

HUMAN RESOURCES AND THE DEVELOPMENT OF SMEs IN TOURISM

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Abstract

The Small and Medium Enterprises (SMEs) are an area that fosters economic development with great influence on other forms of tourism development in the Republic of North Macedonia (RN Macedonia) and the creation of productive and sustainable jobs. The new concept for the development of SMEs is associated with human resources. SMEs in the field of tourism in the RN Macedonia are facing the consequences of the global economic crisis and the pronounced migrant movements. In the practical part of the paper, a research will be conducted on the planning of human resources in SMEs. The obtained results confirm the basic hypothesis that management very little implements the process of human planning sufficiently which is why there is a strong need for support in this segment. On the basis of the obtained results, the conclusions of the paper will propose guidelines for the development of SMEs through the planning of human resources in tourism.

Key Words: SMEs, human resources, planning, economic development tourism development

JEL classification: Z30

Introduction

Modern and dynamic working conditions are a challenge for Small and Medium Enterprises (SMEs). The new concept of SME development is linked to human resources as the driving force behind economic growth. This issue is of interest to scientific workers in order to bring it closer to

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the enterprises because human resources are becoming increasingly important in economic development (Goić, 1998). But the current situation in the global environment associated with the pronounced migrant movements of the working population towards the countries with developed economies creates major problems for the small and medium enterprises in the field of tourism in the Republic of North Macedonia (Republic of N. Macedonia). Human resources are the most important resource in enterprises regardless of the type and size of the enterprise.

According to (Stojanovska-Stefanova, Aneta and Magdinceva Sopova, Marija and Atanasoski, Drasko 2019:5), modern tendencies regarding the development of tourism in the world show that it is an occurrence that constantly gets new values. It is seen as a rising number of tourists who engage in this activity and generate income in it, and as the appearance of new service providers and the development of economic and non-economic active participants in the tourist offer. It is more pronounced the attention in the broad population structures for new tourist contents. This means that tourism in recent times include applicants for tourist services with different affinities.

Human resources represent one of the five components of the development of the tourism industry according to the World Tourism Organization. According to the World Tourism Organization, there are five key components to developing the tourism industry: information, employee training, quality, sustainable development and new technologies (WTO, 1998). Tourists are consumers of the tourist offer.

All consumers create the tourism offer in some way, which means that human resources that offer an appropriate service also fall under the tourism human resources (Stefanovic, 2007, p. 45). Human resource management is not only the most important business function but also a specific management philosophy. Man is the most important potential and key to achieving strategic and competitive advantage. This philosophy focuses on some elements of organizational success where human resources are central (Bahtijarević-Šiber, 1998, p. 121). The subject of the research in this paper, therefore, focuses on the understanding of the human resources impact on the development of small and medium-sized enterprises in the context of contemporary business trends. The practical part of this paper attempts to confirm the following hypotheses:

Hypothesis No. 1 – *The Small and Medium-Sized Enterprises in the field of tourism in the Republic of N.Macedonia need human resources planning;*

Hypothesis No. 2 – *The Small and Medium-Sized Tourism Enterprises in the Republic of N. Macedonia do not plan for human resources needs, do not develop a human resource plan, human resource planning.*

Tourism- modern tendencies regarding the development

Tourism is one of the world's fastest growing industries and an important source of foreign exchange and employment for many developing countries, (according to Stojanovska-Stefanova Aneta, Atanasoski Drasko, 2018:152-161).

In the literature, various authors may meet different definitions of the term "tourist", "Tourism" and "travel arrangements". Because of their frequent use in everyday life, it comes to general conclusion that large numbers of people who experientially understand that denote those terms. This broad stance often absorbs the experiences and perceptions of citizens, and that knot creates the public understanding of the occurrences.

But unlike the first, the second is called scientific standpoint that is focused on explaining the essence of the occurrence and aims to focus on understanding the legality and phenomenology of the appearance (Stojanovska-Stefanova, Aneta and Magdinceva Sopova, Marija and Atanasoski, Drasko 2019:5).

According to the World Tourism Organization (WTO (1995): Concepts, Deinitions and Clasifications for Tourism Statistics _ A Tehnical Manual, Item 3, WTO, Madrid, pg. 21), tourism is defined as "word of activities of the people during their travel and stay in a place beyond their normal environment, but not more than one calendar year, for a holiday or for business or other reasons not related to the acquisition of salary in the places they're visiting."

The persons mentioned in the definition of tourism are called visitors. The visitor is "any person traveling to a place that is not his usual environment, where he is staying less than 12 months and whose main reason for travel is different from activities that would receive a salary in the place he's visiting".

WTO definition distinguishes between two categories of visitors:

1. Tourist - temporary visitor who stays at least 24 hours in the country he visits and
2. Traveler - temporary visitor who stays less than 24 hours in the country they visit (including cruise passengers).

About the term "tourist" and "tourism" reigns many semantic confusions and in the literature may be encountered numerous definitions. General aspects indicate the need of the overall defining of tourism as a global phenomenon.

Planning human resources in tourism

Tourism is a specific area that contributes to the enterprises that work in this area with certain specificities that affect all segments of the business. The basis for successful business performance is the acquisition of competitive advantage (Magdicheva-Shopova, 2019, p. 19). Companies to gain a competitive advantages in the tourism sector, need to use appropriate tools to manage with human resources.

Effective human resource management is critical to the successful operation of tourism enterprises and is usually associated with human resource planning. Human resource planning involves performing two basic sets of activities: aligning work processes with human resources needs and exploring alternative policies, actions and their effects on human resource development (Casson, 1978).

The role and importance of human resources depend on the size and type of enterprise, the degree of technical development, equipment and the degree of organization of work. Human resources planning in tourism is carried out in order to provide the necessary human resources, in quantity and quality, when needed, ie to provide the necessary staff by number and appropriate qualifications. The identification of skills and qualifications of human resources indicates how certain trends affect the tourism sector, (Abicht et al., 2002).

In terms of qualifications, learning capability and performance independence are of greater importance at work.

According to the results of the Canadian research, serious shortcomings have been identified in the field of tourism information technology,

communication-presentation skills, customer service and rapid problem solving (Joppe, 2005). Human resources (HR) in tourism are characterized by specifics that make the HR planning process different from other companies. The specific nature of human resources in tourism stems from the characteristics of human resources in tourism.

Four key characteristics are related to human resources in tourism: high share of unskilled human resources, high age limit, high employment rate of female population and seasonal need for employment (Pirjevac, 2002, p. 132). This implies that human resources need be planned. At the beginning, though, human resource planning decisions are difficult to make because they include a responsibility that later increases the importance, creativity and satisfaction of each employee individually, which impacts profit and satisfaction at the enterprise level (Marušić, 2006, p. 142).

Planning the needed number of human resources in tourism

Effective enterprise management means formulating a proper business strategy (Magdinceva Sopova et al., 2017).

Human resource planning is a necessary management activity in any enterprise. Human resource planning is the process of continuously researching the requirements of the human resources needs in the enterprise over a set period of time. Human resource planning helps to managers and improves the process of organization and team working with people.

Therefore, the role of human resources in tourism enterprises cannot only be reduced to their role in the work process and service delivery, (Mateljak, 2012, p. 76). The role and importance of human resources in tourism depends on the size of the enterprise, the type of services offered and the way the organization of work is done.

The rapid changes in the environment impose the need to apply innovative tools in all segments of the business. Innovative enterprises are characterized by

- the ability to make the most of new job opportunities,
- innovations,
- scientific breakthroughs,
- the use of modern technology in work and
- new approaches to employees (Magdinceva Sopova et al., 2018).

Planning the required number of human resources in tourism is a means, not a goal, of achieving enterprise priorities. The planning of the required number of employees depends on:

- the business model for the business of the enterprise,
- the forecasting of future movements at the national economy level,
- demographic trends,
- migration trends and
- the age structure of current employees.

The process of planning the required number of employees is carried out through the following activities:

- predicting and quantifying current human resource needs expressed in numbers;
- predicting future human resource needs expressed in numbers; and
- continuous evaluation of the situation and updating of changes in terms of current and future needs.

The process of planning the required number of employees is shown in the Figure 1.

Figure 1: *Process of planning the required number of employees*



Source: *Own Research*

Predicting the number of human resources helps determine opportunities to meet future human resource needs from existing human resources and results from the biological process of aging people and taking care of the functioning of the enterprise through proper planning process, correct replacement from the aspect of human resources. the number and quality of employees who will perform the business in the enterprise.

Developing a plan for the required number of human resources increases the chances of achieving the desired results. The planning of the required number of employees contributes to the improvement of the work process

and the achievement of priorities. Therefore, predicting future human resources needs to take into account the parameters related to:

- future service demand,
- future economic performance,
- technological innovation,
- available financial opportunities and
- changes in organization and business philosophy of work. (Jaganjac, 2001, p. 23).

The preparation of the plan for the required number of human resources depends on certain external and internal factors.

External factors include:

- changes in the environment,
- labor market,
- pronounced migration trends,
- legislation and various organizational structures and
- trade unions.

The set of internal factors include:

- business strategy,
- timing of planning,
- work plans,
- HR plan and characteristics and
- the application of HR planning methods.

Research methodology

During the preparation of this paper, the following scientific methods were used: method of analysis, method of synthesis as well as specific scientific methods, which are divided into specific, quantitative and interrelated scientific methods - modern methods and classical methods of analysis. In order to understand the management's awareness as well as the need for planning, methods of planning and application of human resource planning in the field of tourism in the Republic of N. Macedonia, a practical research was conducted.

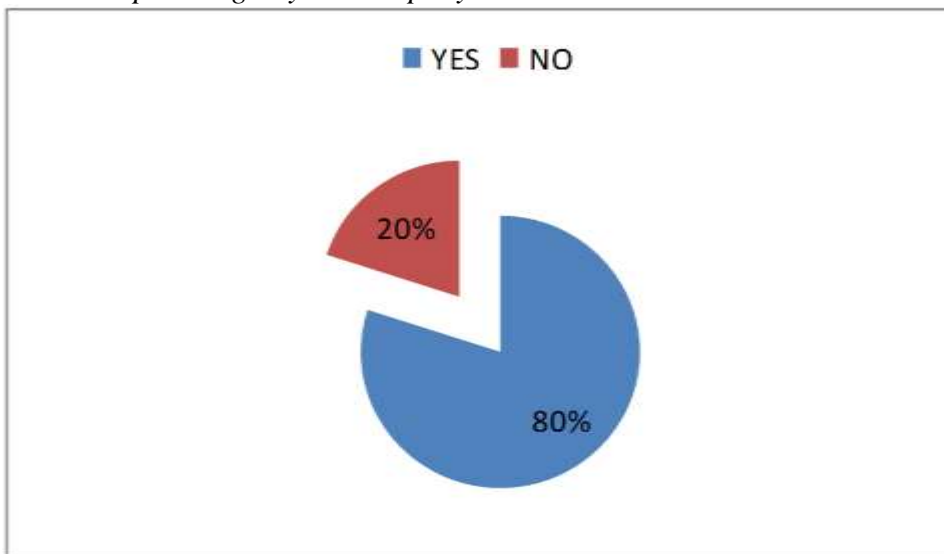
The practical research was conducted in the period from 1st of October, 2019 to 31st of December, 2019 using the questionnaire survey method which consisted of 10 questions from the aspect of the survey. The survey questionnaire was submitted to 100 SMEs in the field of tourism. Of the

100 businesses surveyed, only 65 managers or business owners showed interest and answered the survey questionnaire questions.

Research results

As a result of the responses obtained from the survey and based on the total number of observations received for each question, it was concluded that the survey questionnaire that was the subject of the survey was answered by 65 managers of small and medium enterprises in the field of tourism in the Republic of N. Macedonia, who actively participated in practical research. According to the answers to each question, it is concluded that to the first question: - Do you need human resources planning in your company?, most of the managers answered positively. 52 managers stated that they need planning. and 13 managers stated that they do not need human resources planning in the company they manage. The results are shown graphically in Figure 2.

Figure 2: *Graph showing the results of the query - Do you need human resources planning in your company?*

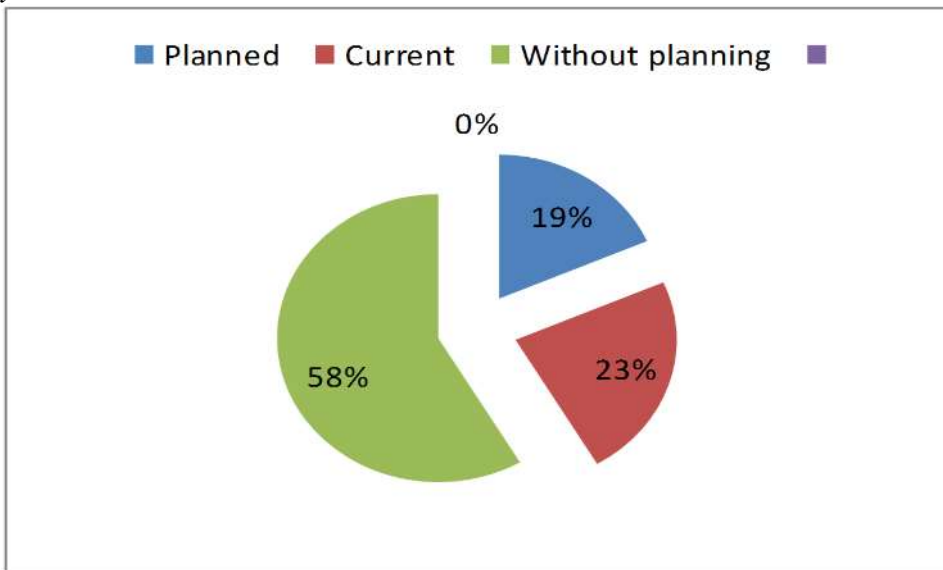


Source: *Own Research*

To the second question - How do you plan for human resources needs?, the following answers were received: 12 managers responded that they were developing an employment plan or HR plan, 15 managers were recruiting

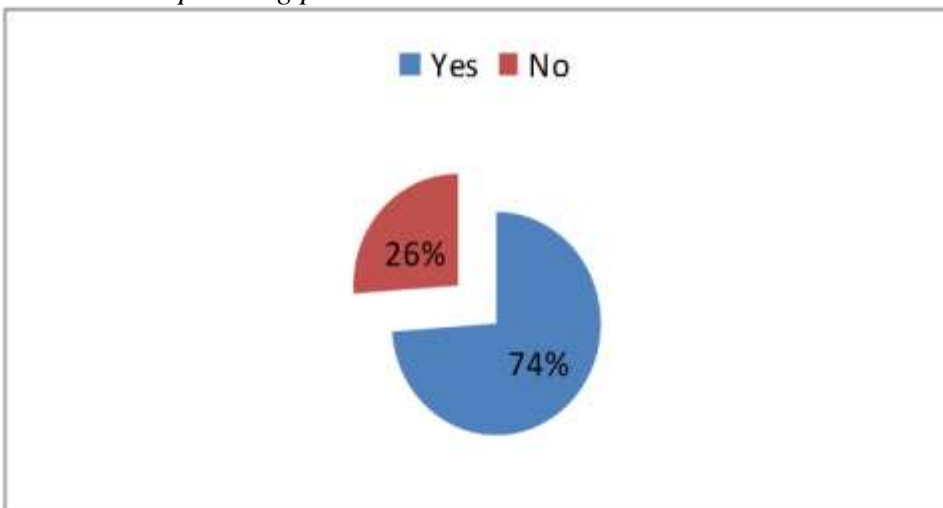
HR based on current work needs and 38 managers do not plan for human resources needs. The results are shown in Figure 3.

Figure 3: Graph showing the results of the question - How do you plan for your HR needs?



Source: Own Research

Figure 4: Graph showing the results of the question - Are you informed about the HR planning process?

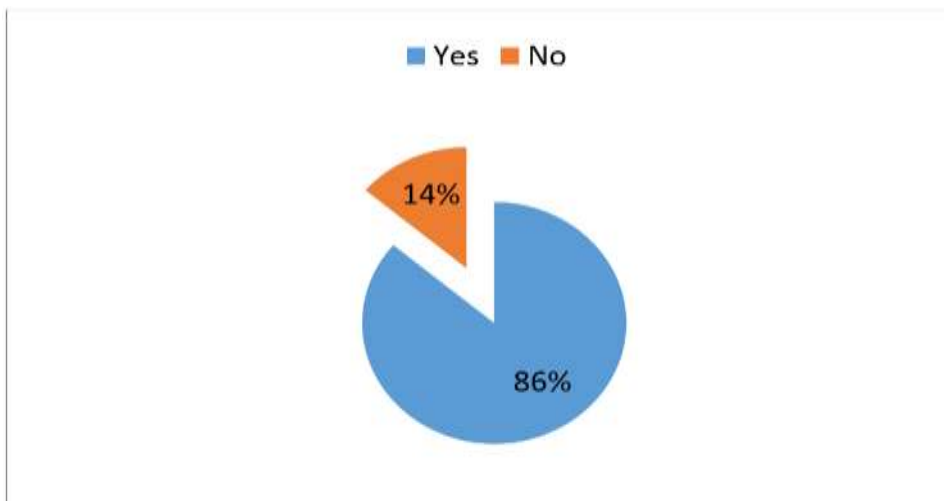


Source: Own Research

To the next question - Are you informed about the HR planning process?, Most of the managers surveyed or 48 or 74% of the enterprises stated that they are not informed about the HR planning process and only 17 managers or 26% surveyed managers have information on the HR planning process. The results are shown graphically in Figure 4.

In the fourth question regarding HRM methods, most of the surveyed or 56 managers 86% stated that they were not informed about HRM methods and 9 managers or only 14% stated that they are informed about human resource planning methods. The results are shown graphically in Figure 5.

Figure 5: Graph showing the results of the question - Are you informed about HRM methods?



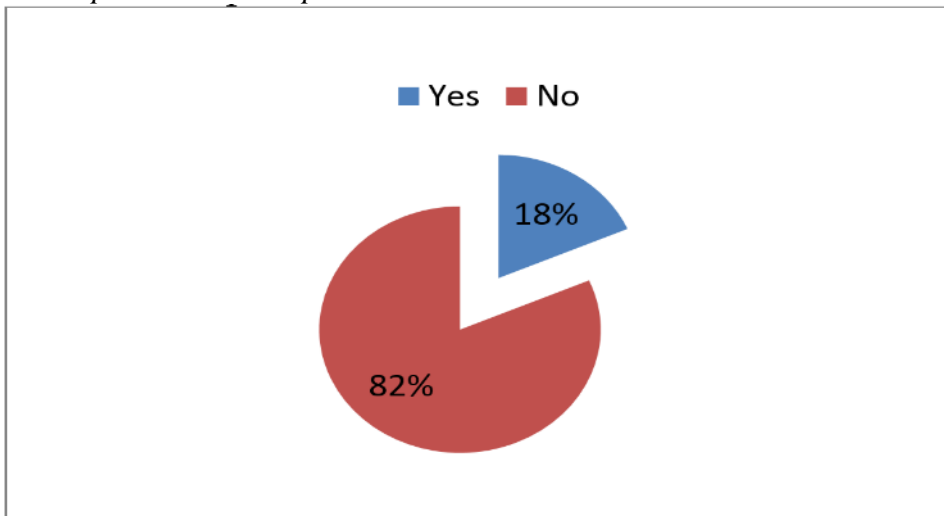
Source: *Own Research*

To the next question - Are you developing a company-level HR plan?, most of the managers surveyed or 53 managers (82% of the respondents) stated that they do not develop a company-level HR plan and 12 managers or 18% are have affirmatively stated that they are developing a human resources plan. The results of the answers to this question are shown graphically in Figure 6.

To the question - If you make a plan, how often do you make a HR plan? (a) for a six-month period, (b) for one year, or (c) for a period longer than one year, which applies only to managers preparing a HR plan, the following answers have been obtained: the majority of managers or 10 managers (17% of respondents make annual HR plans, and only 2

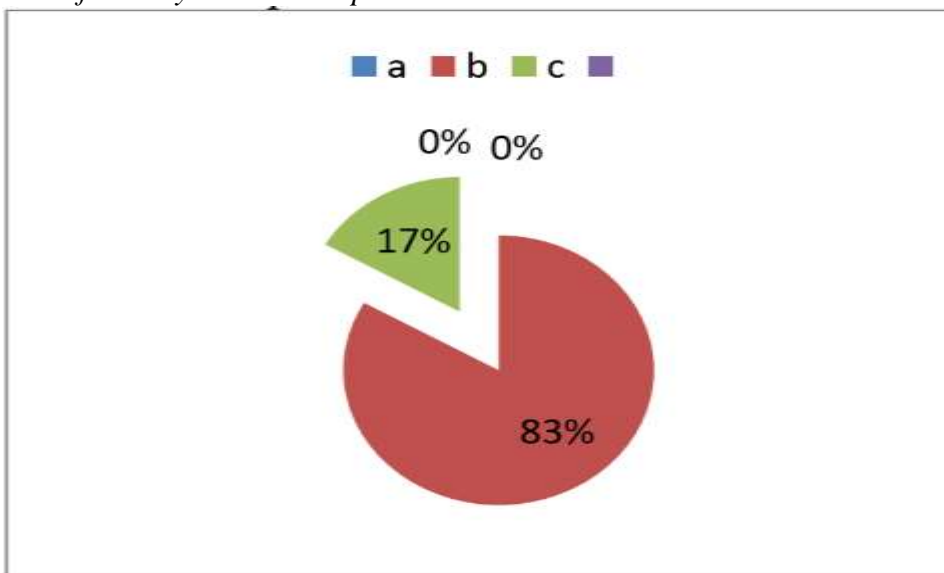
respondents answered that they make HR plans for a period longer than 1 year and 83% of the surveyed ie 53 managers do not make a plan for a period shorter than one year. Figure 7 shows the answers to this question.

Figure 6: *Graph showing the results of the question - Are you developing an HR plan at the enterprise level?*



Source: *Own Research*

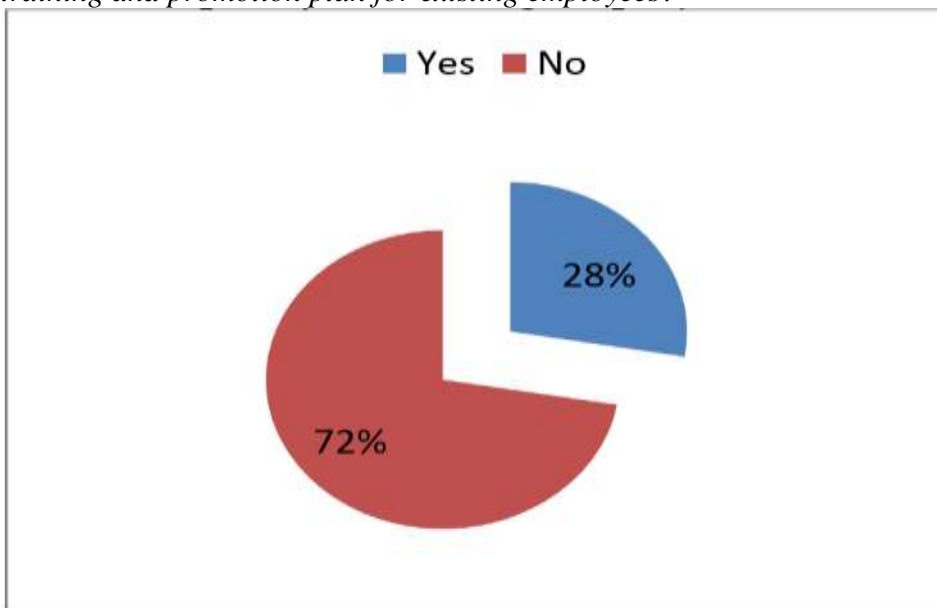
Figure 7: *Graph View Query Results - If you are developing a HR plan, how often do you make the plan?*



Source: *Own Research*

To the next question - Are you developing a plan for training and promotion of existing employees?, most of the managers who participated in the survey (72% of the surveyed) or 47 respondents stated that they do not develop a plan for training and promotion of existing employees and 18 managers (28% of the surveyed) think that the training and promotion plan of the existing employees is a necessity and therefore they develop it regularly. The answers are shown graphically in Figure 8.

Figure 8: *Graph showing the results of the question - Are you developing a training and promotion plan for existing employees?*

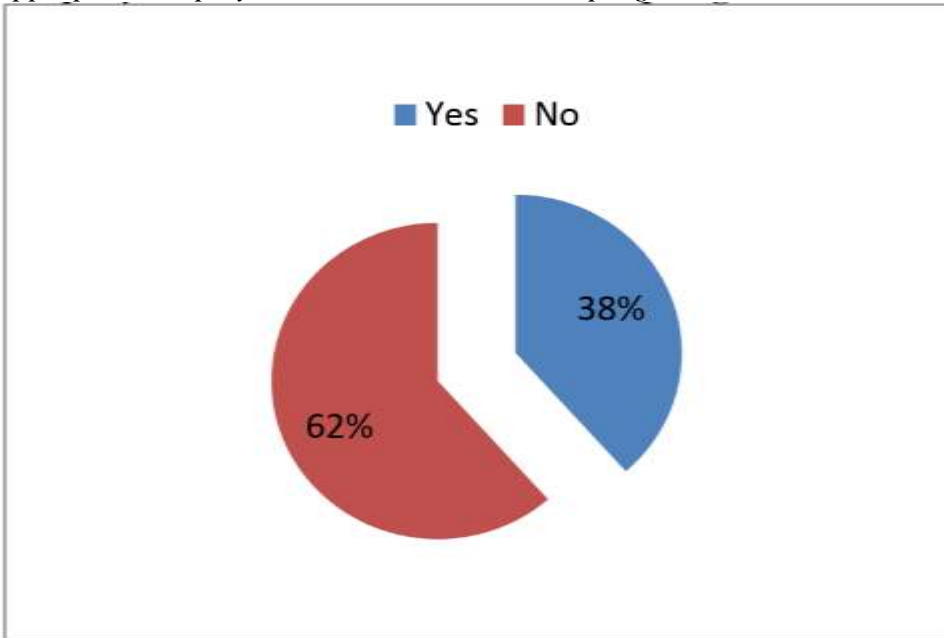


Source: *Own Research*

As for the next question - Do you implement appropriate employee motivation and reward programs?, 40 entrepreneurs stated that they do not apply appropriate employee motivation and reward programs and 25 entrepreneurs (38% of respondents) have organized access to employee motivation and reward. The answers are shown in Figure 9.

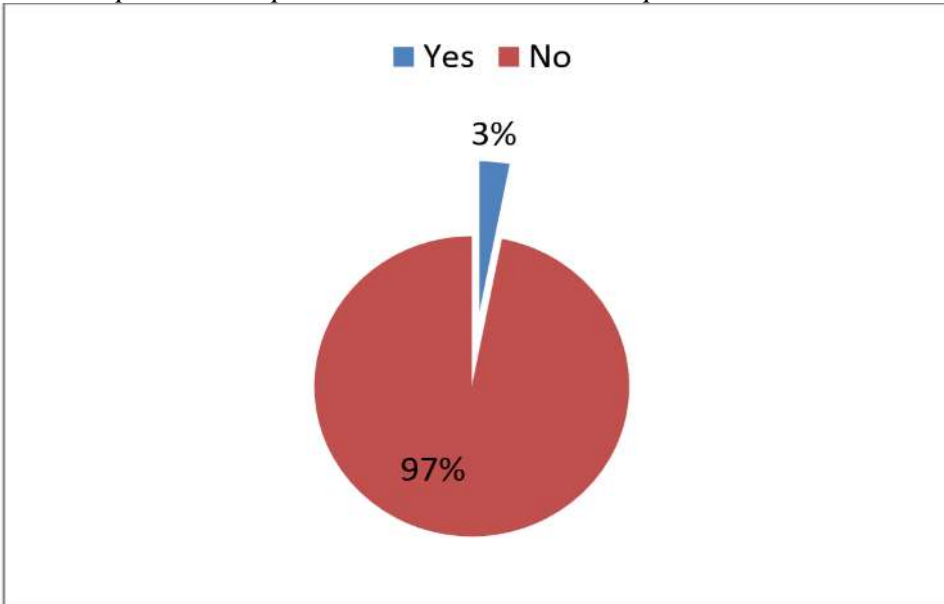
To the ninth question - Is there a separate job or HR department in your company?, Most of the respondents or 63 managers or 97% of the respondents answered negatively ie they do not have a special job or HR department in only two companies or expressed in%, only in 3% of the respondents there is a specialized HR manager. The observations obtained from this question are shown in Figure 10.

Figure 9: Graph showing the results of the question - Do you implement appropriate employee motivation and reward programs?



Source: *Own Research*

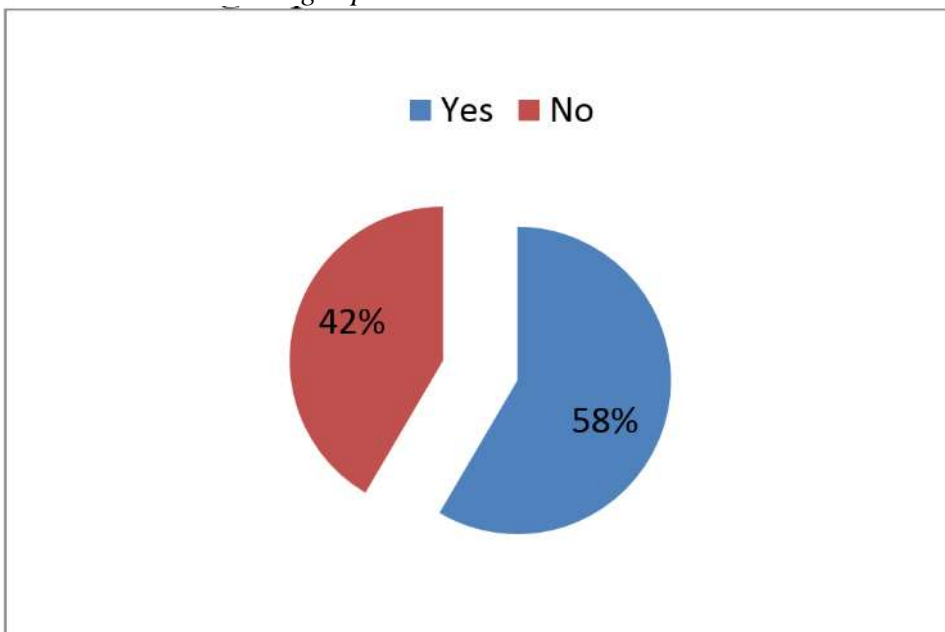
Figure 10: Graph showing the results of the question - Does your company have a separate workplace or human resources department?



Source: *Own Research*

To the tenth, the last question - Do you need a human resources manager position ?, most of the surveyed 38 entrepreneurs (58% said they needed a human resources manager position and 27 entrepreneurs (42%) consider that they do not need a position as a human resources manager Figure 11 graphically shows the answers received.

Figure 11: *Graph showing the results of the question - Do you need a human resources manager position?*



Source: *Own Research*

Conclusion

The small and medium-sized enterprises are the drivers of inclusive economic growth in the Republic of N. Macedonia and the creation of productive and sustainable jobs. Contemporary and dynamic operating conditions are challenging for small and medium-sized enterprises and force management to introduce transformational changes in order to adapt quickly to the changing world markets and global competition. Effective and efficient enterprise management involves implementing an employee management strategy (Bardarova et al., 2018, p. 525).

The new conception of SME development is linked to human resources as the driving force behind economic growth. Adaptive leadership as the

leadership of the future can respond to the challenges of modern business by creating quality tourism service in the future (Bass & Avolio, 1994, p. 71).

Only a well-motivated human resource can create a quality tourist offer. Human resources are an essential competitive factor in the relentless worldwide market for products and services (OECD, 1990). Effective, rational, modern and flexible human resource management in tourism depends on an effective HR policy, a rational HR planning system, and flexibility in monitoring human resource development.

The main goal of human resource planning in tourism is to achieve greater productivity. This means creating new jobs by respecting the needs of employees.

Human resource planning is linked to the business strategy of work, and is implemented on the basis of job needs, demographic trends and the age of existing employees. In order to understand the management's awareness as well as the need for planning, the methods of planning and implementation of human resource planning in the field of tourism in the Republic of N.Macedonia, a practical research was conducted.

The results of the research confirm the hypotheses set:

Hypothesis No. 1 – The Small and medium-sized enterprises in the field of tourism in the Republic of N.Macedonia need human resources planning;
Hypothesis No. 2 – The Small and Medium-Sized Tourism Enterprises in the Republic of N.Macedonia do not plan for human resources needs, ie do not develop a human resource plan, human resource planning.

The obtained results imply that the application of the human resources planning process in tourism depends on the availability of educated human resources who will be informed and educated about the process and methods of human resources planning in tourism.

The balance between the market, tourism development and education is a challenge for economic policy makers on which strategic development at national level depends.

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