on Safety and Health at Work[3] in Macedonia prescribes many obligations to the employer in aim of promoting the preventive safety culture.

- to perform Risks Assessment and prepare Safety Statement for all work places;
- to provide training for all employees for safe performance of their work activities and special training for the representative of the employees for safety and health at work;
- to conduct examinations on the working environment and the working equipment.

The working environment examination comprise of examination of the microclimate conditions (temperature, humidity, noise, vibrations, draft etc.), chemical hazards, physical hazards, illumination at the work place etc.

The working tools and equipment are examined according to legal obligation or before first usage, after reconstruction or accident, in transfer from one place to another, in changes in technology etc.

Additionally, the Law prescribes periodical and preventive medical checks for all employees, to determine if the working environment has negative effects on their health.

Preventing accidents in sectors hotels, restaurants and catering

Accident prevention must be an integral part of running a successful enterprise. Most accidents can be prevented by good management and supervision combined with effective training. Employers can prevent most workplace injuries and illnesses if they identify and then eliminate, or at least minimize, workplace hazards. The legal obligation for the working environment in Tourism are stated in the Rulebook for minimal technical conditions for service and tourist sector and conditions for categorization of objects[4] and all obligation form the Law on Safety and Health at work and the appropriate sub-law regulation also apply to this Sector.

The analysis of the European Agency for Safety and Health at Work[5], show that the following are most common type of accidents that occur in Tourism, sector hotels, restaurants and catering:

1. slips, trips and falls
2. cutting equipment and knives
3. burns and scalds
4. manual handling and musculoskeletal disorders
5. noise
6. dangerous substances
7. pressurized gas used in drinks dispensing
8. working in hot environments
9. fire hazards
10. psychosocial hazards

Slips, trips and falls

Slips, trips and falls are the most common cause of accidents in the hotels, restaurants and catering sector, especially in kitchens. They are mainly caused by slippery surfaces from water, food waste or oil.

[3] Official Gazette of RM, nu. 92/07
[4] Rulebook for minimal technical conditions for service and tourist sector and conditions for categorization of objects, Official Gazette of RM, nu. 59/95
[5] http://osha.europa.eu/en/sector/horeca

Wearing the wrong footwear can increase the danger. Walking too fast or running, distractions and a failure to use handrails on stairways also increase risk.

Proposed solution

- Assess the risk from the specific situation and implement a plan to eliminate or reduce and inform personnel
- Carry out proper housekeeping in work and walking areas and keep these areas free of obstacles
- Use appropriate footwear
- Ensure lighting is adequate
- Close oven, dishwasher and cupboard doors
- Walk – do not run
- Ladders should be long enough for the task, and the lower and the upper ends of the side rails should be equipped with slip-resistant pads. Never use inappropriate substitutes for a ladder such as chairs, boxes or barrels
- Provide safety signs to remind people of hazards

Cutting equipment and knives

Slicers, mixers and knives are widely used in professional kitchens. Most injuries in the kitchen are cuts, either from using the implements or cleaning them.

Proposed solution

- Assess the risk from the specific situation and implement a plan to eliminate or reduce and inform personnel
- Knives should be sharp and maintained in a good working condition. Wash them separately
- Use the appropriate knife for the task
- Use a suitable non-slip cutting board.
- Knives should be stored on a suitable knife shelf or on a magnetic strip mounted on the wall
- Train workers in the safe use of machinery
- Ensure that all machines have guards attached and that all workers use these when operating the equipment. On slicing machines, thumb guards and last slice devices must be provided.
- Off-buttons must be easily accessible

Burns

Burns are very common accidents, especially hot oil is a significant hazard for workers who use deep fat fryers. Workers can be badly burned if the oil or grease is not allowed to cool before handling, or if they do not use the right equipment.

Proposed solution

- Assess the risk from the specific situation and implement a plan to eliminate or reduce and inform personnel
- Use a tray to serve hot liquids or plates
- Warn service staff and customers about hot plates
- Install windows in the kitchen door to guarantee a safe passage for service staff

- Train workers in good techniques for handling hot items such as opening pot lids away from the body
- Keep saucepan or pot handles pointing away from the edge of the stove
- Pick up hot items with dry cloths
- Use automatic food lowering devices
- Allow hot oil and grease to cool overnight before disposing
- Ensure that containers are large enough and can withstand high temperatures
- Wear appropriate personal protective equipment

Manual handling and musculoskeletal injuries

Musculoskeletal disorders (MSDs) arising from manual handling injuries and repetitive work are widespread in the this sector. MSDs are work-related impairments of bodily structures such as muscles, joints, tendons, ligaments and nerves. Most work-related MSDs are cumulative disorders, resulting from repeated exposure to high or low intensity loads over a long period of time. However, MSDs can also be acute traumas, such as fractures, that occur during an accident. These disorders mainly affect the back, neck, shoulders and upper limbs, but can also affect the lower limbs. Workers in hotels, restaurants and catering may have a higher risk of developing MSDs because their job often involves prolonged standing and working in awkward postures. Much of their work is physically demanding, stressful and involves long working hours. Finally, many seasonal and young workers are employed who either do not have time to adapt to the job and lack proper training for safe-working.

Proposed solution

- Assess all working areas to identify MSDs risks and in particular to determine if lifting and carrying can be prevented.
- Use mechanical devices as assistance wherever possible such as trolleys or sack trucks.
- Make sure to adjust the design of the workplace in agreement with the employee and make sure that the employees get instructions in how to use the mechanical aids
- When lifting or carrying, keep the load as close to your body as possible
- Purchase lighter loads and smaller quantities from suppliers
- Stock shelves safely

Noise

A worker may have a noise problem in the workplace if he/she has to raise his voice to talk to someone standing close by. Repeated exposure over long periods may affect hearing. Noisy cooking processes, beeping signals, dishwashers, ventilation, coffee grinding machines, cleaning activities, laundry, music in bars and, of course, the chatter of colleagues or guests are all integral part of the job in the hotel, restaurant and catering sector.

Proposed solution

- Assess the risk from the specific situation and implement a plan to eliminate or reduce and inform personnel
- Remove hazardous noise from the workplace
- Wear appropriate noise protection personal equipment

Dangerous substances

Dangerous substances can cause injury or illness if people come into contact with them or do not use them properly. In the this sector, many substances pose a serious risk to the employees, including washing-up liquids, dishwasher detergents and rinse aids, oven cleaners, disinfectants, toilet cleaners, bleach etc.. The most common risks are contact with the skin or eyes, and breathing in or swallowing. Without proper controls, some may cause dermatitis (skin disease) or other skin irritations, asthma and breathing problems. Other causes of dermatitis include contact with foods: juices from fruit and vegetables; proteins in fish, shellfish, meat and flour. Another source of irritants or harmful substances is the emission of cooking gases and second hand smoke.

Proposed solution

- Assess the risk from the specific situation and implement a plan to eliminate or reduce and inform personnel
- Cleaning agents should be kept only in containers whose form or designation makes it clear that the contents cannot be mistaken for food. Containers in which the cleaning agents are stored must be marked in such a way that the risk can be recognized by all users
- While using dangerous cleaning agents, protective equipment must be worn. Personal protection equipment should include protective masks or safety glasses, possibly inhalation protection, protective gloves, rubber apron and safety boots
- Operating instructions must be provided that define the hazards for humans and the environment for those dangerous cleaning agents, as well as the necessary preventive measures
- The most effective way to protect workers from second-hand smoke and other dangerous gases are no-smoking rules and good ventilation systems

Pressurized gas used in drinks dispensing

In this sector, pressurized gas to dispense drinks is widely used. These installations include pressurized gas bottles with pipe work, as well as control and mixing equipment. In many restaurants and pubs, the gas installation and pressured gas bottles are located in poorly ventilated cellars. Nitrogen, carbon dioxide and, under specific circumstances, compressed air are used as dispensing gases. Carbon dioxide, which is an odorless, colorless gas that displaces oxygen, is the most commonly used. Depending on the concentration of the gas and length of the exposure, workers may suffer from headaches, sweating, rapid breathing, increased heart beat, shortness of breath, dizziness, mental depression, visual disturbances and shaking. In higher concentrations, oxygen is displaced leading to a deficiency of oxygen. This can lead to confusion, unconsciousness and even death.

Proposed solution

- Know the hazards and carry out a risk assessment covering all persons entering or working in the cellars. The employer should familiarize the workers of the specific risks associated with dispense gas
- Install new carbon dioxide receptacles at ground level in an open area. Where possible, relocate existing fill stations above ground level
- Wherever a significant leak of dispensable gas can occur, provide adequate ventilation to keep the atmosphere safe and install a gas monitoring system with a warning alarm. This system should work continuously and be designed to warn a person with an audible or visible alarm before entering the danger area
- Place appropriate warning signs outside areas where high concentrations of the gas can accumulate

- Provide proper illumination
- Access to confined spaces should be restricted to designated personnel only. Employees who operate the dispense gas installation should be trained to follow the suppliers' instructions
- Provide emergency procedures and train workers in these procedures
- Deliveries should be arranged in a way that keeps the number and the size of pressurized gas bottles to a minimum.
- Inspect and maintain all piping tubing, hoses and fittings at regular intervals and maintain the system in accordance with manufacturers' instructions. An annual inspection should be carried out by a professional contractor

Working in hot environments

Workers in hotels, restaurants and catering are at risk of heat stress when unloading supplies, working in kitchens and while serving customers. In kitchens, cooking makes the environment hot and humid; in the summer conditions can get even worse. Long-term exposure to a hot working environment can cause many disorders. Heat rashes and fainting are the first symptoms that indicate heat strain. If heat stress is not treated in the early stages, it can have serious effects on the body, leading to heat stroke and heat exhaustion.

Proposed solution

- Assess the risk from the specific situation and implement a plan to eliminate or reduce and inform personnel
- Install general ventilation as part of a HVAC system. In professional kitchens the proper ventilation is the most effective way to reduce temperatures and cooking fumes containing dangerous substances.
- Reduce humidity by using air conditioning and dehumidifiers, and by diminishing the sources of moisture; for example, open water baths, drains, and leaky steam valves
- Acclimatization can reduce heat strain
- Allow rest periods in cooler areas to reduce heat stress
- Physically demanding tasks in hot working environments should be reduced to avoid unnecessary manual handling
- Provide a supply of cool drinking water close to the work area so workers can replace fluids
- Wear personal protective equipment. Cool, comfortable, breathable clothing such as cotton should be provided to allow free air movement and sweat to evaporate
- Educate employees on the hazards of working in heat and the benefits of implementing proper controls and safe-work practices

Fire hazards

There is a significant risk of fire in this sector, particularly in kitchens where gas, flames, hot oils and flammable substances are present.

Proposed solution

- Assess the risk from the specific situation and implement a plan to eliminate or reduce and inform personnel
- Keep electric equipment in good condition and check it regularly
- Fit deep fat fryers with thermostats to prevent overheating

- Mark fire escapes and exits, and keep them clear of obstruction
- Provide and check fire extinguishing equipment
- Install automatic fire detection and sprinkler systems
- Ensure employees participate in fire safety training

Psychosocial hazards

Psychosocial risk factors are linked to the way work is organized and to the mental demands of that work. Long working hours, often at night and over the weekend, put pressure on workers in hotels, restaurants and catering. Contact with "difficult" customers can lead to stress and even harassment or violence.

The reports from the European Agency for Safety and Health at Work[6] *say that, in this sector:*

- 47.5% workers have a working day of 10 hours or more at least once a month
- Employees work an average of 43.4 hours a week
- 71% work in the evening between 6.00 pm and 10.00 pm
- 45% work at night between 10.00 pm and 5.00 am
- 83% work on Saturdays and 69% on Sundays
- 36% of the workers say their working hours do not fit in well with their family commitments

<u>*Proposed solution*</u>

- Assess the risks to safety and health within the workplace and then, where necessary, improve standards and conditions
- Reduce long and irregular working hours
- Introduce flexible working
- Reduce high workloads by redesigning jobs
- Involve workers in decision-making
- Improve safety for workers who have contact with customers, and train them on how to deal with difficult, aggressive customers

Aside from the regular Risks Assessment that should be done in your companies, here is en example of a form that you can use, for self-assessment, provided by the Health and Safety Executive (UK)[7]

[6] the European Survey on Working Conditions, 2000 and 2002
[7] http://www.hse.gov.uk/risk/casestudies/pdf/foodprep.pdf

Table 1. Risks self -assessment example; source Health and Safety Executive

What are the hazards?	Who might be harmed and how?	What are you already doing?	What further action is necessary?	Action by who?	Action by when?	Done
Slips and trips	Kitchen/food service staff and customers may be injured if they trip over objects or slip on spillages	Kitchen equipment maintained to prevent leaks onto floor. Equipment faults leading to leaks reported promptly to manager. Drainage channels and drip trays provided where spills more likely. Suitable cleaning materials available. Good lighting in all areas including cold storage areas. No trailing cables or obstruction in walkways. Steps and changes in level highlighted.	Remind staff to maintain good standard of housekeeping. Repair damaged floor tiles by the dishwasher in the kitchen Ensure suitable footwear with good grip worn by staff.	Manager	27/8/07	14/8/07
Manual handling heavy items such as flour sacks, ingredients, boxes of meat, trays of crockery, kegs etc	Kitchen staff and food service staff may suffer injuries such as strains or bruising from handling heavy/bulky objects	Ingredients bought in package sizes that are light enough for easy handling. Commonly used items and heavy stock stored on shelves at waist height. Suitable mobile steps provided and staff trained to use them safely. Handling aids provided for movement of large/heavy items. Sink at good height to avoid stooping. Staff trained in how to lift safely.	Ensure team working for moving heavier items (eg pots).	Manager	27/08/07	14/08/07
Contact with steam, hot water, hot oil and hot surfaces	Kitchen staff, food service staff may suffer scalding or burns injuries.	Staff trained in risks of hot oils and on procedure for emptying/cleaning fryers. Staff trained in risks of release of steam. Water mixer taps provided. All staff told to wear long sleeves. Heat-resistant gloves/cloths/aprons provided.	Display 'hot water' signs at sinks and 'hot surface' signs at hot plates. Ensure handles on pans maintained. Ensure staff trained in use of coffee machine	Manager	27/8/07	26/8/07
Knives	Staff involved in food preparation and service could suffer cuts from contact with blades.	Staff trained to handle knives. Knives suitably stored when not in use. First-aid box provided and nominated first-aider always on site.	Tell staff not to use knives to remove packaging – suitable cutters will be provided.	Manager	27/8/07	1/8/07
Food handling	Frequent hand washing can cause skin damage. Some foods can cause some staff to develop skin allergies.	Where possible and sensible, staff use tools (cutlery, tongs scoops etc) to handle food rather than hands. Food grade, single-use, non-latex gloves are used for tasks that can cause skin problems, eg salad washing, vegetable peeling and fish filleting. Where handling cannot be avoided hands are rinsed promptly after	Provide non-taint, nut-oil-free cream for staff to apply regularly to replace the moisture. Remind staff to check for dry, red or itchy skin			

		finishing the task.	on their hands and to tell manager if this occurs.			
Contact with bleach and other cleaning and washing chemicals	Prolonged contact with water, particularly in combination with detergents, can cause skin damage. Staff cleaning premises risk skin irritation or eye damage from direct contact with bleach and other cleaning products.	Dishwasher used instead of washing up by hand. All containers clearly labelled. Where possible, cleaning products marked 'irritant' not purchased and milder alternatives bought instead. Long-handled mops and brushes, and strong rubber gloves, provided and used. Staff wash rubber gloves after using them and store them in a clean place	Staff reminded to thoroughly dry hands after washing. Provide non-taint, nut-oil-free cream for staff to apply regularly to replace the moisture 'stripped' by frequent washing.			
Electrical	Staff could suffer serious/fatal injuries as a result of electric shock.	Manager visually inspects the system once a year, and is competent to do so. System inspected and tested by an electrician every five years. Staff trained to check equipment before use and to report any defective plugs, discoloured sockets or damaged cable and equipment. Staff know where fuse box is and how to safely switch off electricity in an emergency. Plugs, sockets etc suitable for kitchen environment. Access to fuse box kept clear. Residual current devices (RCDs) installed on supplies to hand-held and portable appliances.	Manager to inspect plugs, cables etc regularly.	Manager	27/8/07	12/8/07
Fire	Staff, customers could suffer serious/fatal injuries from burns/smoke inhalation.	Fire risk assessment done as at www.communities.gov.uk/fire and necessary action taken.	None			
Machinery	Staff risks serious injury from contact with dangerous/moving parts on machinery.	Staff trained in cleaning, assembly and operating procedures. All dangerous parts to machinery suitably guarded. Daily checks of machinery guards before use. Staff trained to spot and report any defective machinery. Safety-critical repairs carried out by competent person. Operating instructions easy to locate.	Remind staff to always isolate (switch off from power supply) machinery before carrying out maintenance or cleaning work.	Manager	27/8/07	1/8/07
Falls from	Staff risk	Suitable stepladder provided for	None			

height	serious injury (eg fractures) from a fall from any height.	changing light bulbs and for retrieving items from racking or shelves. Staff trained in safe use of stepladder.				
Pressure systems	Staff may suffer serious/fatal injury from explosion.	Thorough examination carried out by qualified engineer.	None			
Workplace temperature	Kitchen staff may suffer ill health when they overheat in hot working conditions.	Fans and extractors provided to control air temperature. Staff encouraged to take rest breaks in cooler conditions when required.	Encourage staff to take regular drinks of water.	Manager	27/8/07	1/8/07
Dining area	Food service staff, customers	Risks from slips/trips and manual handling covered in previous sections.	None			

CONCLUSIONS

The accidents at work and the professional disease are not only burden to the employers, but to the society as a whole. The employees in Tourism sector hotels, restaurants and catering, face numerous risks to their safety and health, that could lead to dissatisfaction, reduced productivity injuries and even fatal accidents.

By providing good risks assessment with identification of all existing risk factors, the employers could learn what the hazards at their workplaces are and receive information on how to eliminate, minimize or control those risks. Implementation of a good system of management of safety and health at work is a key factor to prevention of accidents and should be an integral part of any management system in a company.

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FRUSTRATION OF WORKING AS A PROBLEM OF HUMAN RESOURCES MANAGEMENT

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Abstract

The development of human resources that finds an important practical application in enterprises from the developed world, account facts which refer to the conclusion that satisfaction of employee can greatly contribute to increasing productivity in enterprises and in states from whole world.

Enterprises should assume appropriate measures which will be concentrated on reviewing the toolkit related to management staff, especially systems of payment and organization culture if they want to avoid negative consequences caused by dissatisfaction of employees in the workplace.

Key words: *Human Resource, satisfaction of job, motivation.*

The affirmations that job satisfaction affects productivity of employee contribute for elevation the importance of this element in the management of human resources. The term job satisfaction, still haven't clear and widely accepted definition, although it's often used. Generally, job satisfaction is a positive experience (and frustration negative), which acquired the employee performing their work dities.

According to large number of surveys, inescapably this term received a multitude of meanings, so that Bloom (Blum, 1956) job satisfaction defines like attitude, which is the result of activity of very specific views. The most of the theoretical claims of job satisfaction are descendants of the motivation theories.

Thus, two factors theory of motivation of Herzberg (Herzberg, 1959), essentially has the role of work and working conditions, that are of importance to employees.

The first group is called motivators (motivator factors), and those are factors that produce job satisfaction.

This group includes:

- success
- recognition,
- responsibility,
- the work, and
- the opportunity for advancement.

Originator of the theory considers that, when the motivators are not present employees are neither satisfied nor dissatisfied, but when motivators are present, employees are motivated.

The second group is called factors of dissatisfaction (hygiene factors), which include:

- company policy and management,

- technical supervision,
- salary,
- personal relations,
- working conditions.

Essentially, dissatisfaction factors describe the work environment and primarily, serve to prevent dissatisfaction. We can make a conclusion that the factors of satisfaction are concerning the content of the work, while the factors of dissatisfaction are relating to the work environment.

Vrum (Vroom, 1964) equalize job satisfaction with working morale. Lawler (1973) in his theory of motivation, claims that job satisfaction depends on the perception of what is invested in work (job input), the characteristics of the work and what will employee get from the job, compared to other people. In other theory, theory of values, Locke (Locke, 1976) argues that satisfaction comes from the fact that, a person can works to achieve goals that have value for him, which he valued.

In general, in consideration of job satisfaction, practice two approaches:

- The first approach to job satisfaction considered as a generalized attitude toward work. Moreover, asking how many workers are satisfied with their work. This approach starts from the assumption that job satisfaction is the sum of the pleasures of the individual aspects of the work and that employee may be dissatisfied with some aspect of work, but he remains generally satisfied with their work.

- The other approach involves examination of the relevant aspects of the work that contribute to overall job satisfaction. These aspects such as wages, the manner of governance, opportunities for advancement, relationships with employees, working conditions and ect.

  Workers may have varying degrees of satisfaction with various aspects of work, which determine overall job satisfaction. This approach, general assumes additive form that job satisfaction is sum of the pleasures of the individual aspects of work, while the multiplier form job satisfaction is the sum of the pleasures of the individual aspects of work weighted by their importance.

  Although, most research using approach of job satisfaction, both have their justification in some cases. Some studies show that using global approach is applied in comparing the satisfaction of employees with different occupations and those who perform different things, while employees who perform the same or similar work gets a detailed and complete reasons for (dis) satisfaction.

One of the most commonly used questionnaires for measuring job satisfaction is the Job Description Index (JDI), which includes five scales for measuring job satisfaction:

- pleasure (or displeasure) of the work,
- salary
- the opportunity for advancement,
- fellows and
- supervision.

Also, frequently used scale in research job satisfaction is the Minnesota satisfaction questionnaire (Minnesota Satisfaction Questionnaire, MSQ). This question arises in two types, long edition of 100 copies and a short version of 20 copies.

Both versions have samples relating to the 20 characteristics of work, but the pleasures of individual characteristics of the work can be calculated only in the long scale. The short scale gives same asure of general satisfaction or pleasure. Intrisatisfaction concerning the nature of the duties, of the position and the employee, to work that performed.

Ekstrisatisfaction relates to other aspects of work situation, such as the benefits of work, wages and etc. This questionnaire is one of the new tools for measuring job satisfaction, and was constructed in 2002 from Spector.

Summing theoretical coverage in the research of job satisfaction specify two aspects: on the one hand, the authors determine factors that cause and on the other hand, examined the consequences of which (dis) satisfaction of the work has on other attitudes, mental and physical health, productivity and so on.

First investigations of the factors that cause job satisfaction understood only one factor, but later confirmed a fact that the many factors affect job satisfaction. They operate interactively and change depending on the individual work situation, the characteristics of the organization and superiors alike.

Factors associated with job satisfaction can be divided into three groups, as Porter & Miles (1974; by Jaman, 1985) did:

- individual characteristics that include interests, attitudes and needs,
- characteristics of the job such as autonomy, complexity of tasks, feedback on performance,
- characteristics of the work situation which most important are the immediate operating environment (position and management) and organizational activities (the practice of rewarding and organizational culture).

Researching in this area indicate that there are no consistent results for differences in job satisfaction among persons of different sex. Some studies indicate greater job satisfaction for women, and others that apply strict control of relevant factors where differences are not confirmed.

Also there are no unambiguous results in the examination of the relationship between age and job satisfaction, then work experience and job satisfaction. Śari (1982) in their research showed that employees with less work experience are more satisfied. However, other studies have given a completely opposite result. Hoppock (1935) in one of the few studies to conclude that job satisfaction grew over time (according to Davies & Shackleton, 1975).

As regards education, the results are unambiguous. Generally, it can be concluded that those who have higher education and working where they can use their knowledge and expertise are more satisfied with their work. These findings confirmed Śaric in these surveys.

Significant differences in job satisfaction occur depending on the type of work. Key points are thus: the content of the work, the degree of autonomy, accountability and diversity of tasks.

Implicitly the existence between job satisfaction and certain organizational outcomes such as absenteeism, fluctuation and productivity. With that is in the measure numerous dedicated research, but do not give un ambiguous results.

Job satisfaction is only related with absenteeism. It's just one of the factors which in combination with other factors (health, work ethic, socioeconomic pressures, standard of living, etc.) contribute to making the decision to seek leave.

The relationship between job satisfaction and fluctuation, in most studies was not strong, but the results consistently show that on the basis of job satisfaction we can not predict leaving the organization. One of the many reasons that tie between these two factors is that leaving the labor organization affiliated with the opportunities to find other work. Even though a person is very dissatisfied with the current work, unlikely to leave work, if there is an attractive alternative.

-How many people are satisfied with their work?

Are most of the people satisfied with their work? One independent study, conducted among workers in the U.S. over the last 40 years in general indicates that most workers are satisfied with their work.

These results are other developed countries. For example, studies conducted in Canada, Mexico and Europe indicate more positive than negative results.

Despite the general positive results, new trends are not encouraging. Evidence suggests a notice able decline in job satisfaction in the early 1990's. Conference Board study observed that 58.6% of Americans were satisfied with their work in 1995.

By 2000 that percentage dropped to 50.7%.

What factors can explain the decline in job satisfaction? Experts believe it could be due to the attempts of employers to increase productivity with a greater burden on employees. Another factor that employees often say could be the feeling that they have less control over their work. But if job satisfaction increases with income, whether can money buy happiness? Necessary, it is possible higher salary to become a greater job satisfaction, an alternative explanation is that higher salary a reflection of other types of work. Things to pay more usually require better skills of tasks are given more responsibilities, allowing employees more control.

-The impact of job satisfaction on the performance of employees.

The interest of managers, satisfaction with the work usually centers on its impact on the results of the work of employees. There are a number of studies that are designed to be able to assess the impact of job satisfaction on productivity, absence and termination of employees.

Satisfaction and productivity. When you consider the data and work satisfaction score for the organization as a whole, rather than the individual level, you will see that organizations with satisfied employees are usually more effective than organizations with less satisfied employees.

Pleasure and absences. There is a negative correlation between job satisfaction and absences, but this correlation is moderate. It is obvious that disgruntled people will often lacking from work. Organizations that offer liberal benefits for absence due to illness encourage their employees - including those who are very happy – to take some time off. Assuming, you have several different interests, work can give you pleasure, but you can leave from work to enjoy a three day weekend if such days come free without punishment.

Satisfaction with work and cancellations. Also job satisfaction is negatively correlated with renounced, but the correlation is stronger than absences. Impacts on the labor market, expectations for alternative opportunities for work and length of service in the organization are significant limitations to the right decision to leave one job. The organization usually tries to keep superior employees.

They receive higher salary, award and so on. There are even finer pressures to encourage them to give cancellation. Thus one can expect that job satisfaction is more important impact on the poor workers to stay at work than superior workers. Regardless of the level of discontent, these last would probably remain in the organization since the awards, salary and other awards to give more reasons for staying in the organization.

-Expression of discontent?

Employee dissatisfaction can be expressed in many ways. Before you give fired workers can not complain, be disobedient, to take ownership of the organization or to refuse part of their job responsibilities.

There are 4 types of expression of dissatisfaction which differ on two dimensions: constructive / destructive and active / passive. They are defined as follows:

- Departure: dissatisfaction expressed through behavior directed toward leaving the organization, including application of new jobs and giving the cancellation.

- Right: dissatisfaction expressed by actively and constructively to improve the impact, including suggestions for improvement, resolving problems with superiors and some forms of trade union activities.
- Attachment: Dissatisfaction is expressed through passive but optimistic waiting to improve conditions in the organization, resistance to external criticism and administering the organization and its management to "do the right thing".
- Uncare: Dissatisfaction is expressed through passive granting conditions of work to get worse, including many absent or delays, reduced investment of labor and increasing errors. Departure and negligence are included in the results of the work - productivity, absences and cancellations. However, this model expands the response of employees so that includes voice and devotion - constructive behavior that allows employees to tolerate unpleasant circumstances.

CONCLUSION

To avoid the negative consequences caused by the dissatisfaction of employees in the workplace, businesses should take appropriate measures in particular as regards: a review of the system of payment which is a strong factor for the employees to perform a given task, management style, the properties of managers, particularly their communication skills and initiative, the implementation of appropriate training and employee development; adaptation of enterprises to ordinary family priorities and employee relations practice of family-friendly system, reducing the level of workplace stress and changes in organizational climate and culture.

The science of human resources management which finds its practical application in firms from the developed world is facts that indicate that the analyzed material conclusions can greatly contribute to increasing productivity in enterprises, and thus in the states as a whole, which certainly should be into account and be used in the following period.

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ECONOMIC ASPECTS OF OCCUPATIONAL SAFETY

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While implementing Occupational Safety and Health (OSH) measurements in the companies, one should always consider the necessary recourses. Therefore many employers look at the OSH as a considerable expense without any visible cost-benefit justification. Hence, all of the positive effects of the implemented OSH measures are being neglected, here including the economic benefits to the employer.

- This paper will give an overview of the economic benefits from the implementation of the adequate OSH measures in tourism.

Key words: *OSH, benefits, resources, economic effects*

INTRODUCTION

It is not usual to see the Occupational Safety and Health as a contributory factor to the economic results of an organisation. Usually the main focus of the OSH policies is the compliance with the government guidelines, regulations and laws. Therefore it is very important to emphasize and explain the connection between effective OSH and the financial benefits. The strong economic advantages of good occupational health practice needs to be highlighted continuously to organisations because the failure to acknowledge the importance of this connection will limit the effectiveness of the interventions aimed towards preventing disease and injury (Lahiri, Levenstein, Nelson and Rosenberg, 2005; Toffel and Birkner, 2002). Additionally, while the cost of ensuring safety is important, "unsafety" is also costly (Rimington, 1993). For example, a reduction of accidents, damage and improvements to poor health can lead to a reduction in costs and a greater availability of people and plant. This, in turn, can improve efficiency and thereby heighten the effectiveness of businesses (Smallman and John, 2001).

Good Occupational Safety and Health can result in economic benefits for all the companies, including the ones that work in tourism. Accidents and occupational diseases can cause seriously high costs to the company. This especially refers to small companies, on which occupational accidents can have a major financial impact. Information and perceptions about future effects of decisions, preferably expressed in monetary terms, help employers in the decision-making process. The true value of economic estimation is influencing decision-makers and policy makers. And in order achieve maximum, the process of economic estimation should include all stakeholders. An effective way is to make financial or economic estimations and give a realistic overview of the total costs of accidents and the benefits of preventing these.

Economics and OSH

One would ask why economics? What does economics has to do with OSH? Why when the occupational injuries and illnesses are really matters of health? The answer is pretty simple. They are matters of economics because they result from the work process, and what is work but an economic activity. The economic perspective on the occupational safety and health (OSH) includes both causes and consequences: the role of economic factors in the workplace ill-health and the effects this has on the economic prospects for workers, enterprises, nations, and the world as a whole. It is therefore a very broad perspective, but it is not complete, because neither the causation nor the human significance of OSH can be reduced to its economic elements. Economics means one thing to the specialist and another to an average man. For the most people the word "economics", means management of money. In particular,"**the economics of occupational safety and health**" suggests for many little more than "**how can better working conditions be made profitable for business?"** Certainly, the role of OSH, its financial costs and benefits, in business management is an important aspect of economic analysis, but it does not exhaust the topic. Above all, economics is a social science; it refers to the society as a whole, and that includes workers, their families and their communities as well as enterprises, and it recognizes that not all the effects of ill-health show up in monetary transactions, enterprise organization, and non-market societies of the past and present.

We can name three general purposes of using economics in OSH:

- *First*, identifying and measuring the economic costs of occupational injury and disease can be motivating for the public to take these problems more seriously. This is true at all levels, from the enterprise that may be only dimly aware of the costs that workers ill-health causes and therefore reduces the income, to national governments that may not realize the impact of OSH problems on economic growth and development.
- *Second,* understanding the connections between the way firms and markets function and types of OSH problems that arise is crucial for the success of public policy. Why are the working conditions better in some sectors or regions than others, and why are some groups of workers at greater risk than other? What are the effect of changes in social insurance coverage, government regulation, or, for that matter, new international patterns of trade and investment? These questions need to be answered on a continuing basis, because of the continuous economic changes.
- *Third***,** economic analysis can help show when safe working conditions is complementary to other social goals, and it can show the loss when it is not. Clearly, to the extent that there is a loss, they don't go away if we refuse to measure them.

So we can agree on the fact that the emphasis is on the **costs.** Regarding the OSH one should consider two types of costs. The first are the cost for improvement of the working conditions in order to reduce the accidents that can cause injuries or diseases. And second are the costs of not doing these things. If we talk in general the costs are very wide category, with a lot of distinctions. Having the OSH analysis in mind we will distinguish costs in three different ways:

The first and most common distinction of costs, which is used in all types of analysis, is the distinction of **economic and noneconomic costs**. *Economic* costs are those which can be expressed in monetary units. They include the costs paid or expected to be paid by individuals and organizations acting within the economy.There are two main economic costs that result from disability and premature death at work. The most important is the worker's lost wages during the period of absence from work and possible reduced wages after return to work.

Noneconomic costs are real as much as the economy costs, but for one reason or another cannot be expressed in monetary terms. In the case of injury and disease, the noneconomic costs are above all the subjective costs of pain, fear, and loss suffered by the victims, their families, and their immediate communities. We will refer to them as the "**human costs**" of **ill-health** or **premature death**. In addition, it should be recognized that the loss of life and health is often opposed for reasons that are not reducible to their cost in either the economic or noneconomic sense. This is particularly the case when standards of social justice are violated: what may make a particular injury unacceptable, for instance, may not be (only) its cost, but also the fact that it could have been prevented but wasn't, due to the employer's obsession with making the greatest possible profit.

Private and social cost. All the costs of worker ill-health, to whomever they might accrue, could be added up; this sum would be the full social cost. The particular portion of the cost paid by any one individual or organization is called the private cost, and this is the cost relevant for decision-making on that level in so far as the decisionmaker is economically rational. Three points should be considered. First, not all private costs necessarily enter into the social cost. Suppose, as a result of a catastrophic industrial accident, a firm loses half its market share. This is an enormous private cost to the firm, but if the sales are taken up by other firms this is not a social cost. If the firm suffering the accident was more efficient than its competitors, however, the increase in the cost to society of supplying the goods (a much smaller sum) would qualify as social. Second, not all social costs appear as private costs. For instance, a significant portion of the medical cost of occupational injury and disease in the industrialized countries is compensated by social insurance systems. Who pays this cost and how? Some of it can be traced to specific contributors, but the cost may be so spread out as to be invisible at the private level, so we simply say that the cost is social but not private.

Financial and implicit (Indirect) cost*.* All economic costs could be expressed in monetary units, but not all take the form of actual money. We say that the costs are financial when we make monetary payment, but there are costs that can be calculated from the effects and the given monetary values. Consider, for example, an accident to a worker that results in medical treatment as well as damage to a machine. The financial cost for the company will be the payment for the medical treatment of the worker. The implicit cost is the reduced life of the machine, as a result of the incident. Another type of costs which are important but very often neglected is the opportunity costs. Opportunity cost is the cost related to the second best choice available to someone who has picked among several mutually exclusive choices. Calculating opportunity cost is a difficult and usually depends on a willingness to make questionable assumptions—but, economically speaking, they have to be considered.

Understanding the connection between the economic performance and the OSH

In order to encourage organisations, to link OSH with efficient economic performance, it is necessary for them to understand the connections between these two, so that they can clearly see what can be gained from good OSH practice, and also what can be lost. One of the first steps is to gather information about how the organisation is performing and which factors are impeding, and which ones are improving the performance. The performance can be estimated with different types of methods. Warren (2005) proposed a Logic Model that could be used to understand how performance might be measured. This model (see Figure 1 below) uses a flow-through process with defined end results. Specifically, the inputs (overall investment in resources) directly influence the outcomes or end results (profits, productivity, quality). The factors that could be included in each area are outlined as follows:

a) *Inputs* - resources such as money and staff and time used to produce a desired result.

b) *Activities* - the actions taken, for example training staff or regular maintenance of equipment, to guide resources towards a desired result.

c) *Outputs* - products created and/or services delivered in a specific period, that could be the number of training programmes conducted, the number of classes taught, or the number of clients served.

d) *Outcomes* - changes in knowledge, skills, attitudes, values, behaviour or condition that show progress towards achieving the objectives of a particular programme of action and towards reinforcing the organisation's overall aims. These outcomes can be assessed for their shortterm, intermediate, or long-term impact.

Table 1: Logic Model for developing performance measures (Adapted from Warren, 2005)

(*EU-OSHA - European Agency for Safety and Health at Work (A Review: OSH and Economic Performance in SMEs)*

INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES
Money	Training	Number of staff trained	Reduced sick leave
Staff	Investments	Number of investments undertaken	Higher productivity
Equipment	Maintenance	Number of equipment maintained	Increased profit
Supplies	Interventions	Types of interventions undertaken	Lower liabilities
Facilities			Healthier workforce
			Consistency in performance
			Better performance
			Fewer injuries
			Increased output of goods and services

In addition to demonstrating how to develop performance measurements, Warren (2005) states that any performance measurement should be **SMART** – specific, measurable, achievable, relevant and time-based - and outlines five characteristics that should be applied to any such process. These area is also applicable to OSH, and provide a basis that could be considered during the process of making changes in occupational safety and health policies and practices. They include being:

S*pecific*: performance criteria should be as specific as possible to make sure that it is easy to identify what is being measured.

M*easurable*: performance criteria need to be measurable, either in quantity or by quality, to check that stipulated goals are being met.

A*chievable*: unrealistic goals may cause disease within an organisation. However, the challenge of goals that stretch an organisation a little may be beneficial.

Relevant: The performance measurements should be relevant to the organisation's overall mission and to the strategic objectives of any programme.

T*ime-based*: The performance measurements should be achievable within a specific perio

Explanation of the economic aspects of OSH in tourism

Explaining the importance of including economic evaluations of occupational safety and health to the companies, especially the ones that belong to the category of SMEs (and this even though general it also applies to companies that work in tourism) can be a challenging process because of their diverse nature. They can be dynamic and flexible enterprises, with the ability to innovate, or traditional, family businesses. They can be, young businesses which are very fragile organisations oriented to survival. Woolgar, Vaux, Gomes, Ezingeard and Grieve (1998) note that each SME has very special needs, reflected in the different suppliers, customers and competitors with which they interact compared even to other companies from the same business sector. So when trying to make the companies to link OSH to their economic performance you need to think of these differences. Research has also stated the fact that the ergonomic, physical and chemical work environment is more hazardous in small enterprises than in large ones (see Sørensen, Hasle and Bach 2007). Additionally, SMEs have a high number of accidents and lack knowledge about occupational safety,which could emphasise the role of accident prevention (Ukkola and Pekkarinen, 1982). Dorman (2000) says that in order to motivate the improvement of safety and health in the organisations, the cost of ill-health should be made **'economic, internal, variable, and routinely visible'**.This statement shows us how to explain the connection between the economic performance and OSH, to the companies. They need to be shown the high costs of 'bad' OSH and how these relate to them. Along with understanding the costs, Antonelli, Baker, McMahon and Wright (2006) proposed the following factors that can be used as motivators to the companies SMEs to invest into the health and safety of employees:

- Being a 'good' employer
- Keeping within the law, hence avoiding punitive action from government bodies
- Seeing that health and safety is an integral part of being a 'good business'
- Maintaining their reputation
- Achieving higher productivity - especially by reducing absence
- Avoiding the expense of accidents
- Containing insurance costs

Many different forms of communication have been used with SMEs (Gervais, 2006), including:

- E-mail/electronic content
- Interviews (telephone/face-to-face)
- Surveys
- Providing visual information (leaflets, publications, the Internet, newsletters)
- Focus Groups/workshops/seminars/conferences/presentations/ Safety and Health Awareness
- Inspections/site visits/one-to-one support
- Conversations
- Good Neighbourhood Schemes/Sharing best practice

Considering all this the research has shown that using face-to-face communication and the general use of intermediaries are usually more successful in influencing the behaviours of the companies (Gervais, 2006)

What is cost-benefits analysis?

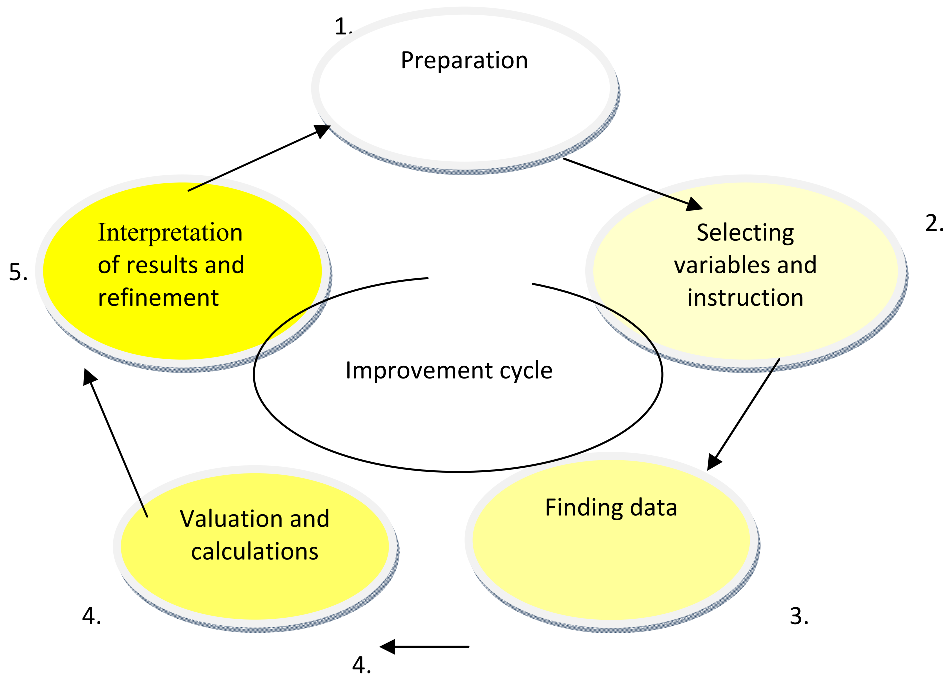
There are three different approaches to the economic evaluation of OSH that are most important. Those are the cost-benefit analysis (CBA), cost effectiveness analysis and studies which calculate the total costs caused by work-related accidents and illness. Cost-benefit analysis (CBA) is a technique for evaluating the total costs and benefits in monetary units at the level of society or of a specific project. CBA compares the prevention costs with the benefits (i.e. reduction in corrective costs or damages plus additional gains). Essentially, CBA is a tool that makes economic consequences visible, improves the company decision making. However, there are problems in the assignment of monetary values in relation to OSH, especially with regard to benefits. In a cost-effectiveness analysis the results of an intervention are balanced against the (monetary) costs. The effects need not be expressed in terms of money. Cost-effectiveness analysis is especially useful in comparing several options for achieving the same goal. Cost of illness (COI) analysis is a method of calculating costs that can be associated with work-related diseases and illnesses. COI analysis quantifies the magnitude of the problem, while other methods such as cost-benefit analysis or cost-effectiveness analysis must be applied to choose between solutions.

A five-step approach to cost-benefits analysis

Now, the cost-benefit analysis will be presented. Preparing an estimation of accident costs for a company or a cost benefit analysis for preventive activities should not be too complicated. However an assessment should be well prepared and fit for its purposes. In order to achieve maximum effectiveness of the economic estimation it should be activity performed by workers (or their representatives), OSH specialists, financial experts and decision-makers. The estimation can be done according to the following five steps.

Table 1 presents an overview of variables related to work accidents at company level.-(Economic appraisal of preventing work accidents at company level, European Agency for Safety and Health at Work - Facts 28)

Be aware that the outcomes of economic analyses are much influenced by the underlying assumptions and the scope of the assessment. The cost factors and calculation principles should be adjusted according to the national practice of each



Step 1: Preparation

Establish

- purpose of the economic assessment;
- goal of the project;
- who are stakeholders, what are their interests, what is their influence;
- what kind of results are needed;
- how much time should be spent on making an economic assessment.

Select a suitable technique.

Plan the assessment and involve relevant parties.

Step 2: Selection of variables and indicators

Choose variables:

- that reflect the purpose of the assessment;
- for which data will probably be available (with acceptable effort to obtain and with adequate accuracy);
- that are agreed upon by stakeholders.

Step 3: Finding data for selected variables

Find data:

- use readily available data from company records and accounting system;

Be aware that the outcomes of economic analyses are much influenced by the underlying assumptions and the scope of the assessment. The cost factors and calculation principles should be adjusted according to the national practice of each country.

- estimations from epidemiological studies, external data sources, extrapolations from company data;
- if necessary: generate new data.

Determine which part is to be related to accidents (e.g. sick leave) and the intervention in question.

Quantify effects (of injuries, diseases and/or of interventions) by estimation or analysis techniques, such as:

- information from similar cases;
- scenario calculations;
- impact analysis (extrapolation from the goals of an intervention).

Step 4: Make calculations

Attach money values to quantified indicators and variables.

Create understandable presentation of results, for instance:

- tabular format (injury costing, cost-benefit analysis);
- graphs or time series (monitoring applications);
- comparisons to other companies (benchmarking).

Step 5: Interpretation and refinement

Present caveats for presented results:

- refer to assumptions, goals, limitations of estimations, quality of data and the like;
- use sensitivity analysis to estimate effects of assumptions on the calculation results.

Decide on further action.

Two kinds of assessments

In practice, two kinds of assessments often occur:

- evaluation of costs of a single accident or the total of accidents in a given period of time. Usually this is an ex-post evaluation;
- assessment of economic effects of preventive action or accident prevention (cost-benefit analysis). This type of appraisal isgenerally used to assess the feasibility of an investment, or to choose between alternatives.

In addition you will find example descriptive table for determining value

Table 1. Overview of variables directly related to costs of injuries and illnesses at company level – *(Economic appraisal of preventing work accidents at company level, European Agency for Safety and Health at Work - Facts 28)*

Variable	**Description**	**How to obtain money level**
Effects of incidents that cannot	directly be expressed in money	value
Fatalities, deaths	Number of fatalities	Sum of costs of subsequent activities, fines and payments
Absenteeism or sick leave	Amount of work time lost due to absenteeism	Sum of costs of activities to deal with effects of lost work time, such as replacement and lost production. Indirect effect is that sick leave reduces flexibility or possibilities to deal with unexpected situations
Personnel turnover due to poor working environment, or early retirement and disability	Percentage or number of persons (unwanted) leaving the company in a period of time	Sum of costs of activities originated by unwanted turnover, such as replacement costs, additional training, productivity loss, advertisements, recruitment procedures
Early retirement and disability	Percentage of number of persons in a period of time	Sum of costs of activities originated by disability or early retirement, fines, payment to the victim
Effects of incidents, injuries and	diseases that can be readily	expressed in money value
Non-medical rehabilitation	Money spent by the employer to facilitate returning to work (counseling, training, workplace adjustments)	Invoices
Administration of sickness, absence, injuries, etc.	(Managerial) activities that have to be performed by the company related to sick leave	Total wages of time spent
Damaged equipment	Damages or repair costs of machines, premises, materials or products associated with occupational injuries	Replacement costs
Other non-health related costs (e.g. investigations, management time, external costs)	Time and money spent for injury investigation, workplace investigation, workplace assessments (resulting from occurrence accidents or illnesses)	Total wages of time spent
Effects on variable parts of insurance premiums, high risk	Changes in premiums due to the incidence of injuries and	Invoices

insurance premiums	occupational illnesses	
Liabilities, legal costs, penalties		Invoices, claims, costs of settlements, fines, penalties
Extra wages, hazardous duty pay (if the company has a choice)	Extra spending on higher wages for dangerous or inconvenient work	Additional wages
Lost production time, services not delivered	Production time lost as a consequence of an event which results in injury (e.g. because it takes time to replace machines, or production has to be stopped during investigation	TOTAL production value
Opportunity costs	Orders lost or gained, competitiveness in specific markets	Estimated production value, representing lost income for the company
Lack of return of investment	Non- realized profit because of accident costs, i.e. expenditure due to accidents and not invested in a profitable activity – (like production, stock market or saving) generating interests	Interests of the expenditure amount, invested during x years, with an interest rate of y%

Cost-benefit analysis

The instrument for making a cost-benefit analysis consists of three parts (Table 3):

Part 1: Overview of costs related to the investment of intervention. For each cost factor the relevance to the situation can be checked. If relevant an estimation of costs can be made. Table 1 can be used for hints on how to calculate or estimate costs.

Part 2: Overview of potential benefits, summary of annual benefits or savings. Only benefits that are directly related to the investment in question have to be summarised here. In this annual summar yearly recurring extra costs (e.g. for maintenance) are also accounted for.

Part 3: Cash flow table, summary of expenditures and income for a number of years. By convention, all expenditures have a negative sign, cost savings and additional income have a positive sign. All investments are assumed to have taken place at the end of year 0.Spreadsheet software (like Microsoft Excel or Lotus 123) offers sample possibilities to calculate all kinds of financial indicators very quickly. As calculation of discounted indicators requires a lot of arithmetic, spreadsheets are extremely useful for this task.

Table 3 – Part1: Summary of investment or initial expenditures- *(Economic appraisal of preventing work accidents at company level, European Agency for Safety and Health at Work - Facts 28)*

Category	Cost items	Relevance (y/o)	Cost estimate	Description, remarks
Planning	Consulting costs Engineering Internal activities			
Investments	Buildings, dwellings, foundations Land property Machines Test equipment			

	Transportation equipment Facilities, work Environment Workplaces			
Removals	Equipment Transportation			
Personnel	Cost of dismissal Recruitment Training			
Preliminary costs	Loss of quality Additional wages (overtime) Materials Additional operations Organizational activities Downtime			
Income	Sales of redundant production equipment			
Total				

Table 3 Part 2: Summary of annual costs, cost savings and additional income - *(Economic appraisal of preventing work accidents at company level, European Agency for Safety and Health at Work - Facts 28)*

Category	Cost items	Relevance (y/o)	Cost estimate	Description, remarks
Productivity	Number of products Production downtime Reduction Less balance losses Less stocks Other, to be specified			
Personnel costs	OSH services Savings due to reduction in staffing Temporary replacement personnel Costs of turnover and recruitment Overhead reduction Reduction of costs related to sick leave Effect on premiums Other, to be specified			
Maintenance	Cost changes			
Property, facilities and material usage	Costs changes of use of property Heating ventilation Lighting Changes in material usage Energy, compressed air Waste and disposal costs			

Quality	Changes in amount of rework Production losses Price changes due to quality problems
Total	

Table 3 – Part: 3 Cash flow table - *(Economic appraisal of preventing work accidents at company level, European Agency for Safety and Health at Work - Facts 28)*

	0	1	2	3	4
Planning Investments Removal Personnel Preliminary costs Incidental income					
Productivity Personnel Maintenance Use of property, facilities and materials Quality costs					
Total					
Cumulative cash flow					

CONCLUSIONS

Every incident and every business is different. The only way to know your costs is to measure them. The costs of accidents and health only have a real meaning when they are related to your business. You should compare them with their overall operating costs, or annual turnover, or the added work or sales needed to cover them. Only then you can see how important they are.

All the above mentioned refers to all the companies in general, no matter what type of business they do. That means that it refers to the organizations that work in tourism as well.

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ENVIRONMENTAL PROTECTION AS A FACTOR FOR TOURISM DEVELOPMENT - NONFISCAL GOALS OF TAXES

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Abstract

Environmental protection is one of the main factors underlying a successful tourism development. This paper presents the foundation of the national policy for environmental protection as a current leading philosophy, and a concept whose implementation is a paramount for the survival of humanity. Being one of the key factors of the comprehensive social development of every country, the environmental protection has been recognized and addressed as a topic both in the Constitution of the Republic of Macedonia, as well as its legislative branches. In the paper an analysis has been undertaken, based on which one can conclude that the Constitution and the National Regulations from the domain of the fiscal policy (taxes, customs, compensations, etc.) have been created in compliance with the essential functions of environmental protection.

Key words: environmental protection, tourism development, legislation, tax.

INTRODUCTION

What is Macedonia? What is the reason why to visit this country? Are there any natural beauties? Any rarities of nature that are worth seeing? Is it unique in something? Is there anything in it that is worth preserving?

- The largest areas in the world covered with Pinus Peuce which is in fact endemic and relict five-leaf pine are on the mountain of Pelister!
- The *New York Times* newspaper describes the Cave Peshna in the city of Makedonski Brod as an identical to the ones imagined and described in "The Lord of the Rings"!
- A hundred and twenty dolls in Kuklica (near Kratovo) are 10 million years old!
- The Lake of Ohrid is the oldest lake in Europe. It is over 4 million years old and is one of the three oldest lakes in the world! It is also the deepest lake on the Balkans! It holds 200 endemic types that have a world meaning! The Ohrid trout represents a living fossil!
- In a length of 80 kilometers, the hill of the Mountain Shar Planina is at a constant height of 2000 meters! This is not the case even with the Alps!

All these beauties and rarities (and much more) should be preserved and made available to all the tourists who want to enjoy them during their visit of Macedonia. In order to protect the valuable Macedonian natural heritage, great contribution has the positive national legislation. The Constitution of the Republic of Macedonia states that basic value of the constitutional order, among other is also the protection and preservation of the environment and nature, whereas each citizen is entitled to healthy environment. However, for having a unique and rich Macedonian nature besides willingness, it is also necessary to have financial means allocated from the state budget.

Environmental protection should reflect itself everywhere where there is policy creation: decision making, legislation, strategic guidelines, undertaking certain activities etc. It is certain that one of the most useful mechanisms is adopting a legislation that will comprise provisions which define opportunities for using fiscal instruments for environmental protection. Considering the fact that the new trends in certain areas always change the conditions in the development process, the motive for this research is to which extent the fiscal instruments regulated with the national legislation give basis for environmental protection.

THEORETICAL APPROACH TOWARDS THE USE OF TAXES FOR THE PURPOSE OF ENVIRONMENTAL PROTECTION

Because of the fact that the exploitation of natural resources becomes greater, and the degradation of environment led to enormous increase in social costs, a need was imposed for using different fiscal instruments (taxes, customs, excises, subsidies) for the purpose of being directly implemented to protect the environment. It is expected that the economics should give suitable proposal solutions and thus will cut the relations between the economic growth and the increased pressure on the environment. This suggests that fiscal instruments are used in order to directly contribute to the environment preservation and promotion.

It is generally known that taxes must not be an instrument that will be used only for fiscal purposes i.e. they have to serve for the purpose of meeting other non-fiscal objectives. They should be made functional for the overall development (social, political, cultural, demographic etc). Therefore, the fiscal policy in a contemporary circumstances should contribute to the realization of the right to develop, in such manner as stated in the UN Declaration of the 4th December 1986 which reads: “The right to develop is a human right to which each individual is entitled, the benefits of which are enjoyed by all the individuals who contribute towards development of economic, social, cultural and political development, where all the human rights and basic freedoms will be fulfilled.”

According to the contemporary economic theory, taxes/charges are a low-cost solution to standard setting. This is a feature of the tax/charge solution to externality which is of great importance. Namely, compared to standards set without taxes, charges will tend to be a lower-cost method of achieving a given standard. This statement is due to the least-cost theorem for pollution charges of Baumol and Oates.[8] Actually, standard-setting process incurs greater total abatement costs than taxing to achieve the same standard. Hence the use of taxes is a low-cost solution for achieving a given standard. Whether it is the least-cost solution to standard-setting depends on what other mechanisms we have at that moment for achieving a standard (for instance tradeable permits or some other instrument). Typically, we can only find out by ‘simulating’ pollution control - i.e. by devising computer simulations which ‘mimic’ the actual situation and then assessing the response to each method of securing a standard.

One can notice that in the previous paragraph it has been said nothing about the standard being optimal. To find an optimal standard it is needed information on the damage function. However, even where ‘accessible’ standards have been imposed, a tax has an important role to play.

It is obvious that pollution taxes have many virtues. They make use of market mechanisms by charging a price for hitherto unpriced but valuable services provided by the natural environment. “To some extent, they ‘mimic’ the market since the tax could be varied to reflect increasing scarcity of these services. They have optimality properties if both damage costs and abatement costs are known, and, even if they are not known, they have least-cost (i.e. ‘cost effectiveness’) properties. Yet in

[8] William Baumol and William Oates formulated their leat-cost theorem for pollution charges in their paper “The use of standards and prices for protection of the environment”, published in *Swedish Journal of Economics*, in 1971.

the real world, pollution taxes are the exception, not the rule. Not only are the charges limited in extent, their formulation tends to owe little to the economic theory." (Pearce and Turner 1990, 96-97)

There are various reasons for the limited role of taxes. First of all, here is uncertainty about the justice of Pigovian taxes. Namely, the industries will always understandably resist new taxes. But this is not adequate to explain opposition if the situation is that some form of regulation will be introduced. One fear, however, is that the tax will go 'beyond' taxing Pareto-relevant pollution, to taxing for optimal pollution, and even for physical pollution. In this context, industry might tolerate the 'standard' polluter pays principle, but not the 'extended' polluter pays principle.

Secondly, there is an obvious lack of knowledge of the damage function. A strict Pigovian tax requires that we know at least part of the marginal external cost curve ('damage function'), which is the marginal interpretation of the overall total external cost function. The point of view of the economists and pollution control agents is that damage functions are very difficult to estimate in practice. Moreover, they argue, even if we secure some estimates, it is not difficult to find other experts who will argue for different damages, opening the way for disputes about the legal basis for a tax or charge. This objection has some validity, and the charge that the damage figures can be 'massaged' could be serious in countries where it is possible to dispute the basis of taxation in the courts. But the idea that an 'optimal' Pigovian tax can be calculated is unrealistic. The point of damage estimates is to obtain some overall 'feel' for the levels of damage, not to find accurate numbers (even if they could be found). The kind of information needed would tell us whether we are very wide of the mark in taking a particular pollutant or whether we go in the right direction. Moreover, the use of taxes to regulate consumption and production is not unusual in modern economies. For example, few would dispute that tobacco and alcohol taxes have a social cost 'component'. In the same way, taxes on pollution should bear some relationship to social cost estimates.

Thirdly, the argument of status quo. Pollution regulation has, by and large, grown from earlier public health laws. These were formulated mainly in the last century when the only real mechanism for controlling pollution was direct regulation based on standards and backed up by inspection and penalties for transgression. Therefore, taxes are not a 'new' idea in the context of pollution control. Newness is not generally welcome in regulatory circles, not least because the regulator wants to know why the existing system is inadequate. It is not just a matter of pointing to the desirable characteristics of taxes: it is necessary also to show that alternative systems, and especially the one already in place, are worse than the proposed one. There are indeed benefits in 'sticking with what we've got'. Particular concerns will be whether regulatory taxes are compatible with the existing legal system, and what the transitional costs are.

FINANCING ISSUES REGARDING ENVIRONMENTAL PROTECTION

The issue regarding the amount of funds necessary for financing the environment protection was a constant subject of discussion in the contemporary countries especially in countries in transition. The economic problems that these countries were facing with on a daily basis cause a significant gap between the amount of required financial means and the potential capacity of the available resources. It is estimated that in such conditions, the countries in transition during this turbulent period spent an average amount between 0.5 to 1% of the GDP for the purpose of solving the problems in this area. These amounts were certainly lagging behind the amount spent in highly-developed countries which is from 2.5 to 3% of the GDP. However, if the high budget deficits are taken into consideration, and the fall in production activity is also considered, then an image could be created about the intensity and the efforts made on behalf of the countries in transition (which under no condition means that this is the amount that should be stopped at). On the other hand, the information showed that in the countries that the foreign donors were more inclined to (e.g. Poland and Hungary) the foreign aid given for this purpose hardly reached an amount of 5% of the total costs.[9] Due to this, a conclusion can be drawn that the source

[9] In this sense it was used the debt-for-nature swap. An illustrative example of this was the agreement of 1990 between Poland and Finland. For the purpose of realization of 23 mutual investment projects with ecological

of funds required for alimenting the needs for environment protection policy, as well as in many other occasions, should be searched for within internal frameworks. Namely, "...if we do not turn towards ourselves and without us creating and using our own domestic sources of accumulation, which will be the only real and stable ground for overcoming 'the two gaps' and providing development of the countries and economies in transition, it would be impossible for us to get out of the vicious circle of non-development, deficits, inflation and low standard of living." (Cepujnoski and Zografski 1994, 186) This was followed by the financial burden that results from the adjustment of the domestic legislation in accordance with the one of EU. Namely, "the EU legislation regarding environmental protection can be transferred in the corresponding national legislation and thus implemented in an appropriate manner… The financial means required for transferring and applying the key EU legislation in the field of quality of air, water, as well as the solid waste is estimated to be pretty high… The lion's share of financing should come from domestic sources. Therefore, the overall transparent and efficient funds for environmental protection can play an important role in the process of transition." (Klarer et all 1999, 31) The basic reference when it comes to determining the optimum level should be looked for in the comparison of the respective levels of parts of GDP for this purpose, in the highly developed countries with the internal (their own) economic conditions i.e. the performances in their own economy.

It is almost impossible to make an accurate estimate of the adequate conditions in our country. The provisions regarding environmental protection in the past were not explicitly shown as a part of the central budget. It is even harder to realize all this especially when talking about the whole economy especially for the private sector. The projected budget spending that had side-environmental effects can be marked as positive ones (for example, during the year 1994 and 1995 0.6% and 0.3% of the central budget, respectively, was intended to be spent for building up the gas system), but this was far away from the amount that would meet the needs in these domain. Lately, it has been possible to separate these provisions, but this does not change the impression gained so far. Namely, the concrete budget spending intended for solving issues in this area can be estimated as being minimal. For example, in 1994 their amount was 0.068%, in 1995 0.072% whereas in 1996 0.13% of the total budget spending.

Taking into consideration the conditions existing in Macedonian economy, it can be said that pointing out certain amount of funds as percentage of GDP, which should further be used for financing the environmental protection needs, is something that should not imply that there is a strict obligation for the macroeconomic policy makers in the sense of previous division of this amount of funds. It is certain that previous projection for using some percentage of GDP cannot be made even for some other purposes (such as science, health-care etc). The aim here is to point out the concrete conditions, to compare them with their counterparts in the other parties, to plan and undertake measures for improving them, without determining and imposing strict and obligatory frameworks.[10]

The programme for public investments in the Republic of Macedonia in years 2003-2005, projected 20.17 million Euros i.e. 2.1% of the total amount of its funds planned to be used for public investments in the period that follows. The Government has showed an ambition to engage more foreign direct investments in a form of concessions, donations, direct and joint investment, instead of the actual forms of foreign credits that participated the most over the previous period of time. To be more concrete, in the sector of environmental protection "…what is being given priority to, is the protection of waters from pollution, provision of quality drinking water and renewing and preserving the forests. Within these frameworks, what will keep on being implemented is the carrying out of the projects: 'Protection of the Lake of Ohrid' and 'Protection of the lake of Prespa' – phases which are financed with the non-refundable assistance from the Government of the Republic of Germany." (Shakiri 2003, 104-106)

repercussions in Poland in the period from 1991/93, Finland wrote off part of its liabilities towards Poland in the counter value of today's 6.6 million Euros.

[10] The budget of the Ministry of Environment and Spatial Planning in 2000 amounted only 2.56 million Euros, but this amount was made ten times bigger in the previous year (1999), when this Ministry was put aside as a separate Ministry.

In order to provide permanent solution to the issue related with financing environmental protection there is a need to clearly allocate the responsibilities between the private sector and the Government. Referring to the world practices most often shows that there is equal quantitative allocation of responsibilities in this sense (for example, in the USA, 55% of the costs for environmental protection are covered by the Government, whereas the rest of it is covered by the private sector), but quite often the Government bears largest part of the burden (pretty indicative is the example with Austria, because almost 70% of these costs are allocated to be settled by the Government).

The residuals of the transition ambience present in our country impose additional care to be taken about the relations of the Government with the private sector. One of the issues that have been managed very badly tackled (the appearance of 'environmental indebtedness' during the process of privatization) is an example of the Government's behavior in this direction. Namely, by avoiding to put too much of a burden on the private sector, for the purpose of achieving 'more competitive' goals, the Government takes the largest part of the burden regarding financing. However, all this would not be that tragic if the so many times quoted economic turbulences appear to be absent, which most often do not leave enough free space for respecting these needs, and due to this the undertaken obligation is turned into a virtual one. Under such conditions, the solution can be seen in having an appropriate implementation of the economic measures that would further stimulate an improvement of the manner the economic entities operate in, without the necessity for making larger investments. In fact, the intention would be to have equal allocation of responsibilities regarding the financing of environmental protection activities, by stimulating 'good economy' i.e. implementation of the win-win measures. (OECD and World Bank 1994, 35-36)

ENVIRONMENTAL ASPECTS OF CERTAIN FISCAL INSTRUMENTS IN MACEDONIAN PRACTICE

In the Republic of Macedonia, there are number of Laws which regulate the possibility for financing the environmental protection. The economic instruments intended for environmental protection are determined with the Law that regulates the field of environmental protection i.e. with the Law on Environment ("Official Gazette of the Republic of Macedonia" No. 53/05, 81/05; 24/07.), which determines the fees, the Law on Nature Protection ("Official Gazette of the Republic of Macedonia" No.67/04; 14/06; 84/07.), the Law on Energy ("Official Gazette of the Republic of Macedonia" No.47/97; 40/99; 98/00; 94/02; 38/03.) and other Laws.

It is interesting to point out that the customs duties almost always have been worked for the benefit of environmental protection. For example, by paying customs duties there are relieved items that are directly intended for environment and nature protection, unless they are manufactured in the Republic of Macedonia (in accordance with Article 183, line 7 of the Law on Customs, "Official Gazette of the Republic of Macedonia" No. 21/98; 26/98; 63/98; 86/99; 25/00; 109/00; 31/01; 4/02; 55/02; 42/03.). Also, the Law on Customs Tariffs ("Official Gazette of the Republic of Macedonia" No.23/03, 69/04.) defines higher customs rates for goods that when being used burden the environment such as: used tires, used travel-vehicles, buses and trucks.

Regarding the excises, there is determined higher excise for petrol that has a lead content of over 0.013 g/l (24.396 denars/liter) compared to the determined excise for unleaded petrol that contains lead of under 0.013 g/l (21.692 denars/liter) and the diesel petrol (12.121 denars/liter).

When it comes to taxes, maybe the best thing to do is to quote Frederick the Great, Prussian king from the 18th Century who says: "No Government can exist without taxation. This money must necessarily be levied on the people; and the grand art consists of levying so as not to oppress".

Bearing in mind the previous, the Law on Personal Income Tax ("Official Gazette of the Republic of Macedonia" No. 80/93; 3/94; 70/94; 71/96; 28/97; 8/01; 50/01; 52/01; 2/02; 44/02; 96/04.) states that the income from sales of used solid waste generated by physical entity is not subjected to taxation.

Besides this one, there are also other examples in support of the environmental protection policy. However, especially relevant is the corporate tax (taxation of the companies' profit). The question is whether this tax as well as the personal income tax, besides their traditional fiscal goal also have non-fiscal objective i.e. protection of environment?

Throughout its "evolution" the Law on Corporate Tax of the Republic of Macedonia has undergone numerous amendments probably due to the reason that it appears not to be very simple to create a solid law on profit taxation. In fact, the great Albert Einstein in one occasion stated: "The hardest thing in the world to understand is the tax on profit. This is too difficult for a mathematician… it takes a philosopher."

In the first version of the Law on Income Tax (5/93 – at that time, essentially this tax was not a corporate tax) it states that the basis of the profit taxation is the profit presented as a difference between the total income and total expenditures of the tax liability person. However, in one of its lines it states that the total expenditures are the depreciation costs up to the amount determined with the defined rates, except for the depreciation costs for the means that are used for environment and nature protection. In other words, the depreciation of funds intended for the environmental protection, does not represent a cost i.e. it does not fall under the category of expenditures.

The same Law also defines the part of the profit that is not paid tax for. Namely, this tax was not paid for that part of the profit that is within the amount of the invested finds for environment and nature protection (line 3).

Changes and amendments of this Law, besides other, also refer to the provisions that affect the environmental protection. Namely, No. 80/93 of this Law, in Chapter 6 which defines the tax reliefs and exemptions, defines that "the tax liability person is entitled to faster depreciation of funds that serve for environment and nature protection". According to this "the tax liability person has a reduced obligation to pay taxes in the amount of the funds invested for environment and nature protection…"

Two years after this basic Law, the Law on changing the Law on Income Tax (since September 1995) defines that the tax liability person should have a decreased obligation to pay tax in the amount of the funds invested in environment and nature protection.

It is obviuos that regarding the decrease in the obligation to pay tax on the finds invested in environment and nature protection, the version of the Laws in 1993 and 1995 do not differ much. The changes made in 1995 just add other actions that this profit could be invested in, and also state the actions that does not require paying a tax on profit.

With the Law on changing and ammending the Law on Income Tax, in December, 1996, Article 35 was changed and it states: " The tax liability person has the tax basis for profit taxation decreased in the amount of funds invested in environment and nature protection".

The Law from year 2006 ("Official Gazette of the Republic of Macedonia" No. 27 from 8.03.2006, and No. 139 from 30.12.2006.) defines that "the tax liability person is entitled to having a faster depreciation of the basic funds in cases when he/she makes technological modernization or supplies funds for environment and nature protection, up to not more than the amount which is 25% above the depreciation calculates in a manner defined in Article 15 of this Law." As funds that serve for environment and nature protection are defined funds that are intended to be used for equipment and instruments that serve for the purpose of decreasing the pollution and measuring the condition of air, water and land polution, introduction of clean technologies as well as construction of filter stations for communal and industrial water, setting up filters against air pollution, manufacturing products from waste materials, collecting and disposing communal and dangerous matters etc. (in accordance with the Guidelines for the manner of calculating and paying the corporate tax and prevention of double exemption or double taxation).

Also, the paragraph that states " As an exemption from paragraph 1 of this Article, the tax liability person is entitled to having a faster depreciation of funds intended for environment and nature protection" does not exist any more in the Law on Corporate Tax.

In the following changes and ammendmends in 2007, 2008 and 2010 there is no change of the Articles that refer to environment and nature protection.

CONCLUSION

The human trust in permanent progress is a key feature in the development of the civilization, representing a development of all human material and spiritual values. This imposes a symbiosis of economic, social and environmental protection goals.

One of the fundamental preconditions for overall development is the existance od legislation according to which the financial funds are in the function of development, on one hand, and on the other, it is the existence of economic instruments in support of the environmental protection policy. In other words, this means spreading a range of goals that should be accomplished with the taxation policy. Or, as stated by Oliver Wendel Holmes, Jr. Supreme Court, USA: “Taxes are what we pay for civilized society”.

The Constitution defines the fundamental values of the constitutional system of the Republic od Macedonia which have economic, social, legally-political and ”environmental” dimension.

The national legislation treats from different perspectives the issue with the environmental protection financing, through the Laws that consist of Articles on customs tarrifs, excises, taxes, fees etc. One of the Laws that deserves to be paid attention to is the Law on Corporate Tax that determnes the mechanisms for decreasing the tax basis in the amount of the funds invested in environment and nature protection. The tax liability person is recognized the right to have a faster depreciation of the basic funds in cases when he/she acchieves technological modernization or provides funds for environment and nature protection, not more than up to the amount of 25% above the depreciation calculated in accordance with one of the methods for depreciation calculation.

Taking this into consideration, in the direction of fulfilling the non-fiscal goal defined as environmental protection, the Law on Corporate Tax is one of the Laws that deserves to be qualified as modern and progressive one.

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TOURISAM AND TERTIAN HEALTH CARE SPA-THERAPY

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Abstract

The heath system in the world had great organizational changes last decade. There are coming like a need to have economic and modern health care. The health care could be more economic if some of thinks in logistic have been done from professionals who shall work economic. Regionalization and developing of tourism together with balneology is applicative model in many countries from EU. Material and method: Comparative analyze between Macedonia and Germany. Results: Spa centers in Germany are regional organized and divided by special pathology of treatment but logistic activity like: transportation, nutrition, and service of centers and marketing is facilitate from managers team for tourism. The eminent medical sciences are employed, so the quality of health care is on high level. Conclusion: Could be found economic models by us too.

Key word: *tourism, tertian health care, economic benefits.*

INTRODUCTION

The health system in the world had great organizational changes last decade. There are coming like a need to have economic and modern health care. The health care could be more economic if some of thinks in logistic have been done from professionals who shall work economic. Regionalization and developing of tourism together with balneology is applicative model in many countries from EU.

A spa is a water treatment or medication that is offered by a resort or a place for the treatment, known as *balneotheraphy*. There are different kinds of stories that derive the term of the treatment, spa. During medieval times in Belgium, the name was derive from the name of the town Spa in Belgium where illnesses of the people of having an iron deficiency were treated by drinking from a spring water with iron bearing, chalybeate. They also say that the word SPA is the acronym of the Latin words '*Salus per Aquam'* '*Sanitas per Aquam'* which means healing with water. The concept of spa originated during the Roman Empire where thermal buildings have been built such as saunas and massage rooms. During this time the Roman Empire tried to find ways to relieve military wounds and body ailments. They built saunas and hot wells to heal their bodies; they called this at first as aqua and the treatment called *Sanus per Aquam* and its acronym SPA.

The concept of these baths turned to be therapeutic which most doctors prescribed to their patients for a longer and healthier life. Though the term has different origins but still they have the same concept. The spa culture has developed various ways in Europe; they use mineral water, sea water and marine and other body therapies. During the 18th century the development of spas has been guaranteed a scientific approach, facilitating on the analysis of water composition and its benefits. In the 19th and 20th century spas were a privileged to social classes and later on to all. The acronym SPA was later on used at this time.

Spa was only used for treating illnesses of the body, it was for health reasons but at this time spas is not only for the body but also for the soul. A spa treatment can be relaxing physically, emotionally and spiritually. It can improve health, manage stress and enhances one's wellbeing.

People go to spas to relax and de-stress from every day life. According to the International Spa Association, spa is an overall enhancing of wellbeing that promotes the revitalization of the mind, body and spirit. There are now various kinds of spas nowadays, with programs and services which can choose from.

Day Spa this is a spa which offers services for an hour or a whole day basis. Destination Spa is a spa with programs and services those guests who intentionally come for a life improvement and self rejuvenation in a particular place. Medical Spa provides medical treatments using conventional and modern medicines, with the assistance of the medical professionals. Some spas are not only for health reasons but also for beauty regiments especially for women namely the salon spa and nail spa are some of them.

A destination spa or a salon spa, one thing that it has in common is it is still a spa; it makes one live a stress free, healthier life style and most especially rejuvenates one's wellbeing, the mind, body and soul. Spas are places for enriching one's well being through different programs and services that promotes revitalization of the mind, body and spirit.

With lots of spas to choose from, how do we know it's the spa that we want to experience? There are thousands of spas that offer different ways to relax and revitalize. The first thing that you should do is to decide what you want in a spa and second is how much is your budget for a spa. There are programs and services spas offers; you just have to know what kind of programs in a spa you would like to experience. Here are some programs spas offer and kinds of spas which you can choose from; fitness programs, stress management programs, spiritual programs and pamper and satisfaction and health and wellness. The fitness programs, in this type of program includes classes that can get you participate in activities which encourages weight loss and a healthy every day life. The stress management programs, is where you get to learn techniques on how to manage every day life stress and strategies that you can do to reduce and control stress in your life.

The spiritual programs, these are some activities which you can attend. These relax your mind, experience tranquility, understanding one self and acceptance through meditating by joining yoga, tai chi and chi gong classes. The pamper and satisfaction is the kind of spas where you get to pamper yourself with facials, massages, aromatic baths and treatments, manicures, pedicures and a relaxing get away.

Once you have decided what kind of spas you want to experience and then the second question to ask yourself is how much the budget you have for that spa. There are package deals you can choose from different kinds of spas. If you plan to have a destination spa over the weekend or for a week, you can check the hotel that you're going to stay on how much they offer for that package or if not you can try local day spas that the place have.

But if you don't have enough money for a destination spa, you can always find a day spa at the vicinity of where you live. Or if you just want an hour of your time, you can always go to a day spa, treat yourself with a massage, facials or foot spa. Whatever it is that you choose, the point it is that you enjoy the services.

Personal nutritional coaching is to combine an individual's right to enjoy food with an understanding of healthy eating. Sports treatments, neuro-muscular stimulation and therapies for the veins and musculoskeletal system along with various relaxation techniques complete the programmes. The people; can be using comprehensive individual consultations, drainage and detoxify therapies, holistic treatment of the musculoskeletal system using osteopathy and chirotherapy methods, environmental and nutritional medicine, vitamin therapy and exercise programmes. Physiotherapists and sports instructors, headed by Spa Manager, and

The Managing Director, is working on a high standard. A combination of exceptional luxury and comfort is reflected in individual décor and furnishings enhanced by elegant antiques and marble bathrooms. Chef de cuisine team worked very hard and with full commitment to continuously improve its performance following receipt of the first star in 2005

Spa Management Consultants has created a standard business plan with sample text to make writing your own business plan a lot easier. The Business Plan will be sent to you on a CD in Microsoft Word format.

You will be able to download the file and make the necessary changes to the plan to fit your facility. We have also included instructions for many of the key sections in the Business Plan to help you along the way. Save lots of time, money, and effort by purchasing the Business Plan today. Below is the table of contents for the standard Business Plan.

- Spa Breakdown / Floor plan
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- Situation Analysis
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- Marketing Plan (Part 2)
- Operational Overview
- Human Resources Plan
    - Front Desk Operations
    - Staffing and Training
    - Services Offered
    - Facilities Overview
- Financial Plan
- Organizational Chart
- Staffing Guideline
- Wage Analysis
- Hotel Spa Service Comparison (Part 1) (if required)
- Hotel Spa Service Comparison (Part 2) (if required)
- Day Spa Service Comparison (Part 1) (if required)
- Day Spa Service Comparison (Part 2) (if required)
- Spa and Salon Menu
    - Facials
    - Massage
    - International Rituals
    - Body Therapies
    - Cosmetic Services
    - Hair Services
    - Nail Care
- Demographic Details
- Pre-Opening Budget
- Five year Proforma
- Finanical Assumptions

- Consulting Team Biography
- Architects Biography
- General Contractors Biography
- Licences
    - Massage Establishment
    - Occupational License
    - Cosmetology
    - Barber

Spa Management Solutions, Inc. will **supervise & facilitate** the proper tracking of guests and members, treatment records, cash flow, analyze all operating costs on a unit basis and **maximize** the integrity of the **revenue stream**.

We will provide all administration duties as well as courteous, friendly, helpful and professional assistance to all guests and members at all times. SMS will supervise all daily Spa treatments, staff training, hygiene, maintenance, product control, promote retail sales, staff schedules along with creating and maintaining a unique Spa environment and experience.

Management Services

- Position your Spa in the market by identifying market niche
- Proper guest, member and traffic flow
- Ensuring the integrity of the income stream
- Pricing, promotion, distribution, packaging, competition, and marketplace needs
- Strategic Facility Programming and facility management strategy
- Support the long-range business goals and objectives of the business
- Offering our technical expertise
- Offering our industry resources
- Reduce fixed labor costs
- Increase financial success
- Develop and implement a retail sales plan
- Create and motivate a successful marketing plan
- Establish the key components of financial management
- Will maintain a satisfied and trained staff
- Minimize staff turnover and team retention
- Create Manuals for the 5 major departments of Spa
- Develop a pre-opening budget and develop pre-opening and operational financial projections.
- Assist with recruiting to ensure quality applicants.
- Provide quarterly reviews and performance evaluations
- Establish weekly meetings

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PROMOTION AS A BRANDING TOOL FOR MACEDONIA AS A TOURIST DESTINATION

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Abstract

In times when we are witnesses of competition among countries in the world in order to attract as many tourists as possible, and strengthening their brand as a tourist destination, Macedonia has started to build and strengthen its tourism brand.

Due to the enormous competition, traditional destinations maintain and improve their brand through new innovative tourist attractions. On the contrary, the new tourist destinations strongly attack on tourists with the intention of gaining a better position on the tourist market.

The famous branding guru for tourist destination, Simon Anholt, addresses that countries need to raise themselves the question: What do we need to do today in order to reach the desired level of recognition of the tourist destination for foreign tourists in 10 years?

In this study it will be analyzed what other countries have undertaken regarding the aspect of promotion of their tourist product, concerning promotion of their tourist destination and what Macedonia has undertaken and should undertake regarding that aspect.

Key words: *promotion, tourist destination, branding, activities, strategic position*

INTRODUCTION

The branding of a certain country as a tourist destination is a long and continual process that depends of many factors. The destination's brand represents its essential characteristics therefore it is the DNA that defines the destination, which runs through every action of the marketing communication and attitude of any national tourist organization and tour-operators of the destination. This is a dynamic interaction between the destination's conditions and how potential visitors perception and feel it based on their experience there and the presentation of the destination[11].

Branding Macedonia as a tourist destination is not a simple and rapid process. According to the famous world expert in branding tourist destinations, Simon Anholt, branding is a long and continuous process without stopping, thus action must be taken even when being on top.

Many presidents and prime ministers of the countries where he is often their counselor asked: "Let's take action immediately, that we would be well-known and most desired tourist attraction by tomorrow." His answer always was that it is the wrong question to be asked and the real question to be asked is: "What measures and activities should be undertaken now but also continuously in order to be desired tourist attraction after 10-15 years?"[12].

If we look at the examples of the already establish tourist destinations, for example Turkey, we will notice that their strategy for development and promotion of tourism begun in the early 1990s, so that today, 20

1) S.Anholt, Handbook on Tourism Destination Branding,ETC-WTO,Madrid,2009

2) As a special guest of the manager of the Fair in Rimini, San Marino in October 2009, Simon Anholt held a speech for the Italian tour operators and guests

years later, Turkey becomes the 8th country in the world according to the number of visits of the foreign tourists.

Croatia promptly after gaining independence from Yugoslavia, even during the war that raged on its territory, begun marketing communication with the purpose of establishing of its tourism brand.

Certainly, one of the marketing communication tools is the promotion as a special element of the 4P in marketing.

Promotion of the Macedonian tourism in the world

Where is tourism of the Republic of Macedonia, all these 20 years since its independence in terms of marketing activities?

From our research the following can be accentuated:

Tourism in the Republic of Macedonia had never been treated as a priority economic activity, not as a priority for the state and the government never places the tourism in its focus of interest. We can say that Macedonia as a world tourist attraction has been a less unknown, or not perceived at all by foreign tourists. And the perception that was aroused was based mostly from the old times in the Federal Republic of Yugoslavia. Promotion was led by the Department of Tourism in the Ministry of Economy, which according to finances and capacity carried out certain activities primarily through participating in international fares for tourism.

Without any strategy to promote tourism, some “ad hock” campaigns have occurred in several global media without applying and combining other marketing tools. The CNN campaign in 2005 is the suitable example.

The main concern of the domestic tourism workers was the fact that Macedonia cannot be found on the map of recognizable tourist destinations in Europe.

Since 2008, the State turns to a stronger tourism industry taking some coordinated activities in terms of promotion and establish Macedonia as a tourist destination abroad.

Thus began a series of activities in terms of promotion with the creation of tourism videos under the name “Macedonia Timeless”, more videos for wine, culture, mountain tourism, lake tourism, gastronomy, consequently forming a coordinated and continuous campaign on more global media (CNN, Fox, National Geographic), established a special agency for promotion and support of tourism and its main task-promotion abroad.

In 2010 begins subsidizing foreign tourist market or subsidize any travel agency that will bring foreign tourists to our country.

If you analyze the program and activities undertaken by the Agency for promotion will notice that in a short period of time (only two years of its existence) has taken certain actions in that direction[13]. Promotion through participation in targeted international markets through branded stand with several activities (organization of Happy hour, Video presentations, interactive communication with international tour operators etc.)

- For the first time organize the outdoor (billboard) campaign in the capital cities of the countries of the region and targeted markets with a duration of 1 month,
- Applies the activity of inviting tour operators and journalists from targeted countries on a study tour in the country to become directly introduced with the tourism potential and to achieve immediate meeting with their fellow workers in Macedonia.
- Promotion through advertisements in specialized tourism magazines for segmented audience,

[13] Agency for promotion &support of tourism, Annual program 2010,Struga, official gazette from 03.01.2010

- Printing promotional materials,
- Organizing a day of Macedonian tourism in capitals of certain targeted countries, etc. If we add the promotion in global electronic media organized by the Agency for Foreign Investment (spots on CNN, BBC, Fox, National Geographic), and a campaign aimed at domestic tourists under the slogan "Explore Macedonia" it can be noticed that, in fact, a wide range of promotional activities is undertaken.

According to the annual promotion program done by the Tourist Organization of Serbia they realize the following activities in terms of promotion in the world: participating in international tourism fairs (28), organizing road show targeted markets, hiring a PR agencies to promote tourism in 11 countries, advertising in foreign media, support of foreign tour operators and airlines that attend to promote the country, promotion on electronic media, printing promotional materials in certain segments, inviting foreign journalists and tour operators on study tours, participation in fairs for Congress Tourism and organizing campaigns for the domestic tourists under the slogan "Serbia that I love"[14].

If you look at Montenegro – the Tourist organization of Montenegro in 2010 implemented the following activities for promotion: promotional campaign in electronic media (CNN, Euro news, BBC, Travel Channel), participated in international fairs for tourism (14), organized Roadshow of targeted markets (presentations, workshops), promotional campaigns in the electronic media in the region, the billboard campaign in the region, printing of promotional materials, advertising in specialized global media and printed guides, invited tour operators and journalists on study tours, promotion through web portals, opening of representative offices abroad.

What is most significant, is the campaign "The Sea Calls" where combined with more accommodation facilities in private and hotel accommodation arrangement for 7 days, created a very favorable low price offer (in season and out of season) in order to attract more foreign tourists[15].

If we compare the activities of the Agency for Promotion of Tourism of the Republic of Macedonia with tourist organizations in Serbia and Montenegro who also work on promotion we can conclude that they are generally compatible, with the difference that the agency's budget is much smaller than the budgets other countries have for promotion.

If we look at the agency's budget we'll see a discontinuity in terms of intention to pursue activities in promotion and a small budget that the agency receives from the state annually.

Thus, we can conclude that the budgets of Tourist Organizations of Slovenia, Montenegro and Serbia each has a budget which is measured in millions of euros, and that is not the case with the Agency for promotion of tourism that has limited finances (100 000 Euro annual).

In Macedonia, the Foreign Investment Agency has shown interest in promoting tourism along with the Agency for promotion of tourism and the Department of Tourism. If it is because of the fact that the agency is a new institution almost 3 years of existence it may be understood. However, in the future it is necessary for the Agency to take all actions for promotion and to be its responsibility.

In terms of promotion we have to have in mind the fact that tourism tax of 40 denars, 80% of it is accumulated in the budget of municipalities and 20% in the state budget. Municipalities should be actively involved in promoting its resort and its activities, therefore complement the state agency on the efforts of promotion.

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[14] NTO Serbia, Annual program for activities in 2011,Belgrade,January 2011

[15] NTO Montenegro, Annual program for activities in 2010,Podgorica, January 2010

CONCLUSION

From the analysis indubitable we can draw certain conclusions.

- the promotion activities are essentially more or less the same in countries that treat seriously tourism concerning their aim is to be a recognizable tourist destination,
- The Agency for the promotion and support of tourism should be more institutionally strengthened and continually increasing its budget,
- Republic of Macedonia through the Agency for the promotion and support of tourism should continue coordinated promotional campaign with intensified pace and focus on targeted segmented markets,
- adequately combining the instruments of the marketing mix and promotional mix in marketing communications abroad,
- permanently to attack and opening new markets especially in Europe (Austria, Poland, Romania, Hungary, Czech Republic, France, Nordic countries), and strengthening the brand's on existing markets in the region,
- enhancing promotional activities and enrich with new activities,
- continuously analyzing the reports on the effects of a promotional campaign conducted in a particular country in order to successfully combine the instruments of marketing,
- The presentation in international fairs to actively engage local governments and chambers of tourism (consistent with a template of other states)

If we carry on these promotional activities in the next 5-10 years, Macedonia will be truly established as a tourist destination. But as Simon Anholt said, the most important perception is the one that tourists have for a particular destination or their gained experience on the destination. That means that when tourists visit our country they should be satisfied in order to recommend the destination to their friends.

Macedonia with the measures taken in recent times is on a good way to become recognized and desirable destination for the European tourism market in a period of 5 till 10 years. However, It requires coordinate joint action of all subjects and stakeholders in tourism starting from the state level up to the local level, the faculties of tourism and tourist workers in a tourism chambers.

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TOURISM AND MOBILE TECHNOLOGY-TRAVEL PLANNING RESEARCH STRATEGIES

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Abstract

In this paper I will stress out the most important points regarding the relation between Tourism industry as a important component of the economy, and HCI as the study field on the relations between human beings and computer machines. This paper emphasize the facilities that HCI can provide to the tourism industry, highlighting the tourisms potential for using the new mobile technologies, and explaining how important is the human computer interaction in with this industry, by pointing out the out-coming results regarding efficiency, accuracy and accessibility, all contributing to the human satisfaction factor.

Keywords: *Tourism, HCI, development, Smart Phone, virtual, efficiency, applications, mobile technology*

INTRODUCTION

Human beings always differed from other beings by the properties of reasoning and creativity that helped them go through the evolution process by stepping toward greater improvements which keeps on driving the human being toward success and new challenges. Technology revolution definitely has had a huge impact on the tourism industry on the market. By enhancing the quality of the services it transforms the industry in to more interactive and expands the capability of covering all types of different costumer level. Being aware that tourism is a dynamic business, in terms of location, time and service, reaching the top perfection point needs a lot of interaction between the user and the interface used for accessing needed information.

Providing real time information in creative ways to a wide range of consumers whether individuals or companies reveals the true importance of the "attraction" element that good HCI strategy can provide. Interaction design, communication quality and human satisfaction are the core elements of the current technological improvements in this area.

It is always the most attractive interface providing the information, which every one wants first to get. The use of new technologies overtakes the barriers of cultural differences preventing tourism from further development. The more realistic user interfaces with adopted user characteristics are leading to the creation of virtual reality applications allowing users to explore real- like environments facilitating them on their traveling decisions.

With several components and different tools the opportunities for interaction expand and the variety of choices can be offered to the consumer, which proportionally increases the value of the industry itself. The main focus of this research is on the mobility, efficiency, usability and different strategic researches as the key factors that are driving the tourism industry on the market. With a closer look on the quality of the design, accessibility and usability, the concept of interaction between human and computers takes the advantage on making tourism one of the most attractive and very profitable industry. Human creativity opens a new dimension of joy by complementing tourism with all needed elements for success.(Ficarra et al 2010),(Brown et al 2003)

CONVENTIONAL VS. MODERN TRAVEL PLANNING

Traveling and visiting new places is something that people were interested always, and still are, but the question is that how they used to find out, plan and realize their trips before and how they do it today. Before the technology evolvement getting the desired information was very much different in terms of the speed, accuracy, and procedures that you needed to go through. Travel planning was a business completely realized by the travel agents which were the ultimate source for booking good priced flights, finding hotels, car rental and all the other services that the customer would be interested, for the vacation or the trip. Basically people were depending from the travel agents for getting the information they wanted. By face-to-face meeting with the travel agent the costumers were guided and gaining consumer trust was the main issue. For frequent costumers was important to have their favorite agent, taking into consideration the trust that the customer had on that agency, they provided the customer with different discounts and "additional services", meaning, giving better advices for the trip or traveling, serving in some special ways, offer customized packages and so on, just to make the customer feel more comfortable. But as the internet technology took over, the conventional travel agencies started to enhance their interfaces and moving their business to the online market, offering their offers to a huge range of costumers within huge distances. This kind of enhancement speeded up the process of travel planning for the customers and the agents also. The possibility to have real time information in some terms made the modern traveler more aware of things and the responsibility that needs to be taken in to consideration when planning a trip or a vacation. Being location independent the online agents provides the costumer the necessary information, and accessible from any where, which takes the advantage on the dynamism of the life today. So the customer does not need to lose time to go and meet face-to-face with the agents and discuss for their travel plans and get advices. This is the aim of the remaining conventional travel agents, they tend to have interactive online interfaces so they can establish their relation with the consumers. However the traveler sometimes needs the face-to-face meeting, there is still something that distinguishes the "human service" from the "technology service", and that is the intelligence. Humans are intelligent enough to discover what the customer wants and serve it to the them, so they have the confidence and will keep that relation with that company for long time. This is one of the reasons that online agents still have their locations for those clients that need this kind of service. (Travel guide 2010), (Xiandra 2010)

Regarding my experience in this field, seen from the tourists perspective, when I do my trip planning there are situations when I feel lazy and irresponsible than I want to have my "favorite agent" that I trust to run my agenda and book everything that I need, not caring for the details and procedure or having who to blame is something goes wrong. But this is not the case when I do not have time to go consult my agent and I have to decide and do the planning my self, select from the interactive forms on their web sites and finish it. I pay the money anyway but the question is what gives me more pleasure the online service or the face-to-face booking procedure? The answer of this question you can get after something on your trip goes wrong.

Talking a bout the human satisfaction factor and getting the inside from the agents point of view, I interviewed the owner of travel company "JETA-Air" one among the biggest travel companies in Macedonia, Mr. Kasam Vela. He stated that the transformation from the conventional travel agent services in to the modern more interactive services, is more valuable from the consumers perspective, the consumers, as he said, are likely to trust you more when the level of interaction in the interface that provides information is high, but also, there is a certain class of clients that still can`t get rid of their old "real deal" face -to-face service. Working with both systems is yet fun because one thing that will remain the same is the travelers behavior.

On the conventional way of servicing the first impression is that its more complicated but it turns out to be more attractive because of the verbal contact, consumers desires can be discovered and offered a better offer not letting them be driven by the low fare or less luxury service. On the other hand the modern services aim to have both the efficient service and the possibility to discover consumers needs by using different application. At this point the human computer interaction plays its role by making the user interface more interactive and make the user participation and usability more easy. However both of the services have their own values, advantages and disadvantages, it depends on what and how the traveler wants it, and also the travel experience of the traveler plays its big role. As times passes and the dynamism of life rises, the costumers more and more wants to get things from their remote areas so they find more easy to check them online.(Field Intreview)

CATEGORIES OF TRAVELERS, RESEARCH STRATEGIES AND THEIR STEPS

Every day we are bombed with a lot of information from different fields, and regarding traveling, if you check the online reservation sites you will find a lot of choices and possibilities for you to decide where to go, like www.skyscanner.com; www.hotels.com; and so forth. Nevertheless first of all before you decide to travel you have a purpose, whether you are a traveler that travels for visiting places or a traveler that takes a business trip, according to this criteria the travelers can be categorized as first time travelers and business travelers . From these two categories it depends the steps you need to do, the technology and the devices you use in order to plan your traveling. The first category, the first time travelers, they are with no experience and often have a "check" list of places to visit , or suggested restaurants, mostly around 5-7 main places. They are motivated to do the traveling and get a lot of suggestions from people that visited those places before or have some information's in prior so the travelers just load them self's with huge amount of information's and lists for their trip. Often these category of customers check the low air fare online services, and spend more time on calculating the arrivals and departures as a consequence of the numerous connections that these low fare services provide. Along with checking the transportation service they also check the accommodation which is the most important part of the traveling, its the "Home away from home" the base of every traveler, and its very important how the costumer chooses the accommodation. This category of travelers also goes through many online sites that offer these kind of services and carefully selects the "best" choice. They often visit the places in groups organized with a guide that presents the values of the places they visit. These group of travelers plans their trips in prior most often using their PC or Laptop at home and eventually while they are in the trip for some popup event that might emerge. This category has probably slightly small possibilities for deviating from the "check list" that is a reference for their joy. And that is not the case with the other group of travelers that are taking the business trips. Whose official plans particularly are planed, but the most of the time they do the "extra" planning at-hock. How this happens? This group of travelers mostly travel to attend conferences, do business or give lectures and so on. One part of their travel is already booked and is planed with the agenda that they need to conduct, whether is that a meeting at some well known place, mall or other famous location, or a lecture in some amphitheatre, a business dinner in some fancy restaurant and so on. Often its the situation where they have several activities in different places which is becomes a part of a trip and gives the possibilities to see and explore new things. Sometimes these business activities include in their agenda a visit or a relaxing free time that also fulfills the traveling gaps of this category. This category of travelers, as they are on the move they mostly use the other devises as Smartphone's for finding interesting places on the way filling the gaps of time that they have probably in between activities of their agenda, checking for the random events and some places that they think are interesting. Generally they avoid guidance and prefer to popup activities, mostly they are experienced travelers and that's why they like fast choices and Smartphone's usually play big role here. (Adriana et al 2010)

PC VS. SMART PHONE IN THE TRAVEL PLANNING

Despite the many possibilities that the PC or the laptop offers the Smartphone is gradually replacing them regarding traveling purposes. All the integrated new technology becomes more and more attractive for the users especially for the travelers. In most cases the travelers hesitate to take their laptops with them for several known reasons like space, mobility, weight and comfort . For the business travelers the Smartphone provides the possibility of searching "live" meaning that they can perform operations while they are on the go, quickly selecting or searching places to visit or even checking business matters from remote locations. Not like the PC and laptops that are used mainly before taking a trip, which was characteristic of a the first time travelers, the Smartphone makes the communication more easy, due to its enhancements and interaction between the user and its interface. The pocket size dimensions and the interactive software give these devices the possibility to be popular and functional at the same time. Not just finding wanted destinations but mail checking services and a lot of social networks nowadays increases the importance of the Smartphone in this field, like using Linked in, tweeter, Facebook and other networks for uploading photos of visited places or staying in touch with a lot other users, as informing their family where they are, together with the multimedia functionalities that a Smartphone possesses like photographing on high resolution, recording videos and so on is a result of the wide possibility of interaction that user can perform with the device. The iPhone for example has big touch screen and supports a lot of application with which the traveler can interact and get the wanted result, whether is a matter of navigation or the need for a good place to have lunch. These context aware applications drive tourism in a different and yet successful path.(Wolfe, A 2008), (Mace, M. 2006)

CONTEXT AND FORM AWARE APPLICATIONS

Having in mind the dynamism and the mobility of the tourism, the huge range of possibilities and the big demand for information from the costumers at any time, increases the demand for context aware applications with high level of interaction. Which concept can be very helpful in many ways, providing the costumers with different information's that might be in their interest, and not just providing them with the information yet increasing the possibility of communication and sharing, these applications can make the traveler be the target of many information and advertisements depend-less of his will, e.g. when locating their self with the GPS service, you might get several recommendations on where to go and what to visit, or even which is your nearest parking lot. The human satisfaction that tourism provides is interconnected with different activities, not interfering with each other, but still looking at the big picture they form the so called "Fun" and the costumers especially when it comes to this point they want things to go smoothly and everything to be perfect. But getting to the "Fun" should be easy, which implies that the human computer interaction should make easy everything what seams to be complex.

Designing attractive and easy to use apps like location aware apps, traffic frequency, restaurant chains, forecast apps (the most important element in the tourism industry), music and media apps, electronic compasses, different GPS services, even car parking apps, or buss stop counters and so on, that can be in reach of a huge mass of people through the use of new technologies, with the maximum level of interaction between people and devices and being there where the customer or the traveler is, creates new possibilities in this area. This development contributes not only to the pleasure that costumers get, but also to the developing of the infrastructure around the world, like the signal emitters are expanding their network coverage, competition lowers the prices, power consumption gets lower and power cases smaller , design looks more fancy, and all this leads to a bigger change affecting the society. (Kramer et al 2010), (Hinze et al 2009), (Elizabeth Churchill 2010)

TOURISM AND NEW MOBILE TECHNOLOGIES

The collaborative nature of tourists of different categories implies the possibility of huge use of new technologies Discussing this matter we must pay attention on the ways they do the collaboration before and after they visit places. Realizing the trips and visits needs some organization among the groups of tourists or the individuals that are traveling. Having the maps, guide booklets and other itineraries is part of the successful journey considering the collaborative nature of tourism. Also a important part of this activity is the sharing the experiences with their family or known close people. For those purposes tourist used to have evidencing the visited places or events with photo cameras, recording cameras, than using internet services to send them home and so on. When visiting a place no matter what's your purpose is, whether is business or fun the traveler encounters a lot of events on the way , activities and meet different people. Even during waiting the train or the plain departure the tourist needs to send or receive some information, or even share with the person that they just met while waiting, other case is when thy are a big group of friends or travelers that chose the same program need to set a meeting place and time for having lunch or taking place in to some event that is going on near by, or even informing their group mates for that event. These activities require more dynamic and more interactive communication, sharing information more quickly. Bearing in mind that during traveling tourists encounters a lot of pop-up events even unpredictable accidents they need to be prepared to communicate with their co travelers, informing for the situation, seeking help and so on. There fore the mobile technology is being more popular in to the tourism industry. Tourists find the mobile products and their services very useful for their activities. Most of the devices are with good design which is one very important factor in this case also combined with good interactive software sporting a lot of applications that make possible all these collaboration and sharing that we are talking about. Finding places to visit, getting directions, or being suggested to visit a nice restaurant was never as easy as its now using the electronic version of the guidebooks, maps and other apps that are interactive enough to facilitate the traveler to its desired destination, and the advantage saves time, reduces cost, is more efficient and even makes the tourist more happy. (Barry, B et al 2003)

CONCLUSION

In this paper we introduced different strategies that tourists follow to fulfill their desired trip pr vacation. The strategies they chose are affected from their purpose of the traveling which mainly we divided in business and non-business purpose. Belonging to one of these groups tourists do their planning and their movements while they are in the trip, also we pointed out the need for enhanced technology how might have impact on their overall impressions and experience, emphasizing the use of mobile technology as a problem solving solution, we talked also about the applications which with their high level of interactivity making users more addicted to them also have impact on the increasing of the demand for them as well, generally adding the joy ingredient to the traveling. The consequences of this can be seen in the increasing competition leading to technological development affecting other businesses as well.

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CONCLUSIONS OF THE CONGRESS

1. An extremely high level of scientific and professional approach, and the programs content of the Congress offered and imposed on the domestic and international scene as a newly developed of knowledge that are complementary and synergistic with previously egalized dynamic guidelines for managing the coordinated activities of tourism in the function of founding and accelerating the economic development.

2. Globalization implies opportunities, challenges and competition as well as uncertainty and turbulence. Tourism activity has to be created under new conditions - global and growing market and public relations, on local, regional, national and international level.

3. It is no longer questioned the treatment of tourism (as mezzoeconomics) within the overall macroeconomic development policy. Tourism has confirmed its immanence. Under consideration is the incorporation of a wider range of complementary activities and actions in its compositional body, in particularly:

-Managerial economics,

-Marketing and Public relations,

-contemporary forms of tourism,

-Entrepreneurship and human resource management,

-Occupational safety and health, Hospitality management … … …

4. Information and communication technologies and tourism are two of the most dynamic motivators of the emerging global economy.

5. Marketing, public relations and hospitality management are three main points that made the tourism industry the biggest one.

6. One of invisible factors for success of complete tourism offer of any tourism organization or institution, is certainly connected to the presence of health and safety, and not only related to tourists, but also to the personnel included in realization of services. They are one of the crucial factor of attracting new, and held of existing tourists.

7. Tourism (the Macedonian Tourism also) must not only retain the analysis of current events, but must have conceived the most complex cognitive managerial-economic segment: a review of the future (nearby or beyond) setting in which to develop the goals of economic development.

Economics Strategy based on tourism programs must be funded on realistic statistical data and global/regional interpolations of trends in tourism.

PROSPECTIVES

The correct positioning on a dynamic and competitive tourism market has to be conditional on monitoring modern trends which serve to identify demand, new market potentials, areas of possible investment, and infrastructural requirements. It has to be done only by the responsible managers of the marketing department that first has to own emotional intelligence to be able to find it among the applicants ;

The tourism industry is in transformation and is likely to originate an e-tourism industry. Information technology plays a very important rule to link the tourism chain bringing benefits to all its members and, ultimately, to the final consumer;

An e-tourism industry will change many ways of developing the tourism business. It is a great opportunity for tourist destinations that still do not have an adequate infrastructure, communication, or local entrepreneurs to participate of the international tourism market;

Promoting, introducing and optimal utilization of the brands;

The combination of world models of the tourism offer!

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