

DEVELOPMENT OF HUMAN RESOURCES AS THE SPHERE OF THE COMPETENCES OF DESTINATION MANAGEMENT ORGANIZATIONS

Jacek BORZYSZKOWSKI

Koszalin University of Technology, Poland
jacbo@wp.pl

Abstract

The present article includes deliberations concerning the significance of widely understood issues connected with the development of human resources in the activities of destination management organizations (DMOs). The first part covers strictly theoretical issues connected with the concept of the DMO and its objectives with a particular emphasis on the development of human resources. The second part includes a presentation and an analysis of the results of the author's own research on a group of 83 DMOs from 23 European states.

Key words: *destination management organizations; development; human resources; personnel; significance*

JEL Classification: *L83, O15, L32*

I. INTRODUCTION

Human resources are a particularly important part of each sector of economy which is dependent from the service sector. This also concerns broadly understood tourism. The growing competitiveness on the tourist market results in the need of an adequate adaptation of individual companies and organizations. There are a number of possibilities and instruments in this respect. These absolutely include activities in the scope of the development of human resources. This is one of the more essential questions in the sphere of the activities of the present-day tourist organizations.

The role of human resources in tourism is also in so far as important as "(...) it is first of all information and knowledge that is the source of the present-day competitive advantage of tourism organizations" (Kubiak, and Korowicki, 2007). Personnel, especially in the case of service companies, is the most important source of the competitive advantage of a company or its weakness (Kotler, 2005). The essential significance of personnel in tourist companies is the result of numerous factors including the service nature of the business, a great influence of the personnel on the functioning effectiveness of the company, the ability of the personnel to generate innovations or to create a good image of the company in the environment (Kornak and Rapacz, 2001). What is more, the personnel in tourism constitutes a fundamental element of the product itself (Holloway and Robinson, 1997). The personnel should be an essential instrument of a marketing strategy. The following among others are of a special significance: the number of the members of the personnel, qualifications of the personnel, individual qualities, a system of motivations and a system of trainings (Panasiuk, 2002).

This article includes deliberations connected with the problem of the development of human resources in the activity of the so-called destination management organizations (DMOs), i.e. the primary entities that are responsible for the management of the tourist function in a given destination. It is worth to emphasize that the problem analyzed may have different aspects. Activities can be directed on the personnel of organizations, the members of organizations and the partners of organizations. Their personnel resources constitute one of the more important factors. Pike (2008) confirms this claiming that as with any organisation, staff are an important asset for any DMO. This concerns not only the personnel policy of the organization itself: DMOs can play a role by emphasizing the importance of staff training and promoting and facilitating such training and business development to tourism businesses (World Tourism Organization, 2007).

The present article covers theoretical aspects related to the issue under discussion. Apart from this, the results are used of the author's own research carried out on a group of several dozen of organizations from a dozen or so of European countries.

II. IDEA OF DESTINATION MANAGEMENT ORGANIZATIONS (DMOS)

In the literature, there are a number of definitions that determine the DMO. At this point, it should be mentioned that various authors do not only define in different manners the organization itself, but they also hold diverse views concerning the name itself: some make references to destination marketing organizations, whereas others speak about destination management organizations (Borzyszkowski, 2011). Destination Management Organizations are defined by the World Tourism Organization (UN-WTO) as "(...) those organizations which are responsible for management and/or marketing of individual tourist destinations" (World Tourism Organization, 2004). Collins and Buhalis define Destination Management Organizations as the providers of products and information technology services to customers, agents and suppliers in the sector of tourism (Mendling, Rausch et al, 2005). Padurean (2010) speaks about an organization which is responsible for the management and coordination of all the activities in a destination including planning and promotion. According to Gretzel, Fesenmaier et al (2006), Destination Management Organizations are non-profit entities which aim at the generation of the visits of tourists in a given area. According to van Harssel (2005), DMO mean organizations that lead a community's hospitality and tourism industry and are often a driving force behind local economic development plans.

A review of scholarly sources also permits a determination of those administrative levels where DMOs appear:

- national tourism authorities (NTAs) or organizations (NTOs) (responsible for management and marketing of tourism at a national level);
- regional, provincial or state DMOs (RTOs) (responsible for the management and/or marketing of tourism in a geographic region defined for that purpose, sometimes but not always an administrative or
- local government region such as a county, state or province) and local DMOs, (responsible for the management and/or marketing of tourism based on a smaller geographic area or city/town) (World Tourism Organization 2004).

III. OBJECTIVES OF DMOS. DEVELOPMENT OF HUMAN RESOURCES IN THE SPHERE OF DMO ACTIVITIES

A review of both scientific literature and publications available from different organizations explicitly demonstrates that there are certain differences in understanding the scope of the activities of destination management organizations. There are at least several causes of this phenomenon. First of all, it results from the organizational and legal form of a given organization. For example, national tourism organizations (NTAs) possess "top-down attributed" objectives connected with the determination of strategic guidelines in the area of tourism development (including tourist legislation, creation of the bases of tourist policy etc.). At the same time, national tourism organizations (NTOs) are usually those entities which are mainly responsible for the tourist marketing of the target country and other operational functions (including the development of tourist products and tourist information) (Borzyszkowski, 2005). Individual sources and authors often provide various opinions concerning the competences of DMOs. The World Tourism Organization speaks about management or marketing (the World Tourism Organization 2004), Padurean (2010) indicates comprehensive management while at the same time emphasizing the element of planning and promotion. Morrison (1998) also speaks about promotion, yet Beritelli and Reinhold (2010) state that DMOs are "(...) a mirror of all the organizational aspects of a destination".

Part of researchers clearly emphasize (directly or indirectly) the problem connected with human resources in DMO activities. For example, Gretzel, Fesenmaier et al (2006) point to 6 basic challenges for the present-day DMOs, i.e. 1) adapting to technological change; 2) managing expectations; 3) from destination marketing to destination management; 4) confronting new levels of competition; 5) recognizing creative partnering as the new way of life; 6) finding new measures of success. In the case of "from destination marketing to destination management", the authors emphasize the need of changes in the organizational structures of DMOs. To a significant extent, this is dictated by changes in the scope of the organization's activities. As emphasized by the authors, "(...) bureau directors are at least beginning to realize that a shift in the scope and nature of their activities requires actual changes in terms of their organizational structure". The activities of this type certainly require care about the appropriate level of the education and training of the DMO personnel. The significance of the development of human resources was emphasized by Wagenseil (2010). The author points out three basic spheres of DMO activities, i.e. marketing, product management and the so-called creation of an appropriate environment. Concerning the last sphere, Wagenseil (2010) makes references to the development of human resources. Morrison reports that the challenges faced by the present-day DMOs concern the so-called 8P, i.e. product, price, packaging, programming, promotion, place, people and partnership (Morrison, 2010). Similarly, Batarow, Bode et al (2008) emphasize the significance of the development of human resources taking into consideration this sphere within the framework of widely understood internal destination development (IDD).

An appropriate system of the education and training of the tourist personnel constitutes a fundamental issue connected with the development of human resources. Moreover, education and training is essential in the process of performance management (Kamann, 2008). This is particularly important in achieving a competitive advantage on the tourist market. Without the efficient use of comparative resources, such as human resources and the skills and availability of the region's labor force, no competitive advantage could be achieved (Pike, 2004). As stated by Kamann (2008), education and training can take on different forms: it can take place by means of in-house or on-the-job training, external workshops or seminars or by visiting trade events and conventions and can be related to a specific field or cover a broad subject area. Activities can be directed on the DMO personnel, DMO members and DMO partners. The author examined 61 Destination Management Organizations in the entire Europe. In the scope of the allocation of the current budget, activities related to education and trainings are only on the 9th position. The guidelines accepted by DMOs concerning the plans of the allocation of future budgets were also examined. It became evident that in this sphere, activities aimed at training and education were on the 6th position out of 17th positions (Kamann, 2008). Thereby, a significant problem can be observed in the sphere examined of the functioning of DMOs. As indicated by Kamann (2008), there might be many potential causes of this phenomenon, yet financial causes are most frequently reported (51.43%). Further, the following are indicated: time limitations (17.14%) and lack of appropriate training of the personnel (11.43%). The duration of vocational trainings (8,57%) also cause DMOs to refrain from offering opportunities for training and development for its staff members.

It is worth to mention that the issue undertaken should be essential for all the types of DMOs, regardless of their organizational and legal form or the level of the administrative division. The problem of the development of tourist personnel (including the system of education and trainings) was emphasized by Majewski (2007) who, by citing Carter, indicates the significance of this factor especially in regional and local DMO activities. The World Tourism Organization (UN-WTO) points to an essential diversification of the significance of this issue among regional and local organizations. Research carried on a group of 102 regional and 49 local DMOs demonstrated that this sphere of activities remains in the area of an interest to 55% of regional organizations and merely to 35% of local organizations (World Tourism Organization, 2004).

To conclude, it can be observed that in the opinion of many scientists, the widely understood problem of the development of human resources should play an essential role in the activities of the present-day DMOs. However, it can be observed that in the current activities of DMOs (according to the research by Kamann and UN-WTO), the significance of this factor is frequently relatively little.

IV. DEVELOPMENT OF HUMAN RESOURCES IN THE HIERARCHY OF THE ACTIVITIES OF THE SELECTED ORGANIZATIONS

In order to present the current information on the phenomenon examined, the author made his own attempt to analyze and interpret the data. The problem of the development of human resources was undertaken by the author during the research carried out on a selected group of several dozen DMOs from the whole of Europe. The primary goal of the research was an attempt to assess the significance of this issue in the hierarchy of DMO activities. The organizations examined were requested to provide comments on two key issues, i.e.:

- is there a separate section in the organizational structure of the DMO which is responsible for the problem of human resources development?
- what is the significance of human resources development in the hierarchy of the activities of the organization: to date, at present and in the coming future?

For this purpose, in the period from January to March and in October 2013, the author carried out his own research with the use of a questionnaire. The results of the research were obtained from a total of 83 European organizations which represented 23 countries (Croatia, Latvia, Slovakia, Belgium, Finland, Austria, the Czech Republic, Cyprus, Spain, Sweden, France, Great Britain, Lithuania, Switzerland, Poland, Hungary, Montenegro, Estonia, Serbia, Monaco, Luxembourg, Germany and Denmark). From among the results obtained, 7 (i.e. 8%) constituted organizations of a national nature (these were national tourism organizations: NTOs). Regional entities constituted the next group: 32 (39%). Among the organizations examined, local entities were dominant: in total, there were 44 of them (i.e. 53%).

The research carried out provides interesting conclusions. The organizations examined were requested to state whether there is a section in the organizational structure of the DMO which is responsible for the issues of human resources development. 76 organizations out of 83 organizations examined (92%) provided an answer to this question. Out of this number, merely 27 of them (35.5%) possessed such a section, and 49 (64.5%) did not possess it. On the grounds of this information, a conclusion can be made that the problem analyzed is not very much emphasized in the organizational structure of the organizations examined. However, reasoning in this fashion is not quite correct. It appears that a certain part of the organizations do not possess a typical organizational structure, and thereby there no organizational sections distinguished in them. Such a phenomenon is partly the result of employment in the organizations: there are those organizations where the numbers of those employed do

not exceed several people. The creation of isolated organizational sections in such a case would not be justifiable. For example, the average number of those employed in local organizations (N=30) was ca. 14 people.

Further, the organizations examined were asked to rank human resources development in the hierarchy of the to-date, present and future activities of DMOs. In the research, the method of point quality classification was used. The entities examined were requested to present the significance of the factor in the scale from 0 to 5, where 0 was an element which does not occur, 1 – an element which is the least important, 5 – the most important element. The organizations examined were asked to indicate the rank of a given factor in three periods, i.e. in the past (5-10 years ago), at present, and its potential significance in the future (during the coming 5-10 years) (Table 1).

Table 1. Importance of human resources development in the activities of selected destination management organizations (N=69)*

No.	Entities	Significance of the factor (at an average)		
		Past (5-10 years ago)	At present	Future (in 5-10 years)
1.	In total	2,18	3,10	3,75
2.	Percentage of organizations (in %) which indicated the "0" value	12,1%	7,2%	2,9%
2.	Percentage of organizations (in %) which indicated the "5" value	1,5%	10,1%	31,9%

Explanations: * – 69 organizations out of 83 organizations (83%) examined provided an answer to this question.

Source: Author's own research.

The data presented in Table 1 demonstrates that the factor analyzed is currently defined by the organizations examined as that of an average importance. It is interesting to note that in spite of the fact that in the opinion of the entities analyzed, the value of the element examined is systematically increasing, the average pace of the increase demonstrates a diminishing tendency. The average pace of increase between the present period and the past is 42% (from 2.18 to 3.10), and it is definitely higher than the pace of increase between the present period and the coming future (21%, i.e. from 3.10 to 3.75). Generally speaking, the average pace of increase between the extreme periods (past-future) is 72%. Thereby, it can be found that the factor examined plays (and will be playing) a growing role in the activities of the organizations analyzed.

This statement is proved in part with the determination of what part of the organizations ranked the highest or the lowest the significance of the factor examined in the hierarchy of their activities (cf. Table 1). The percentage of those organizations that provide the lowest assessment (i.e. the "0" value) is systematically decreasing according to the declarations by the organizations, and it will be merely 2.9% of entities in the coming future. On the other hand, a very dynamic increase is observed of the percentage of those organizations that assess the factor examined the highest (i.e. "5"): at present, it is merely every tenth organization, while according to the declarations by the organizations, in the nearest future, almost every third organization will assess this factor to the highest degree.

It also is worth to note that growing values between the extreme periods (i.e. past-future) were demonstrated in as many as 49 cases (76.6%) out of 64 organizations, which provided answers simultaneously in three research periods (i.e. in the past, at present, in the nearest future). No change in the hierarchy was reported in 11 cases (17.2%), and a decrease of the value of the significance of the factor examined was reported in merely 4 cases (6.3%).

A comparison of the current values of the factor examined among those organizations which possess or do not possess any separate section in their organizational structure looks interesting, as well. The average value of the factor for those organizations that possess an adequate section is currently 3.14; for the remaining organizations (i.e. those that do not possess such a section), it is 3.05. As can be seen, the difference between these values is relatively little. Thereby, this may mean that the fact of possessing (or not) a section for the development of human resources practically has not influence on the perception of the importance of the factor examined.

The author is aware of the fact that the results presented need to be treated cautiously as the data "are burdened" with high subjectivity. However, an analysis of scientific sources and the data presented can clearly indicate that the role of the factor examined in the activities of individual DMOs will be continuously increasing.

V. CONCLUSIONS

The problem of the development of human resources is in so far important that an assessment of the effectiveness of DMO activities can be concluded on the basis of at least several indices. These include an improvement of the quality of services provided (Wagenseil, 2010). There is no doubt that in this sphere, properly prepared tourist personnel performs the basic function. The selection of personnel members that possess appropriate predispositions and qualifications is of a fundamental significance to the correct course of the customer service process and to formation the quality of the services offered (Rapacz (ed.), 2007).

The results of the author's research presented in the article demonstrate that the factor analyzed is assessed in an average manner. The fact that the organizations examined point to a systematic increase of the significance of this factor in the hierarchy of DMO activities is a positive phenomenon. This means that the problem of the development of human resources is becoming increasingly more essential in the functioning of those organizations which are responsible for the management of a destination.

To sum up, it is worth to emphasize that the problem analyzed in this article should be attributed an appropriate significance in the activities of all DMOs regardless of their administrative level or legal form. For example, an analysis of the competences of national tourism organizations (NTOs) and national tourism administrations (NTAs), that is two primary types of those DMOs that occur on the national level, demonstrated that in the majority of cases they are both responsible for the issues analyzed (Borzyszkowski, 2005). Secondly, the problem analyzed should concern various spheres of DMO activities. It refers to the employees of the organizations, the members of the organizations and the partners of the organizations. The care about the competitiveness of both the organization and the whole destination requires from the DMO authorities of DMO placing an emphasis on all the three spheres. On one hand, the properly educated and trained employees of DMOs will contribute to an improved functioning of the organizations and, on the other hand, the same phenomenon among the members and partners of the organizations will contribute to an increase of the quality of the services provided. As a consequence, this may translate into an improvement of the image of the whole destination and an increase of the number of the tourist traffic. This is particularly important because as stated by S. Pike, there is a dearth of literature relating to human resource management in DMOs (Pike, 2008).

The deliberations presented in this article should constitute a point of departure for further discussions concerning the significance of human resources in the present-day tourist organizations and destinations. The problem analyzed should still be in the range of interests not only of researchers but also (and perhaps first of all) of all the organizations which are responsible for destination management.

VI. REFERENCES

1. Batarow, D., Bode, M., Jacobsen, M. (2008) *Case Presentation: Destination Management Organizations (DMO) – Cross National Sites*, Institut für Wirtschaftsinformatik, Universität Münster.
2. Beritelli, P., Reinhold, S. (2010) *Explaining Decisions for Change in Tourist Destinations: The garbage Can Model in Action*, In *Managing Change in Tourism. International Tourism Research and Concepts* ed. P. Keller & T. Bieger, (Vol. 4). Berlin: Erich Schmidt.
3. Borzyszkowski, J. (2005) *Polityka turystyczna państwa*, Wydawnictwo Uczelniane Politechniki Koszalińskiej, Koszalin, p. 50.
4. Borzyszkowski, J. (2011) *Destination Management Organisations (DMO) – nowoczesne struktury organizacyjne w turystyce*, In *Nowe wyzwania gospodarki turystycznej na poziomie lokalnym, regionalnym i międzynarodowym*, pod red. M. Jalinika i A. Sierpińskiej, Oficyna Wydawnicza Politechniki Białostockiej, Białystok, pp. 13-22.
5. Gretzel, U., Fesenmaier, D.R., Formica, S., O'Leary, J.T. (2006) *Searching for the Future: Challenges Faced by Destination Marketing Organizations*, *Journal of Travel Research*, vol. 45, November 2006, p. 116-126.
6. Holloway, J.Ch., Robinson, Ch. (1997) *Marketing w turystyce*, Polskie Wydawnictwo Ekonomiczne, Warszawa, pp. 40-43.
7. Kamann, S. (2008) *Destination Marketing Organizations in Europe. An In-Depth Analysis*, Destination Marketing Association International (DMAI) – NHTV Breda University of Applied Sciences, Breda, p. 11-12.
8. Kornak, A., Rapacz, A. (2001) *Zarządzanie turystyką i jej podmiotami w miejscowości i regionie*, Wyd. Akademii Ekonomicznej we Wrocławiu, Wrocław, p. 33.
9. Kotler, P. (2005) *Marketing*, Wyd. Rebis, Poznań, p. 111.
10. Kubiak, B.F., Korowicki, A (2007) *Rola potencjału intelektualnego w doskonaleniu zarządzania wiedzą*, *Studia I Materiały Polskiego Stowarzyszenia Zarządzania Wiedzą*, nr 13, J. Kacprzyk, L. Drelichowski (ed.), Polskie Stowarzyszenie Zarządzania Wiedzą, Bydgoszcz, p. 66.

11. Majewski, J. (2007) *Struktury organizacyjne dla brandingu produktów terytorialnych*, Rocznik Naukowy Wyższej Szkoły Turystyki i Rekreacji im. M. Orłowicza w Warszawie tom 6/2007, Wyższa Szkoła Turystyki i Rekreacji im. M. Orłowicza w Warszawie, Warszawa, p. 124.
12. Mendling, J., Rausch, M., Sommer, G. (2005) *Reference Modelling for Destination Marketing Organisations – the Case of Austrian National Tourist Office*, Proceedings of the 13th European Conference on Information Systems (ECIS 2005), Regensburg, Germany. <http://www.mendling.com/publications/05-ECIS.pdf> (accessed April 10, 2013).
13. Morrison, A.M. (1998) *Hospitality and Travel Marketing*, 3rd ed.; Delmar: Albany, NY, USA, p. 66-67.
14. Morrison, A.M. (2010) *The Future, Trends and Best Practices of DMOs*, 2010 Belle Tourism International (Shanghai) Ltd., Shanghai, p. 33-34.
15. Padurean, L. (2010) *Looking at Destination Governance Through Three Lenses*, BEST EN, June 2010, Vienna, Austria.
16. Panasiuk, A. (2002) *Personel jako element marketing usług turystycznych*, Ekonomiczne Problemy Turystyki nr 1, Wydawnictwo Naukowe Uniwersytetu Szczecińskiego, Szczecin, p. 143.
17. Pike, S. (2004) *Destination Marketing Organisations*, Elsevier, p. 89.
18. Pike, S., 2008. *Destination Marketing. An Integrated Marketing Communication Approach*. Butterworth-Heinemann, Elsevier, p. 155.
19. Rapacz, A. (ed.) (2007) *Przedsiębiorstwo turystyczne*, Difin, Warszawa, p. 122.
20. van Harssel, J. (2005) *Glossary - Destination Management Organization*, In: Harrill, R., *Fundamentals of Destination Management and Marketing*, Michigan, the United States of America: Educational Institute American Hotel & Lodging Association.
21. Wagenseil, U. (2010) *Destination & DMO & Boundaries*, Timisoara & Fagaras, 25th & 27th May 2010, Turism Durabil.ro, Unit for Sustainable Development of Tourism.
22. World Tourism Organization (2004) *Survey of destination management organisations. Report April 2004*, Madrid.
23. World Tourism Organization (2007) *A Practical Guide to Tourism Destination Management*, Madrid.