

STUDIES IN PHYSICAL CULTURE AND TOURISM  
Vol. 15, No. 3, 2008

PIOTR ZARZYCKI, ANETA STOSIK  
Academy of Physical Education in Wrocław, Poland

**SELECTED MANAGEMENT METHODS IN POLISH MOUNTAIN-TOURIST  
ORGANIZATIONS IN PERSPECTIVE OF DEVELOPMENT STRATEGY  
AND ECONOMIC CHANGES IN POLAND**

**Key words:** tourism, management, hostel.

ABSTRACT

The paper examines selected management aspects of the functioning of Polish mountain hostels. The elements of marketing management have been analyzed as well as personal function, including the selection procedure, staff recruitment and motivational processes. The paper has an empirical character and proves the thesis that Polish mountain hostels accommodate poorly to changeable free market conditions in customer service in terms of service quality complexity and modern personnel management. The examined hostels as parts of Polish tourists organizations display a fairly traditional approach to personal function realization and poorly accommodate to customer expectations. All analyzed aspects lead to a reflection about changes of management systems in the studied organizations, including financing policy, personnel management policy and marketing management policy. It is substantial to implement changes based on creative activities of modern, progress, profit and competitiveness orientated management, and not only mere survival.

INTRODUCTION

The dynamic growth of tourist and leisure related expectations has been observed for many years now, and currently it seems to manifest itself in a variety of ways. The social fact of permanently changing life conditions results in a continuous growth of diverse forms of tourist activity, particularly in the mountain regions. As a result, the demand for miscellaneous tourist services has been reported.

Mountain regions seem well adapted for tourist purposes. However, due to the changing generic structure of mountain tourist traffic and saturation of competitive seaside regions, an increased interest in mountain or foothill resorts is likely to be observed in the nearest future.

Presently, therapeutic and preventive vacations are considered one of the Poland's flagship products, while sightseeing trips during summer vacations are becoming more and more popular with tourists. Furthermore, mountain areas should be also treated as a recreation base for numerous agglomerations and also, thanks to its advantageous climate and landscape), for active tourism.

Poland's accession to the European Union and increasing globalisation – a long term process of global cross-border integration of the growing number of world economies – has resulted in expansion and intensification of mutual dependencies (investment, trade, production and co-operation). All these processes greatly facilitate the development of a worldwide economic system affecting even the most remote countries. For this

---

**Correspondence should be addressed to:** Piotr Zarzycki, Academy of Physical Education in Wrocław, Chair of Physical Activity in Natural Environment, Budziszzyńska St. 114/6, Wrocław 54-436, tel. 600823054, e-mail: zarpio@awf.wroc.pl

reason Poland has faced the necessity to adapt its tourist service market to the requirements and standards of the “old” EU members before the 2004 enlargement [1].

The resulting changes affecting all the sectors of economy make it indispensable to adjust management principles to the market requirements of domestic tourist organizations. Scientific research conducted to diagnose and analyse the more distant environment of the Polish tourist institutions, reported in professional literature, should be treated as an integral part of the reality. Scarce scientific studies on the mountain hostels management and operation principles can be observed. The authors of the paper find the issue an essential element of tourist service, in particular, against the newly introduced European standards. The issue also constitutes the main objective of this research paper. It is the authors’ intention to establish new management standards for present-day administrators of mountain hostels in order to fill in the existing gap. The authors find the current standards outdated and incompatible with the demands of free market economy.

## METHODS

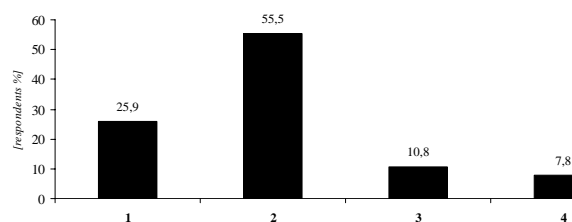
In 2005 a research project aimed at, among others, verification of the management level in relation to HR policies of Polish mountain hostels was proposed at the Chair of Tourism and Recreation of the Academy of Physical Education in Wrocław. A research procedure was developed in co-operation with the Section of Organisation and Management. It defined the territory to be investigated as well as acknowledged the need for effective training of pollsters. The respondents’ answers were collected by means of a survey poll and interview. A categorised questionnaire was also applied (following standardization and pilot research). The above let the researchers assume that the responses would be direct and honest.

The study, which took place in five main distinct mountain regions in Poland i.e. the Sudety Mountains, the Beskids (Śląski and Żywiecki), the Tatra Mountain, and Bieszczady, allowed collecting survey material in 54 hostels. The survey was conducted during the tourist summer season in June, July, August and September.

## RESULTS

The analysis of the collected material explicitly indicates that the mountain accommodation facilities have remained virtually unchanged despite the constantly changing environment of Polish free market economy. The above refers, first of all, to the hostels ownership structure. 81.48% of the mountain hostels in Poland remains under the supervision of the Polskie Towarzystwo Turystyczno-Krajoznawcze (Polish Tourist and Sightseeing Association) which leases them for management to external entities. The remaining facilities (18.52%) out of the investigated 54 hostels are administered by private owners.

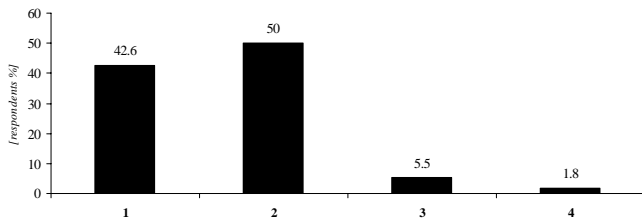
However, the first symptoms of ‘awakening’ in the new economic reality may be observed in some attempts to adapt the contemporary employment philosophy of modern tourist institutions to the Polish environment. It can be seen from the analysis of one of the most significant factors, i.e. education level of the staff employed in the described facilities (Figure 1). More than 80% of currently hired personnel hold at least a secondary school education, with 25.9% boasting a college degree. Graduates from vocational schools account for 10.8% of staff members. Worryingly enough, however, 7.81% of all the Polish mountain hostels staff members are correspond to the contemporary approach to the management philosophy.



**Figure 1.** Mountain hostels’ staff in terms of their education level: 1 – college, 2 – secondary, 3 – vocational, 4 – elementary

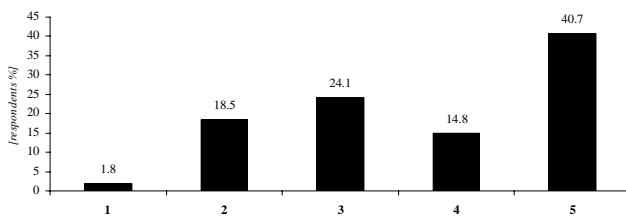
The management of mountain accommodation facilities in Poland represents a far better picture in terms of their education level (Figure 2). Only a slim percentage of respondents declares elementary school education (1.8%) and vocational school education (5.5%). Every other respondent

(50%) has a secondary education, and 42.7% are holders of college degree, which seems promising as far as the quality of the provided services is concerned.



**Figure 2.** Mountain hostels’ administrators in terms of their education level: 1 – college, 2 – secondary, 3 – vocational, 4 – elementary

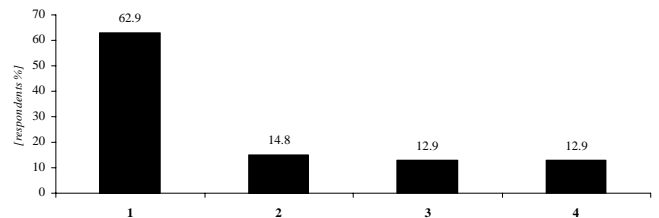
The above thesis (perhaps quite a daring one) may be confirmed by a wealth of experience reported by the hostels’ managers, which should affect positively the way mountain accommodation facilities are run (Figure 3). The majority of respondents declare the longest (at least ten years) and the widest experience (40.7%). Respondents with shorter – 6 to 10 year-long – experience account for 14.8% of the managers; while almost a quarter of the accommodation facilities administrators have a 3-5 year-long experience. Almost every fifth respondent (20.3%) declared a shorter than 2 year-long experience, yet 1.8% of the respondents managed a mountain hostel for less than 1 year.



**Figure 3.** Administrators in terms of their management experience. 1 – one year, 2 – up to two years, 3 – from three to five years, 4 – from six to ten years, 5 – above ten years

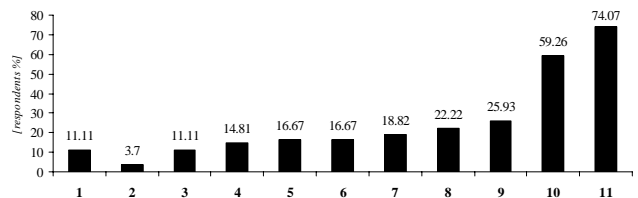
The research also yielded information on recruitment and selection procedures applied by Polish mountain hostels’ managers (Figure 4). The disclosed data depict clearly that almost 2/3 of all the personnel in the sector are employed “on recommendation” (62.9%). Fewer staff members come from employment agencies, or are hired from

press advertisements – 14.8 and 12.9%, respectively. The “other” response included relatively many answers, i.e. 12.9%, staff members are recruited from the managers’ own families and in-service students.



**Figure 4.** Sources of staff employment in mountain hostels: 1 – on recommendation, 2 – employment agency, 3 – press advertisements, 4 – other

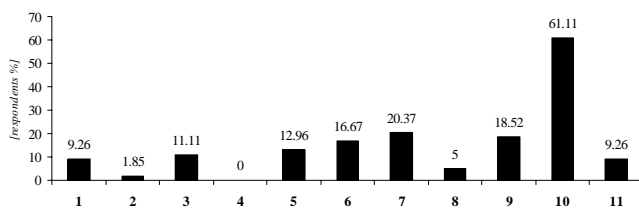
The research also assumed assessment of an employee’s characteristics – key priority qualities for the analysed group of employers (Figure 5). Respondents were asked to choose three features from the group of selected characteristics, which then allowed identifying three percentage ranges corresponding to three groups of features appreciated most by the employees. The first range included honesty (74.07%) and diligence (59.26%) as the most significant features expected from an employee by the managers of Polish mountain hostels. The second group included good manners (25.93%) and resourcefulness (22.22%). The third range encompassed reliability (18.62%), professionalism (16.67%), communication skills (16.67%), loyalty (14.81%), creativity (11.11%) and – the least anticipated – punctuality (3.7%).



**Figure 5.** Employee’s most expected abilities according to the Polish mountain hostels’ managers: 1 – other, 2 – punctuality, 3 – creativity, 4 – loyalty, 5 – professionalism, 6 – communication skills, 7 – reliability, 8 – resourcefulness, 9 – good manners, 10 – diligence, 11 – honesty

The indicated features, however, seem to be anything but mere ideas as the managers fail to implement multidimensional assessment and motivation systems. Only 26% of the entire investigated sample reported any activities aimed at making fair assessment of the staff performance.

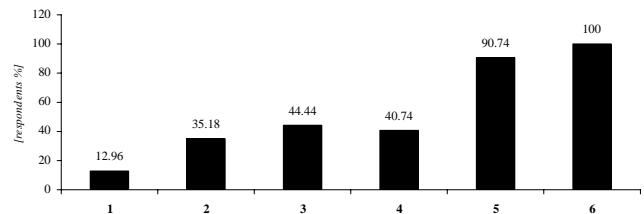
Such negligence may result in a substantial departure of employees, which for every eight mountain hostel (12.96%) is becoming an acute management impediment (Figure 6). Nevertheless most respondents tend to find fund raising as one of the most frequent problems they face when running a mountain hostel (main impediment declared by 61.11% respondents), followed by customer acquisition (20.37%), maintaining high quality service (18.52%), which adversely, though indirectly, affects managers' intention to maintain the standards of mountain hostels. The high percentage of the above correlated limitations makes the authors draw pessimistic conclusions: they tend to see these limitations as obstacles to success in the case of the studied institutions. The administrators also listed the following among the impediments to the success: lack of access roads to the hostel, lease, water supply and acquisition of tourists in off-season months. Fortunately, relatively many respondents (9.26%) reported no obstructions in conducting their activity, whatsoever.



**Figure 6.** Most essential impediments to running mountain hostels as reported by their managers. 1 – other, 2 – environmental policy, 3 – satisfying clients' requirements, 4 – marketing activities, 5 – high staff fluctuation, 6 – maintaining high standards of hostels, 7 – acquisition of customers, 8 – introduction of new services, 9 – maintaining high quality of services, 10 – acquisition of funds, 11 – none

The studied hostels were also categorised according to the offered services (Figure 7). As specified in their objectives all the facilities provide accommodation services, and in almost 9 out of 10

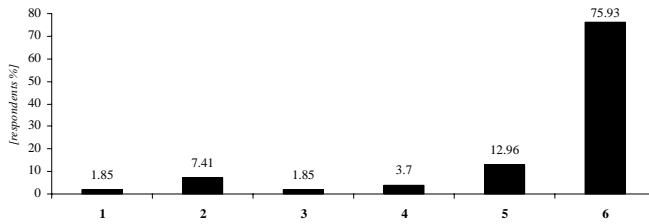
cases catering services (90.74%). Other offered services included tourist (44.44%), sports and leisure (40.74%) and cultural (35.18%) events.



**Figure 7.** Services provided by Polish mountain hostels. 1 – other services, 2 – services associated with cultural events, 3 – services associated with tourist events, 4 – services associated with tourist events, 5 – catering, 6 – accommodation

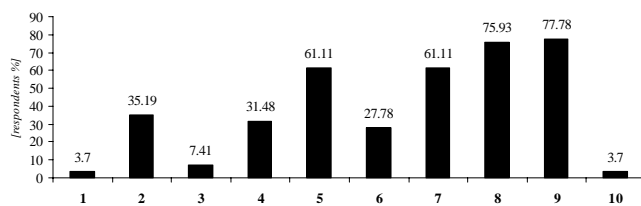
Few respondents declare intended future package offers including, among others, prompt introduction of the following services: astronomical observatory, hostel shuttle service, playgrounds along with educational trails for children, cultural and entertainment services, organisation or co-operation in organising motor rallies, construction of ski lifts, horse riding centers and developing modern forms of tourism, e.g. ski-tourism and bicycle and ski rent facilities.

However, the question remains whether the above plans result from professional marketing studies conducted in line with contemporary product development ideas, or from spontaneous intentions of the hostels' managers. Unfortunately, the answers explicitly indicate the latter. Only 24.07% of the 54 hostel managers declared that they had been taking up some forms of marketing research; more than half of them made assessments of the level of customer satisfaction (12.96% of the entire research sample), 7.41% analysed reports made available to the public, mostly by the Główny Urząd Statystyczny (Central Statistical Office), and 3.7% carried out research on tourists' expectations. Less than 2% managers actively investigated and analysed market demand in relation to the offered tourist services (Figure 8).



**Figure 8.** Types of marketing research conducted in mountain hostels: 1 – other, 2 – research on analysis of other sources (tourist bulletins, official statistical reports), 3 – research on tourists’ expectations in terms of offered services, 4 – research on tourists’ preferences in terms of their expectations, 5 – research on tourist satisfaction, 6 – none

Failure to conduct market research results in hostel managers’ resorting to more traditional forms of promotion to build their brand (Figure 9). The analysis of the obtained results related to tourist promotion confirms that the managers base their marketing activities on graphic advertisements (77.78%) and media commercials (75.93%). Internet advertisements and leaflets distributed in tourist information offices are also a frequent form of promotion (61.11% each). Local authorities more and more often become involved in tourist services promotion as well (35.19%); tourist offer is presented at fairs (31.48%) and by travel agencies (27.78%). 4% of respondents declared to have undertaken no promotional activity at all, which is worrying.



**Figure 9.** Forms of promotional activities undertaken by mountain hostels’ managers: 1 – other, 2 – cooperation with regional or community authorities on promotion, etc., 3 – attending professional conferences and seminars, 4 – participation in Tourist Fairs, 5 – advertisements on the Internet tourist portals, 6 – advertisements in travel agencies, 7 – advertisements in Tourist Information Agencies, 8 – TV or radio commercials, 9 – graphic advertisements, 10 – none

## DISCUSSION

Tourism is not a homogenous sector of national economy. According to the World Tourism Organisation (WTO) recommendations the wide range of tourist economy encompasses 10 out of 17 economy sectors, partially or integrally associated with tourism. In Poland the sector includes mainly travel agencies (tour organizers and agents), hotels and restaurants (including mountain hostels), tourist carriers, commercial institutions dealing with tourist information as well as individual businesses, e.g.: couriers and travel guides [2].

Small and medium enterprises account for a great majority of all the businesses involved in tourist services directly and indirectly. Such businesses employ several people on the average, and their activity is seasonal in character; their employment structure is also based mainly on seasonal contracts. The authors’ own research showed that almost 88.9% of hostels had not more than 10 people on the payroll, and only 11.1% of the institutions employed more staff [3]. It is also worth mentioning that these businesses are mostly entities based on local (community and district) and regional (province) authorities, which play an important role in the tourist sector. It is possible to engage both local and regional economy through incorporating tourism in the economic structure, through building tourism development strategies and integrating businesses of the sector. Unfortunately, only a slim percentage of businesses examined in the study (35.19%) take their opportunity to acquire additional financing or to promote themselves in the region, Poland, Europe or worldwide.

Pursuant to the Strategy of Tourism Development in Poland approved for years 2007 – 2013, the social and economic development is based on the triad of growth, competition and integrity [4]. The successful delivery of this assumption depends on harmonized, simultaneous structural, spatial and regional activities which are fit to the commercial surroundings and compatible with the constantly changing environment.

The tempestuous environment of contemporary tourist organizations operating in the service industry is formed, first of all, by the globalisation processes and international economy blurring the borders between markets, and also by development of technology affecting production growth and marketability, the mass consumer, intensifying

competition, state-of-the-art IT and communication technologies and political instability. All the above factors affect creation of a corporate strategy for survival, developing competitive advantages and profitability on the basis of tangible and intangible assets of an organisation.

The Strategy of Tourism Development focuses on the following priority goals: product building, human resources development, marketing support, creating tourist environment and institutional assistance [2].

The Polish tourism mission formula assumes "...taking advantage of national cultural heritage, traditional hospitality and abundance of the natural environment in order to increase tourism involvement in creating national income and building a positive image of Poland locally and globally" [2, p. 35]. Tourism facilitates dynamic economic and social growth of a country at the same time boosting job creation processes; it enhances life standards and regional competitiveness while preserving Polish tradition in line with the sustainable development. Success of the strategy depends on increasing commercial competitive advantages of the tourist sector institutions along with adaptation to high standards established by contemporary customer demands.

The economic system transformation in Poland in the late 1980s involved radical changes in free market-based philosophy of utilization of organisation resources. New business principles assumed replacing state with private ownership through the evolution of private sector and activating processes of privatisation. The process was supposed to facilitate economic efficiency of the system. Ownership structure transformations of state owned enterprises were given special attention at that time [5].

Innovative structural solutions were expected to facilitate the autonomy, self-government and self-financing of institutions under transformation and to trigger market competition as well as mechanisms introducing economic calculation. The last ten years of business transformation show that while some sectors have experienced a dynamic process of structural changes, there are some where this process has been slow and evolutionary. Unfortunately, the analysis shows that mountain hostels belong to the latter group of business entities. Despite radical changes in the business environment in Poland, since the 1990s the formal and legal status of Polish mountain hostels has not

changed. The vast majority of the hostels (81.8%) are state owned entities leased by the Polskie Towarzystwo Turystyczno-Krajoznawcze (Polish Tourist-Sightseeing Association). Such a status by no means corresponds to the vision of modern and efficient organizations displaying a business-related approach, which is confirmed by German studies indicating of a higher level of private enterprises' efficiency. The development of new attitudes requires economic and organizational integrity of the roles of an owner, innovator and manager [6].

The new economic reality in Poland is marked with an increasing position of intangible assets of contemporary businesses. Good managers tend to focus their strategies on management quality rather than on traditional forms and measures taken to increase their business effectiveness and survival opportunities. Corporate culture, intellectual capital based on knowledge and organizational competence have been gaining in significance [7]. All these elements appear to be essential in building competitive advantages of a contemporary enterprise, in particular, when facing overwhelming globalisation of both businesses and their products.

For the last twenty years the issue of intangible assets and their role in a successful contemporary enterprise has been widely discussed. The turn of the 1970s and 1980s saw the transition from the concept of "efficient enterprise" to the idea of a "competitive business", which made the issue of human resources crucial for the corporate strategy, not only in terms of mere work organisation. The new approach perceives the human factor as the basic asset of an enterprise and the main factor of competitive advantage. Staff has become an unlimited resource for an organization, hence skilful human resources management is considered strategic priority for corporate success. Substantial progress in HR management technology has been made, while business ethics as well as the executives' social awareness can be observed. Big changes have also been reported in corporate philosophy as for many organisations human capital has won the status of the most essential business asset. Investment in intellectual capital yield measurable economic effects [8].

Future businesses, including tourist institutions, will have to give up the traditional approach to human resources. Unfortunately, although evolving towards state-of-the-art solutions, Polish tourist mountain hostels still favor a traditional approach to the issue of human resources. The

above will be reflected in the qualification structure represented by the hostel staff: the majority of them hold vocational schools diplomas (48.1%), while only 25.9% are college graduates. 42.6% of hostel managers hold college degrees; moreover they can boast their wide, usually more than ten-year-long managerial experience in the tourist industry. According to similar research on intangible assets management, other sector organisations based in Lower Silesia tend to shift from objective-driven “hard” management towards staff-oriented “soft” management [9]. Traditional management methods give way to modern concepts such as intelligent organization, knowledge based organization, learning organization or integrated management.

All the above methods draw from intellectual capital as all the processes are closely correlated with human resources and are based on competencies and knowledge of their staff. The global decline of traditional management and organisational methods can be observed; however, this does not refer to the mountain hostels in question. For this reason, tourist organisations must appreciate the importance of intellectual capital in the success of an enterprise. According to G. Hacer and C.K. Prahalad, successful companies build their competitive advantage on their staff's ability to develop major competencies which, in turn, generate new products – services – at low cost and before others. Managerial personnel should have the skills to consolidate technologies and production potential across the corporation and to translate them into competencies which allow particular business units to adjust instantly to changing opportunities [10].

Small and medium enterprises, including the investigated entities, should focus on building their strategies and quality criteria in compliance with the EU standards. The model of business enhancement developed by the European Quality Management Fund has been based on the following assumption: customer satisfaction, staff fulfillment as well as a corporation's impact on the surrounding environment result from its managerial attitudes which appear to be a direct stimulus for policy and strategy formulation. Those, in turn, determine the methods of staff and tangible assets and processes management and eventually lead to distinguished business achievements. The model should be the motto and drive for all those who strive to change Polish businesses and adjust them

to be fit to face tough competition in the European Union [11].

The efficiency of each organisation depends first and foremost on well qualified and competent staff that is able to define corporate strategy and the means to develop competitive advantage. All things considered, recruitment and selection processes seem particularly important. Modern companies do their best to ensure the highest possible standards of intellectual capital and to diversify sources and means to acquire new employees. The investigated entities fall behind in the area of staff management, probably due to the specific character of tourist industry and strong traditional attitudes (major principle governing the employment policies in the hostels in question are employment “on recommendation” (62.9%), while employment agencies (14.8%) and press advertisements (12.9%) are used less frequently.

Up to date management theories focus, first of all, on staff competence and high human potential as far as inventiveness, creativity, innovative approach to any managerial functions, teamwork skills, involvement, communication abilities, stress resistance and flexibility are concerned [12]. Obviously, each employer creates job offers tailored to their individual needs and requirements. Nevertheless, there are certain features appreciated by most of them.

The Association of Lower Silesian Employers carried out its own studies on the most desired profile of a graduate to be employed. The resulting list of qualities and abilities included professional competence, ability to make autonomous decisions, readiness to improve one's qualifications, professional experience, availability, co-operation skills, loyalty to the employer, time management skills, ability to build the corporate image, adaptation skills, managerial competence and communication abilities [13].

The managers of mountain hostels in question, when asked about most desired qualifications, listed honesty, diligence, good manners and resourcefulness. Yet, the above profile fails to correspond with tendencies in commercial markets. Results of other studies conducted on the same issue depict huge differences between Polish and German employers. While the former indicate, first of all, teamwork skills, organisational abilities, initiative and the ability to make decisions, the latter appreciate flexibility, teamwork skills,

communication and organisational abilities as well as creativity [14].

Worryingly enough, the managers resign from multidimensional staff assessment and do not implement any systems of motivation. Only 26% of the mountain hostels managers are able to identify any criteria of personnel appraisal. No wonder that the results obtained in the research show such a low percentage of well qualified employees. It seems impossible to make good employees stay in a business when no alternative assessment and motivation solutions are provided. Subjective criteria used in Polish hostels which stress, for instance, diligence, conscientiousness, honesty, availability, time of work, commitment, good intentions and professionalism are usually one-sided and biased. Due to the above, these institutions lack efficient and objective appraisal and motivational solutions. Such an approach fails to facilitate the atmosphere of creativity and subsequently to ensure high service quality standards which are by all means a fundamental element of success in the tourist industry.

On the other hand, the increasing popularity of tourist and leisure services makes the business environment quite favourable for the studied institutions. Competitive advantage will be closely related to the implemented corporate innovative customer service and to their innovative approach to new products. Competitive approach based on innovative solutions seems characteristic for all the leading market players, who consider them the main element of entrepreneurial spirit, a key precedent for success and the means to create and maintain competitive advantage.

The institutions under study should focus on high resourcefulness which would ensure acquisition of new customers and maintaining their permanent customer base. Meanwhile, the obtained results show that the enterprises find it particularly difficult (respondents declared problems with financing, customer acquisition and maintaining high quality standards to be the main impediments to their success). It seems that the environment for implementing modern solutions has been increasingly improving as Poland has been gaining in popularity among foreign tourists; for the last several years it has risen by a few percentage points [3].

Resourcefulness should be understood here as “the process including measures taken to analyse the chances to launch and develop an enterprise,

prospects to ensure proper financing and possibility to take advantage of potential opportunities due to creativity and innovative approach to developing new services and products, effective management, seeking financial support as well as risk assessment” [6, p. 47].

Innovative approach seems a crucial condition for any corporate success in the free market environment. In the increasingly competitive market where companies fight for each customer, the spirit of innovation has won the position of competitive advantage and is perceived as an ongoing process. In such circumstances, merely cosmetic changes will never ensure commercial success. Unfortunately, the studied mountain hostels in Poland fail to show an innovative approach as far as the issue of new product development is concerned. They reduce their activities to accommodation and catering services while other types of offered products are scarce and rather standard.

The vast majority of hostels in question belong to the group of small and medium enterprises, which account for the dominant part of entities in all the EU economies. The small businesses in Poland are perceived as hardly innovative [15], particularly in the area of funds acquisition. In most cases they rely on their own insufficient resources. Considering the business environment for small enterprises, including mountain hostels, only more efficient activities undertaken prior to other market players can ensure a better position in the highly competitive surrounding. Continuous procedure enhancement, seeking better solutions and permanent analysis of more successful competitors seem indispensable. Polish mountain tourist facilities may be transformed only by following good examples of other, more successful market players and later by surprising them with new innovative ideas.

Increasingly intense competition and higher consumer demands raise the business risk of any undertaking, therefore, professional skills and knowledge of tools and methods indispensable to fight competition in contemporary business environment are a must. Successful operation in the market is available to those who appreciate the importance of marketing, are able to recognize and respond to customers' new requirements and demands and are able to implement innovative solutions before their competitors do.



The key principle of marketing-oriented approach is the ability to respond flexibly to the changing environment. Consequently, it is particularly advantageous for an enterprise to recognise the market. Painsstaking research would be the source of most precious information which would let the managers make proper decisions and changes.

Marketing research aimed at finding ideas for new products offered by the institutions under study and at developing more creative attitudes to the rendered services are strongly recommended; besides they facilitate building precise strategies of implementation of new concepts. Studies on customer needs and preferences help to introduce new products to the market. Unfortunately, the vast majority of investigated entities shows utter negligence of any marketing research. Undoubtedly, in such circumstances failure seems inevitable, as only careful identification of market preferences facilitates successful delivery of strategies. A mountain hostel manager ignorant of market data is likely to offer products incompatible with the needs of his or her potential customers. The hostels make efforts to assess the quality of services they provide, yet they fail to analyse customer preferences which should determine the portfolio of new products.

Mountain tourist institutions in Poland have been developing their marketing attitudes very slowly and tend to create their image on the basis of more traditional forms of promotion. Present-day businesses require knowledge of diverse management solutions, which involves thinking, operating and communicating in terms of market performance. Modern enterprise must be open to frequent changes; creating new products, services and markets. The organisational and structural transformations would make the business operation of tourist entities more efficient and let them take advantage of their potential as well as of all the opportunities available.

The results of the research regarding Polish mountain hostels confirm obvious negligence in the sector of tourist services. The collected information entitles the authors to draw the following conclusions:

- The studied business entities belong to the sector of small and medium enterprises operating in the environment of free market economy. Pursuant to legal and formal requirements most of them are run under lease

or franchised out by state treasury enterprises. For this reason, with their limited managerial and decision authority, they are unlikely to be subject to substantial changes.

- The majority of tourist facilities are used under lease agreements, which fails to encourage managers to pursuit more attractive new products; those, in turn, are necessary to enhance the institutions' competitive advantage.
- According to the obtained results, the mountain hostels in Poland fail to adjust properly to free market economy standards, particularly in terms of staff or product management. Strategies for survival show clearly the entities' intention to implement certain innovative solutions, though the intentions are vaguely defined and long term.
- The studied businesses lack managerial knowledge to compete with similar enterprises from the European Union, or poorly adjust their products to the EU standards and requirements. Recently, Polish small-businesses have been facing new challenges. First and foremost, they must consider globalisation processes which under the circumstances of intense competition may prove to be a condition precedent for survival. Polish economy has been gradually merging into the process of globalisation; its elements constitute an inherent part of the integration with the European Union and must be treated as one of the most important external determinants of the process which involves adjustment to open competition – increasing and different in terms of quality. Under the new circumstances it is necessary to improve competitive merits, i.e. innovativeness, resourcefulness and high staff qualifications. Original ideas and inventions should be perceived as major development agents in the globalisation process.
- Managers of the studied mountain hostels base their activities on intuitive strategies, neglecting the issue of the changing environment and competition analysis. Lack of market analysis and diagnostic tools reduces their chances of acquiring new customers.
- The study results depict poor human resources management particularly in terms of staff acquisition and motivation.

The analysis of collected data proves the necessity to take instant measures to introduce changes and implement tools supporting more

creative development-driven management, profit and the process of building competitive advantage, not only for mere survival. All things considered, service management in the tourist industry has to be transformed towards state-of-the-art intellectual capital-oriented management model. The managers' intuition should be replaced by more offensive management through innovations supported by systematic analysis of market demand. Suggested strategies will help institutions to survive in the commercial and challenging market in the aggressive and permanently changing business environment.

#### REFERENCES

- [1] Olszewska B., *Management Basics. Enterprise on the Eve of 20th Century*, University of Economics, Wrocław 2004.
- [2] Panasiuk A., *Small and Medium Tourist Enterprises in the National Plan for Tourism Development and Strategy for 2007-2013*, (in:) *Business Economics and Organisation*, Special Issue, May 2006, p. 35.
- [3] Stosik A., Zarzycki P., *Human Resources in Polish Mountain Hostels for International Tourism Development*, (in:) T. Listwan, (ed.) *Successful Staff Management*, Research Papers of Wrocław University of Economics 2006.
- [4] *Draft National Development Plan for 2007-2013*, Ministry of Economy and Labour Warszawa 2005.
- [5] Stosik A., *Trends in Managing the Sport and Recreation Industry*, (in:) F. Krzakiewicz, ed., *Research Papers of Poznań University of Economics* 2006 (in print).
- [6] Rutka R., Czerska M., *Staff Management and Corporate Culture in Business*, (in:) K. Jaremczuk, ed., *Enterprise Factors Tarnobrzeg* 2004.
- [7] Edvinsson L., Malone M.S., *Intellectual Capital: The proven way to establish your company real value by measuring its hidden brain power*, London 1997.
- [8] Paszke H., *Sources of Business Staff Dynamics in Poland*, (in:) T. Listwan, S. Witkowski, eds., *Successful Management – Organisational, Business and Psychosocial Factors*, Wrocław 2001.
- [9] Stosik A., *Behavioral Factors for Successful Businessmen in Organisations* [dissertation], Academy of Economics, Wrocław 2003.
- [10] Hamel C., Prahalad K., *Competitive Advantage for Tomorrow*, Business Press Warszawa 1999.
- [11] Wawak T., *Quality Oriented Management Restructuring before Accession – Precedent for Effective Integration*, (in:) *Changing Enterprise in Politically Changing Europe*, Jagiellonian University Economic Information, Kraków 2000, vol. 3
- [12] Berna T., *Competition – Myths and Facts*, Warszawa – Katowice – Szczecin: Collegium of Socio-Economic Policy of Warsaw School of Economics, pp. 588-600.
- [13] [www.zpds.com.pl](http://www.zpds.com.pl).
- [14] Pomianek T., Rozmus A., Witkowski K., Przywara B., Bienia M., *Report on Labour Market in Poland and in the European Union*. 4th edition. Rzeszów 2005, pp. 32-39.
- [15] Bachnik K., *Innovative Approach in Micro and Small Enterprise Business Development*, (in:) *Market Environment for Micro and Small Enterprise Business Development*, Szczecin University Research Notebooks, 427: 36-37.