

## Change Management Initiatives for Romanian Tourism Industry, Based on Benchmarking against South-East Asian and CEE Countries

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Taking into consideration the wide gap between Romania's and other CEE countries' level of development in the travel and tourism industry, the paper aims to identify and apply the most effective change management approach to the tourism industry in Romania, in order to facilitate the country's transition towards a competitive tourism destination. The paper proposes a three-step change management approach for closing this gap: diagnosis of the current state; transformation towards the desired state; evaluation and correction in order to maintain the desired results. The analysis provides a comparison of the strength of travel and tourism industries in Romania vs. two groups of countries that have proved successful in this field in the past 20 years: CEE countries (Bulgaria, Poland, Czech Rep. Slovak Rep., Croatia, Hungary) and SE Asian countries (Malaysia, Thailand, Singapore, Indonesia, Philippines, Vietnam). The paper provides a diagnosis of the current situation of the Romanian tourism industry by analysing the recent history of economic and tourism industry indicators (2008-2013), such as contribution to national GDP, capital investments, etc. An additional mapping of the target countries' current positions follows the Travel & Tourism Competitiveness Index of the World Economic Forum and takes into consideration a two dimensional model based on the destination's level of development and the community engagement, in order to establish the countries' relative competitive positions and the gaps between them. Following the diagnosis of the current state, the paper provides a set of recommended actions, tailored for both public and private sectors, so that Romania may capitalize on its national, historical and cultural resources and become a successful tourist destination, reaching the status of a competitive tourism industry.

**Key words:** marketing strategy, marketing in tourism, change management, travel and tourism, competitiveness

**JEL classification:** M10, O30, R11, L83.

### 1. Introduction

In 2013 the total number of international tourist arrivals in the world reached 1,087 Mn. people, registering a 5% growth from 2012 and a 57.5% growth compared to 2003, maintaining the global upward trend observed in recent years, even through the economic and financial crisis. The preliminary estimates for 2014 indicate a further 5% growth, higher than the initial industry forecasts of 4-4.5% (UNWTO, 2014a; UNWTO, 2014b).

The vast opportunities of the travel & tourism industry have long been recognised by the advanced, as well as the developing countries. The growing and successful travel & tourism market in the Asia Pacific, including the well performing SE Asian region, is the result of over 20 years of government backed initiatives, and a continuous effort to identify opportunities and trends, capitalizing on natural and cultural resources. A good example in this context is the *Visit Malaysia Year* programme launched by the country's government in 1990 that attracted 7.4 Mn. tourists in the first year, 54% more than the previous year. This international campaign promoted local tourist destinations and year-round events, while establishing advantageous partnerships and alliances with stakeholders in the private travel and tourism sector (Ministry of Tourism and Culture Malaysia, 2015).

Public policies regarding the travel and tourism industry go beyond national level, the whole region establishing common goals and implementing common programmes, such as the APEC (Asia-Pacific Economic Cooperation) initiative to support travel facilitation in the region. In an effort to "promote tourism and facilitate business, by making travel more accessible, convenient and more efficient while also safe and secure", the APEC countries established a goal to facilitate visas in the region, research estimates indicating that it will generate an additional 38 to 57 Mn. international tourist arrivals and 62 to 89 Bn. USD in international tourism receipts by 2016. Also, this initiative is expected to increase the number of new jobs by 1.8-2.6 Mn. in the region (UNWTO, 2014a).

The best performing regions in the world in 2013 were Europe, with 563 Mn. inbound international tourists (52% of total) and registering a 5% growth from the previous year, followed by Asia Pacific, with 248 Mn. international tourists (23% of total) and 6% growth from 2012. Industry forecasts indicate that

Asia Pacific will take the lead starting with 2014, when the estimated growth is 5-6%. By 2020 the total number of international arrivals is estimated to reach 1.4 Bn., and 1.8 Bn. by 2030 (UNWTO, 2014a).

In this fast growing and successful industry Romania lags far behind other countries in Central and Eastern Europe with a similar recent history, with regard to the national travel and tourism indicators. For instance, in 2013 the total contribution of tourism in the country's GDP is 5.1%, well below the European and worldwide levels of 9% and 9.5% respectively, while Bulgaria registered a total contribution of 13.3% and Croatia 27.7%. Furthermore, the Romanian tourism industry's total contribution to employment is 5.7%, also below the European (8.5%) and world (8.9%) averages (WTTC, 2014).

At first glance, the main factors generating this situation are the few and inefficient governmental programmes in terms of long-term consistency, doubled by poor communication between the public tourism authorities and the private tourism sector. In our opinion a significant jump in industry indicators can be achieved only by vertical and horizontal cooperation within the sector, as well as with adjacent industries, and also through benchmarking against and getting inspiration from other success stories, such as those of CEE and SE Asian countries. Managing such a large scale change initiative is a difficult endeavour that requires highly effective change management skills, methodologies and tools.

The paper aims to identify and suggest an effective change management approach to the travel and tourism industry in Romania, in order to facilitate the country's transition towards a competitive and successful tourism destination. Based on an analysis of the Romanian tourism industry compared to other CEE countries, as well as to SE Asian countries that have proved successful in this field in the past 20 years, the paper provides a three-stage approach to closing the gap: diagnosis of the current state; transformation towards the desired state; evaluation and correction in order to maintain the desired results. In order to facilitate the planning, execution and monitoring of this transition, the paper provides guidelines based on the well known organizational change methodology from John Kotter (Kotter, 1996).

## **2. Current status of the travel and tourism industry in Romania compared to CEE and SE Asia**

Industry sources indicate that, even though tourism has registered constant growth during the economic and financial crisis (2008-2013), Romania is still far from reaching its potential in the field. The Travel & Tourism Competitiveness Report for 2013 ranks Romania on the 68<sup>th</sup> position in the world (out of 140), based on the Travel & Tourism Competitiveness Index (TTCI) that measures "the factors and policies that make it attractive to develop the T&T sector in different countries". Romania's position has dropped compared to 2011 (63) and 2009 (66) (World Economic Forum, 2013).

Other CEE countries that are comparable to Romania rank much higher in the global top, from Czech Rep. (31) to Slovak Rep. (54). In a similar manner, SE Asian countries that are well known tourist destinations rank either in the top 50, such as Singapore (10), Malaysia (34), and Thailand (43), or closely after Romania: Indonesia (70), Vietnam (80), and the Philippines (82).

The TTCI is constructed taking into consideration 14 elements (pillars) that provide a comprehensive description of the T&T industry at country level:

- *T&T regulatory framework*: (1) policy rules and regulations, (2) environmental sustainability, (3) safety and security, (4) health and hygiene, (5) prioritization of T&T;
- *T&T business environment and infrastructure*: (6) air transport infrastructure, (7) ground transport infrastructure, (8) tourism infrastructure, (9) ICT infrastructure, (10) tourism infrastructure, (11) price competitiveness in the T&T industry;
- *T&T human, cultural, and natural resources*: (12) human resources, comprising of education, training and availability of qualified labour, (13) affinity for T&T, (14) natural resources, cultural resources.

The lowest scores registered by Romania for three elements (pillars), resulted in the following global ranking (World Economic Forum, 2013):

- (5) *prioritization of T&T*: 103 out of 140;
- (7) *ground transport infrastructure*: 109 out of 140;
- (13) *affinity for T&T*: 122 out of 140.

### 3. Change management application in the travel and tourism industry

Organizational change management has proved to be a valuable managerial skill in ensuring the survival and development of companies in a fast paced economic environment, both during the economic crisis, and once the world economy began its recovery.

Change management provides the conceptual framework, as well as a wide variety of methodologies and tools, to effectively support a company in transition towards a desired state (Cameron & Green, 2009). A large share of organizational change models approach change as a three stage process: the current stage, the transitional stage (or *the transformation*) and the future/desired stage (Uhl, 2012).

Change management focuses on creating the necessary conditions to best assist people in the company (managers, employees, and other stakeholders) to transition towards the desired state, taking into consideration different dimensions of the change: values, attitudes, culture, skills, technology, processes, strategies, policies, behaviours, etc. Also, change management takes into consideration that a change process impacts people both on individual and group levels, and that change itself generates resistance that requires specific approaches and management. Other common obstacles in managing a successful change process are: inefficient support from leaders, insufficient resources and poor communication (PROSCI, 2014).

Regarding the travel and tourism industry in Romania, the aim is to apply the basic three-stage approach of change management in order to best assist its transition towards a competitive and successful tourists' destination, as follows:

1. *diagnosis of the current state* in the tourism industry in Romania, including a recent history (2008-2013) and mapping the current status against other countries;
2. *transformation towards the desired state*, by *setting the goals* for a competitive tourism industry, followed by *designing and implementing* a set of recommended steps for achieving the desired state;
3. *result evaluation and corrections* for maintaining the status of a competitive tourism industry.

One of the best known models, that provides clear and structured guidelines for managing a change process within an organization is the 8-step model proposed by John Kotter in the 1990' (Kotter, 1995; Kotter, 1996) and presented in Table 1. We further propose that this model can also constitute a basic road map for transforming the travel and tourism industry in Romania, for both the public and private sectors in Romanian travel and tourism.

| Nr. | Stages                                      | Kotter model steps  |
|-----|---|---|
| 1   | diagnosis of the current state              | Step 1. Establish a sense of urgency ( <i>investigating the current economic conditions, the market; identifying the crisis; identifying opportunities; rallying stakeholders; mapping/benchmarking the current situation against other success stories, etc.</i> ) |
|     |   | Step 2. Form a powerful guiding coalition ( <i>putting together a group of stakeholders and experts committed to steer the change process</i> )   |
| 2   | transformation towards the desired state    | Step 3. Create a vision ( <i>establishing a comprehensive vision to direct the transformation process</i> )   |
|     |   | Step 4. Communicate the vision ( <i>delivering the message of the vision to all involved by all means necessary; role-modelling new attitudes and behaviours</i> )  |
|     |   | Step 5. Empower others to act on the vision ( <i>removing obstacles; change and/or establish systems, structures, procedures, and tools in order to support the transformation; act according to the vision</i> )   |
|     |   | Step 6. Plan for and create short-term wins ( <i>establish specific short-term goals with quantifiable results; recognising the contribution of valuable inputs from participants</i> )   |
| 3   | evaluating results and applying corrections | Step 7. Consolidate improvements and produce more change ( <i>rely on earlier success to build further along the same vision; empowering successful contributors; establish new short-term goals to keep the change process alive</i> )                             |
|     |   | Step 8. Institutionalize new approaches ( <i>learn from the change process and transform lessons learned into new guidelines; institutionalize the new attitudes and behaviours; setting new goals based on lessons learned</i> )                                   |

**Table 1. The 8-step change management model proposed by John Kotter.**

Source: adapted from Kotter, 1995; Kotter, 1996.

#### 4. Comparison between Romania and CEE/SE Asian countries

A brief analysis of macroeconomic indicators, such as the GDP per capita in 2013, puts Romania (6,696 EUR) below the global average (8,043 EUR) and far behind the EU-28 average (21,907 EUR). Romania is only ahead of Bulgaria (5,671 EUR), and some of the SE Asian countries. In this context, it is surprising that countries such as Bulgaria and Thailand, with lower macroeconomic indicators, are far ahead in the travel and tourism industry (ch. 5).

In CEE, Croatia reports the highest share of capital investment in the tourism industry (10.3%), compared to Romania's 7.3%, while in SE Asia, Thailand and Malaysia have similar levels of capital investment in tourism: 7% and 7.7%, respectively.

Currently, Romania has the lowest total contribution of the travel and tourism industry to the national GDP in the CEE countries, 5.1% in 2013, and expected to grow by 0.5% over the next decade. Countries such as Hungary (10.6%), Bulgaria (13.3%) and Croatia (27.8%) are even above the EU-28 (9%) and world (9.5%) averages (Figure 1). Also, Romania registers a total contribution to GDP lower than all SE Asian countries under analysis, including those with much poorer macroeconomic indicators, such as Vietnam, Indonesia and the Philippines (Figure 2).

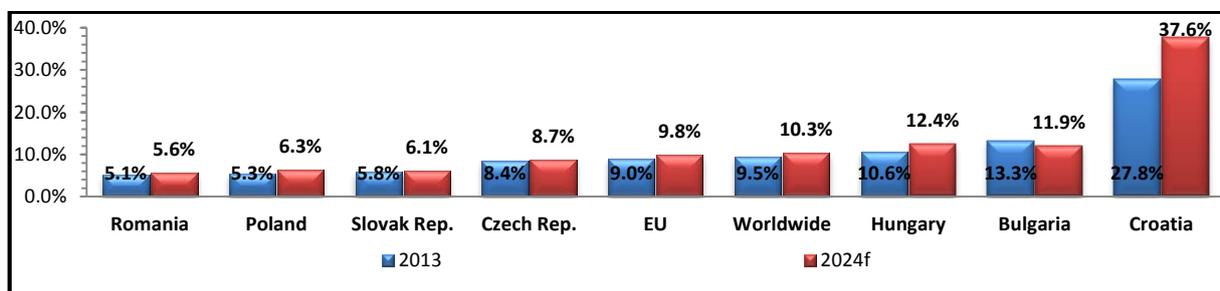


Figure 1. Total contribution of tourism industry to GDP in 2013 (reported) and 2024 (forecast), Romania vs. CEE countries.

Source: adapted from *World Travel & Tourism Council*, 2014.

Current estimates for the next decade, based on a variety of factors (national policies, estimated industry investments, demographics, etc.) do not indicate major changes. If Romania follows the trend registered in the past few years, it will continue to remain behind the other CEE countries. Croatia, who has best understood the great potential as a tourist destination and has capitalized on its assets, is expected to increase the industry's contribution to GDP by 10% until 2024, to a total of 37.6% (Figure 1). Similarly, the tourism sector in Croatia is expected to increase its total contribution to employment from 29.9% to 36.9% over the next decade. By comparison, Romanian tourism contributes to employment by 5.7% in 2013, and is expected to raise this share up to 6.5% by 2024 (WTTC, 2014).

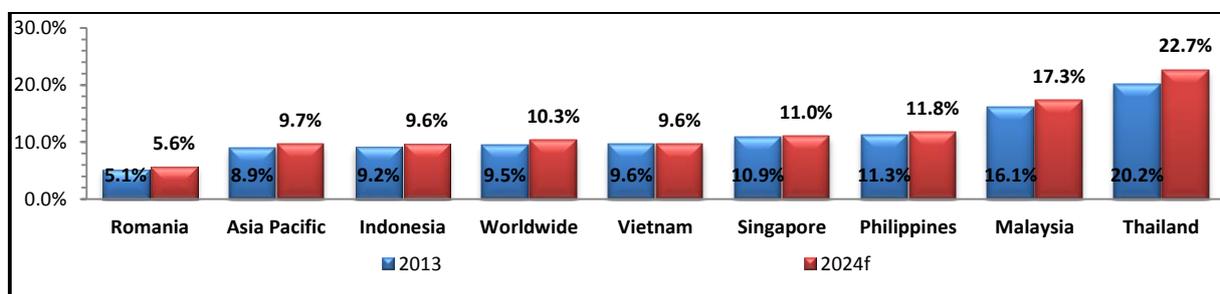


Figure 2. Total contribution of tourism industry to GDP in 2013 (reported) and 2024 (forecast), Romania vs. SE Asian countries.

Source: adapted from *World Travel & Tourism Council*, 2014.

With regard to the total number of international tourist arrivals, CEE countries registered a 5% growth from 2012 to 2013, same as the worldwide average. Romania registered a modest growth of 3.5%, with only Hungary (3.1%) and Czech Rep. (-4.8%) showing poorer results. Overall, SE Asian countries showed a 10.6% growth in tourist arrivals, with Singapore registering a record 40.6% growth, and only

Malaysia registering a modest growth of 2.7% (UNWTO, 2014b).

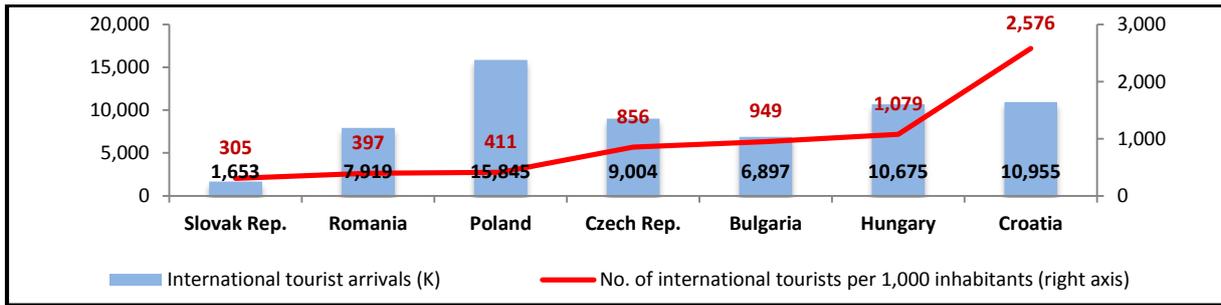


Figure 3. International tourist arrivals in 2013 (K), Romania vs. CEE countries. Note: The average number of international tourists per 1,000 inhabitants is: EU-28 (853), Worldwide (152), SE Asia (151). Source: adapted from UNWTO, 2014b.

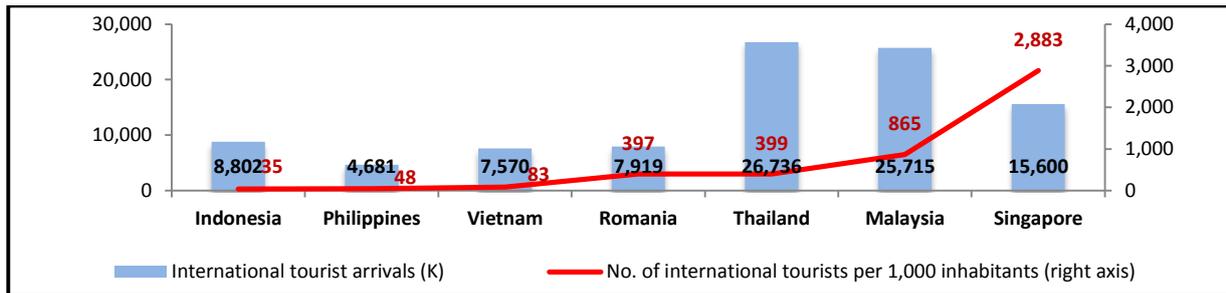


Figure 4. International tourist arrivals in 2013 (K), Romania vs. SE Asian countries. Note: The average number of international tourists per 1,000 inhabitants is: EU-28 (853), Worldwide (152), SE Asia (151). Source: adapted from UNWTO, 2014b.

Even though Romania reported a total of 7,919 K. international arrivals in 2013, higher than Bulgaria (6,997 K.), the ratio per 1,000 inhabitants is the second lowest in the region (397), while region’s averages vary from 411 in Poland to 2,596 in Croatia (Figure 3). The most successful tourist destinations in SE Asia also report higher ratios of tourist arrivals per 1,000 inhabitants: Thailand (399), Malaysia (865), and Singapore (2,883), taking in account the large population of first two countries (Figure 4).

### 5. Mapping differences between Romania and CEE and SE Asian countries

According to the Travel & Tourism Competitiveness Index, the ranking of SE Asian countries range from 10<sup>th</sup> place occupied by Singapore to Philippines, which is placed on the 82<sup>nd</sup> position. In CEE, the best performer is the Czech Rep., while Romania, with the 68<sup>th</sup> position occupies the last place (Figure 5; Figure 6).

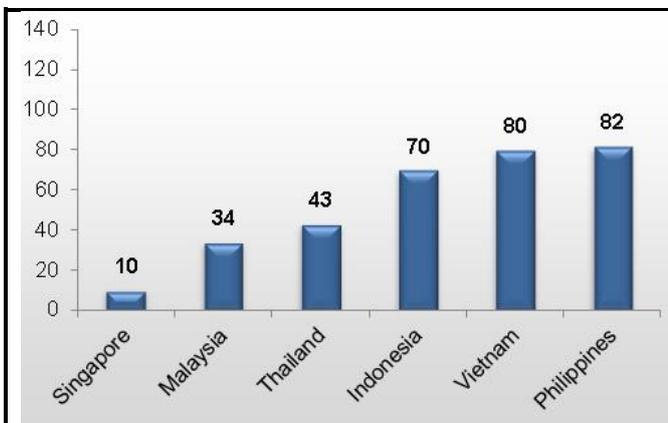


Figure 5. Selection of SE Asian countries ranked according to the Travel & Tourism Competitiveness Index 2013. Source: adapted from World Economic Forum, 2013.

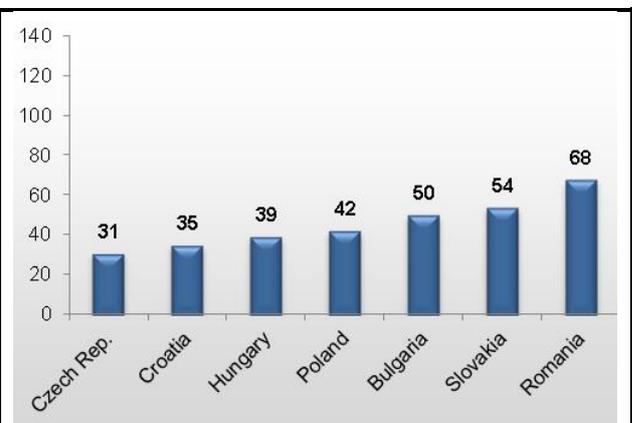


Figure 6. Selection of CEE countries ranked according to the Travel & Tourism Competitiveness Index 2013. Source: adapted from World Economic Forum, 2013.

According to Destination Marketing Association Intl. the studied countries can be seen as:

|   |   |
|---|---|
| <p><b>Established Destination – Characteristics:</b></p> <ul style="list-style-type: none"> <li>• Long-term destination marketing plan</li> <li>• Diverse markets and customer segments</li> <li>• High awareness of the destination</li> <li>• Convenient to get to and move around</li> <li>• Good scope of infrastructure and products</li> <li>• Ease of doing business</li> <li>• Long-term performance success</li> <li>• Wide portfolio of activities and events</li> <li>• Foundation of business forecast on future bookings</li> <li>• DMO is highly respected and accountable</li> </ul>   | <p><b>Developing Destination – Characteristics:</b></p> <ul style="list-style-type: none"> <li>• Destination marketing plan in place</li> <li>• Markets and customer segments being tested and explored</li> <li>• Medium awareness of the destination</li> <li>• Some concerns on transportation access</li> <li>• Mixed quality and quantity of facilities and products</li> <li>• Some improvements in customer servicing needed</li> <li>• Business results lag behind some key competition</li> <li>• Need for more activities and events</li> <li>• Business forecast based on future bookings is moderate</li> <li>• DMO developing its organization capacity</li> </ul>                                   |
| <p><b>Strong Community Engagement – Characteristics:</b></p> <ul style="list-style-type: none"> <li>• Long-term destination management strategies</li> <li>• Political support</li> <li>• Local resident appreciation for tourism</li> <li>• High industry participation</li> <li>• Businesses outside of tourism engaged with the tourism industry</li> <li>• High standards of customer service</li> <li>• Good alignment of partners and stakeholders</li> <li>• Industry respects natural and cultural assets in community</li> <li>• Appropriate level of resources to market and manage</li> <li>• DMO is at the table on local issues and plans</li> </ul> | <p><b>Weak Community Engagement – Characteristics</b></p> <ul style="list-style-type: none"> <li>• Lack of a destination management plan</li> <li>• Political support comes and goes</li> <li>• Local residents not aware of tourism's importance</li> <li>• Industry inconsistent in their involvement</li> <li>• Limited connection to businesses outside of tourism industry</li> <li>• Customer service quality varies from place to place</li> <li>• Lack of an integrated approach with partners and stakeholders</li> <li>• Industry concerned only with its own needs</li> <li>• Lack of funding to market and manage the destination</li> <li>• DMO has little involvement with the community</li> </ul> |

**Table 2. The main characteristics of tourism destinations.**

Source: adapted from *Destination Marketing Association International*, 2014.

However, there are strategies that can help destination countries acknowledge their setbacks and enhance their overall tourism performance. One such model takes into account two determining variables: strength of destination (e.g., current market position, brand strength, air transport infrastructure, quality of service and infrastructure) and the level of community support and engagement (e.g., political support, regional support, community understanding of tourism impact, potential membership satisfaction) (Destination Marketing Association International, 2014, p. 22). The characteristics corresponding to the destination's strengths and community's engagement are presented in Table 2, while the intersection of these determining variables generates four different strategic positioning quadrants (Figure 7).

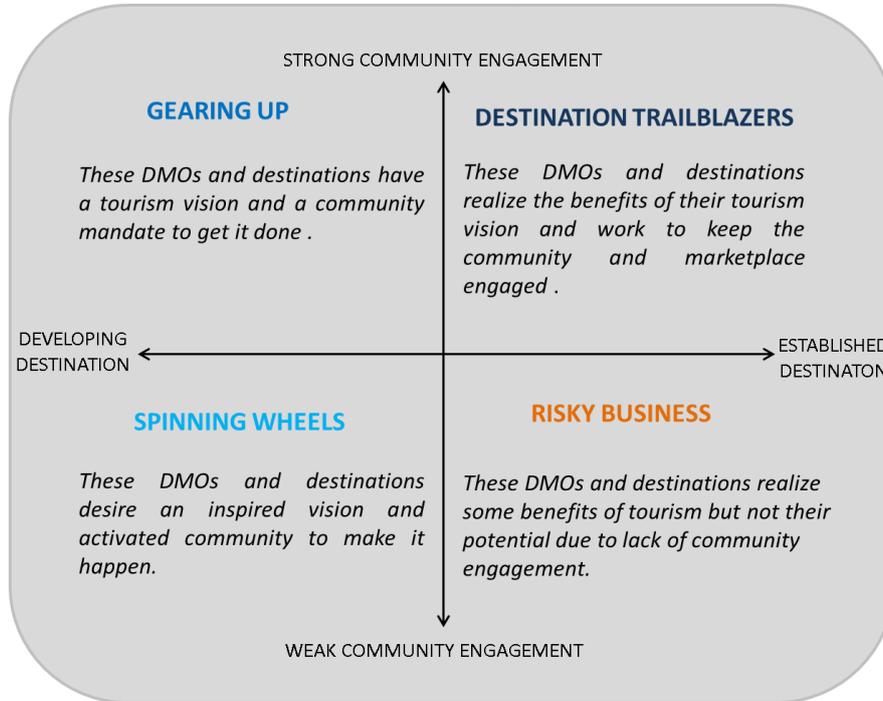


Figure 7. Scenario model

Source: adapted from Destination Marketing Association International, 2014, p. 22.

In order to map the SE Asian states and CEE countries on this framework, we have selected from the Travel and Tourism Competitive Index (World Economic Forum, 2013) the criteria corresponding to the two dimensions.

Henceforth, for the destination criterion the selection included: air transport infrastructure, ground transport infrastructure, tourism infrastructure, business environment and tourism infrastructure and for the community criterion, prioritization of T&T, affinity for T&T, natural resources and cultural resources were selected. The T&T Competitiveness Index positions a country in a top of 140 and also grants a mark from 1 to 7 (1 meaning the lowest level of development and 7 the highest) for a number of pillars, greater than the ones selected for our analysis. Based on the average mark received for the components of each of the two dimensions – destination and community – which is very similar with the overall mark received for all the pillars, the countries present themselves as follows:

The Travel & Tourism Competitiveness Index mainly shows the current state while the mapping is more concentrated on the direction towards which a destination is heading. Even though Romania is ahead of a few South East Asian countries such as Indonesia, Vietnam and Philippines (Figure 8), its position does not seem to change in the future, at least not for the better. Furthermore, taking into account that Romania’s position in the T&T Index has dropped from 63 in 2011 to 68 in 2013, some urgent measures must be taken to put the country on the right track (Figure 9).

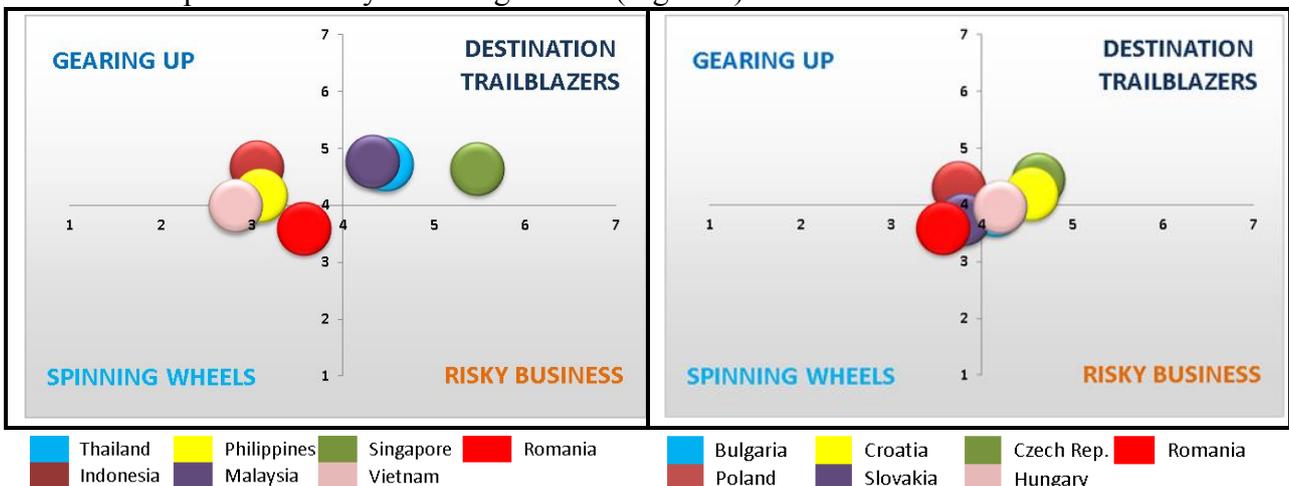


Figure 8. Mapping SE Asian countries vs. Romania

Figure 9. Mapping CEE countries vs. Romania

## 6. Recommendations for reducing the gap between Romania and CEE/SE Asian countries

In order to increase Romania's competitiveness in the travel and tourism industry, a series of measures should be adopted by both the public and private sectors. Among the most important measures we propose the following, matched to the Kotter model of managing change processes (Kotter, 1995; Kotter, 1996):

| PUBLIC SECTOR  | PRIVATE SECTOR   |
|--|--|
| <b>1. Establish a sense of urgency</b>   |  |
| <ul style="list-style-type: none"> <li>Increase focus on travel and tourism industry as a Priority of Romania's Government, in light of the economic growth brought by an increase of the tourism industry (in the CEE, EU and global);</li> </ul>   | <ul style="list-style-type: none"> <li>Start to benchmark and think strategically;</li> <li>Participate actively in the initiatives and processes put in place or supported by the public authority in the field of tourism (try to influence and follow);</li> </ul>  |
| <b>2. Form a powerful guiding coalition</b>  |  |
| <ul style="list-style-type: none"> <li>Establish a long-term partnership among public and private sectors, as well as the academic environment, that will continuously boost the focus on travel and tourism industry as a National Priority;</li> <li>Prioritize and coordinate support for travel and tourism across the Ministries and other public institutions;</li> <li>Create strong and effective regional association with the other CEE/EE target countries;</li> </ul>  | <ul style="list-style-type: none"> <li>Form a multi-stakeholder participatory coalition (NGOs, community based organisations, enterprises and experts), and develop partnerships at local, national and regional levels in order give all the actors the chance to express their opinion on how tourism is developed and managed;</li> <li>Create public-private partnerships to improve regional tourism industry and ensure that targets are prioritized to make best use of scarcer resources;</li> </ul>   |
| <b>3. Create a vision</b>  |  |
| <ul style="list-style-type: none"> <li>Correctly design and adjust a multi-annual (5-10 years) Travel and Tourism Strategy with clear objectives, output and outcome indicators, adapted to the current situation in Romania and international trends in the field;</li> </ul>   | <ul style="list-style-type: none"> <li>Elaborate long term business strategies and business plans, based on well thought analysis;</li> <li>Collaborate with the public sector, as well as the academic sector, in establishing clear objectives and feasible outcomes;</li> </ul>   |
| <b>4. Communicate the vision</b>   |  |
| <ul style="list-style-type: none"> <li>Develop a Romanian Tourism Marketing Campaign, based on the multi-annual Travel and Tourism Strategy, particularly focused on Romania's competitive advantage in the region; deliver it adapted to national, regional, European and international audiences;</li> </ul>   | <ul style="list-style-type: none"> <li>Participate in developing the Romanian Tourism Marketing Campaign, and capitalize on its strengths when using own marketing channels;</li> <li>Develop new marketing channels and partner with Romanian or foreign entities sharing the same vision;</li> </ul>   |
| <b>5. Empower others to act on the vision</b>  |  |
| <ul style="list-style-type: none"> <li>Establish an updated and modern framework for education &amp; professional training in travel and tourism (aligned with the new strategy);</li> <li>Create partnerships between central/local authorities and the private sector entities, in order to best capitalize on local and regional tourism opportunities</li> <li>Engage the public by making them fully aware of the benefits brought by the development of the travel and tourism industry;</li> <li>Offer incentives for faster alignment of public and private entities to the new vision;</li> </ul> | <ul style="list-style-type: none"> <li>Foster a skilled workforce (through proper recruitment and training);</li> <li>Create and maintain opportunities for innovative and efficient employees, recognizing added value provided by talented people;</li> <li>Create strong associations, sharing best practices, management knowledge &amp; business opportunities;</li> <li>Encourage all establishments to upgrade their standards of service (particularly small, medium and micro-enterprises) enforcing those standards through industry specific control levers;</li> </ul> |
| <b>6. Plan for and create short-term wins</b>  |  |
| <ul style="list-style-type: none"> <li>Identify and focus on pilot projects, learning from these, increasing their success chance and offering success stories to stakeholders;</li> <li>Prioritize allocation of available public funds and resources, aligning different public authorities (irrespective of political colour);</li> <li>Support and develop the tourism ICT infrastructure, adapted to the international trends in the field;</li> </ul>  | <ul style="list-style-type: none"> <li>Test new business models and increase investment in product development and product innovation;</li> <li>Capitalize on international travel and tourism consumer trends by adapting own business models;</li> <li>Start to cooperate with other businesses to maximise benefits and create win-win situations;</li> <li>Identify own strengths and start exploiting these first;</li> </ul>   |
| <b>7. Consolidate improvements and produce more change</b>   |  |

| PUBLIC SECTOR  | PRIVATE SECTOR  |
|--|---|
| <ul style="list-style-type: none"> <li>• Support the implementation of the National Strategy and the Marketing campaign, by promoting the competent people to reinforce the change;</li> <li>• Reshape the public authorities structure according to the newly identified need for competency, flexibility and coverage;</li> <li>• Promote a new performance management system, based on the new strategy and the results envisaged;</li> </ul> | <ul style="list-style-type: none"> <li>• Reward successful change management initiatives and agents;</li> <li>• Create an internal change management team responsible for all change initiatives;</li> <li>• Plan initiatives and investments to contribute to the broader local economic development strategy;</li> <li>• Make the necessary adjustments in the management team, based on the current business needs;</li> </ul> |
| 8. Institutionalize new approaches   |   |
| <ul style="list-style-type: none"> <li>• Monitor and evaluate the implementation of the National Travel and Tourism Strategy and adapt its content from year to year, by taking into consideration the evolution of the Romanian economy and international tourism trends;</li> <li>• Create and maintain a structure of well-paid experts working in management positions in tourism related authorities.</li> </ul>                            | <ul style="list-style-type: none"> <li>• Provide constant support in developing the National Travel and Tourism Strategy, by providing skilled consultancy and own research data;</li> <li>• Encourage business relationships between foreign entrepreneurs and local and emerging entrepreneurs;</li> <li>• Promote a new set of management and operational standards, periodically revisited</li> </ul>                         |

**Table 3. Recommendations for the public and private sectors in Romania in order to determine the transition towards a competitive tourism industry, based on the 8-step Kotter model.**

## 7. Conclusions

The paper aimed to provide a comparative look at Romanian travel and tourism industry today vs. more successful examples from Central and Eastern Europe (Bulgaria, Croatia, Hungary, Poland, Czech Rep., Slovak Rep.) and South-East Asia (Singapore, Malaysia, Thailand, Indonesia, Vietnam, Philippines), and provide a change management approach to foster its transition towards a competitive tourist destination.

The three stage change model involves an initial diagnosis of the current state of the industry based on macroeconomic and tourism indicators and comparison between Romania and more competitive clusters of countries in CEE and SE Asia, followed by mapping their relative positions according to a two dimensional model consisting of destination development level and community engagement (Romania scored as a “spinning wheel” destination, the least developed among the investigated group of countries). Further, we endeavoured to provide a preliminary set of recommendations for both the public and private sectors in Romania that we estimate would result in a transition towards a more competitive tourist destination.

These preliminary recommendations are proposed by referencing the change management methodology of John Kotter, a well known teacher and professional in the field. According to the 8 steps of this methodology, we provide a parallel between the public and private sectors of the travel and tourism industry in Romania, and the necessary measures for transitioning towards a more competitive market, from establishing a sense of urgency, creating and communicating a vision, to acting on this vision and institutionalizing the positive results. The Kotter methodology also allows for adjustments along the implementation of the change process, whether at a small (organizational), or large (regional / national) scale. It also takes into consideration the human aspects specific to the change management approach, as well as the management of resistance to change.

This research is to be further developed in order to improve the depth of recommendations, based on continuous monitoring of the evolution of the travel and tourism sector in Romania.

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