

THE IMPORTANCE OF RESOURCES IN THE STRATEGIC DEVELOPMENT OF TOURISM ORGANIZATIONS

¹Elmira GODJAYEVA, Assos. Prof.

E-mail: gocayeva-e@rambler.ru

²Ulkar SADIGOVA, PhD

e-mail: u.sadiqova@atmu.edu.az

^{1,2}Azerbaijan Tourism and Management University,
Azerbaijan, Baku, 822/23 K.Rahimov str.Baku

Abstract: *It is clear to all that today tourism has become the largest and independent sector of the economy of many countries, and its activities are aimed at meeting the recreational needs of the population. The tourism sector has been a sector that has attracted great attention of both developed and developing countries since the past. The main reason for this is that it is one of the fastest growing sectors in the world. This led to the contribution of the tourism sector to the economy of the countries, and the impact of the World Tourism Organization's assessment of global tourism revenues of \$ 2 trillion by 2020, joining for struggle in getting by each country a share of the revenue within its tourism opportunities and enhancing these opportunities. Prognoses based on statistical analysis suggest that tourism plays a significant role in the economy. Thus, this sector, at the same time, is considered as the main driving force of socio-economic development of the national economic priorities of many countries of the world. In modern conditions, strategic planning of tourism is a system of working out, developing and organizing a number of strategic decisions to ensure balance of interests in solving the problems of its development, increasing and developing the tourist potential and competitive advantage of the region, city, and tourist.*

Keywords: *tourism, environment, strategic assessment*

Introduction

Modern tourism is developing at a rapid pace. The demand for tourism goods and services is constantly growing. The result of recent analyzes show that the tourism sector in Azerbaijan is in a state of upheaval. In 2015-2019, the number of tourist enterprises in Azerbaijan increased by average 4.5% per year, tourism employment by 6% per year, and by 8.5% for the number of foreign nationals travelling for tourism. According to the World Travel and Tourism Council, the tourism sector in Azerbaijan is 2.8 percent of GDP and 2.6 percent of employment, which is slightly different from the world average 3 percent direct GDP and 3.6 percent direct employment. [1]. This is an indication of the potential for future development. Rapid growth rates are typical for all indicators of tourism in many countries around the world. The tourism organization has to react to external factors such as the prohibition of exit from some countries or the introduction of a visa regime for domestic tourism, the presence of interest groups and rapid technological changes. For this reason, it is possible to argue that the tourism organization is in more complex situation and circle compared to many other organizations, for example, in the absence of trade unions and in the slow development of technology, with only a few suppliers, or several competitors. Tourism is an important and relevant area in the economic development of countries internationally, and systematic and complex research works devoted to the study of its various aspects may be found. The development of tourism requires the formation of a favorable institutional environment at the state, regional and municipal levels, as well as a scientifically based assessment of the potential of the territory's resources.

Any resource is a stock, source, means, quantitative measure of the ability to perform any activity; conditions that allow, using certain transformations, to obtain the desired result.

From foreign scientists who have conducted a number of researches in this field it is worth mentioning names of V.A. Kvartalnov, K.V. Maslennikova, Zabayeva (2011), A.P. Nazmi Kozak, N.

Hajioglu, C. Avcikurt and others. Pun (1993) outlines four basic principles for assessing competitiveness in the tourism sector: (1) environmental protection; (2) to ensure that tourism becomes one of the leading sectors of the country's economy; (3) expansion of market access channels; And (4) the formation of a dynamic private sector.

Other authors have also used the tourism industry to assess the competitiveness of the strategic environment. Crouch and Ritchie (1993) conducted a detailed study to establish an analytical system that explains the dynamic development of competitiveness in international tourism. These authors (1999) highlight the importance of evaluating the competitiveness of the tourism sector in terms of improving living standards and social welfare, as well as the efficiency of the distribution of resources that create long-term economic prosperity. Cohn and Mayer (1995) then incorporated the overlapping features of tourism services, as well as the specifics of tourism such as tourism resource recovery and external factors, into the Crouch and Ritchie system. The model of tourism competitiveness offered by them includes five factors: attractiveness, management, organization, informativeness and efficiency.

Research methods

In the course of the research, the methods of observation and theoretical analysis were used to analyze and evaluate the environmental context of the strategic development of tourism organizations, which is the nature of the problem, works of local and foreign scientists in this field, information from the State Statistical Committee of the Republic of Azerbaijan, reports and internet materials.

Analysis of the current state of tourism and organization of its use in the strategic plan

Modern facilities require tourism organizations to create more sophisticated and most advanced management systems, which should ensure the development of this sector in the face of uncertainty in the market environment, as well as to be compatible with the complex market requirements that are emerging as tourism services. At the same time, the issues of improving the strategic management of the development of tourism organizations are still incompletely studied and under-researched and this field should be dealt more seriously. The importance of a strategy that allows organizations to withstand long-term competitiveness has grown dramatically in recent decades. Further acceleration of environmental changes, new demands and needs, and changes in consumer position, emerging opportunities for business development, development of information networks, accessibility of modern technologies to wide public masses, changing the role of human resources, and other reasons led to the growing importance of developing a strategy for the development of the organization.

The essence of the strategic management process is that the organization only has a clear, comprehensive strategic planning, and its main purpose is to provide a development of long-term strategies to achieve the objectives of the organization and to create management mechanisms that will be used to implement those strategies through the system of plans. The process of developing and implementing an organization's strategy requires that large amounts of resources be consumed. On the one hand, it allows the vast majority of tourism entities to question the strategy only in a theoretical sense, and this is a reason of major strategic mistakes to occur. Not all organizations have the same opportunity, from the strategic point of view, to choose the right and acceptable market. By underestimating their existing potential to operate sustainably over a long period of time, they have, in essence, fallen into a completely alien strategic zone. It is also important to remember that in this case, it is not just about possessing and obtaining resources. The quality of management, its ability to effectively match and integrate these resources from a strategic point of view, its ability to align them with the clear competence and authority of the organization is of paramount importance. From here

we derive a very important characteristic of the subject's "strategic" nature - identifying and operating an adequate market gap for existing resources. The process of developing an organization's strategy is not limited to material and financial resources as well as time costs.

Information and intellectual resources are also important. The elaboration and implementation of strategic decisions involves the access to giant information - the information that is collected, systematized and analyzed throughout the course of the tourism business. Lack of information means that there is no strategy, but the organization's information resources are closely linked to the intellectual resources - the organization must have skilled staff, who not only is able to work on the next business plan and formulate it based on one of methodologies, but also be able to identify the development trends of the external environment, as well as perspectives of one or another business, identify key areas of the organization's development, and justify the need to decentralize resources for strategic purposes.

Methodology for assessing the potential of tourism th resource includes quantitative and qualitative

characteristics and is based on calculus following indicators:

- the absolute value of tourist services representing the sum of all territorial costs a single unit for tourism purposes;

- index of specific tourist investments, representing the amount of investment, per 1000 people. population of the territory;

- index of specific tourist investmenttions, which is the investment ratiotions to the total sales volume, to profit;

- quality indices of tourist information messages assessing the degree of complexity and the completeness of such a phenomenon as the development of tourism;

- general quality index of tourism their investments, shows the level of the complex tourism activity in the region.

The essence of quality indexes is taking into account the fact of the presence (or absence) of a positive parameters in the socio-economic time vitality of the region.

Strategies used to improve tourism planning

The tourism management strategy is directly linked to the formulation of an enterprise development strategy and its effective implementation.

Evaluation of the prepared strategy is carried out with the following key parameters:

Internal balance of strategy

The degree of implementation of the strategy, taking into account the enterprise's existing resource potential

Relationship of risk level with strategy implementation

Assessment of strategy performance

Alignment of the strategy with the environment: This assessment process determines how well the management-developed strategy fits into the changes that can occur in the country's economy and

the anticipated changes, the legal conditions for the activities of tourism businesses, as well as the consumer market conjuncture.

Internal balance of strategy: This evaluation process identifies how actions implemented by the management to ensure the implementation of individual management objectives and policies, as well as strategies are matched with each other, while focusing on their non-conflict, logical consistency in timing background and compatibility.

The degree of implementation of the strategy, taking into account the enterprise's existing resource potential: in such an evaluation process, the potential of the enterprise in formation of financial resources at the expense of its own internal sources is considered primarily, in addition the level of specialization and technical support of the staff is evaluated in view of the feasibility of implementation of the chosen strategy.

Relationship of the risk level with the strategy implementation: the transition to a new quality and increasing volume of trading activity is usually accompanied by an increase in all key types of economic activities, especially the financial and investment types, so there is a need to determine to what extent these risks are acceptable for the business from the point of view of negative financial consequences on the valuation process.

Assessment of strategy performance: The strategy's performance assessment process in management relies on determining the economic effectiveness of its implementation, and additionally the non-economic results obtained during the implementation of the strategy (increase in the business reputation of the tourism firm; enhancing the level of management of structural units and divisions; enhancing the level of service and reputation of the enterprise operating in this area, improving the psychological environment and working conditions of the staff, etc.) are estimated.

Environmental Analysis in the Tourism Sector.

Development of tourism management allows making effective management decisions in all spheres of activity of the enterprise and its development in perspective. The main provisions of the developed strategy are reflected in the business plan for the development of the enterprise. The need for developing this document is due to the fact that in the current economic environment, provision of its strategic development at the expense of domestic financial resources is not in capacity of every tourism company, they require to attract large amounts of funding from outside to realize it, especially its investment objectives. At the same time, business strategy of any large-scale investor should include accurate and correct view of its size and forms, key indicators of marketing, economic and financial performance, the amount of financial resources associated with the strategy implementation and its repayment, all other key characteristics of an enterprise in which investments will be put, and risks.

In this regard, there is a serious need to develop a strategy for the development of incoming tourism flows. The development of already established and competitive tourist centers in the world market can be achieved through planning strategies. The content of this strategy that we are talking about is that the tourism industry of the host region must go through several stages. At the initial stage, the process of maximizing the range of tourism products' offerings should be carried out at the expense of expansion a separate base, main carrier, excursion services, etc. At the initial stage it is necessary to bring some diversity to the city's base, as a result the price differentiation of international and domestic access tours will automatically increase significantly, the price level will decrease, which will attract not only middle and small income tourists, but also VIP-travellers. The second phase of the development strategy envisages the gradual inclusion and subsequent popularization of tourism resources or demonstration facilities in nearby areas which will allow to attracting tourists to

other demonstration sites using the tourism attractiveness of popular center, as well as popularization of places that are not well known and popular among travellers, among incoming tourists. The third phase includes combined tours offered by host tour operators, which not only provides an excursion tour of city suburb's demonstration facilities, but also for an overnight stay.

The main essence of this show is to remove the tourist flow from disintegration and accumulative state. The main purpose of the phase we mentioned is to transform the tourist center into a major transit point for the tourists to accept and then guide them to less important residential areas. Thus, the tourism development strategy will not only allow the formation and popularization of new tourist centers, but will also gradually facilitate covering of larger areas of the country. This strategy is practically risk-free, as it is primarily based on a well-known tourism brand among potential consumers and does not require significant capital investment because the existing tourism infrastructure is actively used. However, it should be noted that the development strategy does not lead to full tourism coverage of the country, as previously unrecognized and less well-known demonstration facilities and tourism resources are located far from modern tourism centers.

Tourism is explored in two main areas: 1) in accordance with macroeconomic criteria; 2) in accordance with social development of the region. Since tourism is linked to natural resources, its recycling is provided through funds allocated to the local population. That is why financial support for entrepreneurs through centralized budget or subsidies stimulates the development of tourism in different regions.

Tourism can be part of a complex of entrepreneurial activities. Therefore, the introduction of a comprehensive approach to the development of other areas of tourism will help to reduce costs and solve the social problems of the whole area.

Conclusion and suggestions

The success of the countries with the highest economic performance in the field of tourism is aimed at economic growth of the state and meeting the needs of regional development. The key role in the sustainable development and strengthening of tourism is the competitiveness of the region. Environmental analysis in the regions in which tourism is organized, planning by environmental impact assessment, consideration of environmental impact assessment when investing and monitoring and support by public and private sector and civil society actors of this process play an important role.

Taking into account tourism as one of the priority sectors of the country's economy, the main principles, objectives and directions of state regulation of tourism are defined in the Law "On Tourism" and the Law on "Environmental Impact Assessment". The development of the tourism industry requires financial support both at the state and regional levels. The tourism development strategy should also include the reduction of local taxes in terms of tax privileges, concessional loans, and investment in tourism facilities. Strategic management in the field of tourism can be considered an activity that will help the tourism company achieve its goals based on its maintaining a competitive advantage and quick reaction to changes in the external environment. That is, the essence of strategic management is characterized by specific goals and efficiency, taking into account the priorities of the external environment.

Suggestions. In order to accelerate the development of the tourism sector, it is advisable to carry out certain measures:

A logical policy and a comprehensive strategy should be developed to ensure the participation of all participants of the tourism market in this process by defining short- and long-term plans for the development of the tourism sector. It is possible to encourage small and medium-sized businesses in

the organization of tourism as a form of entrepreneurship by introducing more financial, credit and tax incentives in terms of socio-economic development of tourism.

These strategies include developing infrastructure, monitoring the diversification and quality of tourism products, establishing up-to-date systems for collecting, analyzing and disseminating tourism statistics, etc.

As a result, it can be said that the strategic line in terms of the promising economic development of the country is resolved.

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