

ENTREPRENEURSHIP IN THE TOURISM INDUSTRY IN ROMANIA

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ABSTRACT: *The main purpose of this paper is to study the importance of entrepreneurship in the tourism industry. Tourism is in a continuous development, both in size and content, niche tourism annually enriching its forms. The notion of entrepreneurship is associated with the new and innovative economic activity, and innovation is very broad including entrepreneurial principles. Innovation materializes in new products, new services, new raw materials, new processes.*

KEY WORDS: *entrepreneurship, tourism, innovation, hotel and restaurant industry, efficiency, performance, management, workforce employed, government.*

JEL CLASSIFICATIONS: *O31, R58.*

1. INTRODUCTION

Tourism as a branch of industry was recognized internationally in the 1960s, due to its economic, social and political importance.

Tourism is a global phenomenon that plays a significant role in the economy, contributes significantly to improving macroeconomic indicators and increases the standard of living of communities and national well-being. Entrepreneurship is often associated with economic development, SMEs, technological progress, job creation, so with economic growth and development. John Naisbitt identifies tourism, in the famous work "Megatrends", as the fastest growing industry at the beginning of the third millennium.

Tourism offers a specific context for the development of entrepreneurship, and the way of identifying and capitalizing on entrepreneurial opportunities has a number of defining characteristics.

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2. STAGE OF KNOWLEDGE

Ateljevic and Page (2009) argued that the link between tourism and entrepreneurship is not yet sufficiently studied and emphasized.

Tourism is the branch with the highest economic growth, and economist Jean-Baptiste Say defined entrepreneurship as the process that involves moving economic resources from a low-yielding area to one with higher yields and profits.

One of the determining factors of tourism development is technological progress, which has left its mark on the transport and entertainment industry, and this link is also emphasized by (Chaston, 2009) Schumpeter (1934) who defines entrepreneurship as a “meta- event economic ”, which leads to a significant change in the market, due to the introduction of a new technology.

Drucker (1985) states that entrepreneurship can be considered “an engine of change, innovation and employment”, Ball (2005) considers that “entrepreneurship is crucial to meet the constantly changing needs of hospitality consumers, free time , sports and tourism ”- taking into account that it seems to be the only way to introduce, on the market, new products that can capture the attention of an increasingly demanding consumer."

Statistical data confirm that the development of tourism greatly influences the economic growth of a country and represents a real intensification of local entrepreneurship. That is why the support of entrepreneurship and tourism benefits from political support, as well as funding through donations (Taskov et al, 2011).

Analyzed in the context of tourism development, entrepreneurship becomes more complex and takes various forms of innovation, which are interconnected and usually experienced by various economic agents - individual or collective (Hatten, 2012).

Deakins and Freel (2003) argue that certain tourist locations have been revitalized by the intervention of entrepreneurship, which has evolved gradually, from focusing only on catering and clothing retail, to being associated with booming industry sectors.

Some researchers emphasize the close link between entrepreneurship and SMEs, and the tourism industry as a whole is made up of many small companies that provide the tourist with a multitude of local services and traditional products.

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Tourism is the third economic activity of the European Union, being in continuous ascent .This activity generates 12% of GDP (basic tourism activity plus related activities), in the two million companies that provide 20 million jobs. In addition, the tourism sector is able to create 100,000 new jobs annually .General trends and skill needs in the tourism sector in Europe.

In this context, tourism is often seen as the only economic activity that can develop in poor and less developed regions, where micro and small enterprises are

generally located. Statistical forecasts seem to confirm this hypothesis, for example: the indicator number of trips at European and international level had an average annual increase of 5%.

The tourism and hospitality industry has been a fertile ground for many entrepreneurially developed businesses over time by renowned businessmen (Walt Disney, Thomas Cook, Ray Kroc McDonalds, John Marriott, Conrad Hilton) or small business owners who administer guesthouses, restaurants, traditional business.

3. RESULTS AND DISCUSSION

Touristic entrepreneurship in Romania

The entrepreneurial spirit in the field of tourism appeared and developed in Romania as well, especially in the field of accommodation and restaurants, after 1991 the first tourist boarding houses appeared, and since 2000 the first agrotourism boarding houses also appeared.

Table 1. The evolution of the main tourist reception structures with tourist accommodation functions in Romania

Year	Total	Hotels	Boarding houses	Agrotouristic pensions
2019	8402	1608	1669	2800
2018	8453	1616	1709	2821
2017	7905	1577	1666	2556
2016	6946	1530	1530	2028
2015	6821	1522	1527	1918
2010	5222	1233	949	1354
2000	3121	811	201	400

In 2019, the capacity in Romania was 8,402 accommodation structures, with 356.6 thousand places, and compared to the previous year, the number of accommodation places increased by 2800.

Most hotels were categorized as 3 stars (53.5% of total hotels), 4 stars (23.3%) and 2 stars (18.6%). There were 38 5-star hotels (2 more than in 2018). Of the total number of places in hotels, 46.1% were in 3-star hotels, 27.3% in 4-star hotels, 20.7% were in 2-star hotels, 4.2% in 5-star hotels stars, 1.6% in one-star hotels and 0.1% in non-star hotels.

At the end of 2019, in Romania there were 1,608 hotels, 323 - hostels, 219 - motels, 709 - tourist villas, 222 - tourist chalets, 1,669 - tourist pensions, 2,800 - agritourism pensions, 557 - bungalows (wooden or woven houses) cane). Constanța County concentrated the largest number of tourist reception structures.

The first seven counties, ranked according to the total number of existing tourist reception structures were: Constanța (934 accommodation structures), Brașov (930), Suceava (469), Harghita (420), Mureș (337), Cluj (334) and Prahova (330).

Constanța County had the largest share (24.8%) in the total number of existing rooms in the tourist reception structures (excluding the rooms in the cottages).

Of the total number of existing tourist accommodation places, Constanța County owned 25.2%, Brașov County 8.3%, followed by Bucharest Municipality with 6.2%, Bihor County with 3.8%, Prahova County, Vâlcea and Suceava (each with 3.5%) and Cluj County with 3.3%.

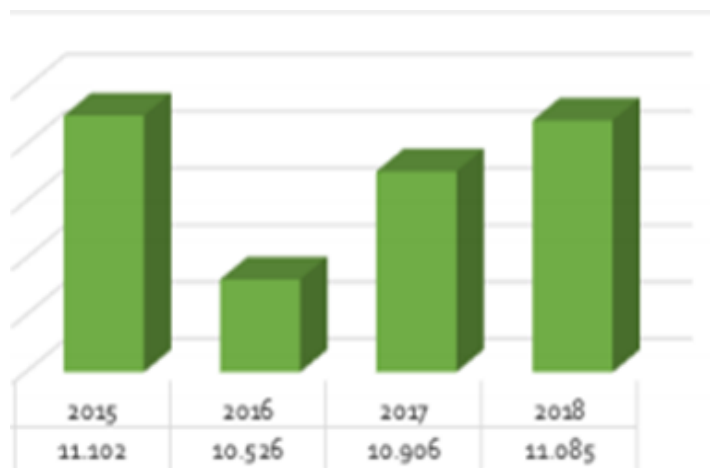


Figure 1. Workforce dynamics in tourist agencies

Out of the total of 162.9 thousand existing rooms in the tourist reception structures with accommodation functions existing on July 31, 2019 (excluding the rooms in the cottages), 99.7 thousand (61.2%) were in hotels. The number of rooms increased in 2019 by 1102 in hotels, by 217 in agritourism pensions and by 106 in tourist villas.

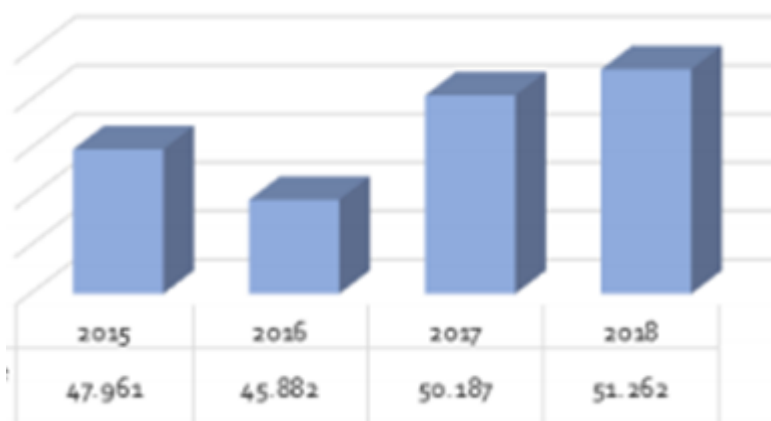


Figure 2. Workforce dynamics in hotels

In terms of the number of employees, research suggests that almost 95% of companies in the tourism sector have less than 10 employees.

At the level of Tourism, the PIAROM analysis was focused both on the structure of the workforce employed in travel agencies and on the level of employees employed in sectors of activity integrated with the Tourism sector, respectively the hotel and restaurant industry. All 3 sectors analyzed experienced significant increases in 2018 compared to 2017 and especially compared to 2016.

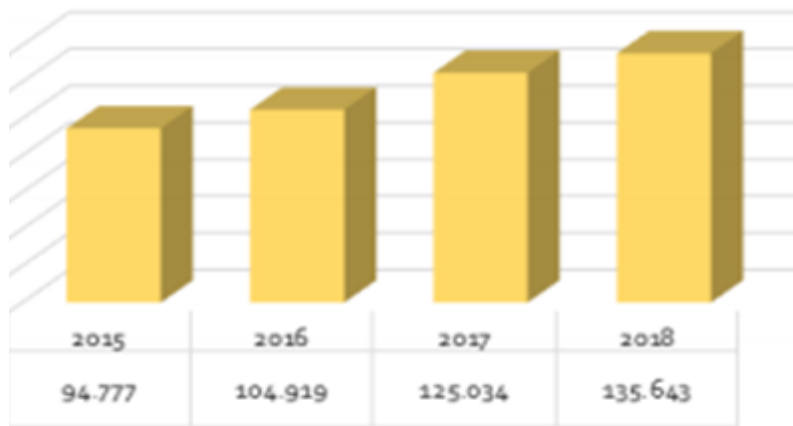


Figure 3. Workforce dynamics in restaurants

The travel agencies sector marked in 2018 an increase of 1.64% in the number of employment contracts, from 10,526 to 11,085, an increase supported mainly by companies in the fields of 7911 - Activities of travel agencies (+ 3.12%) and 7912 - Activities of tour operators (+ 2.78%).

Although the tourism sector has grown significantly in recent years, the analysis of the period 2015-2018 shows that the number of employees in the travel agency sector has remained relatively constant, as a result of increasing the use of hotel booking websites.

At the same time, at the level of occupation specific to the tourism sector, the main developments in 2017 refer to: moderate increase in the number of travel agents - COR code 422102 (+ 5.82%, reaching 2,928), respectively increase in the number of managers in tourism activity - COR code 143908 (+ 10.90%, reaching 1,089). The hotel sector also registered a significant increase in the number of CIMs, from 50,187 to 51,262 (+ 2.14%).

The same growth was felt at the level of all CANE codes in the industry and confirms the general growth trend at the level of the activity sector (+ 6.88% in the period 2015-2018).

By occupations, at the level of the period 2017-2018, the following significant developments were registered:

- the number of hotel maids (COR Code 516201) increased by 6.12%, reaching 7,097; Study on labor market dynamics in the period 2015-2018 at the level of economic sectors representing the directions of industrial policy of Romania;
- the number of hotel receptionists (COR Code 422401) increased by 1.76%, reaching 6,081 CIM;
- the number of hotel space caretakers (COR Code 911201) increased by 7.04%, reaching 3,345;
- the number of hotel managers (COR Code 141105) increased by 6.77%, reaching 631 CIM, while the number of hotel administrators (COR Code 141104) decreased by 1.68%, reaching 293;
- the number of tourist boarding house administrators (COR Code 515203) increased by + 4.92%, reaching 618 CIM).

In parallel, the number of workers in the tourist boarding house (COR code 516909) increased by + 14.09%, reaching 582).

The restaurant and other food sectors experienced the most spectacular growth of all the sectors analyzed (+ 8.48% in the period 2017-2018, respectively + 19.17% in the period 2016-2017), a sustained increase in all component CANE codes.

By occupation groups, the minor group COR 513 (Waiters and bartenders) registered in the period 2016-2017 a dynamics of + 4.35%, from 46,625 to 48,652 CIM. At the same time, the number of restaurant heads increased by 6.68%, reaching 2,123 CIM, the number of restaurant managers decreased by 0.16%, reaching 1,262 CIM, and the number of restaurant directors increased by 16.69 %, reaching to 248.

So, the tourism sector has developed significantly in recent years, but nevertheless the number of employees in the sector has remained relatively constant, given the increase in the use of hotel booking websites, with only a moderate increase in specific occupations.

Thus, in the period 2015-2018, the number of travel agents increased by 5.82%, and the number of managers in tourism activity by 10.90%. A similar situation is found in the hotel sector, which in 2018 included 39,609 CIM, with only 11 CIM less than in 2015.

On the other hand, also at the level of the tourism and ecotourism branch, the most important increase among all the analyzed sectors (+ 8.48% in the period 2017-2018, respectively + 19.17% in the period 2016-2017) was registered at the restaurants and other food industry level.

By industries, in the period 2015-2018, the number of employment contracts in the restaurant sector increased by 44.02%, reaching approx. 98 thousand, the number of employment contracts in the sector of bars and other beverage service activities increased by 42.69%, reaching approx. 28.3 thousand, while the number of employment contracts in the catering services sector increased by 107.34%, reaching 5.3 thousand.

The average gross employment salaries in the tourism sector are much lower than the national average. Thus, in 2018, the share of employees with the gross salary in the area of the minimum wage in the economy was 80.95% in the restaurant sector, 62.86% in the hotel industry, and 51.62% in the tourism agency sector.

At regional level, the main counties in which employees are concentrated in the tourism, hotels and restaurants sectors are: Bucharest (over 25% of the total workforce), Constanța, Cluj, Brașov, Timiș, while at the opposite pole, there are 5 counties with less than 1,200 CIM, respectively Caraș-Severin, Giurgiu, Ialomița, Teleorman, and Satu-Mare. During the period of 2015-2018, the most important labor force dynamics was registered in Bucharest (+ 31.08%), Cluj (+ 40.23%), Brașov (+ 34.61%) and Ilfov (+72.19%).

4. CONCLUSIONS

The main high risks identified by entrepreneurs and tourism managers in 2019 refer to: lack of qualified staff in the field, costs associated with staff retention and the quality of transport infrastructure.

Bureaucracy (61.41%), excessive taxation (54.74%), corruption (45.16%), excessive controls (44.98%), unfair competition (40.33%), declining domestic demand (36.31 %) represent the main difficulties that entrepreneurs face according to the SME White Paper research report.

Along with these, they also named issues related to human resources, such as employment, training and retention of staff (26.37%), rising levels of wage spending (25.54%), inflation (21.9%), competition of imported products (19.71%).

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