Management of tourism and recreation

1. The structure of management
1.1. Introduction to the subject

An analysis of classic definitions of tourism and recreation reveals that proprieties of these two areas are identical and associated with activities, freedom of choice and satisfaction. The aims one achieves in these areas are interdependent and inseparable. Authenticity of tourism results from its mutual relation with recreation. Management is the main function integrating aims of tourism and recreation (T&R) and determines their success.

Management of T&R is based on making decisions and distributing the resources both in the area of tourism organization and within its environment, in order to create tourism and recreation products. Management introduces the products to the market and manages their beneficial development according to social rationality of economic activities.

The essence and content of T&R management is defined by the specific character of tourism and recreation products that are mainly composed of tourism values, material values and services. Therefore, we can talk about two basic forms of T&R management: management of tourist values, and management of material values and services created by tourism organizations.

The main aims of tourism values management are to identify its values, create both psychical and intellectual conditions for its accessibility and to sustain them. This form of T&R management is practiced in relation with different entities, mainly: political, administrational and economical, all three in the local and global aspect. In the systems, whose main feature is taking care of T&R development, the management of tourist values has a systemic character.

1. „Tourism, any forms of changing places of stay not related to work or change of living place, both in the country and abroad” (Wielka Encyklopedia PWN, Wydawnictwo Naukowe PWN SA, tom 28, p. 158); widely, different but convergent – “Activities of persons traveling to and staying in places outside their usual environment for not more than once consecutive year for leisure, business or other purposes”. (Terminology WTO-UN)

Recreation, forms of activities voluntarily chosen by people associated with their interests, skills, personal development, leisure, holiday; undertaken by them in the their free time, outside their usual work, social and house responsibilities. (Wielka Encyklopedia PWN, Wydawnictwo Naukowe PWN SA, tom 23, p. 234)

2. To achieve clarity of speech and in cases where it does not cause essential effects, subjects of T&R industry such as: government organization, non-government organization, firms and organization of T&R – will be named as T&R organizations.
Management of material values and services is orientated on creating and cumulating those values according to customers’ expectations, and satisfying those expectations with the purpose of making a profit.

The base for achieving the main aims of T&R is resources that are potentially and realistically at the disposal of tourist and recreation organizations. The resources structure is composed of the following: human, financial, material and informational. Figure no.1. The character of resources decides the market position of a tourist organization.

Figure no 1. Structure of T&R resources

Human resources are located in the central place of the resources structure. The quality of T&R products and their attractiveness depends on the potential of human resources. The management process of human resources in tourism and recreation is expected not only to be efficient in the stage of creating the product, but also in the stage of its consumption by the customer.

Information management is connected with creating the source of information, its processing and distribution.

Material resources, in general, is the infrastructure in the area of implementing the aims of T&R. Management of material resources includes their formulation, sustaining efficiency and economical utilization. The basic substances of tourism and recreation products are material and informational resources. Management of financial resources is linked with accumulating the finances to operate a T&R organization, spending and creating the reserves according to the obligatory legal and financial standards.

Managing T&R resources is an organizational process of distribution and redistribution. Different groups of resources are oriented towards achieving the aims created by the tourism organization that is also the dispatcher of the resources. The process has a pragmatic character and consists of many activities that can be categorized into four main functions: planning, organizing, controlling and leading. Figure no.2.

Planning includes analysis and assessment of the tourism organization and the environment that it belongs to, defining the aims of action and variants of its
functionality, and selecting the most effective variant which when properly detailed will be further called an action plan.

![Diagram of T&R management functions](image)

**Figure no 2. Functions of T&R management**

Organizing is a very complex activity of accumulating the forces and measures to execute the plan and assigning them within a structure capable of achieving the aims indicated in the plan.

Leadership makes an impact on participants of the process of creation of the tourism and recreation products and their consumption by the customers, by using the relevant measures, forms and methods. The purpose is to reach the required level of participation and cooperation in achieving the intentional aims. Leadership represents the key function of management that forms proper relations with participants of the process of creation and consumption of T&R products.

Controlling is an organizational function the purpose of which is to assess compatibility of undertaken actions and their results with the standards accepted in the plan. Those standards have to match the standards of T&R service supply.
Figure no 3. T&R management levels

T&R management functions operate on 3 basic levels defined as strategic, tactical and operational management.

1.2. Strategic management in tourism and recreation

Strategic management is an organizational activity the purpose of which is to attempt to direct T&R activities into the future. In this meaning, strategic management is both a goal and a plan of its achieving. It also expresses the ambitions of the organization, and refers to its possibilities and relations with its environment where the action is being undertaken. All decisions made in this procedure are defined as strategic decisions.

Strategic decisions can be related to:

- development of T&R industry or T&R organization, and therefore they are called - strategic development decisions;
- intention to enter T&R industry or introducing an original product to the market, and therefore they are called – strategic organizational decisions.

The main characteristics of a strategy suitable for the tourism and recreation industry are (Moutinho L., 2005):

- **Limited in number.** The number of strategies is limited by the following principles which are a condition of success. These principles are: the rule of concentrating efforts in the indicated direction or the area of future activities; the rule of economic realism and the rule of customer safety.
- **Multi-department involvement.** The process of constituting and implementing the strategy requires an involvement of a wide range of subjects, not only economical but also political and social.
- **Allocation of resources.** Strategies are an answer to the changes in the environment. Those changes within the T&R industry are associated with full accessibility, limited accessibility or lack of accessibility to the regions or facilities attractive from a tourist’s point of view. It often happens that the loss of accessibility is a consequence of social conflicts, wars or economic crisis.
- **Long-term strategic effects.** Strategic decisions in T&R are associated with the process of investing. Investments in the T&R industry are related to the creation of tourism accessibility and involve the potential of different entities. This requires time not only to implement the project, but also to organize it. Investments that have been implemented require time to be recognized and accepted by the potential customers. For optimal results invested funds should be spread out over a long period of time. Considering the involvement of different subjects, the strategic decisions can be divided into: corporate decisions, business decisions and marketing decisions.

**Essence and content of the strategic corporate decisions.**
The T&R industry has a corporate and global character. The industry subjects, connected with carriers, hoteliers, restaurateurs and dispatchers of tourist values, associate to implement mutual interest assignments which are specific for this industry.
The structure of a corporation should be made up of: strategic top, line of support and operating base. Figure no 1.

**Figure no 4. Structure of T&R corporation**

The strategic top should devise the strategy of development of tourism as well as create a structural and legal basis for its implementation. The line of support should expand, promote and disseminate the knowledge by using the scientific potential of academies, the research and development skills of individuals, and co-operation with associations and tourism agencies. The operating base is composed of tourism enterprises. The success of the whole market and its individuals depends on the process of initiating and innovating new knowledge. (Kowalewski M., 2007, p.129).

Strategic dilemmas, which should be solved by the national tourism corporation, are multidimensional. Tourist products, their structure, strengths and specific characteristics, have become a main factor of strategies orientated to the direct fight with a competitor or competitors. This type of approach is defined as a process of building strategic superiority that can take the form of either a strategy of frontal attack or a strategy of avoiding the competition.

The essence of the strategy of attack is to recognize the weaknesses of the competition and attack them by using the whole potential of one’s own strengths. The frontal attack can bring about taking over the defeated market. The strategy of avoiding the
competition, in its foundation, is a strategy of defense. Moreover, it is a niche strategy, based on narrow distribution channels. (Obłój K., 1999, p.268).

It is possible to build the success of a tourist enterprise founded on that strategy by creating, for example, new products in the area of extreme and unconventional tourism.

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<th>Strategic superiority</th>
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<td>attack on competition</td>
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<td>concentrated strategy of frontal attack</td>
<td>strategy of avoiding the competition</td>
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<td>satisfying the needs of the market</td>
<td>strategy of winning the market</td>
<td>strategy of creating the market</td>
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Figure no 5. Matrix of the strategy of the market success.
Source: Obłój K., Strategia organizacji, PWN, Warszawa 1999, s.268.

The strategy of winning the market and the strategy of creating a new market should be oriented to satisfying the needs and expectations of potential customers which he/she is not yet aware of.

**Essence and content of the strategic business decisions**

Before T&R organization starts any business activities, creates a plan or introduces a new product to the market – it must plan a strategy and make a decision about implementing it. In this aspect, the strategy has a fundamental meaning and effect on the success or failure of the organization.

The corporate decisions, in its foundation, create the business decisions and form the strategy of development of international tourism corporations, countries and regions. Figure no 6.

The decisions are a result of conclusions coming from the strategic analysis of the environment and the analysis of their own possibilities. Comprehensive analysis of the extensive environment in which the company exists, and detailed analysis of the T&R industry and the strategic group in which the company competes, is needed to research the surroundings and understand its prevailing challenges, chances and threats. (Obłój K., 1999, p.25).

Analysis of T&R organization and understanding of its strengths and weaknesses requires comprehensive analysis of resources and skills coded in its history, architecture and process of activity.
Figure no 6. Basic elements of creating the business strategy.
Source: Oblój K., Strategia organizacji, PWN, Warszawa 1999r., s.26

The conclusions formed in the process of the strategic analysis define a new spectrum of possibilities for T&R business. However, we are still left with the challenge of choosing the right vision, market, product and a model of an action plan that will shape behaviors of tourism organizations in the long term.

Essence and content of the strategic marketing decisions

Marketing is known as the process of systematic planning, implementing and controlling of a tourism and recreation products. The essence of which is to guarantee safe and effective travel, relaxation, and entertainment at a price acceptable to the customers, while at the same time achieving profits or other aims of the T&R organization. In this aspect, logic of marketing management is a characteristic of the marketing strategy. A keynote of marketing strategies is a idea of “marketing-mix,” understood as a compilation of marketing implements that are recognizable and manageable.3

Compilation of implements is made of: segmentation (S), target market (T), product positioning (P), product (P), price (P), promotion (P), distribution (P), client’s values (C), client’s costs (C), client’s comfort (C) and communication with client (C). Figure no 7.

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Segmentation, division of a market into separate groups of buyers according to their needs for different products or marketing implements, associated with the process of evaluating each segment and choosing one of them orientates the process of strategic thinking. Product positioning is a deliberate action that shows the way that customers perceive a product relative to competing products. Orientated strategic marketing thinking takes us to the core of the strategy presented as 4P that is composed of constituents that a company uses to increase the demand for its products. To define 4P we must better understand the clients, which are presented in 4C theory. 4C shows that clients expect value, comfort and communication, not a promotion. To achieve the main aims, marketing–mix strategy needs to determine the variants. It brings us to the basic strategic selections between different properties of T&R products, different strategies of price, dissimilar methods and routes of translocation of customers and goods, different measures and forms of promotion. (Kotler P., 2002, p. 141, 421).

1.3. Tactical and operational management in tourism and recreation

Tactical management is mainly implemented on the level of T&R organization. This type of management is orientated towards organized preparation and the undertaking of a number of actions that are needed to implement a corporation’s strategic plans. Successful implementation depends on the clever use of: T&R resources in the space of its practice; effective decision making that guarantees proper execution of services and activities in the right time and way. (Griffin R., 2005, p.215)

The essence of tactical management in T&R is to coordinate all actions undertaken by the eligible parts of organization/enterprise with the actions undertaken by the external subjects such as: tourist values dispatchers, owners of accommodation, catering and recreation infrastructure, carriers, insurers, and others involved in the process of achieving tactical goals.

Tactical management demands wide use of human resources. In this aspect it is a complex process of communicating with both the environment and internal surroundings of the T&R organization.
Operational management is concentrated on a narrow range of matters with short term goals. Those goals are identified in the tactical plans and developed into the programs and detailed projects which are then executed.

2. Planning process in tourism and recreation
2.1. Structure of the planning process

Planning in T&R is a process of organizational identification, design and selection of forms and methods of satisfying needs of tourists in the range of: travel, leisure and active vacations. It is also the process of perfecting the existing solutions.

The process of planning takes place in the context of a defined environment. Comprehensive and in-depth understanding of this context is necessary to succeed in the process of implementation solutions included in the plan.

Based on understanding an environment, we define an intention (vision) to satisfy tourists’ needs which meet both our and their expectations. Vision is only a leading thought, an inspiration to develop pragmatic business activities, and it will stay this way until its improvement and implementation in the decision making process. A well improved vision should be orientated in a tactical and operational manner, and it is further named - a mission. A mission should determine a range of preliminary strategic analysis that will show how, by using what and in which range we can implement the change that will define a space of new business opportunities.

The decision to complete a mission, even though it is not always related to public administration institutions, economic subjects, non-government organization or others achieving T&R goals, generates parallel sources of goals and plans. Strategic goals result directly from a mission. Mission and goals define the shape of a strategic plan. Strategic goals and plans are the basic elements for creation of tactical plans. Tactical plans along with tactical goals define operational goals. Based on them, operational plans are elaborated. Finally, goals and plans of each level can be used as a base for future activity on all levels. (Griffin R., p.207).
2.2. Strategic Planning

The main goal of strategic planning is to generate a variant of development based on formulated vision. The development, that will be achieved gradually, over a long period of time, in a mode of short-term tactical and operational plans, will guarantee a strategic advantage in the industry, in the global and local aspect. The process of strategic planning consist of 3 main phases that constantly interact with each other: analysis, selection and creation of a plan. Figure no 9.

The first phase is characterized by strategic analysis of the environment and resources of the organization. In the T&R industry, the process of analysis of the environment is one of the most difficult stages of the strategic planning process. The environment, in which we can achieve tourist and recreation goals, has a global character. If we consider fast development of T&R trade, for example in outer space, then the
environment borderlines become indefinite. The situation is complicated by the fact that even there, where the definition exists, the conclusions coming from the strategic analysis can be deceptive for the organization. It is related to changes of geopolitical and geo-economical situations, and it is difficult to predict trends in fashion of T&R.

This is a reason why most T&R companies cannot find themselves in the right place and time with the right offerings. (Moutinho L., 2005, p.264)

In this situation, an inspiration defined in a vision of development of T&R organization is becoming very crucial. Analysis of the environment that is orientated at creating a vision of development of the T&R organization, gives a chance to understand a configuration of phenomenon and trends that are essential for the organization, but the impact of which is not very obvious. It will happen provided that the starting-point of the analysis takes into consideration the following: time horizon; geographic landscape; and predicted range of product diversification. (Obłój K., 1999r., p.107).

Figure no 9. Structure of strategic planning process
The universal method of analysis of an organization’s environment and resources is SWOT analysis. The analysis concentrates on opportunities (O), threats (T) that generate or may generate an environment, strengths (S) and weaknesses (W) that the organization is more or less aware of. The analysis orientates an environment at formulating the conclusions about avoiding threats and taking opportunities.

The second phase is strategic selection – connected with: directing the mission according to objectives of its defining; determining goals of activity and choosing a variant for its achievement. In this phase an organization deals with a dilemma related to conclusions determined in SWOT analysis of how to orientate a mission, wide or narrow?

The mission should inspire the whole organization and make everyone trust that implementing the mission will develop the whole organization as well as each member individually. Missions formulated too narrowly will discourage with its lack of perspective, missions formulated too widely will cause doubts and fear that the process of investing in its implementation will be executed at employees’ expense. To settle the dilemma it is necessary to associate the process of orientating a mission with up to date experiences and achievements of T&R organization, and to point at opportunities of its usage with the purpose of its multiplying. Creating the strategic goal is indeed the next stage of specifying the mission. Specifying the mission is linked with defining earlier appointed information – where and when it happens and who will cause it to happen.⁴

Preparing each decision, especially the strategic decisions, should be based on determining a spectrum of deciding variants. A deciding variant is one of the possible solutions of achieving the strategic goal. Variation of solutions can deal with concentrating on one of the basic functions of tourism: health, education, economy, improvement of ecological awareness, and combining those functions with the function of rehabilitation, and selection of the right methods for its functioning form. (Łobożewicz T., Bińczyk G., 2001).

Selection of one of many strategic variants is done in the course of the deciding process. In relation to the strategic decision in T&R, in many cases selection is not as important as preceding actions that verify and select the variants. Before we start selection and verification, it is necessary to make sure that a variant is legibly described and descriptions are equally comprehensive and detailed. Variants must be read as a challenge – they must motivate. Therefore, a variant should respect values of T&R and values of the organization that will implement it.

The procedure of selecting the variants is composed of two stages: preliminary and proper.

Activities of the preliminary stage are related to two types of actions. The first one is to inspect the compatibility of variants with objectives formulated in the mission and the capability of achieving appointed goals. The second is to elaborate a list of criteria of

⁴ „Aim, future incident intended by the culprit in the specific time, place and space”. This description was defined by Tadeusz Kotarbinski, famous Polish scientist, precursor of praxeology - I do not remember where and in which of his famous books he used this definition.
selection and categorize it by its importance towards opportunities that exist within the T&R organization.

In the proper stage the attention is concentrated on determining:

- level of execution the objectives defined in the variant’s description;
- level of compatibility in accordance with operative standards and conventions in the T&R industry;
- being up to date in the area of implementing the strategy;
- ratio of risk;
- expected profits that will be shown in a form of a list of expected results.

The main aim of the third phase is to develop the appointed variant that will be executed into the strategic plan.

Radical strategic decisions, both developmental and organizational, made by subjects in the T&R industry require radical changes in the organizational structure of those entities.\(^5\)

The nature of those changes is defined in a plan determining the objectives of the organizational and functional model of the variant’s execution. The plan can be completed after its last inspection and verification. Inspection has a formal character and the completeness of its structure must be researched for internal compatibility and efficiency – indicating simplicity and clarity of rationality understood as planning pragmatism.

Execution of the strategic plan is an exceptional challenge for the whole organization. To take on this challenge, members of the organization must be convinced to accept its goals, objectives and proposed solutions. Presentation of a plan should take a form that achieves acceptance of it. A well prepared presentation of the strategic plan requires its content to be suitable with the addressee’s perception, to this end useless methodical details should be eliminated. Also, it is important to present complex parts of the plan by using graphical methods.

2.3. Tactical and operational planning

The range of activities indicated in the process of tactical and operational planning can be presented as an algorithm. Figure no 10. The aim of creating the tactical plan is to execute a part of the strategic plan. To achieve it, we must analyze the primary strategic plans and locate conclusions of this analysis in the tactical dimension of the functioning of the T&R organization.

The dynamic of changes that take place in the space of T&R, as mentioned before, can be a cause of creating new circumstances in a level of preliminary tactical analysis that were not included in the strategic plans or will turn out to be invalid, some of which

determine a base of planning. In those situations the tactical level of management should propose to update the strategy in due course.

Algorithm of the planning process in T&R on the tactical and operational level. Figure no 10.

It is unacceptable to redefine the strategic goals or essential changes in the strategic plan when proposed by the tactical level. It could mean either making fundamental mistakes in the process of strategic planning or unnatural domination of the tactical rung over the strategic rung.
Strategy concentrates on resources, environment and mission, where as tactics is composed of people and activity. (Griffin R., p.218).

Managing people and encouraging them to act according to plan is a complex challenge. The tactical planning, SWOT analysis, helps us to identify challenges and create methods for facing them. These must be indicated in the plan.

Facing our own weaknesses will be a challenge for us. Weaknesses of the organization can be hidden on the strategic level, tolerating them on the tactical level can be a threat to the process of achieving goals accepted in the strategy.

Identifying challenges is a key element in the process of creating a tactical plan. Using the SWOT grid is very helpful in this case, as much as it was in the strategic planning. However, interpreting conclusions formulated in the process of analysis is different.

A good example is a situation when we use an unreliable carrier that delays the transport of our customers for many hours; or we use a hotel whose quality does not meet the standards indicated in the service agreement, or when marketing actions that we have been undertaking for a long period of time do not cause any effects. These are examples of our weakness.

The situation is radically changed when we decide to create a new tactical plan, which is a part of a larger strategic plan. Studying the strategy makes us realize that the source of our weaknesses is not a carrier or hotelier, but our employees that do not properly manage the selection of our partners. It is not difficult to imagine how the execution of a strategic opening of a new tourism direction would end badly if the first strategic group of clients that we service does not get to the hotel on time and then spends the first night in conditions far different from those guaranteed in the advertisement catalogue.

This is why managers taking care of the process of implementing development strategy cannot tolerate our weaknesses, so we must challenge ourselves to eliminate them.

On the other hand, we might realize that our strength lies on our system for contacting clients because that has been practiced for years. We meet this challenge with satisfaction. Now we must figure out how to use that system to support the process of achieving goals appointed in the new strategy – this is another challenge.

We might, for example, realize that a threat coming from competition in our segment of the market is quite large, but not large enough to paralyze our ongoing activities. While we undertake the execution of new aims, the pressure from our competition may raise. Taking on new preventive actions is also a challenge.

In our environment we can identify a catalog of different possibilities, such as goodwill of the local administration, or flexibility of the contractors. We appreciate those possibilities but we do not always fully use them. In the new situation those possibilities may be an exceptional chance to execute our objectives of our participation in achieving
strategic goals. Taking those chances is always connected with facing the whole range of challenges.

Taking on identified challenges requires solving the problems, which means overcoming the difficulties. Indicating the list of problems is another important step in the tactical process of planning. Identifying the problems is not always easy, but can be further complicated by the incorrect connection of incidents, or the incorrect prediction of incidents, or the incorrect perception of the T&R organization’s place in the present or future situation. Stoner J. A. F., Freeman R. E., Gibert D. R., 1995).

The problem is often a hidden opportunity for us. For example as mentioned in previous examples, we could renegotiate agreements with the hotel that does not guarantee a stable standard of service. This challenge reveals an opportunity. Perhaps it is a chance to start new negotiations to buy shares in the hotel which would give us a possibility of making an impact on the management process. Solving these problems brings us back to a safe and normal state for our future actions. If progress is our ambition, it will be “a result of taking a chance.” (Drucker P.F., 1973).

A list of challenges, problems and opportunities indicates a spectrum of tactical goals to be achieved. The difference between strategic and tactical goals is: strategic goals are brief in substance and concentrate on wide general problems; tactical goals are related to the problem of concretizing actions necessary to achieve the strategic goals. Tactical goals, from the point of view of their substance, are a description of methods, tactics, and tricks that are characterized by assignments on the operational rung.

Tasks on the operational rung are developed into operational plans. Operational plans can either be one-off or recurrent. One-off plans are elaborated to undertake actions that will not be repeated in the future. They are related to many types of tourist and recreation activities, planned by business tourism. Lasting value of one-off plans are models and schemas of actions that develop while being elaborated.

The most prevalent forms of one-off plans are programs and projects. (Griffin R., 2005, p.221).

Programs in T&R not only are a base of management, but also include information for the clients - what, where and how. This is why the quality of these types of plans is a condition of market success. Programs include a wide range of actions that are unrepeatable in regards to changeability of conditions in which the program is being accomplished, mainly: structure of clients and changeability of their expectations; season, weather, predisposal of service provider, and others.

6 Interesting deliberations about perceiving a chance are presented by Peter Skat-Rodan: Zmiany decyzji strategicznych, wykorzystanie okazji rynkowych rozwoju przedsiębiorstwa, Wydawnictwa Naukowe, PWN, Warszawa 2001.
Projects are a form of one-off plans actualized to satisfy the customer. The difficulty, related to its elaborating, comes from concretizing the expectations of the client. A condition of success is the inclusion of the client in the planning process.

Operational recurrent plans of T&R are elaborated mostly in the form of standard operational procedures (SOP), bylaws and regulations.

Standard operational procedures are often associated with the part of T&R service that: guarantees providing a service that is appropriate and desirable by the client in the place of his stay, and are mostly related to the procedures that guarantee appropriate hygiene of the place of stay and the level of safety and comfort declared by the service provider.

Procedures and regulations should be included in an agreement between a service provider and service receiver, in the range of laws and responsibilities that are used and must be respected by them.

Operational plans, in its foundation, are plans of work. Effectiveness and sense of work planning was accurately defined by Tadeusz Kotarbinski. (Kotarbiński T., 1966).

A good plan should be:
- **intentional** – useful in achieving goals; should be composed of group of tasks and activities located in the line of closer and predictable goal;
- **manageable** – easy to manage and practice; not utopian, but elaborated to be based on strengths and resources and knowledge obtained while accomplishing similar tasks;
- **internally compact and constant** – tasks cannot exclude each other, should be subordinated and connected with each other by sequence of activities that realizing is mutually conditioned;
- **efficient** – clear and legible, easy to use and giving an orientation in regards to form and language; containing a reserve of strengths and resources in case of unpredictable situations;
- **rational** – based on solid knowledge;
- **flexible** – particular activities should not be stiffly defined if circumstances of the task are unknown; it should allow for changing the plan and leave contractors the freedom of choosing methods of carrying out the tasks;
- **optimally detailed** – not very detailed and not very comprehensive;
- **optimally long-distance** – predicting the goals, consequences and conditions of activity;
- **time specified** – specifying the period of its validity;
- **complete** – related to the whole assignment and its all fundamental constituent elements.

### 3. The leading process

Achieving goals indicated in the plan requires managerial craft and proficiency in managing the organization. Management has an objective and subjective character.
Products that are a composition of material values and services are an objective of management. Employees and customers of a T&R organization are subject to management. Employees define the service-creating factor. Customers are defined as a subject of management by their involvement in different forms of tourism and recreation, free acceptance of influence orientated on achieving appointed goals that are determined by service. The human factor in managing of a T&R organization seems to take precedent over others.

The place and role of the human factor in T&R organizations demand specific managerial predisposal and skills. For this reason, only efficient managers become leaders.

Leadership is both a process and an attribute. Leadership as a process consists of having an influence without reaching for means of compulsion, formatting acceptable attitudes toward goals, team work, and cooperation in creating a healthy culture within groups or organizations. Leadership as an attribute is a combination of skills and attitudes necessary to perform. (Griffin R.W., 2000).

![Diagram of leadership and management](image)

**Figure no 11. The space of mutual relations of leadership and management.**

Leadership, as a process, is performed in a course of five main functions (Smoleński S., 1999, p. 179 – 191):

- **function of coordinating** – agreement, cooperation of different elements of the process of achieving goals;
- **function of interfering** – sustain a constant influence on situation development in the organizational space of action;
- **function of helping** – participation (interaction) in satisfying needs of members of managed groups, both needs related to accomplishing an assignment and social needs;
• **function of advising** – helps members of an organization to independently observe, understand and act within the organization process, but does not have a character of direct participation in realizing those assignments by subordination;

• **function of participating** – direct or indirect presence in each stage of completing assignments.

Functions of leadership and management, although connected with each other and realized in the same space of managerial activities, do not cover each other but complete each other. Leadership, which is accompanied by the process of management, actuates this process and is a chance to achieve the goals of organization above planned levels.

Completing the presented catalog of functions requires specific skills from manager-leaders of the T&R organization.

Essential types of skills are (Kaczmarek B., 1998, p.37):

- **Technical** – understanding the meaning of contemporary technical innovations in development of T&R, and capability of using it.

- **Social** – ability to cooperate and interact with people both in the T&R organization and in within its environment. Those abilities are represented in efficient ways of attracting people to the organization, taking care of its development and proper preparation to exit the organization.

- **Conceptual** – ability to perceive an organization as whole and integrating different interests of individuals and groups to accomplish main goals of the organization.

A particular attribute that must be presented by the manager-leader is his attitude towards goals of the organization and people. To achieve strategic and organizational goals in tourism and recreation, and mainly business goals, the manager-leader is expected to present two types of attitudes: attitudes orientated to solving the problems and pro-social attitudes. Figure no 12
A leader is an attentive and discrete observer of the process of problem solving by his subordinates, and he stimulates their creativity. He takes on the role of a teacher that attentively listens and suggests solutions. He is authoritative and does not accept incomplete assignments. The special characteristic of assignments completed in the space of T&R is that the process of completing generates problems which are difficult to predict. These problems should be solved right after their appearance. The situation demands independent decision making from those who identify the problem. A Manager-leader, who does not have precise and current control of a problem’s effects, has to create relations with his subordinates in such a way that they can feel his presence, but are not scared of making decisions independently. (Altkorn J., 20005, p. 22).

This type of attitude is defined as a sensible creation of a conception of leadership in the organization. The leader feels responsible for people not only in relation to work, but also outside of work.

The T&R industry requires leadership exceeding common expectations. This is characterized by the following:

- handing over a sense of mission;
- stimulating the process of learning;
- inspiring new ways of thinking about work;
- encouraging to take risks;
- creating an atmosphere of trust for subordinates, competency and peace.

4. New paradigm in management

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7 Based on the review of literature.
Contemporary conceptions of managing tourism and recreation are being developed under the pressure of competition for customers. They are orientated on providing high quality services along with reduction of costs. At the same time they must have an aspect of social responsibility because public opinion is sensitive to this issue.

Such high expectations create a situation when among many conceptions of management only a few of them can be fully used in T&R organizations. Those are as follows: conception of human resources management; conception of knowledge management that included long distance knowledge management; conception of controlling.

Human resources management is a strategic, unitary and compact conception of managing the most precious substance of each organization – people that by making personal and corporate effort have an impact on accomplishing all goals appointed by the organization. (Armstrong M., 1998).

The goals of human resources management come from a persuasion that all companies owe their success to their people. Each good human resources manager acquires the reserves that allow for success and winning over the markets competitors. (Tyrała P., 2001, p. 169).

Wide introduction of the conception of human resources management in T&R organizations is not anymore a necessity. It is justified by changes that have already taken place or are still happening in T&R environments and organizations.

Scientific and technical achievements of the 20th century created for tourists new possibilities of fast and comfortable translocation into optional regions of the world. The internet has made it easy to obtain information about different ways to travel and different places to go and what to do when they get to their destination. The main task of a T&R organization is to take on those opportunities created by new technologies and techniques. Therefore T&R organizations need to be serviced by highly educated specialists – mostly representing new professions. T&R organizations must respond by employing people with higher education, and unique attractive specialties and skills.

Changes initiated in the structures of T&R enterprises make them more flexible and virtual. It requires employees to be more independent and responsible. This is why employees must appreciate that the fortune of their organization and themselves depends on their effectiveness. (Potemkin W.K., 2002). This and many other facts explain why employees often formulate a postulate to be managed by wise managers. Conception of human resources management is an answer to that postulate.

The goals of rational and competent management of human resources can be described as: (Tyrała P., s.169).

- enable the management to realize the appointed strategy of the organization by personnel’s involvement,
• fully use possibilities and skills of all employed people,
• control the quality of work of specific people and organization,
• integrate plans of personnel’s policy with plans of strategic development,
• elaborate a compact plan of personnel’s policy with the optimum plan of filling the posts,
• create good conditions of work that will increase creativity and productivity,
• strengthen novelty and relations of team work,
• sustain awareness of supporting the adaptability and ability to perfect of the organization.

Conception of human resources management creates conditions of practicing the theory of leadership in T&R, and remains in close relation with the theory of knowledge management.

Origin of the conception of knowledge management is complex and its creation is mostly a result of evolution of science and the thinking of theorists and practicians. Management of information has been developed and practiced since the 1980’s. The beginning of a new era of information was a prelude to the era of knowledge management that we are now entering. (Perechuda K., 2005, p.12). Knowledge management, within the last ten years, has defined several new approaches: functional, instrumental and process.

Lack of categorized levels of management is its specific characteristic. Each person manages his own knowledge; altogether everyone manages the knowledge of each individual person. It is a principle that employee’s knowledge create the enterprise’s capital and is used by superiors who have a right and a duty to manage this capital for the purpose of multiplying and building added value to the enterprise. In the same course they are using and creating their own knowledge.

In regards to characteristics of knowledge management, it is difficult to define it into a precise algorithm or procedure. However, we can try to determine logical steps of how to create the process of knowledge management in tourism and recreation. (Kowalewski M, 2006, p.193).

The sequence of main actions in knowledge management in tourism, should consist of:

• diagnosis, analysis and assessment of needs of knowledge;
• inspiring to create and obtain knowledge;
• developing abilities to absorb knowledge from the environment;
• learning methods and techniques of presentation of knowledge;
• developing abilities and skills to share knowledge;
• developing abilities and skills to perform a synthesis of knowledge;
• developing abilities and skills to create a new knowledge based on synthesis.

Diagnosis, analysis and assessment of needs of knowledge, is the first and easiest step. It is enough to respect the others’ knowledge and appreciate your own. Respecting others’
knowledge means to break the rule which says that “superiors know better.” Subordinates also have knowledge. We must be convinced and convince others that the most precious source of knowledge is the people who work with us.

It is useful to create databases including evident and predicted problems that occur on the way towards achieving goals of a tourist enterprise. Databases do not have to take the form of complicated information systems. It is important to know who knows what and whether that knowledge has any value.

The base of our needs of knowledge will be fulfilled faster if we learn how to inspire an environment to obtain new knowledge. The problems are not only manager’s problems, but everyone’s problems. If the problem is that our product is deficient, it is a problem of each member of the organization. It is a problem of obtaining the knowledge of why a product is imperfect and how to change it. The manager’s responsibility in T&R industry is to develop the abilities of his subordinates to absorb knowledge from the environment.

It is not enough to have knowledge; it must be shared with others, because only then can the capital of knowledge be invested and developed. This is the most difficult problem of knowledge management. Sharing knowledge is to be open to presenting knowledge of your subordinates to superiors, and vice versa. This is a reason why emotional capital and social capital, in addition to knowledge and experience, determine components of human capital. Emotional capital consists of developed skills and a willingness to share knowledge. Social capital consists of our contacts, acquaintances, and ability to affiliate. (Edison L., Malone M.S., 2001).

Developing those new components of knowledge capital is an integral part of actions orientated to managing knowledge.

To treat knowledge as an important element of a T&R enterprise, mental changes must be made that will be accompanied by organizational actions related to popularizing knowledge, synthesizing knowledge, and the creation of new knowledge based on synthesis.

One of the characteristics of tourism is a limitation of time for absorbing knowledge. Modern tourist enterprises do not provide seasonal services anymore. They work in an endless year-round course. It is difficult to imagine a superior that delegates employees to travel searching for knowledge. The solution is to pass on the knowledge and learn to build new knowledge by using methods of distance learning that were previously perfected in other forms of social life.

Educating by internet is the latest and fastest way of passing on knowledge. The Internet allows you to access a large group of geographically spread employees of a T&R organization and is an instrument for making interactive contact. It allows us to update information, process it, and order it. The Internet also allows us to control knowledge in the course of undertaking discussions, and in the exchanging of knowledge. It also teaches synthesis of knowledge and allows the creation of new knowledge based on that
synthesis. The Internet, for the tourist industry, is a basic instrument in the process of knowledge management.

To summarize, from a practical point of view, the process of knowledge management should contain:

- building commonly accessible banks of knowledge that allow its verification, synthesis, storage and distribution;
- formalizing knowledge into a form usable by differently educated addresses, in the right place and time
- creating interactive e-learning methods and forms of popularization of knowledge

Wide acceptance of knowledge management by T&R organizations is a chance for them to increase their competitiveness. The implementation of knowledge management is a condition of taking on market leaders and winning a dominant position.

The last item to be discussed here is the idea of controlling. Controlling is an alternative for weak results of traditional methods of control in managing the service in T&R.

By using traditional methods of control, we can identify a range of causes of differences that occurred between what was indicated in the plan and what was actually accomplished. Using results of control allows us to perform activities the purpose of which is to prevent formation of further losses. Therefore we can say that traditional control is effective, but only with hindsight, and this is its fundamental weakness.

This weakness, specifically, appears in the process of completing T&R tasks. While managing tourist and a recreation business we do not have a chance to exchange a faulty product of tourism or recreation, or establish a recompense satisfying the client. A journey that was delayed, an excursion that was cancelled - it is a waste of the client’s time that is not acceptable. Determining causes with hindsight will not satisfy either the client or the company.

Controlling gives us a chance to identify all causes of inefficiency before their occurrence. It is also a chance to undertake activities preventing this to happen.

Controlling in a T&R organization is performed in a constant way. (Griffin Ricky W, part 20).

The purpose is to check on organizational order, proficiency of work processes that allows accomplishing previously planned goals by eliminating currently discovered inefficiencies and lapses. (Kuc B. R., 2001, p.140).

Controlling attracts attention in the form of “narrow throats”. In practice of a functioning T&R organization we determine neuralgic spots that influence successfully achieving
appointed goals. It can be, for example, activities related to passengers check in at the airport, or one of the most common situations—when all participants of a journey want to settle their formalities at the hotel reception just before they check out. Weak links that exist in tourist services and logistics can cause critical situations to emerge. In those sections we must focus our attention on organizational departments that are responsible for the realization of controlling tasks.

The purpose of controlling is the identification of sources of potential interruptions, analysis of information coming from internal and external sources that justifies causes of potential interruptions, and the processing of received information into a form of records important for management of the organization.

Success of undertaken activities in the process of controlling depends on: orderly filing of the organization’s documents, expanded IT infrastructure, clear demarcations and responsibility of specific segments of the organization, and systematic auditing of the main organizational functions.

As a result the conception of controlling is determined as a group of functions located in a regulatory sphere of the organization that has precedence in regards to organizational departments managed by headquarters and subordinated directly to the management of the enterprise. (Zawadzak T., 2005, p. 259).

References