

THE STRATEGIC ANALYSIS OF THE EDUCATIONAL MARKET FOR THE ROMANIAN TOURISM

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Abstract: *The Romanian market of educational services for tourism is not only a very dynamic one, but it also represents a new market considering that the law which, even if adopted in 1999 in accordance with the European regulations concerning LLL, has been applied only since 2006; hence the numerous problems which have occurred. Besides, problems concerning the Romanians' mentality of changing their vocational status have appeared, given that during the past regime it was not considered appropriate to change jobs. In this respect, for our analysis we undertook the STEEP model applied to the local market whereas our conclusions were presented in a SWOT matrix. The analyses compare some indicators and values from the European countries and the results shall be used for the improvement of the activity of all the players operating on this market, in the context of the European Social Found implementation.*

Key words: *tourism, strategy, LLL, STEEP and SWOT analyses.*

1. Introduction

The educational service market for adult continuous training is relatively new, having been brought under regulation in 1999.

It is not only dynamic and submitted to continuous legislative changes, but it also faces some important issues connected to the Romanians' mentality as well.

The most important issue is that regarding conservatism; whereas in Europe, employees do change their job more than two times (on average) during their active life, in Romania, the average only little surpasses one, this being the case of people who are over 40 years old,

due to the idea that one must retire from the occupation learnt in school.

The second most important issue is the attitude regarding workers; for the last six years, the academic educational offer has surpassed the number of graduates conferred with a baccalaureate diploma. This has resulted into an extremely high number of students and graduates not at all correlated to the labour market (also negatively influenced by the transition and the economic crisis as well). Moreover, attitude to workers has become hostile, the prototype being the worker known from ads as "Dorel".

In such an environment, the adult continuous training market has oriented

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towards “fashionable” jobs – especially towards those in the field of tourism, accountancy, human resources inspectors or, as regards workers, heating plumbers or lifting machinery operators (working for the large stores).

2. Analysis of the external environment

The analysis of the external environment consists of two categories of factors: those that the company cannot or should not influence within its activity (Sociological, Technological, Economic, Environmental and Political) – the macro-environment factors – in this respect, the analysis model used is STEEP and those factors that involve a mutual influence for the company and the environment in order to reach its objectives – customers, competitors, suppliers etc.

2.1. STEEP analysis of the macro-environment

The Sociological factors are connected to the Romanians’ mentality regarding vocational stability.

Thus, the Romanian traditional society was developed on the basis of the rule according to which one should practise only one job during all their active life and, in many cases, in the same organization. The evolution of our society after the Revolution of 1989 has changed this view, as a result of the numerous bankruptcies and “reorganizations” of national companies which ended up in numerous people’s necessity to change their workplace.

In countries within Western Europe, an employee changes his job on average twice during his active lifetime, whereas in Romania, this figure slightly surpasses one.

Technological factors are characterized by the technical means of service supply.

Lately, Romania has registered an unprecedented development in the field of information technology and the Internet, with a higher development rate than in the majority of the European countries.

In the processes of course development, the last generation of know-how and technology is used, whereas ICT does represent a basic priority through European financing, generating an extremely high technological renewal rate.

The **economic** factors have a very important role in the evolution of the educational market, in general, the transition to the market economy being also accompanied by the creation of the educational services market in the field of adult continuous training.

But the educational market has been developed by leaps and bounds if compared to the other markets, its evolution being accompanied by “herd instinct” phenomena. On the initial training market, this ended up in the superabundance of economists and legal officers and in the dramatic decrease in the number of engineers in the field of mechanics, in the unsupported rise of theoretical high schools to the detriment of technological ones, whereas for the last six years, the number of graduates holding a baccalaureate diploma has been lower than the number of available places offered by academic educational centres.

These phenomena are the more severe the more the labour supply materializes on the market with a three-or-four-year delay because of the studying cycles; consequently, those disequilibria on the labour market continuously deepen if adequate prognoses continue to lack.

If initial training forms the army of the labour market, continuous training does constitute the rapid reaction force trying to “repair” all this lack of correlation on the labour market.

Nevertheless, on the adult continuous training market there are also some “herd instinct” tendencies, more precisely the attractiveness of some “fashionable” jobs – those in the field of tourism, heating plumbers, trade, accountancy, human resources inspectors, computer science, in general, jobs that offer a certain degree of comfort and that are at times in excessive demand on the labour market.

Such a fact has had as a consequence the market saturation with some occupations and the lack of others, which are paradoxically classical occupations in the industrialized areas, such as metal workers.

The **environmental** factors mainly aim at implementing economic sustainable development strategies by including elements specific to such issues in the analytical curricula of courses and training programmes.

Within projects financed within the European Social Fund, sustainable development should be approached as a priority together with those of equal opportunities, information technology and communication.

Political factors refer to the political and legal framework that regulates the educational market.

In accordance with the provisions of Law no. 132/1999 art. 4(1), the National Council for Adult Vocational Training endorses projects of legislative documents having as object the vocational training of adults.

- GO no. 129/2000 on adult vocational training, republished
- GO no. 76/2004 on amendment and completion of GO no. 129/2000
- GD no. 522/2003 on approval of Methodological Norms for applying the provisions of GO no. 129/2000 on adult vocational training
- GD no. 887/2004 on amendment of Methodological Norms for applying the

provisions of GO no. 129/2000 on adult vocational training, approved by GD no. 522/2003

- GD no. 1829/2004 on amendment and completion of Methodological Norms for applying the provisions of GO no. 129/2000 on adult vocational training, approved by GD no. 522/2003
- Order of the Minister of Labour, Social Solidarity and Family and of the Minister of Education, Research and the Youth no. 353/5.202/2003 on approval of the Authorization Methodology of adult vocational training providers
- Order of the Minister of Labour, Social Solidarity and Family and of the Minister of Education, Research and the Youth no. 80/3.328/2005 on amendment and completion of the Authorization Methodology of adult vocational training providers (no. 353/5.202/2003)
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- Order of the Minister of Labour, Social Solidarity and Family and of the Minister of Education, Research and the Youth no. 77/3.327/2005 on amendment and completion of the Authorization Methodology of adult vocational training providers (no. 501/5.253/2003)
- Order no. 4543/468/2004 on approval of the Evaluation and certification procedure of vocational competences obtained on other means than the formal ones
- Order of the Minister of Labour, Social Solidarity and Family and of the Minister of Education and Research no. 81/3.329/2005 on amendment and completion of the Evaluation and Certification procedure of vocational

competences obtained on other means than the formal ones

- Romanian Labour Code - text updated on December 12th, 2005, on the following documents: Law no. 480/2003, Law no. 541/2003, G.E.O. no. 65/2005, Law no. 371/2005
- Law no. 279/2005 on the on-the-job apprenticeship
- GD no. 234/2006 on approval of the Methodological Norms for applying the provisions of Law no. 279/2005 on the on-the-job apprenticeship
- HG nr. 875/2005 on the approval of the short and medium term strategy for continuous vocational training, 2005-2010
- Order no. 701/2003 on designating the institution that should automatically recognize the documents proving the qualification conferred abroad, outside the educational system, by Romanian citizens or by citizens of the member states within the European Union and of countries belonging to the European Economic Area
- Order no. 27/2005 on the amendment of Appendix no. 1 to the Order of the Minister of Labour, Social Solidarity and Family no. 701/2003
- Order no. 410/2005 on the amendment of Appendix no. 3 to the Order of the Minister of Labour, Social Solidarity and Family no. 701/2003
- HG nr. 556/20011 for setting up the National Authority for Qualifications instead of the National Council for Adult Vocational Training

As noted previously, the market of adult continuous training is under 17 legislative documents and is led by a specific body, the National Authority for Qualifications – NAQ/ANC.

2.2. Analysis of the micro-environment – Michael Porter's Five-Force Model

In this analysis, we will present the factors influencing a continuous training provider that operates on the national market.

The analysis factors of the model are as follows: customers and the level of competition, competitors, suppliers and substitutes.

Customers are mainly people in search of a job in the field of tourism and also people already employed in tourism who want to re-qualify or further train, in general, young people, aged under 40. There are mainly women aiming at a job in hotels and tourism agencies, whereas for jobs in restaurants, the distribution by gender is balanced (though more men are qualified for the job of cook). For further training for management jobs, the weight according to gender is relatively equal, too.

The European Social Fund finances all the qualifying, re-qualifying and further training programmes, as well as the programmes aiming at stimulating the entrepreneurship spirit and active measures for workforce employment.

In our opinion, we estimate that until 2013, there will be a strong competition as regards **the level of rivalry** among the providers of free of charge continuous training programmes financed by the European Social Fund, as all the large trade unions and employers, the chambers of commerce and industry and the main private training providers have entered strategic projects or grants.

Countries experienced in accessing European Social Funds such as Spain, Italy, Portugal or Greece have entered partnerships with domestic organizations and have also entered ongoing or under evaluation projects.

The training providers are authorized by NAQ/ANC by the county commissions within the Labour Departments, which have a tripartite structure.

Authorized training providers are publicly evidenced in the National Register of Authorized Suppliers presented on the web page of NAQ/ANC.

Furthermore, the market is distorted as a result of the Ministry of Labour's establishment of regional centres for adult continuous training that provide the qualification of people in search for a job.

Their functional costs are higher than the other providers', but the County Agencies for Unemployment directly assign groups to them to train, without organizing any auction.

Thus, when the Ministry of Labour faced financial difficulties, those regional centres ended their activity, being incapable of financial self-sustainability on a free market competition.

As institutional **suppliers**, there are companies specialized in tourism, and, as we have already mentioned, AJOFM (The County Agency for Workforce Employment) is among them.

Given the wish to increase the quality of services, more and more companies appeal to cooperation systems with training providers so as to offer commune and tailored programmes in compliance with the beneficiary's specific demand.

With the European Social Fund, tourism trade unions and employers have appeared as training providers; through the POS-DRU applications, OPTBR, FPTR, Cartel Alfa, BNS and ANTREC as well as NGOs specialized in tourism offer students continuous training programmes.

As **substitutes**, we can consider the qualification programmes within the initial training system, but, on the contrary, these two educational systems are complementary.

Hence, we consider that in this fight between the labour market and the educational market, the initial training system is the regular army, whereas the continuous training system is the rapid reaction force!

3. The analysis of the internal environment

The internal environment of the organization consists of all the elements which, theoretically, it can fully control. The study of the organization's internal environment endorses the establishment of necessary and available resources in the formulation of a specific strategy.

In the 90's, the studies on the organization's resources generated a new concept of analysis: "the study of a company according to its resources".

In order to analyze the different categories of resources, we frequently use their classification by content (human, material, financial) or by the functional means used inside the organization (production, finance, staff, trade, research and computer science). The elements belonging to the organizational culture are, generally speaking, separately analysed, lately being given more attention (management studies of "contingency" type).

By knowing the way in which resources are transformed into products and the company's characteristics, we can define the organization's competences. According to their quality, an organization can find itself in one of the following three competition positions:

- competition advantage – when it has distinctive competences;
- competition parity – when it has common competences;
- competition disadvantage – its own competencies do not allow the production of a product at the average

level of performance of the respective industry.

An efficient analysis of the organizational competencies can be undertaken according to four features grouped under the acronym V.R.I.O.

a) **Value** – we analyse the extent to which a competence generates additional profit by increasing income and/or reducing costs. As regards the training providers, competences are given more by the quality of the teaching staff and trainers, by the quality of training programmes, and less on technical and material equipment, as the majority of training providers appeal to renting training units, and only in the case of school-hotels is the building of their own facilities justified.

In our country there are only such units belonging to The Kolping Foundation, but didactic activities are given by hotels and public food units, otherwise being unprofitable.

AHA, an American investment in Romania, consisting of a hotel school without economic tourism activities, does not offer data on its own activity, but from the official balance sheet data, its activity is unprofitable, too.

b) **Rarity** – we analyse the rarity of a competence in comparison with other organizations'.

Hence, apart from NAQ/ANC authorization, the endorsement by the Ministry of Tourism is also necessary – which very strictly controls the providers' training programmes, the number of training providers in the field of tourism is relatively more reduced than in the other fields.

During the economic crisis, the number of active training providers has dramatically been reduced, only those who have been undertaking projects with the

European Social Fund having resisted on the market.

c) **Inimitability** – we analyse if a resource is inimitable, more precisely if its reproduction by a competitor is difficult or even impossible. A distinctive resource exploited by the organization can offer it a long-term competitive advantage.

In our case, the hardly imitable resource is represented by the license strictly provided by the Ministry of Tourism.

d) **Organization** – we analyse if a competence (resource) is exploited by the organization through an adequate strategy.

An important role is that of the educational training provider's market image; on a highly sensitive market, where most players know one another, the provider's name created in time and with high perseverance is of paramount importance. This is probably the most important entrance barrier on the educational market of adult continuous training in tourism.

4. The relation between the external and the internal environment. The SWOT analysis

The SWOT Matrix represents the last stage of the environment analyses allowing us to further conclude and formulate strategies.

Opportunities and threats influence the external environment, but strengths and weaknesses do belong to the organization, being highlighted according to the internal environment analyses.

Furthermore, according to the analysis, we will present the main results under the form of the SWOT matrix.

Strengths

- The brand name of the training provider;
- Course and training licences.

Weaknesses

- Dependence on legislation in the field of tourism;
- Financial capacity.

Opportunities

- Financing programmes offered with the European Social Fund and the National Agency for Employment;
- Ascending demand coming from people aiming at a job in our country or abroad (Italy, Spain, Greece or on cruise lines);

Threats

- The general economic crisis;
- Legislative instability.

5. Conclusions

The market of adult continuous training services for occupations in the field of tourism is a new market, in continuous change.

The changes and abnormalities appearing on this market highlight the lack of vision in the transition processes, all statistical data being irrelevant for the Romanian tourist phenomenon.

Thus, Romania has at least three times more employees in the field of tourism weighted at one thousand tourists than France, an idea that logically makes us consider that we should be better served than there!

The Hungarian and Bulgarian good practice examples shall be followed in the implementation of vocational training programmes with the European Social Fund, but examples such as Greece shall be considered only not to repeat the same errors.

Whereas Hungary and Bulgaria have developed performance tourism through their own human resources training too, by now, Greece has had no tourism school but only one vocational qualification centre located close to Athens.

In the European Union, 64% of the youth are attracted by occupations in hotels or restaurants and they consider these jobs with enthusiasm, giving a fresh view on such occupations, according to a 2008 study.

Therefore, these jobs in tourism are the most attractive ones, meaning that a special attention shall be given to specific educational systems.

Romania has an initial training system with a well-developed infrastructure and many high schools have benefited from modern equipment through the PHARE-TVET programmes and European Social Fund – POS DRU.

At the academic level, we can remark that during the last decade, there has been a development spread from the capital city to the main tourist centres of Romania, Brașov and Constanța, but as a result of lower investment and functional costs, a high expansion of the private academic education, its centre being Brașov too, can be easily noticed.

In the field of adult continuous training, the system is constantly developing and adapting itself to a continuously changing political and economic environment, the educational institutions being relatively small and flexible organizations.

In the last decade, the demand for such services has been continuously increasing because of the abroad openness through the labour force migration to traditional tourist areas of Europe and the USA.

Prior to joining the European Union, Romanian diplomas had European recognition and thus, this fact substantially resulted in the increase of employment chances of Romanian emigrants qualified in the field of tourism, more precisely for housekeepers, waiters and cooks.

On the short term, we foresee strong competition among education providers for clients within the POS-DRU programmes.

On the medium and long term, the market gets concentrated and only the flexible and extremely realistic education providers will survive.

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