

The Social Mechanisms of Establishing Tourist Economic Organizations

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Keywords: social organization, household organization, tourist economic organization, mechanism of organization establishing, typology of organizations, leadership, management, model, conflict, formalization, bureaucratization, tourism industry.

Summary

Introduction: The rapid development of tourism in Ukraine, becoming commercialized in the process of establishing a market economy led to a spontaneity and chaotic state while creating tourist economic organizations. At the same time, these organizations, like any social organization, are marked with high multidimensionality, and the uncertainty of construction and operation. They belong to complicated systems; their complexity may exceed the management possibilities regarding the control of organizational processes.

Objective: The aim of the research is to reveal the mechanisms for creating of tourist economic organization.

Methods: the work is based on the fundamental ideas of world classics in sociology, the portfolio of domestic and foreign social scientists devoted to management, in particular tourism, which is determined by the following features: management dominance through interaction of people and anthropo-centric approach in its implementation; specific of tourism activity as the management object, insufficient professional qualification of managers in the sphere of tourism.

Results: The research specifies that the tourist economic organization belongs to the super-complicated social systems, which requires simplifying while creating the organization. Mechanisms for such building are: filing, decomposition, aggregation and social formalization. It identifies features of economic social organization; it explains the differences in economic and sociological understanding of the tourism economic organization; it describes the main characteristics of the tourist economic organization.

Conclusion: We should keep in mind that tourist economic organization as a kind of social, takes over the following general features: it is the association of people to achieve certain socio-economic results based on official relations, consequently a system of socio-economic relations focused on achieving the relevant objectives with its own resources, internal regulatory and status structure, within which organization members perform respective functions for the appropriate compensation.

Social problem: The rapid development of tourism in Ukraine, becoming commercialized in the process of establishing a market economy led to a spontaneity and chaotic state while creating tourist economic organizations. At the same time, these organizations, like any social organization, are marked with high multidimensionality, and the uncertainty of construction and operation. They belong to complicated systems; their complexity may exceed the management possibilities regarding the control of organizational processes.

The object of research is social and legal mechanisms for creating of tourist economic organization

Objective: To reveal the mechanisms for creating of tourism economic organization.

Author's idea: to apply the method of standardized organizational relations and norms. Achieving this goal requires solving the following tasks:

- to describe the main characteristics of the tourism economic organization;

- to accomplish a typology of tourist business organizations;
- to distinguish between the leadership and management in activities of tourism economic organizations.

Essential Content: economic tourism organizations also have specific characteristics: the tendency to monopoly, desire to be closed, position hierarchy, individual subordination to teams' interests; conversion fees into privileges; stratification of individuals and groups. Economic tourism organization belongs to highly complicated social systems, which requires simplifying while creating the organization. Mechanisms for such construction are: filing, decomposition, aggregation and social formalization.

Methodological principles and sources of research: work is based on the fundamental ideas of world classics in sociology, the portfolio of domestic and foreign social scientists devoted to management, in particular tourism, which is determined by the following features: management dominance through interaction of people and anthropo-centric approach in its implementation; specific of tourism activity as the management object, insufficient professional qualification of managers in this area.

Main results of scientific innovation and research: within the research the received results are characterized by scientific novelty:

- it specifies that the tourist economic organization belongs to the super-complicated social systems, which requires simplifying while creating the organization. Mechanisms for such building are: filing, decomposition, aggregation and social formalization;
- it identifies features of economic social organization;
- it explains the differences in economic and sociological understanding of the tourism economic organization;
- it describes the main characteristics of the tourist economic organization.

Theoretical and practical value of research: tourist economic organization as a kind of social, takes over the following general features: it is the association of people to achieve certain socio-economic results based on official relations, consequently a system of socio-economic relations focused on achieving the relevant objectives with its own resources, internal regulatory and status structure, within which organization members perform respective functions for the appropriate compensation.

Discussion:

Desire to escape the complexity in organization establishing generates a lot of methods, approaches - systemization, decomposition, aggregating, relating to systems and information about them. As for tourist organizations, the following method to overcome their complexity is used, such as simplification, as a social formalization, i. e. standardization of institutional relations and norms. *Social formalization* as a way of organizing systems is a purposeful formation of standard, impersonal samples of behavior in legal, institutional and socio-cultural forms. Formalization covers controlled connections, status and regulations in social organizations. On account of it, the absolute and relative organizational complexity is reduced.

The most important feature for organizing tourist activities in this way is fixedness of its elements, i. e., contract, documentary fixing them within a unified system of legal, technological, economic and other rules and characteristics. Effective formalization effect occurs, particularly in the concentration and the spread channel of organizational activities to the most optimal direction, namely, the stability of operation, the possibility of more or less sustained prediction of functional processes, organizational effort savings by reducing the amplitude of searches in each situation. On this basis, a formal organization of enterprises, institutions in the tourism sector is being established.

Note that there are *two ways to formalize* social systems. The first way - through *the design of naturally composed state* - based on understanding of previous experience. This analysis established practice of the functional relations fixed in the consciousness as granted leads to the search and separation from the most repetitive, sustained, intransitive items. Formal organized nature is derived or derives from the experience. Such formalization may be called "*reflexive*". For example, the spontaneous distribution of functions being shaped within a long period in any unit of tourist enterprise, once is fixed, and regulated by a special administrative order (document), which becomes the organizational basis for the operation of this unit and a sample for creating new ones. This way of formalization prevailed in the first years of the establishment of new tourist companies and agencies during the transition from the state system of tourism to the market. [1]

Another way of formalization is a "*design of social organization*". In this case, the program creating goes before the actual organization

functioning. For example, the creation of new tourist enterprises envisages the development of preliminary special project, work plan, etc., which organizes its technical and social structures. The previous experience is also used and considered, but only as a precedent, as the lesson. This way of formalization is spread at the present state of tourism industry development in Ukraine. Combining both ways of formalization represents bureaucratization - the process when the organization acquires, according to M. Weber, "the ideal form of organizational structure". [5] The main *features of the bureaucratic organization* are defined the following:

- Bureaucratic organization has a strict hierarchical structure, with precisely divided officials' competences.
- Control is done by written orders following the general rules, which need special preparation. Candidates are selected in accordance with professional qualifications and educational diplomas, and then are appointed by the order.

- Payments and pension rights are fixed and are in strict accordance with the position of local official in the hierarchy. His/her promotion relates to service record, but much depends on the evaluation of top management. Officials of the lower hierarchy rank are subordinate to those who are at higher rank only within the framework of their responsibilities. They are required more devotion of duty rather than a specific person.
- Places in the office are distributed on a free contract basis with pre-agreed conditions; the work can be abandoned because of noncompliance of these conditions. There is the right of resignation. Office and private industry are strictly separated. Official can not put as their private property or position, nor related source of awards. Official is subordinate to unified discipline and unified control system through ongoing reporting of the completed work.
- Service in the office is the only one for the official or, at least, the main place of work.
- Clearly, the bureaucratic features are characteristic for state system of tourism industry management. It is known that bureaucratic orders are embodied in *management model* of corporate organization that postulated separation of property out of management. This model prevailed in developed countries, almost half of the twentieth century, beginning from 1930-ies.

However, modern sociology is not susceptible to exaggerate bureaucracy opportunities for economic organizations because of at least two *reasons* characteristic for tourist organizations.

Firstly, bureaucratization, as formalization in general, is not able to cover all organizational relationships. Thus, informal part always exists along with the formal. This is another type of organization represented by socio-psychological organization as spontaneously composed system of interpersonal relationships that inevitably arise during the more or less durable communication, based on the interaction of employees as individuals. This organization is a result of optional relationships in the tourism organization to achieve satisfaction of their individual social needs (communication, recognition, belonging). [3]

Socio-psychological organization is expressed mainly through group creating. Socio-psychological groups include a small contingent of people, relations between which are formed spontaneously, but which have relatively long time between these direct (face-to-face) relationships. [8] In these groups people are united by common interest, though each of them understands or identifies himself as specific sociality. Maximum size of group is defined to maintain the capability of immediate, personal contact and, according to most researchers, usually consisting out of 3-10 people. It should be added that such a group is characterized by certain socio-psychological unity: solidarity, mutual trust, shared destiny and so on. The limits of such a group may coincide with formal or differ from them, include members of several departments of tourist organizations, split into informal groups, which are outside the organization do not function at all.

Wishing to meet their social needs within the group, tourist company employee depends on it, i. e., the group can control its behavior. At its disposal, there are many means of influence: condemnation, the moral isolation of others. The group has a lot *ways to influence*: disapproval, moral isolation. The group spontaneously formulates own behavior rules, which must comply with every member. Thus, *socio-psychological mechanism* of inner-group control is done. The group members are divided by the scale of prestige. And this division doesn't coincide with the job, rank structure. The group also originates the leadership relations. In other words, the team structure is divided into formal and social-psychological (unit – group, head – leader, position - prestige). This bifurcation could lead to disruption phenomena. Therefore the objective

of the sociologist is to find ways of combining of formal organizations and socio-psychological (the selection of personnel, elected leaders). [7]

But the bifurcation of tourist organizations is not limited. Formal structure comes across not only the socio-psychological, and *out-formal organization* of the personnel.

Business relationships do not fit in a purely formal relations and rules very often. To solve many problems employees have to inter act not envisaged by rules, instructions, all pre-defined requirements, which is quite natural, because the formal structure can not predict everything and should not try to do it.

Thus, if the socio-psychological organization of tourist enterprises, institutions and norms creates connections to meet the needs of employees as individuals - in communication, recognition, belonging, the organization out-formal organization arises from the desire of people as employees to solve their business affairs, but somehow in their own way. These are completely business relationships, but not foreseen by instructions and rules, not confirmed officially-business relationships. Therefore, any tourist organization of course has the "parallel" system and norms. [6] It can be either very useful for organizing or harmful. But it occurs naturally, because of the inability to reach the official standards of all relationships, situations, personal characteristics.

Secondly, it is important the tourist organization that "all-mighty" of bureaucratic economic organization has been questioned by *new theories of financial capital*. Having the concept of "bound Directorate" (interlocking directorships) and "resource dependence" (resource dependency), pointing to a serious dependence of corporate strategy on relations with banks and other financial institutions.[2] Another source of economic power was determined the shareholders consolidation, partly undermining the hegemony leaders.

Exploring the evolution of economic organizations, V. Radayev notes that the background for the formation of models of economic organization in the past decade of the first half of XX century is vertical organization pattern. The former hierarchical structure of the company today is becoming more difficult. Large corporations have shifted from

dominant in the early centuries of centralized functionally oriented structure (P-form) to multi-division structure (M-form). This process goes further - to the formation of horizontal networks as more flexible system of organization compared with the market or administrative hierarchy. Under these conditions, tourist economic organization is getting features of complex social formation. [9]

A new wave of doubt regarding the suitability of bureaucratization theories on modern economic organizations emerged in the sociological community while discussing issues of radical problematic of "postmodern organization". The concept is somewhat paradoxical, given that postmodernism proclaims the general disruption and removal of clear boundaries. The subject is a new type of organizational structure, de-differentiation in the production and consumption or "disorganized capitalism" according to terms of K. Offe, C. Lesch and J. Urry.

New theories of economic organization have appeared following the new tendencies in economic life, particularly in tourism. There exists decentralization of economic management and fragmentation of large tourist organizations, division of labor becomes more flexible and more managerial model are eclectic, organizational rules for tourist activities are being diffused.

This tourist economic organization is becoming more open. Along with its "core" the "peripheral zone" is expanding where economic agents are united not only by formal membership, but the complex network of legal relations and social exchange. It is becoming more difficult to define the limits of tourism firms. [4]

Indeed, where is the end of its property in the cross-ownership of shares or for the production and developed sub-contract system and franchise? The strict boundaries between "tourist company" and the "tourist market" are diffusing, hybrid interactions are spread.

Therefore, understanding of modern economic tourist organization can not be limited to the classical understanding of the bureaucratic structure. The main scientific issue becomes a transition to the analysis of more complex and flexible forms, characteristic for modern organizations.

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Idegenforgalmi szervezetek alapításához vezető társadalmi mechanizmusok

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Kulcsszavak: társadalmi szervezet, családi vállalkozás, idegenforgalmi vállalkozás, vállalkozás alapítás mechanizmusa, vállalkozások típusai, irányítás, vezetés, modell, konfliktus, formalizálás, bürokrácia, turizmus ipar

Összefoglalás

Bevezetés: Ukrajnában a turizmus gyors és spontán fejlődése, mely a piacgazdaság kialakulása során vált kereskedelmi jellegűvé, az idegenforgalmi vállalkozások beindulásával kaotikus állapothoz vezetett. Egyúttal ezek a vállalkozások, mint minden társadalmi szervezet, sokdimenziósak és bizonytalan a szervezetük és a működésük. Bonyolult rendszerekké válnak; összetettségük folytán a vezetőség által irányíthatatlanná válnak, a folyamatokat nem tudják uralni.

Cél: A kutatás célja az, hogy feltárja azokat a mechanizmusokat, melyek az idegenforgalmi vállalkozások létrehozásához vezetnek.

Módszer: A munka a szociológia klasszikusainak alapvető elképzelésein alapul, vezetéssel, különösen turizmussal foglalkozó hazai és nemzetközi tudósok művein, melyek a következő vonásokkal jellemezhetőek: vezetési dominancia emberi interakciók által, a végrehajtás emberközpontú megközelítése; az idegenforgalom specifikumai, mint irányítási cél, a vezetők elégtelen szakképzettsége a turizmus területén.

Eredmények: A kutatás megállapítja, hogy az idegenforgalmi szervezetek a szuperkomplikált társadalmi szervezetekhez tartoznak, amit a szervezet megalkotása során egyszerűsíteni kell. Az ilyen építkezések mechanizmusai: irattározás, leépítés, összesítés, és társadalmi formalizálás. A gazdasági társadalmi szervezetek jellegzetességeit megnevezi; megmagyarázza az idegenforgalmi vállalkozások gazdasági és társadalmi különbségeit; leírja az idegenforgalmi vállalkozások fő jellegzetességeit.

Következtetés: Nem szabad elfelejtenünk, hogy az idegenforgalmi vállalkozás, mint társadalmi szervezet a következő vonásokat veszi fel: hivatalos kapcsolatokon alapuló, egyének szerveződése, mely bizonyos társadalmi-gazdasági eredmények elérése céljából jön létre, következőképpen egy társadalmi-gazdasági kapcsolati rendszer, mely a releváns célok elérésére törekszik a saját erőforrásai igénybevételével, belső szabály- és státuszrendszerével, és a szervezeten belül az egyének megfelelő honoráriumért különféle feladatokat végeznek.
