

STRATEGIC ANALYSIS OF THE EDUCATIONAL MARKET FOR THE ROMANIAN TOURISM

Tiberiu FORIŞ¹

Abstract: *The Romanian market of educational services for tourism is not only a very dynamic one, but it is also a new market considering the legislation which, even if it was adopted in 1999 according to the European regulations concerning LLL, it has been applied only since 2006; hence, a lot of problems have occurred. On the other hand, problems concerning the Romanians' mentality of changing their vocational status have appeared, as it was not appropriate to change job in the past regime. In this regard, for our analysis we undertook the STEEP model applied on the local market, and we presented our conclusions in a SWOT matrix. The analyses compare some indicators and values from European countries; the results should be used for improving the activity of all the players operating in this market, in the context of the European Social Fund implementation.*

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

1. Introduction

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

It is not only dynamic and in continuous legislative change, but it also faces important issues connected to the Romanians' mentality.

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 little surpasses one which is tributary, this being the case of people who are over 40

years old, due to the idea that one must retire of the occupation learnt in school.

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

In such an environment, the adult continuous training market has oriented towards "fashionable" jobs – especially

¹ Department of Management and Economic Informatics, *Transilvania* University of Braşov

towards those in the field of tourism, accounting, human resources inspectors or, as regards workers, heating plumbers or lifting machinery operators (working for the large stores).

2. The 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 regard the analysis model used is STEEP, and those factors that the company and the environment reciprocally influence in order to reach the objectives envisaged – customers, competitors, suppliers etc.

2.1. The Analysis of the Macro-Environment - STEEP

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

Thus, in the Romanian traditional society, there was a rule that one should practice only one job throughout his/ her entire active life and, in many cases, in the same organization. The evolution of our society after 1989 has changed this view, as a result of the numerous bankruptcies and "reorganizations" of national companies that ended up in many people's necessity to change their workplace.

In countries from Western Europe, an employee changes job twice in his/ her active life, on the average, whereas in Romania, this figure slightly surpasses one.

The technological factors are characterized by the technical means of service supply.

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

In the process of course development, the last generation of knowhow and technology is used, as ICT does represent a basic priority through European financing, generating an extremely high technological renewal rate.

The **economic** factors play a very important role in the evolution of 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.

Nevertheless, the educational market has developed in gaps if compared to other markets, its evolution being accompanied by "flock of sheep" phenomena. On the initial training market, this has ended up in the superabundance of economists and jurists and in the dramatic decrease of engineers in the field of mechanics, in the unsupported raise of theoretical high schools to the detriment of technological ones, whereas for the last four years, the number of graduates holding a baccalaureate diploma has been lower than the number of available places offered by academic education centres.

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

If initial training forms the army of labour market, continuous training does

constitute the rapid reaction force that is trying to “repair” all this lack of correspondence on the labour market.

Nevertheless, on the adult continuous training market there are also some “flock of sheep” 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 comfortableness and that, at a certain moment, are in excessive demand on the labour market.

Such a fact has triggered the market satiation with certain occupations and the lack of others, paradoxically classical occupations in the industrialized areas, such as turned 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 the projects financed by 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.

According to 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 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 Youth no. **80/3.328/2005** on amendment and completion of the Authorization Methodology of adult vocational training providers (no. 353/5.202/2003);
- **Order** of the Minister of Labour, Social Solidarity and Family and of the Minister of Education, Research and Youth no. **501/5.253/2003** 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 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 by 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 by 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 obtained abroad, outside the educational system, by Romanian citizens or by citizens of the member states of 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.

As noted previously, the market of adult continuous training is under 17 legislative documents and is led by a specific organism, the National Council for Adult Vocational Training – NCAVT/CNFPA.

2.2. The Analysis of the Micro-Environment – The 5 Forces Model of Michael Porter

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 rivalry, 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 get further training, 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 weight is equally likely (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 does finance 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.

As regards **the level of rivalry**, we estimate that for the period before 2013 there will be a strong competition among providers of free of charge continuous training programmes financed within 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 the European Social Fund such as Spain, Italy or Greece have entered partnerships with domestic organizations and have also entered ongoing or in evaluation projects.

The training providers are authorized by NCAVT/CNFPA 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 NCAVT/CNFPA.

Furthermore, the market is distorted as a result of the Ministry of Labour establishing regional centres for adult continuous training which ensure 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 forming groups to them, without organizing any auction.

Thus, when the Ministry of Labour was in financial difficulties, those regional centres ended their activity, being unable to finance themselves on a free market competition.

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

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 according to the beneficiary's specific demand.

Within the European Social Fund, tourism trade unions and employers have appeared as training providers; through the POS-DRU applications, OPTBR, FPTR, Cartel Alfa 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, as a matter of fact,

these two educational systems are complementary.

Hence, we consider that in this fight between the labour 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 resources of organizations 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 according to their content (human, material, financial) or the functional use means inside the organization (production, finances, staff, trade, research and computer science). The elements belonging to the organizational culture are generally separately analyzed; lately they have been 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 hold 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 does not allow the production of a product at the average level of performance of the respective industry.

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

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

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 analyze the rarity of a competence in comparison with that of other organizations.

As apart of the NCAVT/CNFPA authorization, it is also necessary to have the endorsement by the Ministry of Tourism – which very strictly controls the providers' training programmes, the number of training providers in the field of tourism being smaller than in other fields.

During the economic crisis, the number of active training providers has

dramatically dropped, only those who have been undertaking projects within the European Social Fund having resisted on the market.

c) **Inimitability** – we analyze 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 analyze if a competence (resource) is exploited by the organization through an adequate strategy.

An important role is that of the market image of the educational training provider; on a highly sensitive market, where most players know one another, the provider's name created in time and with high perseverance is most important. 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 finality of the environment analyses, allowing us to further conclude and formulate strategies.

There are opportunities and threats coming from 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 within the European Social Fund;
- 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 that have appeared on this market highlight the lack of vision in the transition processes, all statistic data being irrelevant for the Romanian touristic phenomenon.

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

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

Whereas Hungary and Bulgaria have developed performance tourism by means of their own human resources training, 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 should be given to specific educational systems.

Romania has an initial training system with a well developed infrastructure and many high schools have benefitted from modern equipment through the PHARE-TVET programmes.

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 touristic centres of Romania, Brașov and Constanța, but as a result of lower investment and functional costs, a high expansion of the private academic education, can be easily noticed, its centre being Brașov.

In the field of adult continuous training, the system is constantly developing and adapting 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 international openness regarding labour force migration to traditional touristic areas of Europe and the USA.

Prior to the adherence to the European Union, Romania diplomas had European recognition and 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 a medium and long term, the market gets concentrated and only the flexible and extremely realistic education providers will survive.

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