

2<sup>nd</sup>

**International  
Scientific  
Conference**

1-3 June, 2017  
Vrnjačka Banja, Serbia

2

0

1

7

**TOURISM  
IN FUNCTION OF DEVELOPMENT  
OF THE REPUBLIC OF SERBIA**

Tourism product as a factor of competitiveness of  
the Serbian economy and experiences of other countries



**THEMATIC  
PROCEEDINGS  
II**



**UNIVERSITY OF KRAGUJEVAC  
FACULTY OF HOTEL MANAGEMENT  
AND TOURISM IN VRNJAČKA BANJA**



# IMPROVING THE EMPLOYEE PERFORMANCE AS A FUNCTION OF THE QUALITY OF THE TOURISM PRODUCT OF MONTENEGRO

*Žarko Božović<sup>1</sup>; Jovan Đurašković<sup>2</sup>*

## **Abstract**

*The process of globalization of the tourism industry is the essential mark of tourism development in the past 20 years. The process of globalization has caused fierce competition of the tourist destinations with pronounced process of substitution of one destination to another, as well as the necessity standardization and product branding.*

*Professional and creative staff are the decisive factor in the creation of high-quality and competitive tourist products (services) of Montenegro. A quality product can be created by well-prepared, competent and motivated staff, which require permanent training and development, and whose professional performances can be improved for current, and also future courses.*

*Our research concerns the role of the human factor in improving the quality of tourism products in Montenegro and testing of basic hypotheses: The quality personnel is required to increase the competitiveness of the tourism product (service). Adequate scientific research methods will be applied in this paper: inductive deductive, comparative content analysis and so on.*

**Key words:** *Tourism, Personnel, Product, Quality, Competition.*

**JEL classification:** *J24*

## **Introduction**

Successful participation in the tourism market depends largely on the adequate involvement in contemporary trends of the tourism industry.

---

1 Žarko Božović, PhD, Associate Professor, University of Montenegro, Faculty of Economics, Jovana Tomaševića 37, 81000 Podgorica, +38269896555, jocodj@gmail.com.

2 Jovan Đurašković, PhD, Teaching Assistant, University of Montenegro, Faculty of Economics, Jovana Tomaševića 37, 81000 Podgorica, +38269223377, jocodj@gmail.com.

Market conditions are dictated by demand, however, it can be more effective to the extent that certain tourist destination creates and influences the tourist demand, through the specific tourist offerings.

Montenegro primarily focuses its economic development on tourism since it has a variety of tourist attractions. Human resources are the basic factor of the development of economic and social activities and it is understandable that it is necessary to carefully manage the employees in tourist industry. This requirement is in line with the basic goal in tourism, to make Montenegro a high quality and elite tourist destination in the foreseeable future.

The processes of globalization of economic trends and labour internationalization influence the professional development and innovation of knowledge with those who are employed in Montenegrin tourist sector. The fact is that tourism as the priority development direction has to have a direct reflection in the improvement of the quality of tourist product and raising tourism's competitive ability to a higher level.

The improvement of employees' expert competencies is conditioned with the fact that tourism has a direct impact on the increase of employment, which is shown by the analysis in the continuation of the paper, a positive impact on GDP and national income. The positive effects also feature multiplicative impacts of tourist activities on other activities (agriculture, traffic, culture etc).

The specificity of tourist industry and tourist product is a direct contact between manufacturers and consumers, which imposes the need for constant knowledge assessments and ability assessments of hired employees, which can be obtained only through a quality selection and constant development and training.

The development of employees and improvement of their knowledge is not possible without adequate motives, primarily in the material sense and some other senses also, like the possibilities for promotion, permanent education, long term character of jobs and creating conditions to keep highly skilled, creative and prestigious employees through the raising of degree of temporal and expert usage of knowledge.

Tourist companies, local self-management units and the creators of tourist policy and strategy have to solve the issue of re-engineering of human

resource management and knowledge in general, which includes a radical turnaround with a dominant place of employees, securing a high quality selection and further development for successful operation and improvement of efficiency parameters and productivity.

### **Tourism as the priority direction of Montenegro's development**

Having in mind cultural, historic and other factors, tourism in Montenegro represents an activity of top importance for the country's economic development. On the other hand, tourism as industry has multiplicative effects on economic development, which is why we cannot talk about its isolated contribution to GDP or employment. The present or future development will take place in terms of increased competition and labour internationalization, which will demand a quality of tourist products and offers. In market games characterized by strong competition, those will be successful who enrich their offer with new contents and quality. In this context religious tourism should be regarded as a specific kind of tourism within its integral development.

In order to make the tourist offer of Montenegro competitive it is necessary to solve the problems which tourist companies encounter and to create conditions for a more intensive participation of small and medium sized companies in this branch of economy. An efficient tourist company secures a better valorization of the existing potentials. The companies which operate in tourism represent the basis and a key segment for the implementation and engineering in this area by turning tourism from labour-intensive into a knowledge-intensive industry. The truth is, however, that tourism, as it is the case with other branches in Montenegro, features the legacy from the past which is primarily reflected through an inadequate capital structure, inadequate employee structure, obsolete equipment, inadequate organizational structure, conservative management, insufficient respect for users' needs etc (Mihailović & Lajović, 1998).

There is a lot of room for a successful development of tourism in Montenegro and it is necessary to carry out further improvement and increase responsibility in both measures and activities and in authorized institutions. The responsibility of Ministry of Tourism should be increased in the part which relates to the policy of employment, investment into education, trade development and especially environmental protection. In addition to the strategy of tourism

development defined in the Master Plan till the end of 2020, it is necessary to define active policy of tourism development harmonized with the new spatial plan, in accordance with the principle of cooperative planning and synchronization of the activities with the interested stakeholders on the level of local authority and economy.

Tourism, being a branch of economy with multiplicative effects can be developed with the introduction of incentives in order to create the conditions for the development of quality tourist offer in the part of accommodation and other contents and gradual switching from mass to elite tourism. One of the areas in carrying out multiplicative effects of tourism is increased employment which is reflected by the available data which shows that tourism is a generator of a high number of jobs in Montenegro and in other tourist destinations as well.

When we talk about the importance of tourism as an industry, we cannot neglect its role in creating budget revenues, which significantly solves the issue of budget deficit.

In order to valorize the tourist resources better, which include “natural and social goods which can be used (valorized) in tourism and the phenomena and events which temporary visitors visit during their travels due to a high level of their attractiveness” (Calek et al., 2011), it is necessary to hire adequate human resources with the priority participation of expert, highly expert and creative human resources. We talk here about a long-term process and capabilities of a company to determine, create and precisely state the goals of human resources in line with the business and developmental policy. The planning of human resource potentials is one of the most important tasks of successful management of each company. As an especially important instrument, companies are faced with many issues and risks, especially in changing and strict terms of business operation. Tourist companies base their business operations necessarily on continual and systematic planning of human resources as the key determinant of development and planning. We have previously mentioned the evident resisting to changes as well as the business based on the old schemes, especially with the companies which base their operation on classical principles, which is especially evident when we talk about the relation towards human resources. We often see the changes in the name of human resource departments, while the scope of the activities remained unchanged and it is practically reduced to the jobs from the domain of traditional human resource management. Modern human

resource management implies a wide spectrum of activities of this important function which exceeds the scope of traditional personnel department which deals with determining the needs for human resources, planning, choice and selection, education and development and issues related to the motivation health and security of employees.

With the analysis of operations in the area of tourism one can see insufficient market and marketing orientation, meaning that a certain marketing strategy has to be designed aimed at the development of tourism and valorization of tourist resources. These are the processes of development and shaping which has several phases, starting from analysis of surrounding, competition and consumers. In the next phase SWOT analysis should be made (strength, weakness, opportunity, threat on the market) in order to bridge a strategic gap between the current and desired market position. It is the basis for defining the mission, setting up goals and labour strategy. It is necessary to pay close attention to the marketing strategy of tourist potential valorization.

### **Knowledge as a development factor of tourism in Montenegro**

Knowledge or human capital represents a basic resource for the development of companies, where human resources represent a central position and a key factor of a company's business success. Other elements of intellectual capital should not be neglected also, which is not shown and recognized in financial reports. A significant part of non-material assets are patent technologies which include a unique indicator of corporate values. The organizations with strong patent portfolios will always topple competition due to their exclusive rights to use patented products, positions on the market, affordable prices etc. Companies' business operations cannot be imagined without appropriate human resources, their knowledge, experience and abilities. However, to achieve better business results it is necessary to organize and manage well human resources in a company. "Human resources management relates to the practices and policies which are necessary to carry out managerial tasks related to personal issues, especially with employment, training, evaluation and rewarding the employees in a company and securing secure, ethically more acceptable and fair environment for them" (Dessler, 2007).

There can be no doubt that the key to a successful development and operation of a tourist company, and hence the national tourist

organization, human resources and their efficient management. Having in mind the specificity of tourism (seasonal character, seasonal employment, labour intensity) and a wide range of human resource management as a company's business function, we would like to point out the following: the preparation (education) of employees, development (innovation) of knowledge and motivation.

The activation of "reserves" which exist in human resources in Montenegro and paving possible developmental directions can be experienced if we improve the basic processes which determine human resource management as company's business function. This way the competitive ability of our companies would be increased and that it can only be done through the increase of knowledge and abilities and the decrease of managerial gap. That is the reason for the related to the preparation and enabling of experts and managers. It is a necessary transformation which includes human resource transformation and the attitude change when we talk about the role of human resources. It is a change of the way of thinking in the key elements of organization, in order to overcome the crisis in business operations and development, which is only possible through high quality staff members and their knowledge. The barriers for the reaching of such goals are primarily the way of thinking and resisting changes. Montenegrins prefer employment in the public sector with a much lower salary compared to the private sector. Research has shown that almost two thirds of people capable of working (64%) would rather accept hiring in the public sector for the salary of 450 EUR a month than in the private sector for 750 EUR a month (UNDP, 2013). In the theory and practice of developed countries, salaries and other material benefits are the basic motivation factor but in our country and the region, if one takes into consideration a high unemployment rate and crisis, safe and long-lasting jobs are the main motivation factor of those who are capable of working.

Since the age structure is an index of quality of human factor, we also point out to the tendency of population aging, with obvious regional differences. It is about decreasing share of the young population, increasing share of middle aged population, and especially the old population over 60 years of age i.e. 65 years (Božović & Đurašković, 2014).

When we talk about the preparation of human resources, it should be taken into consideration that this area can be observed in two ways: as the

activity of companies aimed at the preparation and securing human resources and the activity of the country and educational institutions. There can be no doubt that these activities need to complement each other and overlap mutually. An efficient development of human resources has to start with a far higher individual effort and the attention should be paid to experience, since the knowledge acquired in regular education is only one element of knowledge and abilities. Therefore the development strategy should include these measures and criteria for the evaluation of permanent education for all the employees, especially for expert employees and management members. Knowledge quickly becomes obsolete but it is nevertheless not subject to the law of “diminishing returns”. Despite the fact that we nominally have a very favourable qualification structure of the overall population and employed people, further investments are necessary to increase the level of educated employees and to decrease the share of those without qualifications or education.

The area of human resource education, as the priority activity, is burdened with a number of problems, first of all insufficient funding from the state budget, which is also the case with science. In addition, this system produces mass effects, non-selectivity, impractical curricula, description and remembering facts. In the phases of choosing and promotion various deformities are present, like, for example, choosing without enough knowledge and experience for responsible jobs and positions. This fact stimulates the outflow of creative human resources which means irreparable losing of precious investments in education. There are also effects which could have been experienced if these people had been hired (Božović & Đurašković, 2013).

All the mentioned facts additionally deform a distribution system which cripples hard working, especially in science and other areas of social superstructure. A stimulating system of awarding experts would shatter the vicious circle: low efficiency – lack of motivation poor promotion – and professional development. Thus, in the area of human resources a new philosophy would be born with entrepreneurship-oriented development which would be the basis for the human resource policy and guarantee for their preparation for complex and uncertain business processes.

We advocate a high quality and open education system, both regular and additional, a system of education aimed at the future and expected



changes. The employees who are educated now will practically be functional by the middle of this century. This imposes the elimination of the existing weaknesses in the education system, especially lack of selectiveness, mass effect and extensiveness. The improvement of the education system or the preparation on the other hand means the bridging the gap between the offer and demand on the labour market.

The education system should be opened for the challenge imposed by time and innovation of knowledge, modern jobs and tasks demand a higher expert competency which can only be possessed by educated employees, which in long-term perspective secures the stability of business systems contrary to short-term successes which are only an illusion.

In terms of market and competition and a higher labour internationalization, it is very important to secure a high level of knowledge of companies' management members, especially in the area of management organization. The forms of knowledge innovation need to be advanced, their content should be improved and conditions and motivation for additional education should be created. If the forms of additional education are organized to represent something which has already been seen, with the changes of titles not followed by the changes of contents, they will not be accepted and useful. Employees will be stimulated for additional education in terms of securing professional development and promotion with the effects on salaries and other benefits. The education system designed in this way makes the basis for the promotion of employees. Any other criteria should not be allowed in the promotion except for the valid estimation of success of work and professional development. The promotion which does not stem from these criteria can have negative selection as the consequence and a narrowed down "human resource reproduction" at all the levels. The truth is that such a promotion system is difficult to conduct in terms of poor motivation a promotion and professional development suppressed for a long time, poor work, bureaucracy and monopolistic behaviour.

Successful development of companies is based on successful human resource development. In other words, mutual feedbacks should be developed: efficient business operations – employees' motivation – professional development. If that is not the case, without motivated employees you cannot have professional development and companies' progress.

## **Development and training of employees**

The key principle of motivation shows that the employee performance is based on the ability and motivation of the person. This principle is often presented by the formulation (Čerović, 2011):

$$P_{\text{performance}} = f(\text{ability} \ \& \ \text{motivation})$$

A high-quality choice and selection of employees makes up the basis for the development of human resources. One of the main criteria in the employment procedure should be the readiness for additional education and expertise. Also, the improvement of employees' performances related to the keeping of specialized employees and those with college education in the company. The improvement of knowledge and abilities, as a prerequisite of products' quality and competitiveness of tourist industry, demands the development and training at all the managerial levels and for all the employees. We deliberately wish to point out the development of employees and the difference compared to the training which is also necessary for certain categories of employees. Employees should be trained for future jobs in order to answer the demands of growing competition. "The training relates to the enabling of employees to do their current jobs, while the development of employees relates to the enabling of employees to work at future positions, for doing other jobs and even nonexistent jobs" (Bogićević-Milikić, 2014).

The investment into the development and training of employees contributes to bridging the gap between labour structure (labour demands) and human resource structure (knowledge and abilities of employees), because the latter lags behind the former. The adequate distribution of employees contributes to the increase of productivity and efficiency, which creates prerequisites for a better motivation of employees. A successful performance of companies on the tourist market creates conditions for the motivation and development of employees. On the other hand, through the force of mutual feedback, motivated employees produce a high quality products and services which are competitive on the market. Contrary to this, inefficient business operations create lack of motivation which in turn generates all other negative consequences for a company as a whole and its employees, primarily the fluctuation of high quality human resources which are of the highest importance for the company.

Finally, the lack of human resource development and permanent education causes supremacy of skills over knowledge, inadequate usage of human resource capital, lower levels of parameters of temporal and expert usage of hired human resources. The system of training and development is necessary because it significantly decreases structural misbalances of supply and demand on the labour market in Montenegro, which is evident in the area of tourist industry.

The misbalance of supply and demand is best reflected by the fact that in 2014 the supply was 24.6% higher than the demand. The highest number of available jobs can be found in trade, administrative and ancillary jobs and catering. We here most often talk about specialized education profiles of medium education level (Ministry of Labour and Social Welfare, 2015).

One of the consequences of structural unemployment and lack of harmonization between education system and labour market is seasonal workforce which is formed through importing foreign unemployment. In the analysis of Employment Agency on supply and demand on the labour market in 2014 the following is stated: "A high volume of foreign employment in Montenegro is specific and exceptional in comparison with the level of foreign employment in other countries... There are multiple reasons for this occurrence, primarily the fact that Montenegro has a deficit in the supply of some jobs from the area of construction work and catering when those jobs are the most intensive in those industries and also the fact that in the regional countries unemployment is present (the total of around 1 million in: Serbia, Bosnia and Herzegovina, Macedonia, Kosovo and Albania) and that provides an option for satisfying employers' needs in the volume, structure and dynamics with mostly cheaper workforce" (Employment Agency of Montenegro, 2015).

The hiring of foreigners is more intensive compared to the hiring of local workforce in the following areas: constructing (five times), catering (50.3%) and trade (34.2%). This points out that the surplus of the demand compared to the supply, especially in the category of 1<sup>st</sup> degree of vocational education, the employers is generated from foreign sources by the employers, which would not be that alarming if the unemployment in Montenegro was not expressed with a double digit number. However, it should be emphasized that in this part it is necessary to make a more detailed analysis of the conditions since there is an assumption that his inconsistency between the local supply and local demand is not only the

consequence of structural labour characteristics and that it is possible that this is the case of a certain degree of frictional even voluntary unemployment.

Tourist industry creates and realizes services with the most important and direct influence of human resources, the service quality is directly related to the quality, knowledge and abilities of the employees, their skills from catering education, general culture or technological knowledge in service providing process. Tourism is labour intensive industry and through the development and training of human resources it is transformed in knowledge oriented industry. In addition to special and college-educated employees, the role of general population is no less important for the development of tourism, especially at the level of tourist destination. In this industry all the attributes are evident (both positive and negative) like kindness, traditional hospitality and similar.

Previously expressed requirements for the development of competencies of employees in the area of tourist industry are of importance here so that knowledge and abilities of human resources could be the decisive factors of success, quality and competitiveness of Montenegrin tourist product.

In the context of estimation of human resource development in tourism and the necessity of raising the quality of products, we should stress the fact that both absolute and relative participation of tourism in the overall employment scheme, while the educational structure of employees in this area significantly lags behind the parameters on the level of overall employment in Montenegro. The participation of employees with vocational education in tourist industry (IV, V, VI, VII degree) is 47%, while the participation of the employees with the 3<sup>rd</sup> degree of vocational education (around 40%) is alarming. The participation of specialized human resources in the overall employment of Montenegro is over 60%. Also, what is worrying is a very low participation of highly specialized staff in tourist industry – below 2%. The non-coverage of specialized positions is the highest for college-educated employees and it is followed by those with two-year post secondary degree, which means that the coverage with specialized jobs is inversely proportional to the degree of education, which again proves that the additional effort is needed in the area of knowledge innovation and improvement of employees' performances in this area.

## **The developmental directions of tourism in Montenegro and the increase of competitiveness of its tourist product**

As it has already been said, the competitiveness of the tourist product of Montenegro is based on the quality which is directly conditioned by the human factor – knowledge and abilities of the employees. When the goals of the development of tourism in Montenegro are determined, one should start from realistic assumptions. In the human factor domain, much more serious approach is necessary in all developmental phases: from the determining of realistic needs, adequate choice and selection, scheduling according to the principle “right person on the right place”, motivation of employees and the improvement of their knowledge and abilities. The fact is also that the inadequate level of degree of expertise (specialized employees), including some jobs in tourist industry which is above the expertise level at the level of overall employment, justifies the stressing of this requirement. Also, the fact related to a significant share of tourism and catering in the overall employment structure as well as the dynamics of the growth of employment in tourism and catering justifies the efforts for much more careful relation towards the employees, of both managerial teams companies’ human resource management. Human resource management of a tourist company has to be one of the most important functions, directly connected with the top management and adequately equipped with experts of various profiles.

In order to assess the importance of tourism industry and its direct influence on the employment, the following overview the dynamics of trends will be provided.

Table 1: *Employment in accommodation and food service sectors*

<b>MONTENEGRO</b>	<b>Total employment</b>	<b>Accommodation and food service activities</b>	<b>% of total employment</b>
2010	161742	10989	6.79%
2011	163082	12429	7.62%
2012	166531	13209	7.93%
2013	171474	14333	8.36%
2014	173595	14182	8.17%
2015	175617	14393	8.20%
2016	177908	14684	8.25%

Source: *Monstat, 2016.*

In addition to the increase of the rate of employment in tourism and catering it is necessary to decrease the lagging of qualification structure in this area compared to the qualification structure in Montenegro, especially when we talk about experts, the employees with 7<sup>th</sup> degree of education. This can be attained with the innovation and development of existing employees and the hiring of newly employed. The next overview shows the qualification structure of employees in Montenegro in tourism and catering.

Table 2: *Employed population by school attainment, Montenegro 2016 (in thousands)*

<b>Montenegro (2016)</b>	<b>Total</b>	<b>%</b>
<b>Total</b>	<b>224.2</b>	<b>100.0</b>
Less than primary education	2.3	1.0
Primary education	18.0	8.0
Vocational education after primary school	31.2	13.9
Secondary general education	11.9	5.3
Secondary vocational education	89.9	40.1
Tertiary education	70.9	31.6
of which		
First stage of tertiary education	9.4	4.2
Second stage of tertiary education, bachelors', masters or doctors' degree	61.5	27.4

Source: *Monstat, 2016*.

In addition to the requirement for the improvement of the qualification structure of the employees in tourist industry, it is necessary for all the employees to master special knowledge in foreign languages, information technologies, corporate culture and ethics, creativity, flexibility etc. In addition to constant requirements for the improvement of the quality of tourist offer in terms of stronger completion on the tourist market and a rather short season when we talk about classic tourist offer (“see-sun”), Montenegro is increasing its competitiveness with the development of integral tourism. Such an orientation benefits from natural attraction of Montenegro, ambience values and geographic position, which is an advantage compared to other tourist destinations. This is more important if we consider new trends in tourism market. „Growing evidence suggests that the dominant Western environmental paradigm is being challenged

by a green paradigm...The evolution of ecotourism could indicate such a transformation, with the most recent stage suggesting a syynthesis of the two paradigms in concert with the concept of ‘sustainable development’“ (Weaver, 2008).

This sets up new requirements for human resources in tourism, in order to meet the needs of guests and tourists in different segments. Here we primarily think about the better offer in mountain tourism, with the constant and further education of tourist and mountain guides. In addition to mountain and attractive tourism, Montenegro has a tradition and potentials for the development of health and religious tourism. Since the success of tourism depends on the series of factors: material, human, organizational, financial and others, the following overview will present developmental opportunities as well as threats and limiting facts for the dynamic development of this industry.

Table 3: *SWOT analysis behind the development of tourism in Montenegro*

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>- Natural resources and climate resources</li> <li>- Kotor Old Town – a cultural and historical unit under the protection of UNESCO</li> <li>- Human resources</li> <li>- Tradition, experience, hospitality</li> <li>- Spiritual, cultural and historical heritage</li> <li>- Famous monasteries with ancient tradition</li> <li>- Organic food production</li> <li>- Organization of hiking tours</li> <li>- Forest fruit and herbs</li> </ul>	<ul style="list-style-type: none"> <li>- Poor population and age structure</li> <li>- Lack of information about many tourist values and attractions</li> <li>- Lack of promotional activities</li> <li>- Lack of accommodation capacities</li> <li>- Poor tourist signalization</li> <li>- Unorganized non-educated employees in tourism</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>- Harmonization of the priorities of the state with the priorities of the local offer</li> <li>- Regional associations (clusters)</li> <li>- Connecting of tourist destinations</li> <li>- Availability of healthy food</li> </ul>	<ul style="list-style-type: none"> <li>- Unsynchronized activities of state and local authorities</li> <li>- Activities of competitors in the development of tourist offer</li> <li>- Lack of decentralized decision making system</li> </ul>

## **Conclusion**

The decisive determinant of our paper stems from tourism as the priority developmental direction of Montenegro, which will carry out this role through the improvement the quality of the tourist product and a higher level of competitiveness of tourism as an industry. On the other hand, competitiveness is experienced through the improvement of the quality of tourist product – the services. The meeting of this strategic goal directly depends on the hiring of expert and highly expert employees.

The insisting on the key role of human resources in tourism stems from the specificity of this industry, the direct contact of the manufacturers and consumers and the constant estimation of quality, knowledge and abilities of the hired employees. In addition to experts the management teams also have an important role with the knowledge in the areas of management and human resource management.

We would like to emphasize the importance of the fact that knowledge is the only development factor which is not subject to “the law of diminishing returns”, which indicates the need for a thought-out, careful and constant innovation of knowledge and improvement of competencies of skilled and highly skilled human resources.

The potentials of tourist industry, nature, human resources and built facilities point to the necessity of the integral development of all the types of tourism (summer, winter, mountain, coastal, religious). This is done because of the simple fact that the types of tourism are mutually complemented and that they meet the requirements of different tourists' motives expressed through the tourist demand and numerous common contents, which form offers of tourist destinations. Having in mind strong competition on tourist market a good organization of tourist economy is necessary and of tourist companies which are the carriers of tourist activities in cooperation with state institutions, tourist organizations and local self-management units. In addition to constant care for the development of expert human resources, improvement of their creativity, knowledge and ability, corporate culture and business ethics of all the employees should be developed, taking into account caring for professional development, motivation, health and safety of guests and those employed in tourism.



## Reference

1. Bogićević-Milikić, B. (2014). *Menadžment ljudskih resursa*, Centar za izdavačku delatnost, Beograd.
2. Božović, Z., Đurašković, J. (2013). Demographic trends and human resource development in Montenegro. *Economic Themes*, Vol. 51, No. 3, 593-609.
3. Božović, Z., Đurašković, J. (2014). The role of human factor in the development of agriculture in Montenegro. *Economics of Agriculture*, Vol. LXI, No. 1, 7-15.
4. Čalek N. et al. (2011). *Tourism – Economic Basis and Organization*. Školska knjiga, Zagreb.
5. Čerović, S. (2014). *Upravljanje ljudskim resursima u hotelijerstvu*, Univerzitet Singidunum, Beograd.
6. Dessler, G. (2007). *Basics of Human Resource Management*. Data status, Belgrade.
7. Employment Agency of Montenegro, *Analyses of Supply, Demand and Employment on the Labour Market in Montenegro in 2014*, <http://www.zzzcg.me/>, (10 November 2016).
8. Mihailović B., Lajović D. (1998). *Restructuring and Privatization of Companies – the dilemma of the order*. Consulting of Economists, Kopaonik.
9. Ministry of Labour and Social Welfare, *National Strategy of Employment and Human Resource Development (2016-2020) – labour market on the European road*, <http://www.gov.me/>, (15 March 2017).
10. UNDP, *National Report on Development 2013*, Podgorica: UNDP Montenegro, <http://www.un.org.me/>, (20 October 2016).
11. Weaver, D. (2008). *Ecotourism 2nd ed.*, Wiley, New Baskerville.